Chapter 6

Capital Markets

Capital market is one of the most crucial indicators to demonstrate an economy's health as it serves as an imperative constituent of the financial sector. It acts as a medium of transforming surplus capital available with non productive sources to the dynamic channels of the economy. Capital market has an important role in setting off domestic capital and directing it to fruitful investments. A competent capital market can also offer a broad range of stirring opportunities equally for domestic as well as foreign investors.

Stock (equity) and Debt markets are jointly called as Capital markets. The capital markets grant a platform for hoisting the long term investment needs of businesses by means of equity and long term debt. It serves as an attraction for investors with a long term investment perspective.

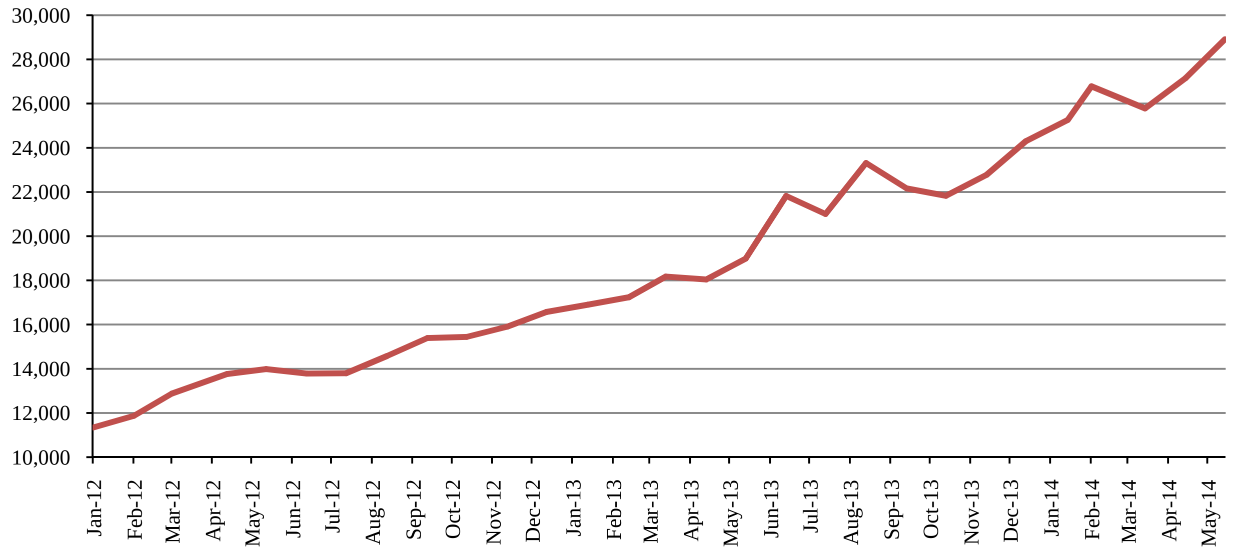
Capital Market offers an imperative alternative platform of long-term investment for enduring and dynamic investments. It also helps in diverting strains on the banking system by harmonizing long-term capital with long-term investments. Capital markets set a platform for investment opportunities to support economic ethnicity decisive in escalating domestic savings as well as investment ratios that are necessary for swift industrialization. It promotes the idea of broader possession of industrious assets by undersized savers and facilitates them to extract benefit from country's economic expansion and wealth distribution. It encourages public-private sector partnerships to promote contribution of private sector in prolific investments. Capital markets have an evident role in transferring dynamic force of economic growth from public to private sector to improve economic efficiency. There is great role of capital markets in reducing resource gap and balances the endeavor in financing vital socio-economic progress, through increasing long-term project based capital. The capital allocation efficiency improves through viable pricing system for enhanced utilization of limited resources for improved economic development.

Pakistan's capital market has two important elements as an equity market, which is composed of three stock exchanges and a transitional financial system extensively influenced by Non-Banking Financial Institutions (NBFIs). Pakistan's capital and stock markets have witnessed impressive growth on account of market-friendly and investment-friendly policies pursued by the government. The KSE-100 index (Pakistan's benchmarked stock market) has increased from 11,348 points in January 2012 to 28,913 points in April 2014 - a rise of over 17,565 points or an increase of 155 percent (Fig.6.1). Similarly aggregate market capitalization has increased from Rs. 2,961 billion ($32.9 billion) in January 2012 to Rs. 7,116 billion ($72.2 billion) in April, 2014, showing a rise of over Rs.4155 billion ($39.3 billion) or an increase of 140 percent in rupee term. The listed capital at KSE has increased from Rs. 1,048.44 billion as on end-December, 2011 to Rs.1,153.18 billion in April, 2014.

Performance of Karachi Stock Exchange during 2013-14

During FY14 (July-April), KSE 100 Index increased by 38 percent and closed at 28913 points on April 30, 2014. The huge rally in the stock market is an indication that the market participants expect the economy in general and the listed companies especially will perform well over the next few years. The market rally since the General Elections held on the 11th of May, 2013 is primarily driven due to the change of government in the country resulted in taking control of the present government of PML(N). Consequently, the post-election market increased by more than 45 percent till April, 2014. Other reasons that pushed the market into an uncharted territory include robust foreign interest, the healthy earnings growth and improvement in business sentiments. Another reason is the investor moratorium applied in January, 2013 by the Securities and Exchange Commission of Pakistan (SECP), in collaboration with the KSE which allows foreign investors to bring investments to Pakistan with no questions asked about the money's origin and sources.

Fig-6.1: Trends in KSE 100 Index



Working of Finance Division

On the economic front, GDP recorded 3.7 percent growth in FY13 and some of the local and international financial institutions including SBP, IMF, World Bank, etc. has projected the GDP to grow around between 3-4 percent and further to pick momentum from FY15 onwards. However, the GDP for FY14 recorded a growth of 4.14 percent, much ahead of the estimated growth by international agencies. The improvement in industrial growth came from the better margins for domestic producers; capacity enhancement in paper, motor tyres and iron and steel; investment in alternate energy; strong construction growth and better financial conditions in POL. Load shedding has been reduced due to significant reduction in the circular debt. Overseas Pakistani workers remitted an amount of $12.89 billion during first ten months of current fiscal year showing a growth of 11.45 percent compared with $11.57 billion received during the same period of last year. The average Inflation recorded during July-April (2013-14) was 8.68% beating the market consensus of above 10%, it is expected that full year CPI to average in single digit. The IMF has also projected end year inflation about 8.8 percent and 8.1 percent for FY15. The government's interest in privatization of public sector entities will also bring improvement in economic growth of the country. Growth of Large scale manufacturing has been strong during this period. The fiscal deficit has been contained while the private sector credit has increased. The fiscal authority has been able to borrow long term loans and rupee has appreciated against the dollar. The foreign exchange reserves of SBP have increased noticeably due to issuance of Eurobond and 3G / 4G licenses resulting in US $ 2 billion and around US $ 1.1 billion inflow respectively. European Union has granted the Generalized Scheme of Preferences (GSP) Plus status to Pakistan in December 2013. This status will increase the access to the EU market through duty free imports of textile and non textile products. The grant of the GSP Plus status is effective from January 1, 2014. This is indeed a positive development. The prospects of duty-free under the GSP Plus access for textile and clothing suggest enormous scope for Pakistan's exports expansion. Due to the above listed developments, positive sentiments have been prevailing in the stock market since 11th May, 2013.

Description		As on 11th May 2013	End April 2014	% growth since 11th May, 2013
KSE 100 Index		19,916	28,913	45.2
Total Market Capitalization (In billion)	Rs.	5,050	7,116	40.9
	US$	51.3	72.2	40.7

Source: Business Recorder Research, Ministry of Finance calculations

A total of, 559 companies were listed at Karachi Stock Exchange with the listed capital of Rs. 1,153 billion (US $ 11.77 billion) with the market capitalization of Rs. 7,116 billion (US$ 72.2 billion) as at end-April, 2014. KSE 100 Index opened at 21,006 points on July 1, 2013 and closed at 25,261 points at the end of calendar year 2013, showing a gain of 20 percent over this period. The bullish trend in KSE is also continuing in 2014 with further gains. The KSE 100 index closed at 28,913 points level as on end April, showing a cumulative gain of 38 percent during first ten months of current fiscal year. The benchmark index touched historical high of 29,458 points on April 16, 2014. The total traded volume in the Ready market for the July – April period was more than 48 billion shares. The average daily volume has been recorded at 237 million shares as against the average daily turnover of 221 million shares in FY13.

Table 6.1 Profile of Karachi Stock Exchange

Description	2009-10	2010-11	2011-12	2012-13	2013-14 (end April 2014)
Total Listed Companies	652	639	591	569	559
New Companies Listed	8	1	3	4	4
Fund Mobilized (Rs. in billion)	111.8	31.0	115.1	29.5	37.5
Total Listed Capital (Rs. in billion)	909.9	943.7	1,069.8	1,116.0	1,153.2
Total Market Capitalization (Rs. in billion)	2,774.5	3,316.5	3,492.5	5,336.4	7,116.0
Total Shares Volume (million)	42,959.1	28,018.1	38,100.0	54,319.0	48,494.3
Average Daily Shares Volume (million)	172.5	111.6	150.0	221.0	236.6

Source: Karachi Stock Exchange, Business Recorder Research

During the period July–April, the process of new listing on equity and debt segment remained slow and only four companies were listed. In the later part of December 2013, subscription of Engro Fertilizer IPO for 75 million shares at the rate Rs. 28.25 per share was very well received by investors and was oversubscribed by 3.4 times.

KSE launched numerous focused campaigns to generate large scale awareness amongst individual savers regarding the role of capital market in the overall context for their long term financial planning. In this regard, more than 20 programs have been conducted in collaboration with other market participants.

To strengthen and deepen the money market in line with the international best practices, KSE requested government to allow trading of government securities through stock exchanges. Government has accepted the proposal and the trading of government securities have been started through stock exchanges. This will attract retail and international fixed income funds to invest in government securities. Presently retail investors have little direct ownership of government bonds and bills. Federal Minister of Finance and Economic Affairs has launched the trading of government debt securities at stock exchange on February 18, 2014.

KSE is actively working on the development of Small and Medium Enterprises (SME) trading counter at stock exchange. The Small and Medium size segment constitute nearly 90 percent of all the enterprises in Pakistan; employ 80 percent of the non-agricultural labor force; and its share in the annual GDP is 40 percent, approximately. The small and medium enterprise is constrained by lack of financial resources and requires a mechanism through which flow of funds can be observed into a small company or new startup in the form of an investment rather than a loan. The Small and Medium Enterprises (SMEs) play a catalytic role in the development process of most economies as they constitute a major part of the industrial activity in these economies.

Table 6.2: Leading Stock Market Indicator on KSE (KSE-100 Index: November (1991=1000)

Months	2012-13			2013-14		
	KSE Index (end Month)	Market Capitalization (Rs. billion)	Turnover of shares (billion)	KSE Index (end Month)	Market Capitalization (Rs. billion)	Turnover of shares (billion)
July	14,577.00	3,797.20	2.0	23,313.00	5,919.28	6.6
August	15,391.58	4,051.13	2.8	22,161.00	5,686.14	3.8
September	15,444.82	4,037.74	2.8	21,833.00	5,346.46	4.7
October	15,910.11	4,090.70	2.6	22,776.00	5,570.99	2.3
November	16,573.86	4,307.76	4.5	24,302.00	6,030.82	2.9

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December	16,905.33	4,375.90	3.3	25,261.00	6,213.44	4.8
January	17,242.74	4,468.10	3.5	26,784.00	6,787.07	7.2
Febraury	18,173.67	4,647.30	5.4	25,783.28	6,447.00	4.7
March	18,043.31	4,609.90	5.1	27,159.91	6,759.58	4.8
April	18,982.42	4,822.14	3.9	28,912.98	7,115.76	6.7
May	21,823.05	5,502.20	7.5	-	-	-
June	21,005.69	5,336.36	7.1	-	-	-

Source: Karachi Stock Exchange, Business Recorder Research

Sectoral performance of Karachi Stock Exchange

Oil & Gas

In this sector 12 Companies were listed at Karachi Stock Exchange. It is one of the most dominant sectors in the stock market. In addition to Oil and Gas exploration companies, Oil marketing Companies and Refineries are also listed in this sector. Due to increase in consumption and change in well head prices, Pakistan Oil and Gas sector has shown good profits, Oil & Gas sector continued to be one of the major market players in the current year.Companies like OGDCL, PSO PPL, Mari Petroleum, Pak Refinery, etc led the current year's upsurge in the stock market. In 2013 total profit after tax was Rs. 165,911.25 million which was Rs.162,622.83 million in last year 2012.

Personal Goods(Textile)

In this Sector 175 companies (mostly textile) were listed in Karachi Stock Exchange, having total paid up capital of Rs. 49,951.31 million with market capitalization of Rs. 347,967 million. In 2013 this sector showed profit of Rs. 39,413.20 million as against the loss of Rs. (5,711.85) million in year 2012. The sector comprises of 164 textile related companies. Good Export orders make the sector to book profits. However, this sector could not show very good performance in the third quarter due to sharp appreciation of rupee against dollar. It is expected that due to grant of GSP Plus status to Pakistan by the European Union will further boost the profitability of this sector in coming days and during remaining part of the current year.

Construction & Materials

This sector comprises of 35 companies, with total listed capital of Rs. 76,580.83 million and the market capitalization of Rs. 353,968.36 million. Like last year, the cement sector has seen another great year because of low cost pressures, especially from imported coal, high cement prices and stable demand due to higher consumption and good exports. Calendar year 2013 saw a sharp decline in international coal prices that dropped 15-18 percent since January, 2013 due to low economic growth in China and India – the two major coal importers in the world. Further, other reason for the high growth in profitability of cement manufacturers is the rise in retail prices. The sector showed tremendous growth during current financial year which translated into good financial results compared to last year. The sector recorded the profit after tax at Rs. 38,901.87 million during 2013 compared to Rs. 20,782.84 million profit in year 2012.

Electricity

Sector comprises of 17 companies and the listed capital was Rs. 140,199.96 million with market capitalization of Rs. 193,659.56 million. The profit after tax of the sector was Rs. 28,825.54 million in 2013 as compared to Rs.20,736.22 million in year 2012. The electricity sector recorded above-average performance in 2013 with a return of 36 percent as yield spread against government-backed securities grew. This was further supplemented by circular-debt resolution in 2013.

Chemicals

In this sector 33 companies are listed, having total paid up capital of Rs. 107,063.09 million and the market capitalization was Rs. 593,127.66 million. In this sector Fertilizer manufacturing companies are also listed and quoted. The total profit after tax in this sector during 2013 was Rs. 45,265.26 as compared to Rs. 38,045.93 million in 2012. Chemicals performed moderately in 2013 with returns of 15%. Due to declining margins, chemicals showed lackluster performance.

Automobile and Parts

The sector comprises of 16 companies with the total paid up capital of Rs. 6,872.03 million and the total market capitalization of Rs. 118,602.98 million. The profit after tax of this sector was Rs. 8,665.75 million in 2013 which was Rs. 7,426.94 million in year 2012.

Fixed Line Communication

The sector comprises of 5 companies which includes PTCL with a capital of Rs. 51,000 million. The total market capitalization in this sector remained Rs. 111,543.48 million in 2013. The profit after tax of this sector was Rs. 10,033.74 million in 2013 and outperformed other sectors. This sector showed loss of Rs. (14267.27) million in 2012.

Commercial Banks

The sector comprises of 23 listed banks with the listed capital of Rs. 369,719.28 million and market capitalization of Rs. 1,468,232.17 million. The profit after tax of this sector was Rs. 109,325.46 in 2013 which was Rs. 114,936.0 million in previous year 2012. The sector could not perform well due to less earnings due to limited advance and consumer financing because of high interest rates. Even then, few banking scripts performed outstandingly including HBL and UBL.

Pharma and Bio Tech

The sector comprises of 9 listed pharmaceutical companies with the paid up capital of Rs. 5,368.09 million and Rs. 139,729.75 market capitalization. This total profit after tax of this sector was Rs. 5,120.54 million in year 2013 which was Rs. 5,149.74 million in year 2012.

Food Producers

The sector comprises of 51 companies with the dominance of sugar related companies. The total paid up capital was Rs. 19,767.46 million and market capitalization was Rs. 702,988.40 million. The profit after tax of this sector was Rs. 20,620.92 million in year 2013 as against Rs. 12,544.90 million in 2012. Some scripts in this sector performed well like Nestle, Engro foods, etc.

Performance of Selected Blue Chips

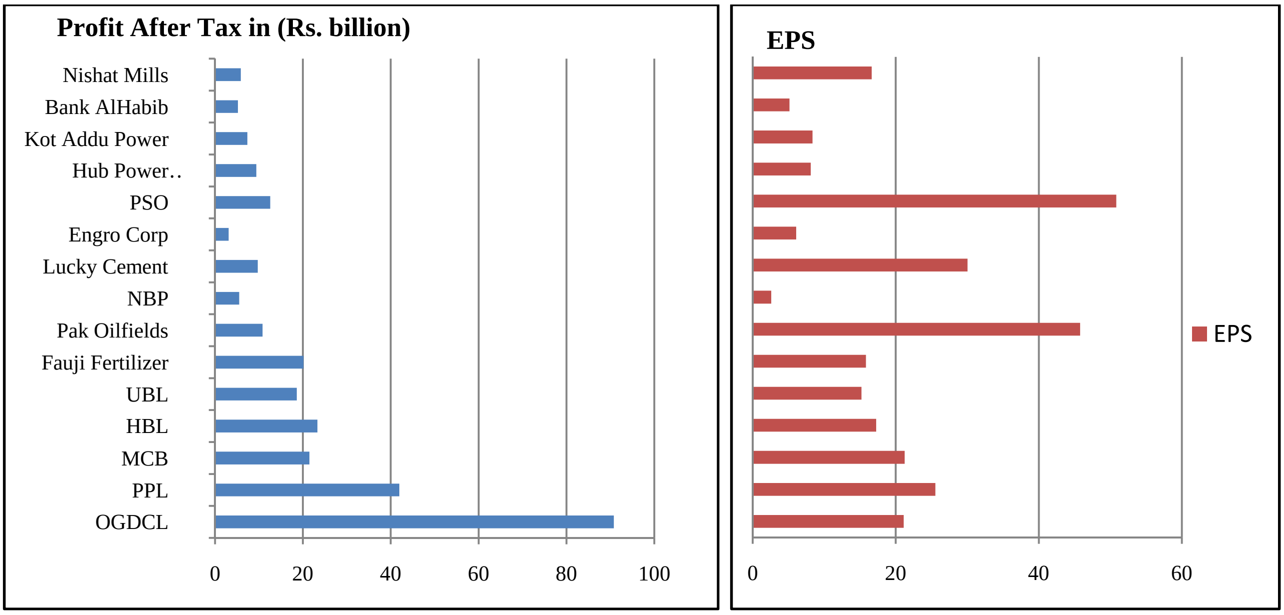
The Index of KSE is primarily influenced by some blue chip companies. During the first ten months of the current fiscal year 2013-14, the combined paid-up capital of fifteen big companies (Table-6.3) was Rs. 176.31 billion, which constituted 15.29 percent of the total listed capital at KSE. These fifteen companies earned a profit after taxation of Rs. 285.77 billion in the fiscal year upto April 2014. Out of total profit after tax, the share of OGDCL and Pakistan Petroleum Limited stood at Rs. 132.73 billion representing 46.44 percent of the fifteen big companies. For the period end-April, 2014, Habib Bank Limited and MCB Bank Limited’s after-tax profit were Rs. 23.30 billion and Rs. 21.50 billion, respectively. Earnings per share of the top rated companies ranged from 2.59 in the case of National Bank of Pakistan to 50.84 in respect of Pakistan State Oil Co. This indicates that the business environment in the fiscal year 2013-14 has improved considerably for the blue chip companies. (Table 6.3)

Table 6.3: Price Earning Ratio of Top Fifteen Companies

	Profit After Tax in (Rs. billion)	Paid up Capital (Rs. billion)	EPS	Market Price (Rs)April 30, 2014	PE ratio	Market Capitalization (Rs. billion)
Oil & Gas Development Company	90.78	43.01	21.11	252.24	11.95	10,848.66
Pakistan Petroleum Limited	41.95	16.43	25.53	231.93	9.08	3,810.61
MCB Bank Limited	21.50	10.12	21.24	282.65	13.31	2,859.98
Habib Bank Limited	23.30	13.34	17.27	184.72	11.24	2,463.25
United Bank Limited	18.61	12.24	15.21	183.7	12.08	2,248.82
Fauji Fertilizer Company Limited	20.13	12.72	15.83	113.47	7.17	1,443.61
Pakistan Oilfields Limited	10.83	2.37	45.78	531.37	11.61	1,256.93
National Bank of Pakistan	5.50	21.28	2.59	57.26	22.15	1,218.21
Lucky Cement	9.71	3.23	30.04	355.77	11.84	1,150.47
Engro Corporation Limited	3.11	5.11	6.09	198.63	32.61	1,015.53
Pakistan State Oil Co.	12.56	2.47	50.84	405.69	7.98	1,002.00
Hub Power Company	9.39	11.57	8.11	57.44	7.08	664.67
Kot Addu Power Company	7.35	8.80	8.35	61.86	7.4	544.52
Bank AlHabib Limited	5.20	10.10	5.14	42.59	8.28	430.32
Nishat Mills	5.85	3.52	16.63	115.48	6.94	406.03

Source: Karachi Stock Exchange

Fig-6.2: Profit After Tax and EPS of Top Fifteen Companies



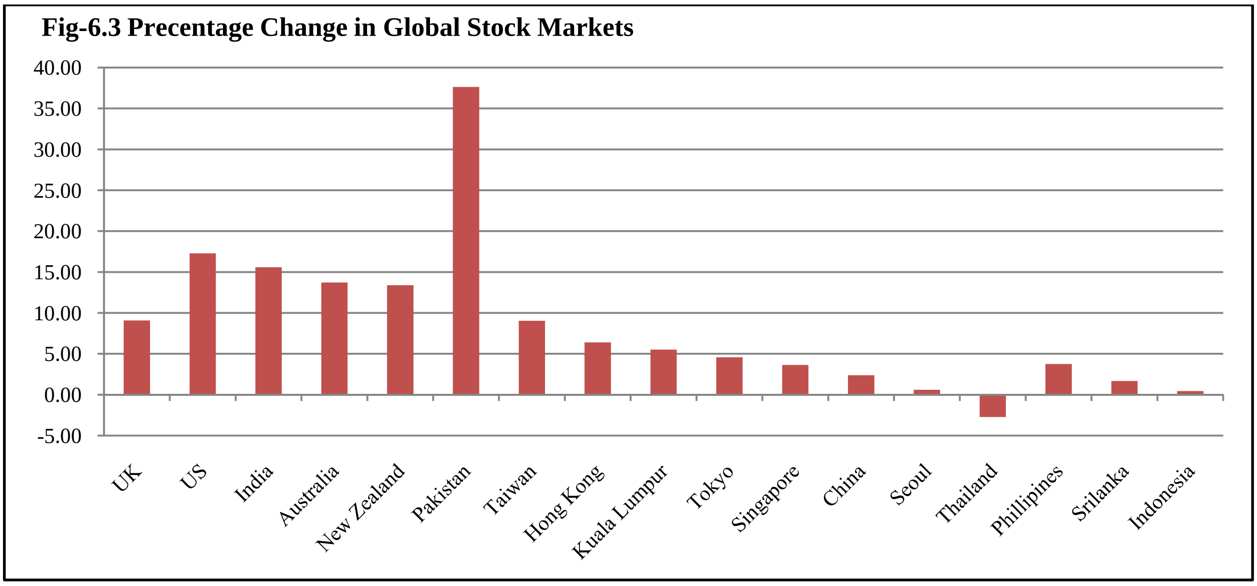
Leading Global stock Market Trends

Pakistan Stock Markets has also out performed during current financial year among leading Global Stock Markets including India, China, Hong Kong, Tokyo, USA and UK. In terms of Index, KSE has shown a growth of more than 37 percent during first ten months of current year and ranked at top of the list among some of the leading international and regional stocks. During this period Bombay Sensex increased by 15.6 percent , US S&P 500 increased by 17.3 percent, Hong Kong Hang Seng by 6.4 percent, UK FTSC 100 by 9.1 percent and China Shanghai Composite by 2.4 percent. Table 6.4 and Fig.6.3 give the detail of some of the leading world stock markets.

Table 6.4: Global Stock indices during July-April 2013-14

			Date		Change July-April 2013-14	
Sr. No	**Country**	**Stock Name**	**1-Jul-13**	**30-Apr-14**	**Points**	**%**
1	Pakistan	KSE-100	21,005.69	28,912.98	7,907.29	37.64
2	USA	S & P 500	1,606.28	1,883.95	277.67	17.29
3	India	Sensex	19,395.81	22,417.80	3,021.99	15.58
4	Australia	AORD	4,775.40	5,430.78	655.38	13.72
5	New Zealand	NZX 50	949.27	1,076.39	127.12	13.39
6	UK	FTSE 100	6,215.47	6,780.03	564.56	9.08
7	Taiwan	T.weighted	8,062.21	8,791.44	729.23	9.05
8	Hong Kong	Hang Seng	20,803.29	22,133.97	1,330.68	6.40
9	Kuala Lumpur	KLSE Composite	1,773.54	1,871.52	97.98	5.52
10	Tokyo	Nikkei 225	13,677.32	14,304.11	626.79	4.58
11	Singapore	Strait times	3,150.44	3,264.71	114.27	3.63
12	China	Shanghai Composite	1,979.21	2,026.36	47.15	2.38
13	Seoul	Composite	1,950.00	1,961.79	11.79	0.60
14	Thailand	Set (Bangkok)	1,451.90	1,412.33	-39.57	-2.73
15	Phillipines	PSE Composite	6,465.28	6,707.91	242.63	3.75
16	Srilanka	All Shares	6,121.01	6,223.67	102.66	1.68
17	Indonesia	Jakarta Composite	4,818.90	4,840.15	21.25	0.44

Source: Karachi Stock Exchange



Lahore Stock Exchange

The leading market indicators witnessed positive trends in Lahore Stock Exchange. The LSE -25 Index, which on 30th June 2013 was at 4,370.7 level increased to 5,131.1 level as on end March 2014 with listed capital increased from Rs 1,042.2 billion to Rs 1,096.1 billion.

Total turnover of the shares on LSE during July-March 2013-14 is 0.5 billion shares as compared to 1.0 billion shares in the corresponding last period, with fund mobilization of Rs 32.5 billion and market capitalization is Rs.6,258.2 billion during July-March 2013-14. A profile of LSE is given in the following table 6.5.

Table 6.5 Profile of Lahore Stock Exchange

Description	2009-10	2010-11	2011-12	2012-13	2013-14 (end March 2014)
Total Listed Companies	510	496	459	440	433
New Companies Listed	25	9	2	2	3
Fund Mobilized (Rs. in billion)	67.5	18.1	13.3	7.7	32.5
Total Listed Capital (Rs. in billion)	842.6	888.2	989.4	1,042.2	1,096.1
Turnover of Shares (billion)	3.4	1.1	0.9	1.0	0.5
LSE 25 Index	3,092.7	3,051.1	3,707.6	4,370.7	5,131.1
Aggregate Market Capitalization (Rs. billion)	2,622.9	3,166.0	3,279.1	4,852.8	6,258.2

Source: Lahore Stock Exchange

Islamabad Stock Exchange

The securities market showed a kind of dynamism during the period under review. It set new records in the wake of general elections and resulting political stability. ISE-10 index which is the principal index of the Exchange was 3,904.6 points on July 01, 2013 increased to 4,440 points as on end March, 2014 recording an increase of 13.7 percent during first 9 months of current fiscal year.

The number of listed companies increased from 210 in June 2013 to 262 as on end March 2014. The total listed capital grew to Rs.890.9 billion from 871.1 billion during this period. The market capitalization also recorded an increase of Rs.994.50 billion which was 24.75 percent high as compared to last year (Table 6.6).

Table 6.6 Profile of Islamabad Stock Exchange

Description	2009-10	2010-11	2011-12	2012-13	2013-14 (end March 2014)
Total Listed Companies	244	236	218	210	262
New Companies Listed	2	-	-	1	19
Fund Mobilized (Rs. In Billion)	76.7	17.8	12.8	8.1	31.7

Table 6.6 Profile of Islamabad Stock Exchange

Description	2009-10	2010-11	2011-12	2012-13	2013-14 (end March 2014)
Total Listed Capital (Rs. In Billion)	715.7	727.0	830.5	871.1	890.9
Turnover of Shares (Billion)	0.2	0.04	0.03	0.03	0.03
ISE 10 Index	2,441.2	2,722.8	2,871.1	3,904.6	4,440.0
Aggregate Market Capitalization (Rs. Billion)	2,261.7	2,621.1	2,824.4	4,017.2	5,011.7

Source: Islamabad Stock Exchange

New listing at Stock Exchanges

During the period July 2013 to March 2014, approval was granted by Securities and Exchange Commission of Pakistan (SECP) to four equity issues under section 57(1) and 62 of the Companies Ordinance, 1984 i.e. offer for sale of 37.984 million shares of Lalpir Power Limited ; 18.75 million ordinary shares of Engro Fertilizers Limited; issuance of 25.166 million shares of Avanceon Limited and issuance of 25 million ordinary shares of Hascol Petroleum Limited to the general public, institutional investors and high-net-worth individuals.

New Listed Companies

S. No.	Name of Company	Subscription Date	Date of Formal Listing	No. of Shares offered to the Gen. public (million)	Offered Capital (including premium, if any)(million)	Subscription Received (Including premium if any) (million)	Times subscribed
1.	Lalpir Power Limited (Offer for Sale)	July3, 2013 – July 4, 2013	20 Aug, 2013	9.496	208.912	225.591	1.08
2.	Engro Fertilizers Limited (Offer for Sale)	Dec16, 2013-Dec17, 2013	17 Jan, 2014	18.75	529.687	1815.75	3.43
3.	Avanceon Limited	January 7, 2014 -January 8 2014	11Feb, 2014	6.291	88.074	110.229	1.25
4.	HascolPetrleum Limited	April 8, 2014 – April 9, 2014	*	6.25	353.125	-	*

* : awaited

During the period Pakistan International Bulk Terminal was listed, with a paid-up-capital of Rs. 545.765 million, on the KSE under Regulation No. 25 of the Listing Regulations of KSE.

Debt Capital Markets

A well-developed corporate bond market is essential for the growth of the economy as it provides an additional avenue to corporate sector for raising funds for meeting their financial requirements.

During the period July 2013 to March 2014 two issues of listed debt instrument were offered to the general public, i.e. offering of Term Finance Certificates (TFC) of PKR 4,000 million (TFC of PKR 3000 million for a tenor of 3 years and TFC-2 of PKR 1000 million for a tenor of 5 years) by Pakistan Refinery Limited and offering Sukuk of PKR 6000 million (Sukuk-1 of PKR 750 million for a tenor of 13 months, Sukuk-2 of PKR 3750 million for a tenor of 3 years and Sukuk-3 of PKR 1500 million for a tenor of 5 years) by K-Electric Limited (formerly Karachi Electric Supply Company Limited). There was no pre-IPO placement in both the issues and the entire amount was offered to the general public including both individual and institutional investors.

Sr. No.	Name of the Company	Type of Instrument	Issue Size (Rs. In million)	Formal Listing Date	Listed at	Subscription Period
1.	Pakistan Refinery Limited	TFC	4,000	14 Jan, 2014	KSE	Aug16, 2013 to Nov15, 2013
2.	K-Electric Limited	Sukuk	6,000	26 March, 2014	KSE	Feb 24, 2014 to May 23, 2014*
Total:			10,000			

*Sukuk issue was oversubscribed just on the second day of subscription (Subscription of Rs. 8 billion received against offer of Rs. 6 billion)

Further, in addition to the above, during the period July 2013 to March 2014 a total of 11 debt securities issued through private placement were reported. The break-up of these privately placed corporate debt issues are as following;

Sr. No.	Name of Security	No. of Issues	Rs. in Billion
i.	Privately Placed Term Finance Certificates	2	9.827
ii.	Sukuk	6	19.000
iii.	Listed Term Finance Certificates	2	2.770
iv.	Commercial Paper	1	0.150
	Total	**11**	**31.747**

As of March 31, 2014 a total of 116 corporate debt securities were outstanding with an amount of Rs.545.43billion as follows:

Sr. No.	Name of Security	No. of Issues	Amount outstanding (In billion rupees)
i.	Listed Term Finance Certificates (L-TFCs)	28	39.59
ii.	Privately placed Term Finance Certificates (PP-TFCs)	41	72.16
iii.	Sukuk	45	432.61
iv.	Commercial Paper	01	0.0002
v.	Participation Term Certificates (PTCs)	01	1.08
	Total	**116**	**545.44**

Government Debt Securities Trading

To accelerate growth in the debt market, efforts were made for trading of Government Debt instruments at the stock exchanges in coordination with the federal government. In this regard a special purpose committee was formed having representation from SBP, SECP, KSE, CDC and NCCPL for the purpose. The committee finalized the model for trading of government securities at stock exchanges and their settlement. On January 27, 2014, the SECP approved the regulatory framework for trading of government debt instruments at the KSE, and the soft launch of trading in government securities at KSE was successfully made on January 31, 2014. The formal launch was made by the Minister Finance on February 18, 2014.

Scrip wise transactions in Government Debt Securities on the trading platform of stock exchange for the period from January 31, 2014 to May 02, 2014 is given hereunder; further during this period transactions amounting Rs. 331,300,000 were carried out.

Scrip	Start Date	Trade Date	Value Traded	Expiry Date
3 months T Bills	23-Jan-14	31-Jan-14	500,000	17-Apr-14
3 months T Bills	23-Jan-14	31-Jan-14	500,000	17-Apr-14
3 months T Bills	28-Nov-13	31-Jan-14	500,000	20-Feb-14
3 months T Bills	23-Jan-14	31-Jan-14	500,000	17-Apr-14
3 months T Bills	23-Jan-14	3-Feb-14	500,000	17-Apr-14
3 months T Bills	23-Jan-14	4-Feb-14	500,000	17-Apr-14
3 months T Bills	23-Jan-14	17-Feb-14	100,000	17-Apr-14
3 months T Bills	23-Jan-14	18-Feb-14	4,000,000	17-Apr-14
3 months T Bills	23-Jan-14	18-Feb-14	200,000,000	17-Apr-14
3 months T Bills	23-Jan-14	18-Feb-14	500,000	17-Apr-14
3 months T Bills	23-Jan-14	18-Feb-14	100,000	17-Apr-14
3 months T Bills	23-Jan-14	18-Feb-14	500,000	17-Apr-14
3 months T Bills	23-Jan-14	18-Feb-14	100,000,000	17-Apr-14
3 months T Bills	6-Feb-14	3-Mar-14	500,000	2-May-14
12 months T Bills	30-May-13	17-Mar-14	600,000	29-May-14
6 months T Bills	6-Mar-14	20-Mar-14	10,000,000	4-Sep-14
6 months T Bills	6-Mar-14	2-Apr-14	10,000,000	4-Sep-14
3 months T Bills	6-Feb-14	10-Apr-14	500,000	2-May-14
3 months T Bills	6-Mar-14	22-Apr-14	500,000	29-May-14
3 months T Bills	6-Mar-14	22-Apr-14	500,000	29-May-14
3 months T Bills	6-Mar-14	23-Apr-14	500,000	29-May-14

Employee Stock Option Scheme

Employees Stock Option Schemes are issued not only to reward employees but also as a retention tool and to build long term loyalty of employees to their workplace. To reward performance, encourage productivity and increase employee involvement companies in Pakistan have increasingly started offering stock options to its employees. The Stock Option Schemes are approved by SECP under the Public Companies (Employees Stock Option Scheme) Rules, 1999.

During the period under review, SECP approved the following two (02) Employees Stock Option Schemes;

i. Bank Alfalah Limited for up to 40 million shares to its employees

ii. Avanceon Limited for up to 5 million shares to its employees.

Capital Market Reforms and Development Activities

Deep, liquid and efficient capital markets are critical for the development of Pakistan's economy. During the period under review; the SECP in line with its mandate to develop a modern, fair and efficient capital market; continued with its agenda to improve risk management, corporate governance, enhance transparency, investor protection and develop new products/systems/markets. The highlights of key reform measures introduced during the period under review are as follows:

- **Code of Conduct for Credit Rating Agencies**

  In order to review the role and responsibilities of CRAs, the Commission constituted a Committee having representation from SECP, State Bank of Pakistan (SBP) and both the domestic CRAs. SECP in light of the recommendations of the Committee has revised the existing Code of Conduct for CRAs. The revised Code dated January 13, 2014 has been formulated in line with International Best Practices and has replaced the earlier Code of Conduct for Credit Rating Agencies (CRAs) dated February 17, 2005.

- **Commercial Papers Regulations, 2013**

  Commercial Papers Regulations, 2013 have been notified on December 04, 2013.Commercial Paper (CP) is an unsecured short term debt instrument issued by highly rated companies in the form of promissory note. In 2002, SECP had issued guidelines for Issue of Commercial Papers. In order to appropriately regulate CP issues and to facilitate the CP issuers, the guidelines have been reviewed and replaced with the regulations.

- **Listing of SMEs on the Stock Exchange**

  Small and Medium Enterprises (SMEs) plays vital role in the development of a country. SMEs are considered to be an important segment of the economy as they have the potential to create the economic as well as social growth. It is therefore essential to minimize the constraints and to provide a conducive environment for the growth and development of SMEs.

  Availability of cheaper source of funds is crucial for the growth as well as survival of SMEs. Financial constraints sometime compel SMEs to close down their businesses which ultimately create negative impact on the economy as well as cerates unemployment. Since there are limited fund raising alternatives available to SMEs, therefore, it becomes necessary to provide them with an updated regulatory framework which facilitates efficient fund raising. Listing of a company on the exchange gives better valuation to the company. The listed SMEs will reveal their wealth in the medium to long term and expected to create the wealth creation for the promoters and the investors.

  The Securities and Exchange Commission of Pakistan (SECP) has approved the Regulations for listing of SMEs for the Islamabad Stock Exchange. The Regulations in addition to certain pre-requisite conditions provide a set of procedures for issue, listing and trading of shares of SMEs. Now SMEs can raise funds from the capital market, through listing, for meeting their financial needs for executing new projects and/or expansion of their existing businesses.

- **Introduction and implementation of e-IPO**

  In order to facilitate the general public during IPOs, SECP has introduced the concept of e–IPO, i.e. electronic submission of subscription form. An e–IPO facility will:

  - Enable the investors to make application for subscription of shares via internet (e-Banking/ATMs)
  - Facilitate simultaneously, companies that intend to raise fund from the capital market through IPO, and the general public applying for subscription of shares

- Bring transparency and efficiency to the IPO process

The e–IPO facility was first used successfully in the offer for sale of shares of Aisha Steel Mills Ltd, where United Bank Limited for the first time provided e–IPO facility to its account holders. Later the same bank has successfully offered e–IPO facility in the IPOs of Lalpir Power Limited, Engro Fertilizers Limited, and Avanceon Limited.

For further development, a committee has been constituted with representatives from the SECP, CDC, Banks, Share Registrar, and the Stock exchange. The Committee in coordination with CDC and Banks is in the process of devising a centralized system for handling e-IPO applications.

- **Separate Portal for IPO/Capital Issue Matter**

In order to facilitate the issuers, consultants, researchers as well as other stakeholders, a separate portal on SECP's website has been created under the name "Capital Issues and Public Offerings". Under this portal all material/information relevant to capital issues and public offerings has been placed which includes: detail of equity issues; detail of debt issues; Listed Term Finance Certificates (TFCs); privately placed TFCs; and Sukuks and Commercial Papers. Moreover, redemption statuses of debt securities as well as laws, rules, regulations and guidelines applicable on issue of securities have also been placed under the said portal. Further, List of Registered Debt Securities Trustees, List of Underwriters to the issue, List of Ballotters and Share Registrars to an issue, and List of advisors/consultant to an issue are also available under the said portal.

Future Roadmap

The SECP envisages introduction of key structural and regulatory reforms: development of equity, derivatives markets, debt, commodities and currencies markets, and measures for improving governance, risk management, efficiency and transparency in capital market operations. Future roadmap includes;

Post-demutualization reforms: The SECP in collaboration with the stock exchanges is in the process of introducing consequential reforms which are essential for taking the exchanges forward in the demutualized setup. The stock exchanges are in the process of bringing in strategic investors to benefit from their extensive expertise and technological knowhow, while at the same time bringing foreign investment, and broadening the investor base. Simultaneously, efforts will be made for listing of the stock exchanges and sale of shares to the general public in terms of the demutualization law. The possibility of integration of the three stock exchanges is also being explored to benefit from operational synergies in line with international best practices.

- **Commodities Market development:** For further diversification of the product portfolio in the commodities market, the futures contracts of Brent Crude Oil and Copper are being reviewed for introduction at PMEX. Also, PMEX has formulated comprehensive criteria for its membership which will be implemented after SECP approval. As for the improvement of regulatory framework, the regulations governing default management at PMEX are also being considered for approval to safeguard the interests of investors, in the event of default by a PMEX Broker

- **Development of new Products and Systems:** Future SECP agenda includes: listing and trading of stock options, cross listing of foreign and domestic indices at Pakistani and foreign stock exchanges, activation of the market for Exchange Traded Funds (ETFs) and boosting activity in the index futures market. Further, avenues are being explored for introducing the latest risk management techniques, including introduction of the Standardized Portfolio Analysis of Risk (SPAN) margining regime in the derivative market segments

- **Centralized Know Your Client (KYC) Organization:** To facilitate the securities market investors, NCCPL will act as a Centralized KYC Organization whose objective will be to register and maintain investors' KYC records in line with the international best practices pertaining to KYC and Customer Due Diligence (CDD) policies. KYC records will be available for access by all market intermediaries, thus avoiding duplication of effort and bringing uniformity to the KYC process.

- **Establishment of SIPC:** The collapse of brokerage houses results in a large number of investor complaints. The stock exchanges strive to settle these investor complaints through limited recourse on the assets of defaulting brokers for example, by disposing their trading rights and other collaterals deposited with the exchanges. The concept of SIPC exists in many countries such as USA, China, and Malaysia etc. and is usually implemented through specialized legislation to enable the SIPC to create recourse on the assets of a defaulting brokerage house in favor of clients. The SIPC maintains an adequate pool of funds to compensate investors to the maximum extent in the event of default of their broker/ custodian. It is envisaged that a Securities Investor Protection Corporation (SIPC) should be established to cater for such situations.

• **Establishment of a Brokers' Association:** Considering the important role of market intermediaries, the possibility of establishing a brokers' association is being assessed. This will provide an effective platform for the stockbroking community to voice their concerns to the government and regulatory bodies, and ensure professional training and exposure to the intermediaries, while creating awareness about capital market issues.

Mutual Funds

The total size of the mutual funds industry stood at Rs.452.378 billion as of March 31, 2014 as compared to Rs.417.80 billion as of December 31, 2013, showing an increase of Rs 34.5 billion or 8.2 percent over the period. The total number of funds stood at 157 on March 31, 2014 as compared to 153 on December 31, 2013.

Money market funds (*both Conventional and Shariah Compliant*) dominated the Assets under Management (AUM) of the industry with the largest share of the mutual fund industry i.e. 34.68 percent. Equity funds (*both Conventional and Shariah Compliant*) held the second largest market share i.e. 34.38 percent, followed by Income funds (*both Conventional and Shariah Compliant*) with market share of 21 percent. The position as of March 31, 2014, is as under

Total Assets under Management of Industry (Rs. in million)	452,378
Total Number of Funds	157
Total Number of AMCs/IAs	25
Assets Size of AMCs/IAs (Rs. in million)	28,373
Discretionary /Non-discretionary portfolio (Rs. in million)	68,169

Portfolio management industry in Pakistan is steadily growing under discretionary/non-discretionary portfolio managed by Asset Management Companies (AMCs). The portfolio industry have reached to the tune of Rs.68.17 billion as on March 31, 2014 as compared to Rs. 56 billion as on June 30, 2013 registering a growth of Rs. 12.17 billion or 21.7% during the period.

The SECP, in its endeavor to safe guard the interest of unit holders and to facilitate the industry, took following initiatives during the year for the development and growth of industry;

- The SECP has prescribed detailed requirements for outsourcing of functions performed by an Asset Management Company (AMC) on behalf of Collective Investment Schemes (CIS). The SECP has provided flexibility to AMCs in terms of delegating certain functions to a third party service provider, except for some core duties such as investment decision making, risk management and compliance. This flexibility would allow AMCs to opt for outsourcing of its basic functions, resulting in better focus on its core business / operations.
- To counter mis-selling of units of mutual funds, SECP has prescribed detailed norms for selling of units of CIS including prohibiting AMCs to engage, directly or indirectly in the mis-selling of units of CIS, and sale of units by making a false or misleading statement, concealing or omitting material facts relating to the CIS and concealing the associated risk factors
- In order to bring consistency in valuation methodology of Ijarah Sukuks and to bring the practices being followed by the industry in line with the Regulatory framework, the Commission directed the AMCs to use PKISRVE (Sukuk) rates for valuing the GOP Ijarah Sukuks to determine net assets of CIS under their management
- On the product innovation front, the Commission allowed the industry to launch a fund based on Constant Proportion Portfolio Insurance- CPPI methodology with direct exposure in equities and money market instruments.

Non-Banking Financial Services

Non-banking financial services are being provided by leasing companies and investment finance companies (Investment Banks) and housing finance companies. As of March 31st 2014, there were 8 leasing companies, and 7 investment finance companies. Since a few years these entities have been facing a number of problems due to which their growth and development has been rather slow. The SECP in order to ensure the development of these entities has carried out review of the whole business model and prevalent regime of non-banking financial services taking into account global best practices, as well as the interests of all the stakeholders.

Amendments are being made in the Regulatory framework for NBFC's in the light of the NBFC sector report giving way to a relaxed regime. Significant amendments are as follows;

- A regulatory regime has been developed with significantly reduced equity requirements to encourage non-deposit taking lending NBFCs.
- Concept of Islamic Lending NBFC is being introduced. Such an NBFC shall conduct its business in accordance with Islamic Shariah principles.
- With the purpose of facilitating and providing finance to poor persons and microenterprises, Micro Lending NBFC's are being introduced.
- A new set of regulations has been incorporated for Discount Houses.
- Scope of housing finance companies has been broadened to undertake commercial housing finance activities.
- Introduction of various measures such as capital adequacy ratio, capping of deposit taking activities, reduction in exposure limits, rationalizing leveraging capacity, etc. to protect interest of general public.

Financials of Investment Finance Companies (Investment Banks) (Rs. in million)

Particulars	Dec 31, 2013	March 31,2014
Total Assets	11,349	10,671
Total Liabilities	8,342	8,042
Total Equity	2,992	2,607
Total Deposits	3,558	3,148

Financials of Leasing Sector (Rs. in million)

Particulars	Dec 31, 2013	March 31,2014
Total Assets	35,018	35,340
Total Liabilities	29,687	29,902
Total Equity	5,175	5,258
Total Deposits	8,803	8,814

Modarabas

The modarabas sector is an important component of the Pakistani financial infrastructure and is playing a vital role in addressing the needs of SME sector through various Islamic and conventional products. The modaraba industry, despite several impediments, has contributed significantly over the past years. Currently, 42 registered modaraba companies are in existence and total number of operational modarabas are 27. During the period under review, 3 new companies were registered as modaraba companies under the Modaraba Ordinance, 1980. These companies are expected to float modarabas in near future.

As of March 31, 2014, the aggregate paid up fund of the Modaraba was Rs9.61 billion and total assets of the Modaraba sector stood at Rs30.83 billion, against Rs29.77 billion on Feb 28, 2013. Similarly, total equity of the Modaraba sector was Rs14.36 billion which shows an increase of Rs0.48 billion as compared to Rs13.88 billion during the previous year. For the financial year ended June 30, 2013, out of 27 operational Modarabas, 16 modarabas declared cash dividends whereas one Modaraba announced stock dividend.

SECP is committed towards making overall non-banking finance sector including modaraba vibrant and successful. In this context, in line with international best practices, a number of reforms for development of overall non-banking finance sector are being considered. The SECP is planning to introduce structural changes in the regulatory regime. The specific changes for modarabas include empowering the certificate holders of Modarabas, introducing the concept of AGM and enhancing the management fee etc. to ensure more conductive regulatory environment.

Voluntary Pension System

The last two decades have witnessed global pension reforms. In high-income countries, the driving force has been the threat that the current pension systems will become unaffordable as demographic developments presented a major risk. The countries that were in the process of transition from command economy to market economy confronted the challenge of introducing a public pension system in place of social security available to their populace under socialist system. However, the demographic change and affordability have been the driving force in these countries for reforms. It is anticipated that Pakistan shall also face similar challenges in the near future.

Lately, the Government of Pakistan has been considering reforming the current pension system. Luckily, the dependency ratio at this point of time is extremely favorable for Pakistan to shift from defined benefit system to defined contribution system. While reforms at the national will take some time, the SECP has introduced Voluntary Pension System (VPS), with the approval of the Government of Pakistan. VPS envisages contributions by Pakistani nationals in a pension fund approved by the SECP. The amount accumulated in a pension fund during working life can be used to provide a stream of income to its members after retirement. The government has given tax incentives to individuals under the current tax regime.

Private pension funds under the 2005 Voluntary Pension System (VPS) Rules were introduced in 2007. The size of pension funds remained stagnant during the initial years mainly due to lack of awareness about the product, adverse market conditions, and fiscal inconsistencies. However, since then, pension funds have shown significant growth which can be attributed to favorable market conditions, positive changes in the tax regime, launch of new pension funds and increase in number of participants (investors). So far, 13 pension funds have been launched under the VPS.

The size of pension funds has grown gradually. Following is the current status.

Date	No. of pension funds	Net assets (Rs. in million)
31-DEC-13	13	5,986
31-MAR-14	13	6,669

The government has been endeavoring to bring parity among retirement schemes. As a result a number of improvements have been brought in the tax regime governing VPS and other retirement schemes in consultation with FBR. However, certain aspects are yet to be reformed. Recent changes in the tax laws include:

- The amount received as monthly installment from an income payment plan will be exempted from income tax under the 2001 Second Schedule of ITO
- Withdrawal of balance transferred to a VPS account from a recognized provident fund will also be tax exempt in terms of the 2001 Second Schedule of ITO

To encourage funding of retirement schemes VPS needs to be made interchangeable with other retirement schemes such as gratuity and superannuation funds. This will encourage funded schemes leading to accumulation of assets and efficient deployment of retirement savings.

National Savings Schemes (NSS)

The Central Directorate of National Savings (CDNS) is an attached department of the Finance Division and perform deposit bank functions by selling government securities through its network of savings centers spread all over the country. There are more than 6 million investors through 373 branch network in National Saving Schemes (NSS). Presently, Defence Saving Certificates, Regular Income Certificates, Special Savings Certificates/Accounts, Bahbood Saving Certificates, Savings Account, Pensioners' Benefit Account and Prize Bonds are in operation. Some of the popular schemes are discussed below:

Defence Savings Certificates: The Government of Pakistan introduced Defence Savings Certificate scheme in the year 1966. The scheme has specifically been designed to meet the future requirements of the depositors. This is 10 years' maturity scheme with built in feature of automatic reinvestment after the maturity. These certificates are available in the denominations of Rs.500, Rs.1000, Rs.5,000, Rs.10,000, Rs.50,000, Rs.100,000, Rs.500,000 and Rs.1,000,000. These certificates can be purchased from any National Savings Centre (NSC), Pakistan Post Offices (PPO), Authorized branches of Scheduled Banks and State Bank of Pakistan (SBP). The minimum investment limit is Rs.500/-, however, there is no maximum investment limit in this scheme. These certificates are encashable at par any time after the date of purchase. However, no profit is payable if encashment is made before completion of one year. The average compound rate of return on maturity presently works to 12.26 percent p.a. Exemption of deduction of Withholding tax has been withdrawn w.e.f 01-07-2013 on profit of investment upto Rs.150,000 . The profit earned on these certificates is subject of deduction of 10 percent withholding tax at source. The Zakat is collected at source as per rules.

Special Savings Certificates (Registered): Keeping in view the periodic needs of depositors, this three years' maturity scheme was introduced in February, 1990. These certificates are available in the denomination of Rs.500, Rs.1000, Rs.5,000, Rs.10,000, Rs.50,000, Rs.100,000, Rs.500,000 and Rs.1,000,000. Profit is paid on the completion of each period of six months. The minimum investment limit is Rs.500/-, however, there is no maximum investment limit in the scheme. These certificates are encashable at par any time after the date of purchase. However, no profit is payable if the encashment is made before completion of six months.At prevailing rates, the profit is paid at the rate 11.40 percent p.a. for 1st five profits and at the rate 12.00 percent p.a. for the last profit. However, if the profit is not withdrawn on due date it will automatically stand reinvested and would be calculated for further profit on completion of the next 06 months' period. Similar rules exist for deduction of Tax and Zakat on the profit on these certificates.

Bahbood Saving Certificates: Keeping in view the hardships faced by the widows and senior citizens, this ten years' maturity scheme was launched by the government on 1st July, 2003. Initially the scheme was meant for widows only, however, the government. later decided to extend the facility for senior citizens aged 60 years and above with effect from 1st January, 2004. These certificates are available in the denominations of Rs.5,000/-, Rs.10,000/-, Rs.50,000/-, Rs.100,000/-, Rs.500,000 and 10,00000/-. Profit is paid on monthly basis reckoned from the date of purchase of the certificates. The minimum investment limit in this scheme is Rs.5,000/-, whereas, the maximum limit is Rs.3,000,000/-. Investment in allowed in multiple of Rs.5,000/-.At the prevailing rates monthly profit of Rs.1170/- is paid on investment of each Rs.100,000/-. This way the profit rate works to 14.04 percent p.a. The withholding tax is not collected on the profit earned on these certificates. The investment made in this scheme is also exempted from Zakat.

Regular Income Certificates: Keeping in view the monthly requirements of the general public, this five years' maturity scheme was launched on 2nd February, 1993. These certificates are available in the denomination of Rs.50,000, Rs.100,000, Rs.500,000, Rs.1,000,000, Rs.5,000,000 & Rs.10,000,000/=. Profit is paid on monthly basis reckoned from the date of issue of certificates. The minimum investment limit is Rs.50,000/-, however, there is no maximum investment limit in this scheme. At the prevailing rates monthly profit of Rs.990/- (excluding withholding tax) is paid on investment of each Rs.100,000/-. This way the profit rate works to 11.88 percent p.a. The profit earned on these certificates is subject to deduction of 10 percent withholding tax at source. However, the investment made in this scheme is exempted from collection of Zakat.

Pensioner’s Benefit Account: Keeping in view the hardships faced by the pensioners, this ten years' maturity scheme was launched by the government on 19th January, 2003. The deposits are maintained in the form of accounts and the profit is paid on monthly basis reckoned from the date of opening of the account. The pensioners of Federal Government, Provincial Governments, Government of Azad Jammu & Kashmir, Armed Forces, Semi Government and Autonomous bodies are allowed to invest. The minimum investment limit is Rs.10,000/-, whereas, the maximum limit is Rs.3,000,000/-. If an investor has already opened an account, he is eligible to invest only two subsequent deposits in that account. At the prevailing rates monthly profit of Rs.1170/- is paid on investment of each Rs.100,000/-. This way the profit rate works to 14.04 percent p.a. The withholding tax is not collected on the profit earned on the deposits made in this scheme. The investment made in the scheme is also exempted from Zakat.

The investment made in the above mentioned schemes and other National Savings Schemes is given in Table: 6.7.

Table 6.7: National Saving Schemes (Net Investment) (Rs. in million)

	Name of Scheme	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (July-Mar)
1	Defence Savings Certificates	(27,411.3)	(32,493.2)	9,748.1	7,295.5	29,892.0	8,958.3
2	National Deposit Scheme	(2.7)	(0.1)	(1.0)	(0.9)	(0.6)	(0.22)
3	Khaas Deposit Scheme	(1.6)	(3.8)	(2.6)	(0.6)	(1.2)	(0.73)
4	Special Savings Certificates (R)	128,469.0	61,856.6	43,960.6	(52,834.2)	46,401.5	36,631.3
5	Special Savings Certificates (B)	(8.5)	(0.3)	(0.7)	(0.9)	(0.3)	(0.80)
6	Regular Income Certificates	40,094.3	44,538.3	46,946.8	43,971.6	36,047.0	33,814.2
7	Bahbood Saving Certificates	78,538.0	59,267.2	61,731.6	52,254.5	47,622.7	40,984.2
8	Pensioners' Benefit Account	22,215.7	18,166.9	17,940.3	16,359.5	17,538.9	13,609.0
9	Savings Accounts	(10,899.2)	1,021.3	(625.3)	3,978.5	1,098.9	3,317.5
10	Special Savings Accounts	21,627.1	31,375.5	14,240.8	61,098.8	150,836.0	(29,097.9)

Table 6.7: National Saving Schemes (Net Investment) (Rs. in million)

	Name of Scheme	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (July-Mar)
11	Mahana Amdani Accounts	50.0	(195.7)	(77.9)	(90.5)	(78.9)	368.9
12	Prize Bonds	14,650.0	38,556.7	41,083.4	56,324.2	56,175.4	41,558.9
13	National Savings Bonds	-	3,625.2	-	-	(3,425.6)	-
14	Short Term Saving Certificates	-	-	-	-	3,969.7	(846.4)
	Grand Total	**267,220.7**	**225,714.5**	**234,944.1**	**188,355.6**	**386,075.9**	**149,296.2**

Figures in Parenthesis represent negative growth
R : Registered, B : Bearer, - : Not available
Source : Central Directorate of National Savings