## Pakistan Mercantile Exchange Limited Directors' Review For the Nine Months Period Ended March 31, 2022

On behalf of the Board of Directors of Pakistan Mercantile Exchange Limited, we are pleased to present the Directors' Review together with the un-audited condensed interim financial statements for the nine months period ended March 31, 2022.

## **Global Environment**

During the period under review, there were visible signs that the global economy was recovering from the COVID pandemic. However, the Russian invasion of Ukraine in February 2022 gave a severe blow to the global economy, shattering expectations of a recovery from the damaging impact of the pandemic. The impact of the pandemic and war has disrupted supply chains and increased inflationary pressures.

In the global commodity markets, energy prices surged to new highs due to the higher demand and restrictions on the export of Russian oil. Also, restrained production by OPEC and its partners (OPEC+) pushed natural gas prices higher, despite the ease in extreme cold weather in the western hemisphere.

With the rise in uncertainty about the global economic outlook, gold prices also rose to new highs. Prices of other precious and industrial metals also moved in tandem.

## **Pakistan Overview**

During the period under review, the pace of the economic recovery exceeded expectations. Continuation of structural reforms and expansion in social protection programs by the Government contributed to the GDP growth. Both the industrial and agricultural sectors performed well and supported the GDP growth rate. On the other hand, the trade deficit reached USD 35.393 billion as compared to USD 20.802 billion posted during the same period last year, registering a 70 percent increase. Imports surged to USD 58.691 billion while exports remained at USD 23.298 billion.

The inflow of workers' remittances rose to \$23 billion which helped partially to fund the current account deficit. However, the exchange rate volatility continued, and the State Bank of Pakistan shifted from its accommodative monetary policy stance during the period by gradually raising the policy rate by 2.75 percent to 9.75 percent.

#### **Business Review**

#### Connecting to the Local Economy

The State Bank of Pakistan (SBP) has made PMEX a part of the task force on Electronic Warehouse Receipt Financing (EWRF). This task force is headed by the Governor SBP and has representation from all relevant stakeholders including banks and Collateral Management Company. The Exchange is actively participating with the task force with regards to its role in the system.

In parallel, the Exchange is in the final phase of launching the Global Commodity Trading Platform (GCTP) through its wholly-owned subsidiary, which is expected to significantly boost exports and provide access to newer markets to the local commodity producers and exporters.

## **Boosting Trading of Physical Gold**

The Exchange plans to bring the trading of physical gold to its platform to regularize its trade and ensure its availability at the retail level. The Exchange is in dialogue with the Government of Pakistan, Pakistan Gems Jewellery Traders and Exporters Association (PGJTEA), SECP, and SBP to come up with a viable solution for the creation of an official gold market. It is likely that with the change of Government, the progress may slow down. However, PMEX remains committed to taking up the matter forward with the new setup.

## Introducing New Products

To increase market depth and create new opportunities for the market participants with a special focus on developing retail clientele, the Exchange is in discussions with the Central Bank and the Commission to launch Market Treasury Bills (MTBs) on its trading platform. Furthermore, PMEX has developed Micro Ounce Gold Futures and US Equity 2NSDQ100 Index Futures contracts to cater to retail investors and sent to SECP for approval.

## Introducing Digital Payment Platform

The Exchange introduced the Direct Funds Model (DFM), which directly collects funds from clients as well as transfers funds to the bank accounts of clients without the involvement of broker(s). However, the DFM had certain manual processes due to which funds collection becomes time-consuming and cumbersome at times.

To provide a fast and frictionless customer experience, PMEX commenced work to Automate the Direct Funds Model (ADFM) in collaboration with MCB Bank. The Exchange has completed the automation of DFM and successfully launched the functionality for market participants.

## Introducing Online Account Opening

The Exchange is fully cognizant that digitalization can greatly reduce the barrier of entry for retail investors. Therefore, PMEX commenced work on streamlining the account opening procedure through digital customer onboarding. The Exchange in collaboration with the National Clearing Company of Pakistan Limited (NCCPL) has introduced an Online Account Opening facility for individual customers.

The Exchange is facilitating the brokers to expeditiously adopt the digital onboarding mechanism. This will provide them an opportunity to diversify their investor base by opening accounts of existing equity customers with PMEX and encourage them to trade commodity futures thereby increasing revenue of both, brokers and the Exchange.

## **Extending Trading Hours**

The Exchange has extended trading to 22 hours from 21 hours. The new timings were made effective from February 21, 2022. It is an important milestone in the history of PMEX which will take the Exchange one step closer to offering round the clock trading facility, allowing customers to trade at their convenience. This will lead to an increase in trading volume and consequently trading fee.

## Trading in Commodity Futures through Roshan Digital Account

Roshan Digital Account (RDA) offers an efficient, secure and convenient mechanism for Non-Resident Individual Pakistanis (NRIP) to invest in various financial instruments. PMEX has sought approval from the State Bank of Pakistan (SBP) to allow NRIP to trade commodity futures through RDA. In this regard, the Exchange has commenced work in collaboration with the Central Depository Company (CDC) to enable the trading of commodity futures through RDA. The Exchange is confident that trading of commodity futures through RDA will boost foreign exchange reserves of the country and provide additional market liquidity.

### Creating Awareness

The Exchange continued its efforts for creating awareness about the trading of commodity futures in Pakistan. In this regard, during the period under review, PMEX organized webinars for various educational institutes. Further, the Exchange organized webinars in collaboration with brokers for their potential and existing customers.

## **Financial Results**

Following is the comparative summary of financial performance of the Exchange for the period under consideration:

	31-Mar-22 (Rupees i	31-Mar-21 n million)
Trading Fee – net	163.71	119.55
Operating income	262.83	220.80
Profit before taxation	33.97	6.72
Net profit after taxation (total comprehensive income)	28.19	3.33
	(Ruj	pees)
Earnings per share	0.90	0.11

The financial performance has significantly improved during the period, especially in third quarter, and profit after tax has jumped from Rs. 3.33 million to Rs. 28.19 million, an increase of 746%. The major reasons for the improvement in trading volume are recent volatility in commodity prices across the globe and partial tariff revision, which became effective from November 2021 after approval of SECP. The growth in trading volumes is expected to continue in coming months.

## **Future Outlook**

Going forward, under the able guidance of the Board of Directors and the Securities & Exchange Commission of Pakistan (SECP), the focus of the Exchange will remain on the propagation of the EWR regime, documentation of gold through the Exchange, making exchange services available throughout the country and introducing safe investment opportunities such as Treasury bills to the retail investors across the country.

In parallel, the Exchange will unveil GCTP, which will act as a historic milestone in revolutionizing the way sellers and buyers trade commodities not only in Pakistan but globally. The integration of a documented local commodity market with GCTP would not only result in opening new international markets for the indigenous commodities but also increase exports thereby increasing the foreign exchange reserves of the country.

Managing Director

Karachi: April 28, 2022

## PAKISTAN MERCANTILE EXCHANGE LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Note	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees		Note	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
EQUITY AND LIABILITIES				ASSETS			
Share capital and reserves				Non-current assets			8 1
Authorised capital	-	1,000,000,000	1,000,000.000	Property and equipment		18,867,478	19,990,245
				Right of use of asset		18,078,674	26,853,458
Issued, subscribed and paid-up capital		313,551,620	313,551,620	Intangible assets		2,056,259	1,139,251
Reserves	-	(235,694,388) 77,857,232	<u>(263,885,990)</u> 49,665,630	Long term investments	7 -	7,994,051 46,996,462	47,982,974
Non-current liabilities							
Long-term deposits	Г	161,264,381	161,264,381				
Lease Liability		15,391,689 176,656,070	22,307,424 183,571,805				
Current liabilities				Current assets			
				Current assets			
Staff gratuity	Г		707,556	Supplies and consumables	ſ	429,264	429,264
	Γ	-	707,556 1,658,601		Γ	429,264 39,577,172	
Staff provident fund	4	- - 1,661,5 <b>8</b> 2,530		Supplies and consumables			32,203,39
Staff provident fund Margins & deposits	4 5	-	1,658,601	Supplies and consumables Annual subscription receivable		39,577,172	32,203,39 7,953,46
Staff provident fund Margins & deposits Payable to SGF trust Gold held on behalf of brokers/clients		- 1,661,582,530	1,658,601 1,741,316,178	Supplies and consumables Annual subscription receivable Deposits and prepayments Other receivables Short term investments	8	39,577,172 10,410,865 42,083,481 1,800,398,997	32,203,39 7,953,46 46,600,07 1,460,217,69
Staff provident fund Margins & deposits Payable to SGF trust Gold held on behalf of brokers/clients Advance fee		- 1,661,582,530 9,715,008	1,658,601 1,741,316,178 3,065,670	Supplies and consumables Annual subscription receivable Deposits and prepayments Other receivables		39,577,172 10,410,865 42,083,481 1,800,398,997 733,661,007	32,203,39 7,953,46 46,600,07 1,460,217,69 595,930,02
Staff provident fund Margins & deposits Payable to SGF trust Gold held on behalf of brokers/clients Advance fee		- 1,661,582,530 9,715,008 733,661,007 17,911,883 10,355,524	1,658,601 1,741,316,178 3,065,670 595,930,026 13,987,497 12,429,467	Supplies and consumables Annual subscription receivable Deposits and prepayments Other receivables Short term investments Gold held on behalf of brokers/cli Taxation - net	ents	39,577,172 10,410,865 42,083,481 1,800,398,997 733,661,007 60,826,490	32,203,39 7,953,46 46,600,076 1,460,217,69 595,930,020 65,521,28
Staff provident fund Margins & deposits Payable to SGF trust Gold held on behalf of brokers/clients Advance fee Current portion of lease liabilities		- 1,661,582,530 9,715,008 733,661,007 17,911,883 10,355,524 56,882,624	1,658,601 1,741,316,178 3,065,670 595,930,026 13,987,497 12,429,467 61,624,594	Supplies and consumables Annual subscription receivable Deposits and prepayments Other receivables Short term investments Gold held on behalf of brokers/cli		39,577,172 10,410,865 42,083,481 1,800,398,997 733,661,007 60,826,490 10,238,140	32,203,39' 7,953,46: 46,600,070 1,460,217,69: 595,930,020 65,521,28- 407,118,84:
Staff provident fund Margins & deposits Payable to SGF trust Gold held on behalf of brokers/clients Advance fee Current portion of lease liabilities Creditors, accrued and other liabilities	5	- 1,661,582,530 9,715,008 733,661,007 17,911,883 10,355,524	1,658,601 1,741,316,178 3,065,670 595,930,026 13,987,497 12,429,467	Supplies and consumables Annual subscription receivable Deposits and prepayments Other receivables Short term investments Gold held on behalf of brokers/cli Taxation - net	ents	39,577,172 10,410,865 42,083,481 1,800,398,997 733,661,007 60,826,490	32,203,39' 7,953,46: 46,600,070 1,460,217,69: 595,930,020 65,521,28- 407,118,84:
Staff gratuity Staff provident fund Margins & deposits Payable to SGF trust Gold held on behalf of brokers/clients Advance fee Current portion of lease liabilities Creditors, accrued and other liabilities <b>Contingencies and commitments</b>		- 1,661,582,530 9,715,008 733,661,007 17,911,883 10,355,524 56,882,624	1,658,601 1,741,316,178 3,065,670 595,930,026 13,987,497 12,429,467 61,624,594	Supplies and consumables Annual subscription receivable Deposits and prepayments Other receivables Short term investments Gold held on behalf of brokers/cli Taxation - net	ents	39,577,172 10,410,865 42,083,481 1,800,398,997 733,661,007 60,826,490 10,238,140	429,264 32,203,397 7,953,463 46,600,076 1,460,217,693 595,930,026 65,521,284 407,118,843 2,615,974,050 2,663,957,024

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

CHAIRMAN

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CHIEF FINANCIAL OFFICER

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MANAGING DIRECTOR

MANAGING DIRECTOR

## PAKISTAN MERCANTILE EXCHANGE LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

		Nine months period ended		Three months period ended		
	Note	March 31, 2022 Rupees	March 31, 2021 Rupees	March 31, 2022 Rupees	March 31, 2021 Rupees	
Operating income	10	262,834,801	220,804,172	102,885,627	75,296,440	
Administrative and operating expenses	ш.,	(237,224,981)	<u>(221,283,817)</u> (479,645)	(80,301,311) 22,584,316	(76,859,791) (1,563,351)	
Other income		14,059,281	12,135,052	4,781,788	4,720,363	
Finance costs		(3,457,366)	(4,659,441)	(940,346)	(1,295,352)	
Other charges		(239,981)	(271,150)	(8,048)	(111,387)	
Share of loss from subsidiary	7	(2,005,969)	2	(1,109,310)	-	
Profit / (Loss) before taxation	3. 11. 1	33,965,785	6,724,816	25,308,400	1,750,273	
Taxation	12	(5,774,183)	(3,390,823)	(2,767,678)	(1,155,700)	
Profit / (Loss) after taxation		28,191,602	3,333,993	22,540,722	594,573	
Other comprehensive income for the period		-			•	
Total comprehensive income for the period		28,191,602	3,333,993	22,540,722	594,573	
Earnings per share - basic and diluted		0.90	0.11	0.72	0.02	

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

CHAIRMA Endorsement

CHIEF FINANCIAL OFFICER

MANAGING DIRECTOR

MANAGING DIRECTOR

## PAKISTAN MERCANTILE EXCHANGE LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

March 31,			Nine months pe	riod ended
NoteRupersRupA. CASH FLOWS FROM OPERATING ACTIVITIESProfit before taxationA.djustments for non cash and other items:DepreciationA.djustments for non cash and other items:DepreciationA.morizationProvision for gravitalyProvision for gravitalyProvision for provident fundUnrealized loss on remeasurementLoss on disposal of short term investmentsGain on disposal of property and equipmentMark-up on bark depositsReturn on short term investmentsDecrease / (Increase) in current assetsAdmate and property and equipmentAdmate and property and equipmentAdmate and property and equipmentAdmate and property and equipmentCash generated from operationDecrease / (Increase) in current assetsAdmate and property and equipmentsCash generated from operationCash generated from operationsCash generated from operationsCash generated from operationsCash property and equipmentProvident fund paidCrash generated from / (used in) operating activitiesBeck Cash property and equipmentProvident fund paidProvident from paidProvident fund paid investmentProvident fund paid investmentProvident fund paid investmentProvident fund paid investment <th></th> <th></th> <th></th> <th>March 31,</th>				March 31,
A. CASH FLOWS FROM OPERATING ACTIVITIES         Profit before taxation       33,965,785       6,72         Adjustments for non cash and other items:       15,085,235       14,03         Depreciation       1,61,3772       1,70         Amorization       3,457,365       6,72         Provision for provident fund       7,130,392       6,15         Unrealized loss on renewsurement       1,61,3772       1,61,3772         Loss on disposal of property and equipment       0,17,1059       (1,162,228)         Mark-up on bank deposits       (2,17,105)       (1,452,228)       (1,122,228)         Return on short term investments       (2,17,105)       (1,183,3522)       (1,122,228)       (1,122,234)         Working capital changes       (2,457,400)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,448)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)       (2,23,24,486)			2022	2021
Profit before taxation 33,965,785 6,72 Adjustments for non cash and other items: Depreciation 1,1,0,1,2,2,1,1,1,1,1,1,1,1,1,1,1,1,1,1,		Note	Rupees	Rupees
Profit before taxation 33,965,785 6,72 Adjustments for non cash and other items: Depreciation 1,1,0,1,2,2,1,1,0,1,1,2,1,1,1,1,1,1,1,1,	Α.	CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation15.085.23514.03Amorization14.0314.03Provision for provident fund7,101,6736.10Unrealized loss on remeasurement14,4037,101,6736.10Loss on disposal of property and equipment11,402,22814,60314,603Mark-up on bank deposits14,00314,90314,90314,903Return on short term investments14,90314,90314,90314,903Decrease / (increase) in current assets14,90314,90314,90314,903Advance annual subscription receivable(7,173,775)(15,56515,514,5695)(2,457,400)(2,524)Decrease in current liabilities(9,73,775)(15,56515,514,5695)(5,184,5695)(5,184,5695)(5,184,5695)(5,183,522)(1,12)Decrease in current liabilities3,924,3866,11(9,73,785)(1,52,936,18)(5,183,5635)(2,2,24)Decrease pid - net(1,079,389)(7,202)22,54414,890(2,32,24)(2,24,256)(2,12)Decrease pid - net(1,079,389)(7,202)(2,24,486)(1,14,489)(1,14,489)(2,12,938)(7,202)Cash generated from operations15,187,684)(1,14,489)(1,14,489)(1,14,489)(1,14,489)(1,12)Decrease of property and equipment(1,179,389)(7,202)(2,24,31,103)(2,12)(2,22)(2,22,24)(2,22,24)(1,21)(2,23,07,89)(2,22)(2,24)(1,21)(2,22,24,386)(1,11)(2,22,26,337,104)			33,965,785	6,724,816
Depreciation15.085.23514.03Amorization14.0314.03Provision for provident fund7,101,6736.10Unrealized loss on remeasurement14,4037,101,6736.10Loss on disposal of property and equipment11,402,22814,60314,603Mark-up on bank deposits14,00314,90314,90314,903Return on short term investments14,90314,90314,90314,903Decrease / (increase) in current assets14,90314,90314,90314,903Advance annual subscription receivable(7,173,775)(15,56515,514,5695)(2,457,400)(2,524)Decrease in current liabilities(9,73,775)(15,56515,514,5695)(5,184,5695)(5,184,5695)(5,184,5695)(5,183,522)(1,12)Decrease in current liabilities3,924,3866,11(9,73,785)(1,52,936,18)(5,183,5635)(2,2,24)Decrease pid - net(1,079,389)(7,202)22,54414,890(2,32,24)(2,24,256)(2,12)Decrease pid - net(1,079,389)(7,202)(2,24,486)(1,14,489)(1,14,489)(2,12,938)(7,202)Cash generated from operations15,187,684)(1,14,489)(1,14,489)(1,14,489)(1,14,489)(1,12)Decrease of property and equipment(1,179,389)(7,202)(2,24,31,103)(2,12)(2,22)(2,22,24)(2,22,24)(1,21)(2,23,07,89)(2,22)(2,24)(1,21)(2,22,24,386)(1,11)(2,22,26,337,104)		Adjustments for non cash and other items:		
Amortization       1,613.772       1,70         Finance cost       3,457,366       4,65         Provision for provident fund       7,130,392       6,15         Unrealized loss on remeasurement       6,404       7,130,392       6,15         Unrealized loss on remeasurement       6,404       7,130,392       6,15         Unrealized loss on remeasurement       1,462,228       1       1         Gain on disposal of property and equipment       1,439,522       (1,452,236)       1         Mark-up no bank deposits       1,439,522       (1,52       (1,52       (1,53),522       (1,52         Return on short term investments       2,4591,321       25,34       24,591,321       25,34         Working capital changes       24,591,321       25,34       24,591,321       25,34         Decrease / (increase) in current assets       (7,973,775)       (1,556       (5,18)       (5,18)         Advance annual subscription and other fees       (7,373,755)       (3,3050,618       6,07         Cash generated from operations       2,4386       6,11       3,050,618       6,07         Cash generated from operations       2,524,336       6,11       3,050,618       6,07         Cash generated from operations       3,050,618       6,0			15 085 235	14,030,004
Finance cost3.473.664.65Provision for provident find7,101.6736,15Unrealized loss on remeasurement(1,462,228)1Loss on disposal of short term investments(1,462,228)1Unrealized loss on remeasurement(1,462,228)1Unrealized loss on remeasurement(1,452,458)(1,558)Unrealized loss on remeasurements(1,556)(2,506)Unrealized loss on remeasurement(1,556)(2,256)Unrealized loss on remeasurement(1,576,468)(2,256)Unrealized loss on remeasurement(1,679,389)(7,27)Unrealized loss on remeasurement(1,679,389)(7,27)Unrealized rom operations(1,699,389)(7,27)Unrealized rom operations(1,699,389)(7,27)Unrealized rom operations(2,530,780)(2,500,780)Unrealized rom di				1,708,876
Provision for gratuity7,101,6736,10Provision for provident fund7,101,6736,10Uhrealized loss on reneasurement(1,462,228)1Loss on disposal of property and equipment(1,462,283)1Gain on disposal of property and equipment(1,893,522)(1,52Mark-up no bank deposits(1,893,522)(1,52Return on short term investments(2,501,321)(5,81Decrease / (increase) in current assets(7,373,775)(1,556Annual subscription receivable(7,373,775)(1,556Detrist and prepayments(7,373,775)(1,556Other receivables(7,373,775)(1,556Decrease in current liabilities(5,314,580)(2,304Advance annual subscription and other fees(3,3050,618(6,11)Cash generated from operations56,293,114(4,889,93)Long term deposits-82Taxes paid - net(1,079,389)(7,207Provident find paid(7,289,229)(2,244)Proceds from disposal of equipment(2,503,780)(1,61)Proceds from disposal of equipment(2,530,780)(2,452,613)Purchases of intangible assets(1,079,389)(2,202,25,613)Investment made during the period(2,530,780)(2,452,864)Purchases of intangible assets(1,933,252)(1,52Net cash (used in ) generated from investing activities(8,393,62,625)(2,107)C. CASH FLOWS FROM FINANCING ACTIVITIES(2,424,7444)(11,51)Payment against lease li			10 STG SS	4,659,441
Provision for provident fund7,130,3926,15Unrealized loss on remeasurement45,04945,049Loss on disposal of short term investments45,049(1,102,228)Gain on disposal of short term investments(2,17,105)(1,122,23)Mark-up on bank deposits(6,269,311)(5,187,404)Decrease / (increase) in current assets(7,373,775)(15,56Annual subscription receivable(7,373,775)(15,56Deposits and prepayments(2,457,400)(2,324Other receivables(5,314,580)(2,324Decrease in current liabilities(3,3050,6186,07Cash generated from operations5,233,144(4,89Long term deposits-82Taxes paid - net(1,079,389)(7,27Ordinating producting the period(7,309,229)(2,254Net cash generated from / (used in) operating activities(3,613,6533)(2,129)B. CASH FLOWS FROM INVESTING ACTIVITIES(1,614,624,626)(1,614,624,626)Purchases of intangible assets(1,614,624,626)(2,17,015)Investment made during the period(2,622,613)(3,453,77,864)Proceeds from disposal of equipment(2,632,613)(3,453,77,864)Proceeds from spasal of cuipment(2,632,77,765)(3,533,784)Purchases of intangible assets(1,633,77,864)(1,615)Purchases of intangible assets(2,622,613)(3,543,77,864)Purchases of intangible assets(2,622,625)(2,513,77,864)Mark-up received on bank deposits & governmen				6,108,379
Unrealized loss on remeasurement(1,462,228)1Loss on disposal of property and equipment(1,462,228)1Mark-up on bank deposits(217,105)(25,26,26,211)Return on short term investments24,591,32125,34Working capital changes(7,373,775)(15,56Decrease / (increase) in current assets(7,373,775)(15,56Annual subscription receivable(7,373,775)(24,457,400)Other receivables(7,373,768)(3,14,580)(2,24Decrease in current liabilities(3,305,618)6,11(3,305,618)(3,305,618)(3,305,618)Advance annual subscription and other fees(1,973,768)(3,14,580)(2,24)Cash generated from operations56,293,11414,89(3,738,768)(3,14,580)(2,24)Long term deposits-82(1,973,389)(7,22)(2,2,54)Taxes paid - net(1,079,389)(7,22)(2,2,54)(2,533,768)(1,12)Provident fund paid(8,738,993)(7,27)(7,509,229)(22,54)Net cash generated from / (used in) operating activities38,615,533(2,12)B.CASH FLOWS FROM INVESTING ACTIVITIES(1,673,768)(1,61)Purchases of property and equipment(2,6225,613)(2,452,28)(1,22)Proceeds from disposal of equipment(1,247,244)(11,51)Proceeds from disposal of equipment(1,73,33,718)(2,452,21,10)Proceeds from disposal of equipment(1,73,33,718)(2,452,21,10)Proceeds from disposa				6,150,641
Loss on disposal of short term investments Gain on disposal of property and equipment Mark-up on bank deposits Return on short term investments Morking capital changes Decrease / (increase) in current assets Annual subscription receivable Deposits and prepayments Advance annual subscription and other fees Advance annual subscription and other fees Creditors, accrued and other liabilities Long term deposits Cash generated from / (used in) operating activities B. CASH FLOWS FROM INVESTING ACTIVITIES Purchases of intragible assets Antual subscription and other fees Creditors, accrued and other frees Creditors, accrued and other fees Cash generated from / (used in) operating activities B. CASH FLOWS FROM INVESTING ACTIVITIES Purchases of intragible assets Purchases of intragible assets Creditors active from algobal of equipment Proceeds from sale of investment Mark-up received and other fues C. CASH FLOWS FROM FINANCING ACTIVITIES Payment against lease liability C. CASH FLOWS FROM FINANCING ACTIVITIES Payment against lease liability C. CASH FLOWS FROM FINANCING ACTIVITIES Payment against lease liability Mark-up received on bank deposits & government securities Payment against lease liability Net decrease in cash and cash equivalents (A+B+C) Cash and cash equivalents at end of the period Cash and cash equivalents at end of				13,877
Gain on disposal of property and equipment(217,105)Mark-up on bank deposits(1,893,522)Return on short term investments(217,105)Working capital changesDecrease / (Increase) in current assetsAnnual subscription receivables(7,373,775)Other receivables(2,457,400)Other receivables(3,14,505,50)Decrease in current liabilitiesAdvance annual subscription and other feesCreditors, accrued and other fiesCreditors, accrued and other fiesCash generated from operationsLong term depositsTaxes paid - netProvident find paidQrastiny paidProvident find paidProceeds from disposal of equipmentProceeds from sale of investmentMark-up crevieved on bank deposits & government securitiesNat cash equivalents (A+B+C)(44,608,860)(24,2327,776)(11,51)Net decrease in cash and cash equivalents (A+B+C)(44,608,860)(21,105)Cash and cash equivalents (A+B+C)(22,321,203)PoyoCash and cash equivalents at end of the pe				8,067
Mark-up on bank deposits       (1,493,522)       (1,52         Return on short term investments       (3,20,21)1)       (3,81         Working capital changes       (2,4591,321       25,34         Decrease / furcrease j in current assets       (1,493,522)       (1,52         Annual subscription receivable       (1,53,14,580)       (2,20,21)         Other receivables       (2,457,400)       (2,20,21)         Decrease in current liabilities       (3,314,580)       (23,24)         Advance annual subscription and other fees       (3,314,580)       (23,24)         Creditors, accrued and other liabilities       (3,050,618       6,07         Cash generated from operations       (1,079,389)       (7,20)         Taxes paid - net       (1,079,389)       (7,22)         Taxes paid - net       (1,079,389)       (7,22)         Provident fund paid       (8,788,993)       (7,27)         Gratuly paid       (7,230,229)       (22,25,433)         Proceeds from disposal of equipment       (2,620,250,11)       (23,250,250,11)         Proceeds from sale of investment       (1,61)       (23,62,250,12)       (23,230,780)         Invextment made during the period       (23,230,780)       (23,230,780)       (23,230,780)         Invextment made during the pe				
Return on short term investments       (6,269,311)       (5,81         Working capital changes       24,591,321       25,34         Decrease / (increase) in current assets       (7,373,775)       (15,56         Annual subscription receivable       (7,373,775)       (2,15,695         Other receivables       (5,181,6595       (2,457,400)         Decrease in current liabilities       (5,314,580)       (2,324         Advance annual subscription and other fees       3,924,386       (6,111)         Creditors, accrued and other liabilities       (3,305,061,8       (0,72)         Cash generated from operations       56,223,144       14,89         Long term deposits       -       82         Taxes paid - net       (1,079,389)       (7,20)         Provident find paid       (7,309,229)       (2,254         Net cash generated from / (used in) operating activities       38,615,533       (21,29)         B       CASH FLOWS FROM INVESTING ACTIVITIES       (1,61)       (2,36,225,613)       (345,38)         Proceeds from disposal of equipment       (2,36,225,613)       (345,38)       (365,307,80)       (345,38)         Proceeds from ase of investment       13,337,184       366,553       (1,57)       (345,38)       (345,38)       (345,38)       (345,38) <td></td> <td></td> <td></td> <td>(1,522,230)</td>				(1,522,230)
24,591,32125,34Working capital changes24,591,32125,34Decrease / (increase) in current assets(7,373,775)(15,56Annual subscription receivables(7,373,775)(15,56Deposits and prepayments(2,457,400)(2,50Other receivables(5,314,589)(23,24Decrease in current liabilities(5,314,589)(23,24Advance annual subscription and other fees3,924,3866,11Creditors, accrued and other liabilities3,950,6186,07Cash generated from operations-82Long term deposits-82Taxes paid - net(1,079,389)(7,20Provident fund paid(8,788,993)(7,20Cratuity paid(8,788,993)(7,27Oratuity paid(3,86,15,33)(21,29)B. CASH FLOWS FROM INVESTING ACTIVITIES(1,61Purchases of property and equipment(2,530,780)Proceeds from sale of investment(2,530,780)Investment made during the period(2,52,51,714)Proceeds from sale of investment securities(1,64,71,164)Mark-up received on bank deposits & government securities(1,2447,044)Net cash quivalents (A+B+C)(4,2327,776)Cash and cash equivalents (A+B+C)(4,2327,776)Cash and cash equivalents (A+B+C)(2,281,203Cash and cash equivalents (A+B+C)(2,281,203Cash and cash equivalents (A+B+C)(2,281,203Cash and cash equivalents (A+B+C)(2,281,203Cash and cash equivalents (A+B+C)(2,2				(5,814,151)
Decrease / (increase) in current assets         Annual subscription receivable       (7,373,775)         Deposits and prepayments       (2,457,400)         Other receivables       (5,314,580)         Decrease in current liabilities       (5,314,580)         Advance annual subscription and other fees       (3,924,386)         Creditors, accrued and other liabilities       (3,050,618)         Cash generated from operations       (1,079,389)         Long term deposits       -         Taxes paid - net       (1,079,389)         Provident fund paid       (8,788,993)         Ortatuity paid       (8,788,993)         Net cash generated from / (used in) operating activities       38,615,533         B.       CASH FLOWS FROM INVESTING ACTIVITIES         Purchases of property and equipment       (5,187,684)         Proceeds from disposal of equipment       (2,500,780)         Proceeds from abe of investiment       (3,45,38)         Mark-up received on bank deposits & government securities       (1,334,252)         Net cash (used in) / generated from investing activities       (68,496,265)         C.       CASH FLOWS FROM FINANCING ACTIVITIES         Payment against lease liability       (12,447,044)         Net decrease in cash and cash equivalents (A+B+C)       (44,608,98				25,342,904
Annual subscription receivable $(7,373,775)$ $(15,56)$ Deposits and prepayments $(2,457,400)$ $(2,50)$ Other receivables $(2,457,400)$ $(2,50)$ Decrease in current liabilities $(5,314,580)$ $(23,24)$ Advance annual subscription and other fees $(3,924,386)$ $(6,11)$ Creditors, accrued and other liabilities $(873,768)$ $(3)$ Cash generated from operations $(873,768)$ $(3)$ Long term deposits- $82$ Taxes paid - net $(1,079,389)$ $(7,20)$ Provident fund paid $(8,788,939)$ $(7,20)$ Gratuity paid $(8,788,939)$ $(7,20)$ Net cash generated from / (used in) operating activities $38,615,533$ $(21,29)$ B. CASH FLOWS FROM INVESTING ACTIVITIES $(5,187,684)$ $(1,61)$ Purchases of property and equipment $(5,187,684)$ $(1,61)$ Proceeds from size of investment $(2,54,c25,c13)$ $(345,38)$ Mark-up received on bank deposits & government securities $(2,54,c25,c13)$ $(345,38)$ Net cash (used in) / generated from investing activities $(6,849,c265)$ $(1,61)$ Payment against lease liability $(12,447,044)$ $(11,51)$ Net decrease in cash and cash equivalents (A+B+C) $(42,327,776)$ $(11,72)$ Cash and cash equivalents (A+B+C) $(24,287,776)$ $(11,72)$ Cash and cash equivalents at hed of the period $22,81,203$ $9,90$ Cash and cash equivalents at ed of the period $22,81,203$ $9,90$ Cash and cash equivalents at en		Working capital changes		
Deposits and prepayments Other receivables(2,457,400) (4,516,595)(2,50 (5,18)Decrease in current liabilities(5,314,580)(23,24)Advance annual subscription and other fees Creditors, accrued and other liabilities(3,924,386)(6,11) (873,768)(3,3050,618)Cash generated from operations(1,079,389)(7,20) (7,20),2144(1,079,389)(7,22) (7,22,43)Long term deposits-82 (1,079,389)(7,22) (7,22,43)(2,50,489)(7,22) (7,22,4386)Provident fund paid Gratuity paid(8,788,993)(7,22) (7,22,433)(2,24,47,044)(1,61)Net cash generated from / (used in) operating activities38,615,533(21,29)B. CASH FLOWS FROM INVESTING ACTIVITIES(5,187,684) (2,50,780)(1,61)Purchases of property and equipment Proceeds from sale of investment Mark-up received on bank deposits & government securities(1,61) (236,225,613)(345,88) (36,553)Mark-up received on bank deposits & government securities1,893,522 (1,52)(1,52) (1,52)Net cash (used in) / generated from investing activities(68,496,265)21,07)C. CASH FLOWS FROM FINANCING ACTIVITIES Payment against lease liability(12,447,044) (11,51)(11,51) (12,447,044)(11,51) (11,72) (2a,43,64)Net decrease in cash and cash equivalents (A+B+C) Cash and cash equivalents at end of the period Cash and cash equival		Decrease / (increase) in current assets		
Other receivables4,516,595(5,18Decrease in current liabilities(5,314,580)(23,24Advance annual subscription and other fees Creditors, accrued and other liabilities(3,924,386)(6,11)Cash generated from operations(873,768)(3Long term deposits-82Taxes paid - net(1,079,389)(7,20)Provident fund paid Gratuity paid(1,079,389)(7,20)Net cash generated from / (used in) operating activities38,615,533(21,29)B. CASH FLOWS FROM INVESTING ACTIVITIES(5,187,684) (2,25,013)(1,61) (2,36,225,613)(345,38)Purchases of property and equipment Proceeds from sale of investment Mark-up received on bank deposits & government securities Mark-up received on bank deposits & government securities(345,38)(345,38)C. CASH FLOWS FROM FINANCING ACTIVITIES(68,496,265)21,07Payment against lease liability(12,447,044)(11,51)Net decrease in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period Cash and cash equivalents at beginning of the period Cash and cash equivalents at end of the period Cash and cash equivalents tend of the period Cash and cash equivalents relating to margins & deposits(1,281,203) (2,281,203)		Annual subscription receivable	(7,373,775)	(15,563,303)
Decrease in current liabilities(5,314,580)(23,24Advance annual subscription and other fees3,924,3866,11Creditors, accrued and other liabilities(873,768)(3Cash generated from operations56,293,144(1,873,768)Long term deposits-82Taxes paid - net(1,079,389)(7,20Provident fund paid(8,788,993)(7,20Gratuity paid(8,788,993)(7,20Net cash generated from / (used in) operating activities38,615,533(21,29B.CASH FLOWS FROM INVESTING ACTIVITIES(1,61Purchases of property and equipment(2,50,780)(345,38Proceeds from disposal of equipment(23,6225,613)(345,38Proceeds from sale of investment(1,23,37,184(36,553Mark-up received on bank deposits & government securities(68,496,265)21,07C.CASH FLOWS FROM FINANCING ACTIVITIES(16,11,23,37,184(16,11,23,37,184Mark-up received on bank deposits & government securities(1,2447,044)(11,51)Net cash (used in) / generated from investing activities(68,496,265)21,07C.CASH FLOWS FROM FINANCING ACTIVITIES(42,327,776)(11,72)Payment against lease liability(12,447,044)(11,51)Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72)Cash and cash equivalents at beginning of the period2,281,2039,90Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relatin		Deposits and prepayments		(2,500,503)
Decrease in current liabilities       3,924,386       6,11         Advance annual subscription and other fees       3,924,386       6,11         Creditors, accrued and other liabilities       3,050,618       6,07         Cash generated from operations       5,6293,144       14,899         Long term deposits       -       82         Taxes paid - net       (1,079,389)       (7,20         Provident fund paid       (8,788,993)       (7,27         Gratuity paid       (7,809,229)       (22,54         Net cash generated from / (used in) operating activities       38,615,533       (21,29         B. CASH FLOWS FROM INVESTING ACTIVITIES       (1,61       2,730,780)       (345,38         Proceeds from sale of investment       (2,622,5,613)       (345,38       366,55         Investment made during the period       (2,622,52,613)       (345,38       366,55       1,393,522       1,52         Net cash (used in) / generated from investing activities       (68,496,265)       21,07       (21,247,044)       (11,51         C		Other receivables		(5,183,904)
Advance annual subscription and other fees       3,924,386       6,11         Creditors, accrued and other liabilities       (873,768)       (3         Cash generated from operations       56,293,144       14,89         Long term deposits       -       82         Taxes paid - net       (1,079,389)       (7,20         Provident fund paid       (8,788,993)       (7,20         Gratuity paid       (7,809,229)       (22,54         Net cash generated from / (used in) operating activities       38,615,533       (21,29         B. CASH FLOWS FROM INVESTING ACTIVITIES       (1,61       (345,38         Purchases of property and equipment       (2,5187,684)       (1,61         Proceeds from disposal of equipment       (23,622,613)       (345,38         Proceeds from sale of investment       1,933,371,184       366,55         Investment made during the period       (23,622,613)       (345,38         Proceeds from sale of investing activities       (68,496,265)       21,07         C. CASH FLOWS FROM FINANCING ACTIVITIES       (12,447,044)       (11,51         Net cash (used in) / generated from investing activities       (68,496,265)       21,07         C. CASH FLOWS FROM FINANCING ACTIVITIES       (44,608,980)       21,63         Payment against lease liabilit		Design of the bullet	(5,314,580)	(23,247,710)
Creditors, accrued and other liabilities(873,768)(3Creditors, accrued and other liabilities3,050,6186,07Cash generated from operations56,293,14414,89Long term deposits-82Taxes paid - net(1,079,389)(7,20)Provident fund paid(8,788,993)(7,20)Gratuity paid(7,809,229)(22,54)Net cash generated from / (used in) operating activities38,615,533(21,29)B. CASH FLOWS FROM INVESTING ACTIVITIES(5,187,684)(1,61)Purchases of property and equipment(2,530,780)(236,222,5613)(345,38)Purchases of inagible assets(2,530,780)(236,222,5613)(345,38)Investment made during the period(236,222,5613)(345,38)(36,552)Proceeds from sale of investment1,893,5221,5231,523Net cash (used in) / generated from investing activities(68,496,265)21,07C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)(11,51)Net decrease in cash and cash equivalents (A+B+C)(42,327,779)(11,72)Cash and cash equivalents at beginning of the period2,281,2039,90Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83			3.924.386	6,112,500
3,050,6186,07Cash generated from operations56,293,144Long term deposits-Taxes paid - net(1,079,389)Provident fund paid(8,788,993)Gratuity paid(2,254Net cash generated from / (used in) operating activities38,615,533B. CASH FLOWS FROM INVESTING ACTIVITIESPurchases of property and equipment(2,187,684)Proceeds from disposal of equipment(2,5187,684)Proceeds from sale of investment(236,225,613)Investment made during the period(236,225,613)Proceeds from sale of investment(345,38Mark-up received on bank deposits & government securities(345,38Net cash (used in / generated from investing activities(68,496,265)C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)Payment against lease liability(12,447,044)Net decrease in cash and cash equivalents (A+B+C)(42,327,776)Cash and cash equivalents at beginning of the period2,281,203Cash and cash equivalents relating to margins & deposits7,956,93722,83				(35,706)
Cash generated from operations56,293,14414,899Long term deposits-82Taxes paid - net(1,079,389)(7,20)Provident fund paid(8,788,993)(7,27)Gratuity paid(7,809,229)(22,54)Net cash generated from / (used in) operating activities38,615,533(21,29)B.CASH FLOWS FROM INVESTING ACTIVITIES(1,61)(1,61)Purchases of property and equipment(2,530,780)(345,38)Purchases of intangible assets(2,530,780)(345,38)Investment made during the period(236,225,613)(345,38)Proceeds from sale of investment1,73,337,184366,55Mark-up received on bank deposits & government securities1,893,5221,52Net cash (used in) / generated from investing activities(68,496,265)21,07C.CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)(11,51)Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72)Cash and cash equivalents at beginning of the period2,281,2039,90Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		cieditors, avoided and outer indefinites		6,076,794
Taxes paid - net(1,079,389)(7,20Provident fund paid(8,788,993)(7,27Gratuity paid(7,809,229)(22,54Net cash generated from / (used in) operating activities38,615,533(21,29B.CASH FLOWS FROM INVESTING ACTIVITIESPurchases of property and equipment(5,187,684)(1,61Proceeds from disposal of equipment(2,50,780)(236,225,613)Purchases of intangible assets(2,50,780)(236,225,613)Investment made during the period(236,225,613)(345,38Porceeds from sale of investment1,993,5221,52Mark-up received on bank deposits & government securities1,893,5221,52Net cash (used in) / generated from investing activities(68,496,265)21,07C.CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)(11,51)Net decrease in eash and cash equivalents (A+B+C)(42,327,776)(11,72)Cash and cash equivalents at beginning of the period2,281,2039,90Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		Cash generated from operations	the second s	14,896,804
Taxes paid - net $(1,079,389)$ $(7,20)$ Provident fund paid $(8,788,993)$ $(7,27)$ Gratuity paid $(7,809,229)$ $(22,54)$ Net cash generated from / (used in) operating activities $38,615,533$ $(21,29)$ B.CASH FLOWS FROM INVESTING ACTIVITIES $(5,187,684)$ $(1,61)$ Purchases of property and equipment $(2,530,780)$ $(2,530,780)$ Purchases of intangible assets $(2,530,780)$ $(345,38)$ Investment made during the period $(236,225,613)$ $(345,38)$ Proceeds from sale of investment $173,337,184$ $366,55$ Mark-up received on bank deposits & government securities $1,893,522$ $1,52$ Net cash (used in) / generated from investing activities $(68,496,265)$ $21,07$ C.CASH FLOWS FROM FINANCING ACTIVITIES $(12,447,044)$ $(11,51)$ Net decrease in cash and cash equivalents (A+B+C) $(42,327,776)$ $(11,72)$ Cash and cash equivalents at beginning of the period $2,281,203$ $9,90$ Cash and cash equivalents at end of the period $2,281,203$ $9,90$ Cash and cash equivalents relating to margins & deposits $7,956,937$ $22,83$		Long term deposits		829,000
Provident fund paid(8,788,993)(7,27Gratuity paid(7,809,229)(22,54Net cash generated from / (used in) operating activities38,615,533(21,29B. CASH FLOWS FROM INVESTING ACTIVITIESPurchases of property and equipment(5,187,684)(1,61Proceeds from disposal of equipment(2,50,780)(236,225,613)(345,38Purchases of intangible assets(2,30,780)(236,225,613)(345,38Investment made during the period(236,225,613)(345,38366,55Proceeds from sale of investment173,337,184366,551,52Mark-up received on bank deposits & government securities(68,496,265)21,07C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)(11,51)Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72)Cash and cash equivalents at beginning of the period2,281,2039,90Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83			(1,079,389)	(7,204,926)
Net cash generated from / (used in) operating activities38,615,533(21,29B. CASH FLOWS FROM INVESTING ACTIVITIESPurchases of property and equipment(5,187,684)(1,61Proceeds from disposal of equipment(2,530,780)(236,225,613)Purchases of intangible assets(236,225,613)(345,38Investment made during the period(173,337,184)366,55Proceeds from sale of investment173,337,184366,55Mark-up received on bank deposits & government securities(68,496,265)21,07C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)(11,51)Payment against lease liability(12,447,044)(11,72)Cash and cash equivalents (A+B+C)(42,327,776)(11,72)Cash and cash equivalents at beginning of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83			(8,788,993)	(7,270,646)
B. CASH FLOWS FROM INVESTING ACTIVITIES         Purchases of property and equipment         Proceeds from disposal of equipment         Purchases of intangible assets         Investment made during the period         Proceeds from sale of investment         Mark-up received on bank deposits & government securities         Net cash (used in) / generated from investing activities         C. CASH FLOWS FROM FINANCING ACTIVITIES         Payment against lease liability         Net decrease in cash and cash equivalents (A+B+C)         Cash and cash equivalents at beginning of the period         Cash and cash equivalents at end of the period         Cash and cash equivalents relating to margins & deposits		Gratuity paid	(7,809,229)	(22,543,327)
Purchases of property and equipment(5,187,684)(1,61Proceeds from disposal of equipment217,105(2,530,780)Purchases of intangible assets(2,6,225,613)(345,38Investment made during the period(236,225,613)(345,38Proceeds from sale of investment173,337,184366,55Mark-up received on bank deposits & government securities1,893,5221,52Net cash (used in) / generated from investing activities(68,496,265)21,07C.CASH FLOWS FROM FINANCING ACTIVITIES(11,71Payment against lease liability(12,447,044)(11,51Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72Cash and cash equivalents at beginning of the period21,6321,63Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		Net cash generated from / (used in) operating activities	38,615,533	(21,293,095)
Proceeds from disposal of equipment217,105Purchases of intangible assets(2,530,780)Investment made during the period(236,225,613)Proceeds from sale of investment173,337,184Mark-up received on bank deposits & government securities1,893,522Net cash (used in) / generated from investing activities(68,496,265)C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)Payment against lease liability(12,447,044)Net decrease in cash and cash equivalents (A+B+C)(42,327,776)Cash and cash equivalents at beginning of the period44,608,980Cash and cash equivalents at end of the period2,281,203Cash and cash equivalents relating to margins & deposits7,956,93722,83	B.	CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of intangible assets(2,530,780)Investment made during the period(236,225,613)Proceeds from sale of investment173,337,184Mark-up received on bank deposits & government securities1,893,522Net cash (used in) / generated from investing activities(68,496,265)C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)Payment against lease liability(12,447,044)Net decrease in cash and cash equivalents (A+B+C)(42,327,776)Cash and cash equivalents at beginning of the period44,608,980Cash and cash equivalents at end of the period2,281,203Cash and cash equivalents relating to margins & deposits7,956,93722,83		Purchases of property and equipment	(5,187,684)	(1,611,560)
Investment made during the period(236,225,613)(345,38Proceeds from sale of investment173,337,184366,55Mark-up received on bank deposits & government securities1,893,5221,52Net cash (used in) / generated from investing activities(68,496,265)21,07C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)(11,51Payment against lease liability(12,447,044)(11,72Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72Cash and cash equivalents at beginning of the period44,608,98021,63Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		Proceeds from disposal of equipment	217,105	-
Proceeds from sale of investment173,337,184366,55Mark-up received on bank deposits & government securities1,52Net cash (used in) / generated from investing activities(68,496,265)C. CASH FLOWS FROM FINANCING ACTIVITIESPayment against lease liability(12,447,044)Net decrease in cash and cash equivalents (A+B+C)(42,327,776)Cash and cash equivalents at beginning of the period44,608,980Cash and cash equivalents at end of the period2,281,203Cash and cash equivalents relating to margins & deposits7,956,93722,83		Purchases of intangible assets	(2,530,780)	-
Mark-up received on bank deposits & government securities1,893,5221,52Net cash (used in) / generated from investing activities(68,496,265)21,07C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)(11,51Payment against lease liability(12,447,044)(11,72Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72Cash and cash equivalents at beginning of the period44,608,98021,63Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		Investment made during the period	(236,225,613)	(345,389,307)
Net cash (used in) / generated from investing activities(68,496,265)21,07C. CASH FLOWS FROM FINANCING ACTIVITIES(12,447,044)(11,51Payment against lease liability(12,447,044)(11,72Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72Cash and cash equivalents at beginning of the period44,608,98021,63Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		Proceeds from sale of investment	173,337,184	366,555,974
C. CASH FLOWS FROM FINANCING ACTIVITIES       (12,447,044)       (11,51         Payment against lease liability       (12,447,044)       (11,72         Net decrease in cash and cash equivalents (A+B+C)       (42,327,776)       (11,72         Cash and cash equivalents at beginning of the period       44,608,980       21,63         Cash and cash equivalents at end of the period       2,281,203       9,90         Cash and cash equivalents relating to margins & deposits       7,956,937       22,83		Mark-up received on bank deposits & government securities	1,893,522	1,522,230
Payment against lease liability(12,447,044)(11,51)Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72)Cash and cash equivalents at beginning of the period44,608,98021,63Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		Net cash (used in) / generated from investing activities	(68,496,265)	21,077,337
Net decrease in cash and cash equivalents (A+B+C)(42,327,776)(11,72Cash and cash equivalents at beginning of the period44,608,98021,63Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83	C.	CASH FLOWS FROM FINANCING ACTIVITIES		
Cash and cash equivalents at beginning of the period44,608,98021,63Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		Payment against lease liability	(12,447,044)	(11,512,620)
Cash and cash equivalents at end of the period2,281,2039,90Cash and cash equivalents relating to margins & deposits7,956,93722,83		Net decrease in cash and cash equivalents (A+B+C)	(42,327,776)	(11,728,378)
Cash and cash equivalents relating to margins & deposits 7,956,937 22,83		Cash and cash equivalents at beginning of the period	44,608,980	21,632,838
		Cash and cash equivalents at end of the period	2,281,203	9,904,460
Cach and each acuivalents at and of the period 10 329 140 32 73		Cash and cash equivalents relating to margins & deposits	7,956,937	22,832,801
Cash and cash equivalents at end of the period $\underline{10,230,140}$		Cash and cash equivalents at end of the period	10,238,140	32,737,261

The annexed notes from to N form an integral part of this condensed interim financial information.

CHAIRMAN Endorsement

CHIEF FINANCIAL OFFICER

2

MANAGING DIRECTOR

MANAGING DIRECTOR

# PAKISTAN MERCANTILE EXCHANGE LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

			Reserves		
	Issued, subscribed and paid-up capital	the second state of the second s	Revenue - Accumulated Loss	Total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2020 (Audited)	313,551,620	22,250,000	(294,809,821)	(272,559,821)	40,991,799
Total comprehensive income					
Net Profit for the period		•	3,333,993	3,333,993	3,333,993
Other comprehensive income	-	-	-	•	-
		-	3,333,993	3,333,993	3,333,993
Balance as at March 31, 2021 (Unaudited)	313,551,620	22,250,000	(291,475,828)	(269,225,828)	44,325,792
Balance as at July 01, 2021 (Audited)	313,551,620	22,250,000	(286,135,990)	(263,885,990)	49,665,630
Total comprehensive income					
Net Profit for the period	-	-	28,191,602	28,191,602	28,191,602
Other comprehensive income		-		-	-
enderste bereine trevelagersteren v. und 2012/2020	(1 <del></del> )	-	28,191,602	28,191,602	28,191,602
Balance as at March 31, 2022 (Unaudited)	313,551,620	22,250,000	(257,944,388)	(235,694,388)	77,857,232

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

CHAIRMAN Endorsement CHIEF FINANCIAL OFFICER

MANAGING DIRECTOR

MANAGING DIRECTOR

# PAKISTAN MERCANTILE EXCHANGE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Mercantile Exchange Limited ('the Exchange') was incorporated in Pakistan as a public limited company on April 20, 2002 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Certificate of Commencement of Business under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) was granted to the Exchange by the Securities and Exchange Commission of Pakistan (SECP) on May 20, 2002. The Certificate of Registration under Securities and Exchange Ordinance, 1969 to start operations as commodity exchange was granted by SECP on May 10, 2007 when the Exchange commenced its operations. After promulgation of The Futures Market Act 2016, the Exchange has been granted license of Futures Commodity Exchange effective from June 15, 2017. Its registered office is situated at 3B, 3rd Floor, Bahria Complex IV, Chaudhry Khaliq-uz-Zaman Road, Gizri, Karachi, Pakistan. The Exchange has also two branch offices situated in Islamabad and Lahore.
- 1.2 The Exchange has been set-up principally to establish, regulate, control and provide physical facilities and marketplace necessary for trading in Commodity Future Contracts and to perform all allied and incidental functions. This is a technology driven, de-mutualized, on-line futures exchange, regulated by SECP. The operations of the Exchange are governed by the Rule Books of Pakistan Mercantile Exchange Limited (PMEX).
- 1.3 Pursuant to the licensing conditions of futures exchange, the Exchange was required to meet the net equity of Rs. 500 million by June 30, 2020. However, as of March 31, 2022, the net equity of the Exchange is Rs. 77.86 million. The Exchange has requested the Commission to extend the date till June 2024 approval of which is awaited.

## 2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
  - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017.
- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2021.

## 3. ACCOUNTING POLICIES, ESTIMATES, JUDGMENTS AND FINANCIAL RISK POLICIES

The accounting policies, estimates, judgments and financial risk policies used in these unconsolidated condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2021 except for investment made in subsidiary, during the period 31 March 2022, which is accounted for under equity method of accounting.

4.	MARGINS & DEPOSITS		(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
	Clearing house deposits relating to brokers and clients		146 876 083	141 222 100
	Initial margins relating to brokers and clients		146,876,982	141,332,109
	initial margins relating to brokers and chemis		1,514,705,548 1,661,582,530	1,599,984,069 1,741,316,178
4.1	The margins and deposits has been applied as follows:			
	Clearing house deposits			
	Saving / current accounts		7,846,980	41,878,211
	Investment in Treasury Bills		139,890,173	99,693,932
	Less: amount allocated for transfer to SGF Trust	5	(860,171)	(240,034)
			146,876,982	141,332,109
	Initial margins			
	Saving / current accounts		109,957	320,631,652
	Investment in Treasury Bills		1,525,432,176	1,288,028,003
	Security deposit / prepayments - Locker (Gold)		36,000	36,000
	Less: amount allocated for transfer to SGF Trust	5	(8,854,837)	(2,825,636)
	NCCPL payable		(2,017,748)	(5,885,950)
			1,514,705,548	1,599,984,069
			1,661,582,530	1,741,316,178
5.	PAYABLE TO SETTLEMENT GUARANTEE FUND	TRUST		
	Payable to Settlement Guarantee Fund Trust from			
	- clearing house deposits	4.1	860,171	240,034
	- initial margins	4.1	8,854,837	2,825,636
			9,715,008	3,065,670
5.1	Movement for the period is as follows: Opening balance as at July 01, 2021/2020 Amount allocated from:		3,065,670	4,099,683
	- clearing house deposits		3,090,180	2,736,980
	- initial margins		31,993,124	37,831,151
			35,083,303	40,568,131
	Amount transferred during the period		(28,433,965)	(41,602,144)
			9,715,008	3,065,670

## 6. CONTINGENCIES AND COMMITMENTS

## 6.1 Contingencies

There were no changes in the status of contingencies as reported in the annual financial statements for the year ended 30 June 2021. The cumulative financial impact of these various litigations is estimated to Rs.94.74 (30 June 2021: Rs.94.74) million. The management, based on legal advisors opinions, believes that the Exchange has reasonable position in respect of these litigations. Hence, no provision for any liability which may arise in this regard has been made in these unconsolidated condensed interim financial statements.

## 6.2 Commitments

There are no commitments as at March 31, 2022.

7.	LONG TERM INVESTMENTS		(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
	Subsidiary - under equity method of accounting Global Commodity Trading Platform (Private) Limited Associates	7.1	7,994,031	-
	NCEL Building Management Limited		10	10
	Institute of Financial Market of Pakistan		10	10
			7,994,051	20

7.1 During the period, the Company has set up a wholly-owned subsidiary to offer an e-commerce platform for trading commodities. However, as of the period end, GCTP has not yet commenced its business operations.

Opening balance	-	-
Addition during the period	10,000,000	
Share of profit/ (loss) for the period	(2,005,969)	-
Dividend received during the period	-	-
Closing balance	7,994,031	-

# 8. SHORT TERM INVESTMENTS - at FVTPL

At fair value through profit or loss			
Investment in Treasury bills - margins and deposits		1,665,347,083	1,387,721,935
Investment in Treasury bills - others		135,051,914	72,495,760
	8.1	1,800,398,997	1,460,217,695

8.1 These carry markup ranging from 10.20% to 10.99% (30 June 2021: 7.31% to 7.37%) per annum and will mature on various dates up to June 16, 2022.

# 9. OTHER RECEIVABLES

## Cash at banks

- in current accounts	Γ	429,276	635,217-
<ul> <li>in saving accounts</li> </ul>	9.1	9,759,664	406,450,522
		10,188,940	407,085,739
Cash in hand	-	49,200	33,104
		10,238,140	407,118,843

9.1 These accounts carry mark-up ranging from 8.75% to 10.25% (30 June 2021: 4.5% to 5.5%) per annum.

3		(Unau) Nine months		(Unaudited) Three months ended		
•		March 31, 2022 Rupees	March 31, 2021 Rupees	March 31, 2022 Rupees	March 31, 2021 Rupees	
10.	OPERATING INCOME					
	Trading fee - Net Annual membership fee Share of PMEX from the income of margins and deposits Infrastructure fee Recovery of gold custody charges Others	163,705,584 16,308,334 70,976,289 5,630,000 3,486,494 2,728,100 262,834,801	119,547,722 18,962,500 71,675,564 5,598,000 3,041,086 1,979,300 220,804,172	67,904,056 4,187,500 26,929,517 1,875,000 1,241,954 (1,980,500) 100,157,527	40,627,726 6,287,500 24,910,446 1,867,000 681,068 922,700 75,296,440	
11.	ADMINISTRATIVE AND OPERATING EXPENSES					
	Salaries and benefits	142,751,143	132,282,804	48,480,755	45,844,585	
	Gratuity	7,101,673	6,108,379	2,292,020	2,057,746	
	Provident fund	7,130,392	6,150,641	2,302,571	2,090,865	
	Directors' fee	1,270,000	1,800,000	400,000	720,000	
	Depreciation	15,085,235	14,030,004	5,000,432	4,657,930	
	Amortization	1,613,772	1,708,876	158,173	569,625	
	Communication	4,238,136	4,007,511	1,803,073	723,906	
	Cloud hosting	11,831,758	7,361,398	3,275,573	2,653,260	
	Utilities	2,052,575	1,673,537	646,623	498,891	
	Legal and professional	4,123,385	4,423,734	1,511,371	1,822,490	
	Repairs and maintenance	3,558,958	4,005,544	1,198,122	951,562	
	Travelling and conveyance					
	- Employees and others	80,213	57,500	15,904	51,500	
	- Directors (incl. Managing Director)	325,986	329,377	307,176	203,520	
		406,199	386,877	323,080	255,020	
	Fee and subscription	28,295,712	30,328,275	9,160,519	11,129,939	
	Security services	560,340	615,526	186,780	216,898 -	
	Insurance	522,168	264,598	172,048	109,080	
	SECP supervision fee	1,856,439	1,454,541	739,665	501,281	
	Auditors' remuneration	569,250	517,500	189,750	172,500	
	Marketing expense	3,207,310	3,411,806	2,243,565	1,549,300	
	Printing and stationery	154,398	215,604	33,318	117,665	
	Entertainment	896,138	536,662	183,873	217,248	
		237,224,981	221,283,817	80,301,311	76,859,791	

•			(Unaudited) Nine months period ended				10 March 10
•		-	March 31, 2022 Rupees	March 31, 2021 Rupees	March 31, 2022 Rupees	March 31, 2021 Rupees	
12. TAXATION Current - for	the period	12.1	5,774,183	3,390,823	3,539,060	1,155,700	
		-	5,774,183	3,390,823	3,539,060	1,155,700	

12.1 The provision for current income tax is based on alternative corporate tax under section 113C of the Income Tax Ordinance, 2001.

12.2 The Exchange has not recognised net defferd tax asset amounting to Rs.50.28 million as at 31 March 2022 on net deductible temporary difference aggregating to Rs. 111.02 million as at 31 March 2022 as timing of availability of sufficient profits cannot be determined.

	(Unaudited) Nine months period ended	
	March 31,	March 31,
Note	2022	2021
	Rupees	Rupees

## 13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associates, other companies with common directors, and key management personnel. Following are the details of transactions with related parties during the period.

# 13.1 Transactions during the period

Associates Undertakings		
Zahid Latif Securities (Private) Ltd		
Repayment of clearing house deposit	8,700,000	4,700,000
Rent and Utilities expenses		
Associated Company		
ISE REIT Management Limited	1,318,562	2,276,806
Directors	1,595,986	2,129,377
Managing Director	28,419,768	27,251,498
Key Management Personnel	50,191,089	41,349,916
Payment to Employees' Gratuity Fund	7,809,229	6,938,229
Payment to Employees' Provident Fund	17,577,986	15,073,924
Payment to Settlement Guarantee Fund	28,433,965	27,793,783
Payment to Investor Protection Fund	1,284,124	1,026,953

## 14. DATE OF AUTHORISATION OF ISSUE

This condensed interim financial information was authorized for issue on <u>28 April 2022</u> by the Board of Directors of the Exchange.

CHAIRMAN Endorsement CHIEF FINANCIAL OFFICER

MANAGING DIRECTOR

MANAGING DIRECTOR