

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 (EWRP). 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	31-Mar-21
	(Rupees in million)	
Trading Fee – net	<u>163.71</u>	<u>119.55</u>
Operating income	<u>262.83</u>	<u>220.80</u>
Profit before taxation	<u>33.97</u>	<u>6.72</u>
Net profit after taxation (total comprehensive income)	<u>28.19</u>	<u>3.33</u>
	(Rupees)	
Earnings per share	<u>0.90</u>	<u>0.11</u>

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.

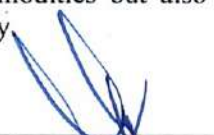
Future Outlook

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



Chairman

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

	(Unaudited) March 31, 2022	(Audited) June 30, 2021		(Unaudited) March 31, 2022	(Audited) June 30, 2021
Note	Rupees	Rupees	Note	Rupees	Rupees
EQUITY AND LIABILITIES			ASSETS		
Share capital and reserves			Non-current assets		
Authorised capital	<u>1,000,000,000</u>	<u>1,000,000,000</u>	Property and equipment	18,867,478	19,990,245
Issued, subscribed and paid-up capital	313,551,620	313,551,620	Right of use of asset	18,078,674	26,853,458
Reserves	<u>(235,694,388)</u>	<u>(263,885,990)</u>	Intangible assets	2,056,259	1,139,251
	77,857,232	49,665,630	Long term investments	7,994,051	20
				<u>46,996,462</u>	<u>47,982,974</u>
Non-current liabilities					
Long-term deposits	<u>161,264,381</u>	161,264,381			
Lease Liability	<u>15,391,689</u>	22,307,424			
	176,656,070	183,571,805			
Current liabilities			Current assets		
Staff gratuity	-	707,556	Supplies and consumables	<u>429,264</u>	429,264
Staff provident fund	-	1,658,601	Annual subscription receivable	<u>39,577,172</u>	32,203,397
Margins & deposits	4 <u>1,661,582,530</u>	1,741,316,178	Deposits and prepayments	<u>10,410,865</u>	7,953,465
Payable to SGF trust	5 <u>9,715,008</u>	3,065,670	Other receivables	<u>42,083,481</u>	46,600,076
Gold held on behalf of brokers/clients	<u>733,661,007</u>	595,930,026	Short term investments	8 <u>1,800,398,997</u>	1,460,217,695
Advance fee	<u>17,911,883</u>	13,987,497	Gold held on behalf of brokers/clients	<u>733,661,007</u>	595,930,026
Current portion of lease liabilities	<u>10,355,524</u>	12,429,467	Taxation - net	<u>60,826,490</u>	65,521,284
Creditors, accrued and other liabilities	<u>56,882,624</u>	61,624,594	Cash and bank balances	9 <u>10,238,140</u>	407,118,843
	<u>2,490,108,576</u>	2,430,719,589		<u>2,697,625,416</u>	2,615,974,050
Contingencies and commitments	6 <u>-</u>	-		<u>2,744,621,878</u>	<u>2,663,957,024</u>
	<u>2,744,621,878</u>	<u>2,663,957,024</u>		<u>2,744,621,878</u>	<u>2,663,957,024</u>

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


 CHAIRMAN


 MANAGING DIRECTOR

Endorsement


 CHIEF FINANCIAL OFFICER


 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

	Note	Nine months period ended		Three months period ended	
		March 31,	March 31,	March 31,	March 31,
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
Operating income	10	262,834,801	220,804,172	102,885,627	75,296,440
Administrative and operating expenses	11	(237,224,981)	(221,283,817)	(80,301,311)	(76,859,791)
		25,609,820	(479,645)	22,584,316	(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)	-	(1,109,310)	-
Profit / (Loss) before taxation		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.



 CHAIRMAN

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

	Nine months period ended	
	March 31, 2022 Rupees	March 31, 2021 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	33,965,785	6,724,816
Adjustments for non cash and other items:		
Depreciation	15,085,235	14,030,004
Amortization	1,613,772	1,708,876
Finance cost	3,457,366	4,659,441
Provision for gratuity	7,101,673	6,108,379
Provision for provident fund	7,130,392	6,150,641
Unrealized loss on remeasurement	(1,462,228)	13,877
Loss on disposal of short term investments	45,049	8,067
Gain on disposal of property and equipment	(217,105)	-
Mark-up on bank deposits	(1,893,522)	(1,522,230)
Return on short term investments	(6,269,311)	(5,814,151)
	24,591,321	25,342,904
Working capital changes		
<i>Decrease / (increase) in current assets</i>		
Annual subscription receivable	(7,373,775)	(15,563,303)
Deposits and prepayments	(2,457,400)	(2,500,503)
Other receivables	4,516,595	(5,183,904)
	(5,314,580)	(23,247,710)
<i>Decrease in current liabilities</i>		
Advance annual subscription and other fees	3,924,386	6,112,500
Creditors, accrued and other liabilities	(873,768)	(35,706)
	3,050,618	6,076,794
Cash generated from operations	56,293,144	14,896,804
Long term deposits	-	829,000
Taxes paid - net	(1,079,389)	(7,204,926)
Provident fund paid	(8,788,993)	(7,270,646)
Gratuity paid	(7,809,229)	(22,543,327)
Net cash generated from / (used in) operating activities	38,615,533	(21,293,095)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(5,187,684)	(1,611,560)
Proceeds from disposal of equipment	217,105	-
Purchases of intangible assets	(2,530,780)	-
Investment made during the period	(236,225,613)	(345,389,307)
Proceeds from sale of investment	173,337,184	366,555,974
Mark-up received on bank deposits & government securities	1,893,522	1,522,230
Net cash (used in) / generated from investing activities	(68,496,265)	21,077,337
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Payment against lease liability	(12,447,044)	(11,512,620)
Net decrease in cash and cash equivalents (A+B+C)	(42,327,776)	(11,728,378)
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
Cash and cash equivalents relating to margins & deposits	7,956,937	22,832,801
Cash and cash equivalents at end of the period	10,238,140	32,737,261

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


	Issued, subscribed and paid-up capital	Reserves			Total
		Capital - Premium on issue of ordinary shares	Revenue - Accumulated Loss	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)	<u>313,551,620</u>	<u>22,250,000</u>	<u>(291,475,828)</u>	<u>(269,225,828)</u>	<u>44,325,792</u>
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	-	-	-	-	-
	-	-	28,191,602	28,191,602	28,191,602
Balance as at March 31, 2022 (Unaudited)	<u>313,551,620</u>	<u>22,250,000</u>	<u>(257,944,388)</u>	<u>(235,694,388)</u>	<u>77,857,232</u>

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 conditios 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.

(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
--	---

4. MARGINS & DEPOSITS

Clearing house deposits relating to brokers and clients
Initial margins relating to brokers and clients

146,876,982	141,332,109
1,514,705,548	1,599,984,069
1,661,582,530	1,741,316,178

4.1 The margins and deposits has been applied as follows:

Clearing house deposits

Saving / current accounts
Investment in Treasury Bills
Less: amount allocated for transfer to SGF Trust

5

7,846,980	41,878,211
139,890,173	99,693,932
(860,171)	(240,034)
146,876,982	141,332,109

Initial margins

Saving / current accounts
Investment in Treasury Bills
Security deposit / prepayments - Locker (Gold)
Less: amount allocated for transfer to SGF Trust
NCCPL payable

5

109,957	320,631,652
1,525,432,176	1,288,028,003
36,000	36,000
(8,854,837)	(2,825,636)
(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
- initial margins

4.1

4.1

860,171	240,034
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:
- clearing house deposits
- initial margins

Amount transferred during the period

3,065,670	4,099,683
3,090,180	2,736,980
31,993,124	37,831,151
35,083,303	40,568,131
(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.

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

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	<u>7,994,031</u>	<u>-</u>

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	<u>1,800,398,997</u>	<u>1,460,217,695</u>

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

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

	(Unaudited)		(Unaudited)	
	Nine months period ended		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	163,705,584	119,547,722	67,904,056	40,627,726
Annual membership fee	16,308,334	18,962,500	4,187,500	6,287,500
Share of PMEX from the income of margins and deposits	70,976,289	71,675,564	26,929,517	24,910,446
Infrastructure fee	5,630,000	5,598,000	1,875,000	1,867,000
Recovery of gold custody charges	3,486,494	3,041,086	1,241,954	681,068
Others	2,728,100	1,979,300	(1,980,500)	922,700
	<u>262,834,801</u>	<u>220,804,172</u>	<u>100,157,527</u>	<u>75,296,440</u>

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
	<u>237,224,981</u>	<u>221,283,817</u>	<u>80,301,311</u>	<u>76,859,791</u>

12. TAXATION

		(Unaudited)		(Unaudited)	
		Nine months period ended		Three months ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Rupees	Rupees	Rupees	Rupees
12.1	Current - for the period	5,774,183	3,390,823	3,539,060	1,155,700
		<u>5,774,183</u>	<u>3,390,823</u>	<u>3,539,060</u>	<u>1,155,700</u>

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.

	Note	(Unaudited)	
		Nine months period ended	
		March 31, 2022	March 31, 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 **28 April 2022** by the Board of Directors of the Exchange.


CHAIRMAN


MANAGING DIRECTOR

Endorsement


CHIEF FINANCIAL OFFICER


MANAGING DIRECTOR