

Pakistan Mercantile Exchange Limited
Directors' Review
For the Nine Months Period Ended March 31, 2024

On behalf of the Board of Directors of Pakistan Mercantile Exchange Limited, we are pleased to present the Directors' Review together with unaudited condensed interim financial information for the nine months period ended March 31, 2024.

Reconstitution of PMEX Board

All the three independent directors Mr. Abdul Qadir Memon, Dr. Fatima Khushnud and Dr. Rashid Bajwa resigned in first week of January 2024. Due to absence of independent directors, the Board become dysfunctional. SECP approved the appointment of Mr. Farrukh Ansari, Ms. Aeyesha Gulzar and Mr. Maroof Syed in April 2024 after which the Board become functional again under the chairmanship of Mr. Farrukh Ansari.

Global Environment

During the period under review, the global economy faced significant pressures. The ongoing US-China trade tensions and the conflict between Russia and Ukraine hampered the expected pace of economic recovery. Additionally, persistent conflicts, such as those in Gaza, continued to fuel uncertainties. High inflation and rising interest rates adversely affected economic activities, businesses, and consumer confidence. A strong US dollar put pressure on commodity markets. In response to these economic uncertainties, the prices of precious metals continued their upward trajectory. Similarly, energy prices, including oil and gas, rose due to production cuts by OPEC Plus and escalated intense international conflicts.

Pakistan Overview

During the period under review, the economic revival signs became more evident. Securing a new Standby Agreement with the International Monetary Fund and release of a tranche exceeding a billion US dollars, coupled with the rollover of deposits from Saudi Arabia and China, bolstered the foreign exchange reserves held by the central bank. Added support came from higher influx of workers' remittances which improved exchange rate parity. Despite relaxed import restrictions, current account deficit narrowed down. Rising energy prices accelerated inflation rate. The State Bank of Pakistan (SBP) maintained the policy rate at 22 percent. Meanwhile, the country sets its sights on propelling GDP growth with a keen emphasis on agriculture - higher cotton output and bumper maize and wheat production.

Business Review

Unveiling E-commerce Platform for Bulk Commodity Trading

The Exchange is in the final phase of launching the Global Commodity Trading Platform (GCTP) as a wholly-owned subsidiary, that will facilitate international buyers to import agriculture and non-agriculture commodities in bulk from Pakistani commodity sellers and get them delivered at the port of their choice. GCTP is poised to significantly boost exports and provide access to new markets to local commodity producers and exporters.

Agri Broker Regulation

The Securities and Exchange Commission of Pakistan (SECP) has approved regulations that pave the way for the introduction of agriculture-only brokers. This regulatory advancement allows PMEX to diversify its brokerage services specifically tailored to the agricultural sector. By focusing on agri-business, PMEX can offer specialized services that cater to the unique needs of this vital segment of the economy. This initiative not only broadens PMEX market reach but also aligns with its strategic goal of enhancing sector-specific trading solutions, thereby reinforcing its commitment to innovation and sectoral growth in Pakistan's financial markets.

Collaboration for Spot Trading Platform

PMEX is collaborating with the International Finance Corporation (IFC) to develop a spot trading platform, aimed at expanding the market offerings. IFC will support this initiative by appointing a consultant to assist in the platform's development, enhancing PMEX trading capabilities and providing its customers with access to diverse commodities markets. This move is expected to significantly strengthen PMEX position in the marketplace.

Streamlining Online Account Opening

PMEX is in the process of enhancing the customer experience by streamlining the online account opening process. PMEX has introduced “instant customer onboarding” for valued customers. Through this service, all PMEX prospective customers can open their accounts through PMEX Brokers on a real-time basis by providing basic information i.e. Account Holder Name, CNIC, IBAN, and Address on the web portal.

This initiative is part of PMEX ongoing commitment to leveraging technology to improve accessibility and convenience, thereby fostering greater client satisfaction. This streamlined approach will significantly reduce the time it takes for new customers to begin trading, aligning with PMEX strategic goals of efficiency and growth in customer base.

Introducing WhatsApp Service for Enhanced Customer Support

PMEX is in the process of launching new WhatsApp service, designed to enhance communication and customer support. This initiative will allow PMEX customers to receive real-time updates, ask questions, and access support directly through WhatsApp, a platform familiar to many and accessible on-the-go. By integrating this service, PMEX aims to provide a more responsive and personalized customer experience, significantly improving customer engagement and satisfaction. This addition is a key part of PMEX strategy to leverage technology to better serve its customers and streamline interactions.

Introducing PMEX Brokers Awards

PMEX held its first Best Brokers Awards ceremony. This significant occasion was designed to honor the outstanding achievements of futures brokers and acknowledge their vital contributions to the futures market. As a pioneering effort, this ceremony not only highlighted the excellence and dedication within the brokerage community but also reinforced PMEX commitment to fostering a robust and transparent trading environment. PMEX plans to hold this ceremony annually, ensuring ongoing recognition and support for its exceptional brokers.

InvestExpo 2023 – Islamabad

PMEX organized the first-ever, full-day InvestExpo in Islamabad on Saturday, December 02, 2023. The InvestExpo showcased a grand full-day exhibition by stock brokers, commodity brokers, asset management, and insurance companies. Furthermore, two seminars on the topics of 'Investing in Stocks, Commodities, and Mutual Funds' and on 'Insurance, Takaful, and Microfinance' were held for the public attending the InvestExpo. The InvestExpo aimed to enhance financial literacy among the populace, promote awareness of regulated and licensed investment avenues, and facilitate direct interaction between the public and investment service providers, this annual initiative, endorsed by the Securities and Exchange Commission of Pakistan (SECP), is poised to extend to Lahore and Karachi in future iterations.

Creating Investor 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 several free of cost weekly webinars. Moreover, the Exchange spearheaded the 7th Annual World Investor Week (WIW) celebrations in Pakistan from October 2 – 8, 2023 with the support and guidance of the SECP. The Exchange designed and implemented a week-long comprehensive campaign in collaboration with other stakeholders of the capital market.

Setting a new precedence in Pakistan's Capital and Commodities Markets, PMEX collaborated with Capital Market Institutions including Pakistan Stock Exchange (PSX) and Central Depository Company of Pakistan Limited (CDC) and several other Equity & Commodity Brokers and Asset Management Companies to conduct a series of investor outreach, awareness, and education activities that included exhibitions, seminars, and panel discussions, targeting corporate employees, members of business chambers and students and faculty of graduate schools.

Financial Results

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

	Nine Months Period Ended	
	31-Mar-24	31-Mar-23
	(Rupees in million)	
Trading Fee – net	<u>381.72</u>	<u>289.13</u>
Operating income	<u>631.42</u>	<u>482.85</u>
Profit before taxation	<u>284.84</u>	<u>186.05</u>
Net profit after taxation (total comprehensive income)	<u>203.56</u>	<u>140.11</u>
	(Rupees)	
Earnings per share	<u>6.50</u>	<u>4.47</u>

The financial performance has continued to improve during the period and profit after tax has jumped from Rs. 140.10 million to Rs. 203.56 million, an increase of 45.29%. The major reasons for the improvement in trading volume are recent volatility in commodity prices across the globe and partial tariff revision after approval of SECP. The growth in trading volumes is expected to continue in coming months.

Appointment of Managing Director

The contract of previous managing director Mr. Ejaz Ali Shah was completed in August 2023. The Board is currently under the process of appointment of managing director. Until the completion of process, Chief Financial Officer and Company Secretary, Mr. Farhan Tahir has been assigned the additional responsibility of Acting managing director with the approval of SECP.

Future Outlook

Going forward, under the able guidance of the SECP and the Board of Directors, the focus of the Exchange will remain on the development of local commodities, propagation of the Electronic Warehouse Receipts (EWR) regime, documentation of gold through the Exchange, making exchange services available throughout the country and introducing safe investment opportunities for the retail investors across the country.

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Managing Director

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Chairman

Karachi: April 26, 2024

PAKISTAN MERCANTILE EXCHANGE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		(Unaudited) March 31, 2024	(Audited) June 30, 2023		(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Note	Rupees	Rupees		Note	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	7	30,718,806
Issued, subscribed and paid-up capital		313,551,620	313,551,620	Right of use of asset		9,522,968
Reserves		<u>195,884,998</u>	<u>(7,675,484)</u>	Intangible assets		891,793
		<u>509,436,618</u>	<u>305,876,136</u>	Long term investments	8	<u>20</u>
						<u>41,133,586</u>
						<u>56,358,595</u>
Non-current liabilities				Current assets		
Long-term deposits		<u>160,710,953</u>	161,394,912	Annual subscription receivable		<u>74,807,855</u>
Lease Liability		<u>4,365,905</u>	16,749,150	Deposits and prepayments		35,221,259
Provision for losses against subsidiary	8	<u>1,811,860</u>	-	Other receivables		119,138,883
		<u>166,888,718</u>	178,144,062	Short term investments	9	3,188,419,720
				Gold held on behalf of brokers/clients		2,594,903,363
				Advance fee		21,062,575
				Current portion of lease liabilities		<u>10,268,426</u>
				Creditors, accrued and other liabilities		<u>75,074,100</u>
						<u>5,506,901,712</u>
						4,285,294,567
						<u>6,142,093,462</u>
						4,712,956,170
						<u>6,183,227,048</u>
						<u>4,769,314,765</u>
						<u>6,183,227,048</u>
						<u>4,769,314,765</u>
						<u>6,183,227,048</u>
						<u>4,769,314,765</u>

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

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CHAIRMAN

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MANAGING DIRECTOR

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CHIEF FINANCIAL OFFICER

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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, 2024

	Note	Nine months period ended		Three months period ended	
		March 31, 2024 Rupees	March 31, 2023 Rupees	March 31, 2024 Rupees	March 31, 2023 Rupees
Operating income	10	631,419,412	482,847,169	220,329,311	187,682,316
Administrative and operating expenses	11	(428,603,398)	(322,764,681)	(131,917,953)	(123,673,718)
		<u>202,816,014</u>	<u>160,082,488</u>	<u>88,411,358</u>	<u>64,008,598</u>
Other income		89,318,115	33,177,268	24,503,500	9,295,975
Finance costs		(2,467,309)	(3,283,456)	(685,103)	(984,059)
Other charges		(1,085,249)	(187,476)	(121,456)	(112,975)
Share of loss from subsidiary	8.	(3,746,089)	(3,735,000)	(1,245,000)	(1,245,000)
Profit / (Loss) before taxation		<u>284,835,482</u>	<u>186,053,824</u>	<u>110,863,299</u>	<u>70,962,539</u>
Taxation	12	(81,275,000)	(45,944,402)	(34,556,023)	(20,908,578)
Profit / (Loss) after taxation		<u>203,560,482</u>	<u>140,109,422</u>	<u>76,307,276</u>	<u>50,053,961</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u><u>203,560,482</u></u>	<u><u>140,109,422</u></u>	<u><u>76,307,276</u></u>	<u><u>50,053,961</u></u>
Earnings per share - basic and diluted		<u><u>6.50</u></u>	<u><u>4.47</u></u>	<u><u>2.44</u></u>	<u><u>1.60</u></u>

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

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CHAIRMAN

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MANAGING DIRECTOR

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CHIEF FINANCIAL OFFICER

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MANAGING DIRECTOR

PAKISTAN MERCANTILE EXCHANGE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended	
	March 31, 2024 Rupees	March 31, 2023 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	284,835,482	186,053,824
Adjustments for non cash and other items:		
Depreciation	18,440,961	16,764,866
Amortization	499,753	474,521
Finance cost	2,467,309	3,283,456
Provision for gratuity	8,994,152	8,195,672
Provision for provident fund	9,057,665	8,238,631
Unrealized gain on remeasurement of investment	-	6,510,311
(Gain) / loss on disposal of government securities	35,939	17,808
Loss on disposal of property and equipment	999,727	-
Share of loss from subsidiary	3,746,089	3,735,000
Provision for expected credit loss	2,659,143	-
Return on government securities	(62,717,471)	(27,835,288)
	(15,816,733)	19,384,977
Working capital changes		
<i>Decrease / (increase) in current assets</i>		
Annual subscription receivable	(19,250,072)	(13,648,952)
Deposits and prepayments	(22,165,981)	(398,421)
Other receivables	(69,133,072)	14,500,836
	(110,549,126)	453,463
<i>Decrease in current liabilities</i>		
Advance annual subscription and other fees	5,101,184	12,189,615
Creditors, accrued and other liabilities	(13,682,442)	16,645,675
	(8,581,258)	28,835,290
Cash generated from operations	149,888,365	234,727,554
Taxes paid - net	(101,073,102)	(70,228,086)
Provident fund paid	(8,847,091)	(10,065,618)
Gratuity paid	(29,059,198)	(8,013,697)
Net cash generated from / (used in) operating activities	10,908,974	146,420,153
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(19,137,349)	(20,746,412)
Proceeds from disposal of equipment	14,027,477	1,938,962
Investment made during the period	(665,218,217)	(738,430,770)
Proceeds from sale of investment	718,028,684	586,666,087
Net cash (used in) / generated from investing activities	47,700,596	(170,572,133)

	Nine months period ended	
	March 31, 2023	March 31, 2022
	Rupees	Rupees
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Payment against lease liability	(14,002,263)	3,274,955
Net cash (used in) / generated from investing activities	<u>(14,002,263)</u>	<u>3,274,955</u>
Net decrease in cash and cash equivalents (A+B+C)	44,607,307	(20,877,025)
Cash and cash equivalents at beginning of the period	44,787,297	25,156,032
Cash and cash equivalents at end of the period	<u>89,394,604</u>	4,279,006
Cash and cash equivalents relating to margins & deposits	15,499,892	8,858,345
Cash and cash equivalents at end of the period	<u>104,894,496</u>	<u>13,137,351</u>

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

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CHAIRMAN

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CHIEF FINANCIAL OFFICER

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MANAGING DIRECTOR

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MANAGING DIRECTOR

PAKISTAN MERCANTILE EXCHANGE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	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, 2022 (Audited)	313,551,620	22,250,000	(229,410,874)	(207,160,874)	106,390,746
Total comprehensive income for the period ended March 31, 2022	-	-	140,109,422	140,109,422	140,109,422
	-	-	140,109,422	140,109,422	140,109,422
Balance as at March 31, 2022 (Unaudited)	313,551,620	22,250,000	(89,301,452)	(67,051,452)	246,500,168
Balance as at July 01, 2023 (Audited)	313,551,620	22,250,000	(29,925,484)	(7,675,484)	305,876,136
Total comprehensive income for the period ended March 31, 2024	-	-	203,560,482	203,560,482	203,560,482
	-	-	203,560,482	203,560,482	203,560,482
Balance as at March 31, 2024 (Unaudited)	313,551,620	22,250,000	173,634,998	195,884,998	509,436,618

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

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CHAIRMAN

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CHIEF FINANCIAL OFFICER

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MANAGING DIRECTOR

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MANAGING DIRECTOR

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 20 April 2002 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Exchange commenced its operations when the Certificate of Commencement of Business was granted to the Exchange by the Securities and Exchange Commission of Pakistan (SECP) on 20 May 2002. The Certificate of Registration under Securities and Exchange Ordinance, 1969 (now repealed) to start operations as commodity exchange was granted by SECP on 10 May 2007. After promulgation of Futures Market Act 2016, the Exchange has been granted license of Futures Commodity Exchange effective from 15 June 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 at 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 Future Contracts and to perform all allied and incidental functions. This is a technology driven, de-mutualized, on-line futures exchange in Pakistan, regulated by SECP. The operations of the Exchange are governed by the Rule Book of the Exchange as approved by the SECP.
- 1.3** Pursuant to the Futures Exchanges (Licensing and Operations) Regulations, 2017, the Exchange is required to have a minimum net worth of Rs. 500 million within the timeline specified by SECP, which presently is 30 June 2024. As of 31 March 2024, the net equity of the Exchange amounted to Rs 507.94 million. During the year, the Exchange earned a net profit of Rs. 202.06 million and the management expects that the Exchange will be able to continue generating sufficient profits in subsequent years which would enable the Exchange to meet its minimum capital requirements.
- 1.4** These are the separate condensed interim financial statements of the exchange in which investment in subsidiary is accounted for using equity method less accumulated impairment. The Exchange also prepares consolidated financial statements.

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.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2022. There are certain new standards and amendments to the approved accounting standards that will be mandatory for the accounting periods beginning on / or after 01 July 2022. However, Exchange expects that these standards and amendments will not have any material impact on the future financial statements of the Exchange.

(Unaudited)	(Audited)
March 31,	June 30,
2024	2023
Rupees	Rupees

4. MARGINS & DEPOSITS

Clearing house deposits relating to brokers and clients	165,509,370	156,499,338
Initial margins relating to brokers and clients	2,614,668,249	1,915,531,778
	<u>2,780,177,619</u>	<u>2,072,031,116</u>

4.1 The margins and deposits has been applied as follows:

Clearing house deposits

Saving / current accounts	14,490,555	2,252,714
Investment in Treasury Bills	152,379,296	155,454,518
Less: amount allocated for transfer to SGF Trust	5 (1,360,481)	(1,207,894)
	<u>165,509,370</u>	<u>156,499,338</u>

Initial margins

Balances with banks	973,337	4,749,445
Investment in Treasury Bills	2,636,189,238	1,917,890,893
Investment in term deposit receipts	10,130,137	10,124,932
Security deposit / prepayments - Locker (Gold)	5 36,000	36,000
Less: amount allocated for transfer to SGF Trust	(21,693,678)	(14,917,592)
CGT charges payable to NCCPL	(10,966,785)	(2,351,900)
	<u>2,614,668,249</u>	<u>1,915,531,778</u>
	<u>2,780,177,619</u>	<u>2,072,031,116</u>

5. PAYABLE TO SETTLEMENT GUARANTEE FUND TRUST

Payable to Settlement Guarantee Fund Trust from		
- clearing house deposits	5.1 1,360,481	1,207,894
- initial margins	5.1 21,693,678	14,917,592
	<u>23,054,159</u>	<u>16,125,486</u>

5.1 Movement for the period is as follows:

Opening balance as at July 01, 2021/2020	16,125,485	8,451,408
Amount allocated from:		
- clearing house deposits	12,186,644	11,584,827
- initial margins	155,210,658	148,694,836
	<u>167,397,302</u>	<u>160,279,663</u>
Amount transferred during the period	(160,468,628)	(152,605,586)
	<u>23,054,159</u>	<u>16,125,485</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

Income Tax

During the year ended 30 June 2009, the tax authorities have treated advance membership fee of Rs. 65 million (tax impact of Rs. 27.95 million) as income in the year of receipt, which was offered for tax by the Exchange upon receipt of Certificate of Registration as Commodity Exchange from SECP i.e. in 2007. In 2009, the Exchange filed an appeal before Sindh High Court, which is still pending. Based on the opinion of tax advisor, management is confident that the ultimate outcome of above matter will be in favor of the Exchange. Accordingly, no provision is made in these unconsolidated condensed interim financial statements.

Sales Tax

In 2015-2016, a demand of sales tax of Rs. 14.042 million along with penalty of Rs.1.584 million was raised by Assistant Commissioner SRB, Karachi against the Exchange under various sections of Sales tax on Services Act, 2011 in respect of non collection and submission of Sindh sales tax on various IT and alleged management services rendered by the Exchange to its brokers and clients. The Exchange has filed appeal before Commissioner (Appeals) Sindh Revenue Board, Karachi against the said order on which Commissioner (Appeals) has rectified the demand by Rs. 0.740 million and reducing penalty by amounted to Rs. 0.074 million. Subsequently, Appellate Tribunal through its order AT-25/2017 dated 15 November 2017 has also allowed partial relief on penalty of amounted to Rs. 0.910 million. Exchange had filed an application to Sindh High Court on the disputed demand of sales tax of Rs.12.566 million along with penalty of Rs. 0.6 million and stay order for the same has also been granted. During the period SRB has issued order directing the Exchange to deposit the amount of Rs 14.042 million along with penalty which shall be calculated at the time of payment. Based on the opinion of tax advisor, management is confident that the ultimate outcome of above matter will be in favor of the Exchange. Accordingly, no provision is made in these unconsolidated condensed interim financial statements.

6.2 Commitments

There are no commitments as at March 31, 2024.

	(Unaudited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
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7. PROPERTY AND EQUIPMENT

Opening net book value (NBV)		34,637,596	21,697,703
Additions during the period / year at cost	7.1	19,137,348	24,534,184
		<u>53,774,944</u>	<u>46,231,887</u>
Disposals during the period / year at NBV	7.2	(14,027,477)	(1,938,962)
Depreciation charge for the period / year		(9,028,662)	(9,655,329)
		<u>(23,056,139)</u>	<u>(11,594,291)</u>
Closing net book value (NBV)		<u>30,718,806</u>	<u>34,637,596</u>

7.1 Detail of additions (at cost) during the period / year are as follows:

Leasehold improvement	-	100,524
Electrical equipment	3,002,907	7,680,568
Computer equipment	15,188,985	639,772
Furniture and fittings	945,456	128,000
Motor vehicles	-	15,985,320
	<u>19,137,348</u>	<u>24,534,184</u>

(Unaudited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
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7.2 Detail of disposal (at NBV) during the period / year are as follows:

Office equipment	502,618	-
Motor vehicles	13,524,859	1,938,962
	<u>14,027,477</u>	<u>1,938,962</u>

8. LONG TERM INVESTMENTS

Subsidiary - under equity method of accounting

Global Commodity Trading Platform (Private) Limited	8.1	1,394,166	10,000,000
Share of loss for the period		<u>(3,206,089)</u>	<u>(8,605,834)</u>
		<u>(1,811,923)</u>	1,394,166

Associates

NCEL Building Management Limited	8.2	10	10
Institute of Financial Market of Pakistan	8.2	<u>10</u>	<u>10</u>
		20	20

<u>(1,811,903)</u>	<u>1,394,186</u>
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8.1 100% shares of the subsidiary are hold by the company.

8.2 These are associated companies due to common directorship without any significant influence.

9. SHORT TERM INVESTMENTS - at FVTPL

Investment in Treasury bills - margins and deposits	2,788,568,534	2,069,874,822
Investment in Treasury bills - others	389,721,049	375,791,824
Investments in Term Deposit Receipts - margins and deposits	<u>10,130,137</u>	<u>10,124,932</u>
	<u>3,188,419,720</u>	<u>2,455,791,578</u>

	(Unaudited)		(Unaudited)		
	Nine months period ended		Three months ended		
	March 31, 2024 Rupees	March 31, 2023 Rupees	March 31, 2024 Rupees	March 31, 2023 Rupees	
10. OPERATING INCOME					
Trading fee - Net	381,717,381	289,125,697	147,105,151	117,291,661	
Entrance fee	8,000,000	7,000,000	8,000,000	3,500,000	
Annual membership fee	20,732,316	17,312,750	6,670,925	6,050,000	
Share of PMEX from the income of margins and deposits	192,465,670	155,274,504	41,181,485	55,946,534	
Infrastructure fee	5,603,012	5,567,000	1,893,012	1,859,000	
Recovery of gold custody charges	7,631,424	5,116,598	1,748,629	2,283,221	
Market Making Fee	12,922,709	-	12,922,709	-	
Others	2,346,900	3,450,620	807,400	751,900	
	631,419,412	482,847,169	220,329,311	187,682,316	
11. ADMINISTRATIVE AND OPERATING EXPENSES					
Salaries and benefits	229,405,720	179,637,436	70,641,432	63,657,076	
Gratuity	8,994,152	8,195,672	2,937,648	2,866,121	
Provident fund	9,057,665	8,238,631	2,960,575	2,884,796	
Directors' fee	3,630,000	3,030,000	(780,000)	1,080,000	
Depreciation	18,440,961	16,764,866	7,304,863	5,854,765	
Amortization	499,753	474,521	166,584	158,173	
Communication	11,697,574	6,827,236	1,616,114	2,549,199	
Cloud hosting	32,803,310	24,848,943	12,909,925	13,700,343	
Utilities	3,467,423	2,299,735	643,400	464,872	
Legal and professional	9,842,517	5,051,747	4,742,008	1,650,140	
Repairs and maintenance	18,459,633	7,253,941	6,072,819	3,226,078	
Travelling and conveyance					
- Employees and others	3,522,952	801,442	91,074	201,810	
- Directors (incl. Managing Director)	3,702,260	1,950,008	1,566,668	725,762	
	7,225,212	2,751,450	1,657,742	927,572	
Fee and subscription	45,172,657	43,958,266	9,744,404	17,503,851	
Provision for expected credit loss					
- annual subscription receivable	1,640,109	-	-	-	
- other receivable	1,019,034	-	-	-	
Security services	627,660	560,340	258,000	186,780	
Insurance	1,044,141	602,989	398,080	244,698	
SECP supervision fee	4,145,968	3,190,554	1,635,481	1,287,256	
Auditors' remuneration	905,822	763,793	225,408	254,598	
Marketing expense	16,740,727	6,649,157	6,810,620	4,747,505	
Printing and stationery	611,231	283,755	263,464	104,394	
Entertainment	3,172,129	1,381,649	1,709,386	325,501	
	428,603,398	322,764,681	131,917,953	123,673,718	
12. TAXATION					
Current - for the period	12.1	81,275,000	47,529,014	34,556,023	22,493,190
12.1	The provision for current income tax is based on normal tax at 29% of the Income Tax Ordinance, 2001.				
12.2	There is no significant change in deferred tax balance as those reported in the annual financial statements for the year ended June 30, 2022.				

(Unaudited)
Nine months period ended

	March 31, 2024 Rupees	March 31, 2023 Rupees
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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	18,395,096	3,600,000
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Rent and Utilities expenses

Associated Company

ISE REIT Management Limited	445,346	351,856
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Directors	7,332,260	4,980,008
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Managing Director	32,342,062	31,719,579
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Key Management Personnel	75,863,427	63,766,541
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Payment to Employees' Gratuity Fund	29,059,198	8,013,697
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Payment to Employees' Provident Fund	17,694,182	20,131,236
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Payment to Settlement Guarantee Fund	166,885,554	96,766,181
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Payment to Investor Protection Fund	3,821,674	2,760,099
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14. DATE OF AUTHORISATION OF ISSUE

This condensed interim financial information was authorized for issue on _____ by the Board of Directors of the Exchange.

--Sd--

CHAIRMAN

--Sd--

CHIEF FINANCIAL OFFICER

--Sd--

MANAGING DIRECTOR

--Sd--

MANAGING DIRECTOR