

**Pakistan Mercantile Exchange Limited**  
**Directors' Review**  
**For the Period Ended September 30, 2023**

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 unconsolidated financial information for the three months period ended September 30, 2023 (Q1-24).

**GLOBAL ENVIRONMENT**

During the quarter under review, the global economy remained under pressure. China's slower-than-expected economic recovery, inflation, high interest rates and geopolitical uncertainties weighed on economic activities, businesses and consumer confidence. The central banks around the world followed the strategy of persistent hike in interest rates. Rising interest rates and a strong US dollar weighed on commodity markets. The prices of precious metals declined during the period under review. The oil prices remained on upward trajectory due to the production cut by OPEC PLUS.

**PAKISTAN OVERVIEW**

During the period under review, the economic recovery faced hurdles. Rising global oil prices drove up inflation and, combined with relaxed import restrictions, exacerbated the current account deficit. Securing a new Standby Agreement with the International Monetary Fund and obtaining a tranche exceeding a billion US dollars, coupled with the rollover of deposits from Saudi Arabia and China, bolstered the nation's foreign exchange reserves. This, in turn, positively affected the exchange rate. Workers' remittances consistently flowed in, reflecting strength. The State Bank of Pakistan (SBP) maintained the policy rate at 22 percent. Meanwhile, the government set its sights on propelling GDP growth with a keen emphasis on agriculture.

**BUSINESS REVIEW**

The first quarter of 2023-24 was very positive and encouraging for the Exchange in which we have continued and maintained our progress and growth trajectory which have become clearly visible during the 1st financial year.

During the period under review, the transaction volume increased to PKR 1,284 billion, up from 1,169 billion in the corresponding period FY22. Gold was the leading commodity, contributing PKR 530 billion. Currencies through COTS came next at PKR 308 billion followed by Indices at PKR 194 billion. Overall, 1,245 new UIN were registered.

While there was no introduction of a new product, the Exchange has been proactive. It drafted contract specifications for six Single Stock Futures (SSF) contracts and has presented them to the Securities & Exchange Commission of Pakistan (SECP) for endorsement. Upon receiving the green light, these futures contracts will be made available for trading on the PMEX.

PMEX endeavors to explore innovative ways of doing business and is relentlessly striving to expand its outreach across the country, giving an opportunity to more people to trade futures on its platform. In line with this, the Exchange remained committed to establishing strategic alliances with technology-driven entities to capitalize on their digital touchpoints to open commodity trading accounts for their customers thereby enabling them to trade futures at PMEX.

In its endeavor to promote understanding of commodity futures trading across Pakistan, PMEX led multiple educational initiatives. These encompassed outreach programs for educational institutions and businesses, along with weekly webinars designed for the broader audience.

## FINANCIAL RESULTS

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

	<b>Three Months Period Ended</b>	
	<b>30-Sep-23</b>	<b>30-Sep-22</b>
	<b>(Rupees in million)</b>	
Trading Fee – net	<b>118.97</b>	74.81
Operating income	<b>211.58</b>	132.69
Profit before taxation	<b>82.61</b>	45.84
Net profit after taxation (total comprehensive income)	<b>58.65</b>	38.05
	<b>(Rupees)</b>	
Earnings per share	<b>1.87</b>	1.21

The financial performance has continued to improve during the period and profit after tax has jumped from Rs. 38.05 million to Rs. 58.65 million, an increase of 54%. 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.

### Future Outlook

Going forward, under the able guidance of the SECP and with the unwavering support and direction provided by the Board of Directors, the focus of the Exchange will remain on the development of local commodities, propagation of the Electronic Warehouse Receipts (EWR) mechanism, documentation of gold trading through the Exchange and introduction of new cash settled futures contracts.

We are also aggressively working towards launching GCTP, which will act as a historic milestone in revolutionizing the way bulk commodity trading takes place between international buyers and local sellers. The Exchange plans to integrate GCTP with the trading of EWR at PMEX. The integration of a documented local commodity market with GCTP would not only result in opening new international markets for indigenous commodities but also increase exports of agri and non-agri commodities, thereby increasing the foreign exchange reserves of the country.

--Sd--  
\_\_\_\_\_  
Managing Director (Acting)

--Sd--  
\_\_\_\_\_  
Chairman

Karachi: October 25, 2023

**PAKISTAN MERCANTILE EXCHANGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**

		(Unaudited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees			(Unaudited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees
	Note				Note		
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>			
<b>Share capital and reserves</b>				<b>Non-current assets</b>			
Authorised capital		<u>1,000,000,000</u>	<u>1,000,000,000</u>	Property and equipment	8	19,574,025	34,637,596
Issued, subscribed and paid-up capital		313,551,620	313,551,620	Right of use of asset	9	15,722,503	18,935,265
Reserves		50,977,438	(7,675,484)	Intangible assets		1,224,962	1,391,548
		<u>364,529,058</u>	<u>305,876,136</u>	Long term investments	10	<u>149,186</u>	<u>1,394,186</u>
						<u>36,670,676</u>	<u>56,358,595</u>
<b>Non-current liabilities</b>							
Long-term deposits		161,394,912	161,394,912				
Lease Liability	4	<u>5,687,533</u>	<u>16,749,150</u>				
		<u>167,082,445</u>	<u>178,144,062</u>				
<b>Current liabilities</b>				<b>Current assets</b>			
Staff provident fund		<u>1,853,020</u>	2,150,896	Annual subscription receivable		<u>55,639,220</u>	55,557,783
Margins & deposits	5	<u>2,224,415,727</u>	2,072,031,116	Advances, deposits and prepayments		<u>39,444,876</u>	13,055,278
Payable to SGF trust	6	<u>17,258,660</u>	16,125,486	Other receivables		<u>89,023,959</u>	50,005,811
Gold held on behalf of brokers/clients		<u>2,190,000,000</u>	2,089,360,850	Short term investments	11	<u>2,548,221,868</u>	2,455,791,578
Advance fee		<u>9,605,141</u>	15,961,391	Gold held on behalf of brokers/clients		<u>2,190,000,000</u>	2,089,360,850
Current portion of lease liability	4	<u>16,613,589</u>	9,523,171	Taxation - net		<u>(1,164,632)</u>	4,397,573
Creditors, accrued and other liabilities		<u>86,529,690</u>	80,141,657	Cash and bank balances		<u>120,051,363</u>	44,787,297
		<u>4,546,275,827</u>	<u>4,285,294,567</u>			<u>5,041,216,654</u>	<u>4,712,956,170</u>
<b>Contingencies and commitments</b>	7	-	-				
		<u>5,077,887,330</u>	<u>4,769,314,765</u>			<u>5,077,887,330</u>	<u>4,769,314,765</u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

--Sd--

\_\_\_\_\_  
**CHAIRMAN**

--Sd--

\_\_\_\_\_  
**MANAGING DIRECTOR**

--Sd--

\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

--Sd--

\_\_\_\_\_  
**MANAGING DIRECTOR**

**PAKISTAN MERCANTILE EXCHANGE LIMITED**  
**CONDENSED INTERIM PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	Note	<u>Three months period ended</u>	
		September 30, 2023 Rupees	September 30, 2022 Rupees
Operating income	12	211,581,385	132,697,818
Administrative and operating expenses	13	<u>(146,096,870)</u> 65,484,515	<u>(94,817,825)</u> 37,879,993
Other income	14	19,319,993	10,551,124
Share of loss from subsidiary	10	(1,245,000)	(1,245,000)
Finance costs		(919,544)	(1,312,711)
Other charges		<u>(30,215)</u>	<u>(29,917)</u>
Profit / (Loss) before taxation		82,609,749	45,843,489
Taxation	15	<u>(23,956,827)</u>	<u>(7,793,393)</u>
<b>Profit / (Loss) after taxation</b>		<b>58,652,922</b>	<b>38,050,096</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<u><b>58,652,922</b></u>	<u><b>38,050,096</b></u>
<b>Earnings per share - basic</b>		<u><b>1.87</b></u>	<u><b>1.21</b></u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

--Sd--

\_\_\_\_\_  
CHAIRMAN

--Sd--

\_\_\_\_\_  
MANAGING DIRECTOR

--Sd--

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

--Sd--

\_\_\_\_\_  
MANAGING DIRECTOR

**PAKISTAN MERCANTILE EXCHANGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	Note	Three months period ended	
		September 30, 2023 Rupees	September 30, 2022 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	16	15,112,785	57,552,608
Long term deposits			-
Taxes paid - net		(18,394,623)	(670,008)
Provident fund paid		(3,480,492)	(2,599,511)
Gratuity paid		(3,174,875)	(2,604,792)
Net cash generated from / (used in) operating activities		<u>(9,937,205)</u>	<u>51,678,297</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from property and equipment		12,677,750	-
Payments against investment in government securities		(281,638,558)	(191,895,861)
Proceeds from sale of government securities		350,178,255	143,840,082
Mark-up received on bank deposits & government securities		2,927,381	1,234,170
Net cash (used in) investing activities		<u>84,144,828</u>	<u>(46,821,609)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment against lease liability		(3,971,199)	(3,039,952)
Net cash (used in) financing activities		<u>(3,971,199)</u>	<u>(3,039,952)</u>
Net decrease in cash and cash equivalents (A+B+C)		70,236,424	1,816,736
Cash and cash equivalents at beginning of the period		37,785,138	25,156,032
Cash and cash equivalents at end of the period		108,021,562	26,972,768
Cash and cash equivalents relating to margins & deposits		12,029,801	29,947,171
Cash and cash equivalents at end of the period		<u>120,051,363</u>	<u>56,919,939</u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

--Sd--

\_\_\_\_\_  
CHAIRMAN

--Sd--

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

--Sd--

\_\_\_\_\_  
MANAGING DIRECTOR

--Sd--

\_\_\_\_\_  
MANAGING DIRECTOR

**PAKISTAN MERCANTILE EXCHANGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital - Premium on issue of ordinary shares	Revenue - Accumulated Loss	Total	
----- Rupees -----					
<b>Balance as at July 01, 2022 (Audited)</b>	313,551,620	22,250,000	(229,410,874)	(207,160,874)	106,390,746
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	38,050,096	38,050,096	38,050,096
Other comprehensive income	-	-	-	-	-
	-	-	38,050,096	38,050,096	38,050,096
<b>Balance as at September 30, 2022 (Unaudited)</b>	<b>313,551,620</b>	<b>22,250,000</b>	<b>(191,360,778)</b>	<b>(169,110,778)</b>	<b>144,440,842</b>
<b>Balance as at July 01, 2023 (Audited)</b>	<b>313,551,620</b>	<b>22,250,000</b>	<b>(29,925,484)</b>	<b>(7,675,484)</b>	<b>305,876,136</b>
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	58,652,922	58,652,922	58,652,922
Other comprehensive income	-	-	-	-	-
	-	-	58,652,922	58,652,922	58,652,922
<b>Balance as at September 30, 2023 (Unaudited)</b>	<b>313,551,620</b>	<b>22,250,000</b>	<b>28,727,438</b>	<b>50,977,438</b>	<b>364,529,058</b>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

--Sd--

\_\_\_\_\_  
CHAIRMAN

--Sd--

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

--Sd--

\_\_\_\_\_  
MANAGING DIRECTOR

--Sd--

\_\_\_\_\_  
MANAGING DIRECTOR

**PAKISTAN MERCANTILE EXCHANGE LIMITED**  
**NOTES TO & FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

**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 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
- 1.2** The Exchange has been set-up principally to establish, regulate, control and provide physical facilities and marketplace necessary for trading in Futures 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 30 September 2023, the net equity of the Exchange amounted to Rs 366.42 million. During the period, the Exchange earned a net profit of Rs. 60.54 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.

**2. STATEMENT OF COMPLIANCE**

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 Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- International Accounting Standard 34 (IAS 34)-"Interim Financial Reporting"

Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**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 2023. 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 2023. However, Exchange expects that these standards and amendments will not have any material impact on the future financial statements of the Exchange.

	(Unaudited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>4. LEASE LIABILITIES</b>		
Present value of minimum lease payments:	22,301,122	26,272,321
Less: Current maturity of Lease liabilities	<u>(16,613,589)</u>	<u>(9,523,171)</u>
	<u>5,687,533</u>	<u>16,749,150</u>
<b>5. MARGINS &amp; DEPOSITS</b>		
Clearing house deposits relating to brokers and clients	164,665,902	156,499,338
Initial margins relating to brokers and clients	<u>2,059,749,826</u>	<u>1,915,531,778</u>
	<u>2,224,415,727</u>	<u>2,072,031,116</u>
<b>5.1</b> The Settlement Guarantee Fund has been applied as follows:		
<b>Clearing house deposits</b>		
Saving / current accounts	53,000	2,252,714
Investment in Treasury Bills	165,913,334	155,454,518
Less: Amount allocated for transfer to SGF Trust	<u>(1,300,433)</u>	<u>(1,207,894)</u>
	164,665,902	156,499,338
<b>Initial margins</b>		
Saving / current accounts	11,976,801	4,749,445
Investment in Treasury Bills	2,057,816,716	1,917,890,893
Investment in term deposit receipts	10,603,836	10,124,932
Security deposit / prepayments - Locker (Gold)	36,000	36,000
Less: Amount allocated for transfer to SGF Trust	<u>(15,958,228)</u>	<u>(14,917,592)</u>
CGT charges payable to NCCPL	<u>(4,725,300)</u>	<u>(2,351,900)</u>
	<u>2,059,749,826</u>	<u>1,915,531,778</u>
	<u>2,224,415,727</u>	<u>2,072,031,116</u>
<b>6. PAYABLE TO SETTLEMENT GUARANTEE FUND TRUST</b>		
Payable to Settlement Guarantee Fund Trust from		
- clearing house deposits	1,300,433	1,207,894
- initial margins	<u>15,958,228</u>	<u>14,917,592</u>
	<u>17,258,660</u>	<u>16,125,486</u>
<b>6.1</b> Movement for the period/year is as follows:		
Opening balance as at July 01 2023 / 2022	16,125,485	8,451,408
Amount allocated from income earned on:		
- clearing house deposits	3,886,651	11,584,827
- initial margins	<u>47,692,970</u>	<u>148,694,836</u>
	51,579,621	160,279,663
Amount transferred during the period	<u>(50,446,446)</u>	<u>(152,605,586)</u>
	<u>17,258,660</u>	<u>16,125,485</u>



## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There is no change in status of contingencies reported in annual financial statement for the year ended June 30,2023 except for the following:

Sindh Revenue Board has passed orders for 2014-2015 and 2015-2016 creating a demand of Rs 54,324,492/- .As per consultant advise,we would be filing appeals with stay order application before Commissioner. The management of the Exchange, 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 condensed interim financial statements.

	Note	(Unaudited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>8. PROPERTY AND EQUIPMENT</b>			
Operating assets	8.1	<u>19,574,025</u>	<u>34,637,596</u>
<b>8.1</b> Opening net book value (NBV)		<b>34,637,596</b>	21,697,703
Additions during the period / year at cost	8.1.1	-	24,534,184
Disposal during the period / year at NBV	8.1.2	<u>(12,677,750)</u>	<u>(1,938,962)</u>
		<b>21,959,846</b>	44,292,925
Depreciation charge for the period / year		<b>(2,385,821)</b>	(9,655,329)
Closing net book value (NBV)		<u><b>19,574,025</b></u>	<u>34,637,596</u>
<b>8.1.1</b> Detail of additions (at cost) during the period / year are as follows:			
Leasehold improvements		-	-
Furniture and Fittings		-	128,000
Office Equipment		-	639,772
Motor Vehicles		-	15,985,320
Computer equipment		-	7,680,568
Electrical equipment		-	100,524
		<u>-</u>	<u>24,534,184</u>
<b>8.1.2</b> Detail of disposal (at NBV) during the period / year are as follows:			
Office equipment		-	(4,167)
Computer equipment		-	(211,500)
Vehicle		<u>(12,677,750)</u>	-
		<u><b>(12,677,750)</b></u>	<u>(215,667)</u>
			36092062
<b>9. RIGHT-OF-USE ASSETS</b>			
Opening net book value		<b>18,935,266</b>	29,882,141
Additions		-	-
Modification		-	1,889,298
Depreciation charged during the period		<u>(3,212,763)</u>	<u>(12,836,173)</u>
Closing net book value		<u><b>15,722,503</b></u>	<u>18,935,266</u>

	Note	(Unaudited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>10. LONG TERM INVESTMENTS</b>			
<b>Subsidiary - Global Commodity Trading Platform (Private) Limited</b>			
Opening written down value		1,394,166	10,000,000
Share of loss from associate		(1,245,000)	(8,605,834)
		<u>149,166</u>	<u>1,394,166</u>
<b>Related party</b>			
NCEL Building Management Limited		10	10
Institute of Financial Market of Pakistan		10	10
		<u>20</u>	<u>20</u>
		<u><u>149,186</u></u>	<u><u>1,394,186</u></u>

**11. SHORT TERM INVESTMENTS**

**At fair value through profit or loss**

Investment in Treasury bills - margins and deposits	11.1	2,216,549,689	2,069,874,822
Investment in Treasury bills - Exchange	11.1	321,068,343	375,791,824
Investments in Term Deposit Receipts - margins and deposits	11.2	10,603,836	10,124,932
		<u>2,548,221,868</u>	<u>2,455,791,578</u>

**11.1** These Treasury Bills carry markup ranging from 21.93% to 22.89% (June 30, 2023: 16.8% to 21.9%) per annum and will mature on various dates up to November 16, 2023.

**11.2** Mark-up on these term deposits are accrued at 19% per annum.

(Unaudited)	
Three months period ended	
September 30, 2023	September 30, 2022
Rupees	Rupees

## 12. OPERATING INCOME

Trading fee - Net	118,974,143	74,808,721
Annual membership fee	6,356,250	5,750,000
Fee for membership transfer and issuance of certificate	-	400,000
Share of PMEX from the income of margins and deposits	79,318,566	47,503,951
Infrastructure fee	1,865,000	1,856,000
Recovery of gold custody charges	4,196,926	1,604,226
Advertisement income	825,000	684,720
Auto liquidation charges	45,500	90,200
	<b>211,581,385</b>	<b>132,697,818</b>

## 13. ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and benefits	78,416,980	54,351,653
Gratuity	3,174,875	2,604,792
Provident fund	3,182,616	2,610,073
Fee and subscription	17,720,165	13,084,086
Depreciation	5,598,584	5,377,507
Cloud hosting	11,443,386	7,458,144
Communication	5,175,643	1,430,730
Legal and professional	2,552,253	1,012,495
Repairs and maintenance	6,195,665	1,831,596
Amortization	166,584	158,174
Utilities	1,180,876	1,061,594
Marketing expense	2,251,502	526,500
Directors' fee	2,100,000	615,000
Travelling and conveyance		
- Employees and others	1,676,049	94,065
- Directors (incl. Managing Director)	2,318,479	679,445
	<b>3,994,528</b>	<b>773,510</b>
Security services	186,780	186,780
Insurance	305,142	172,048
SECP supervision fee	1,271,954	828,147
Auditors' remuneration	294,000	233,725
Printing and stationery	132,471	68,762
Entertainment	752,866	432,509
	<b>146,096,870</b>	<b>94,817,825</b>

(Unaudited)	
Three months period ended	
September 30, 2023	September 30, 2022
Rupees	Rupees

**14. OTHER INCOME**

*Income from financial assets*

Mark-up on bank deposits	2,927,381	1,234,170
Return on government securities	12,501,520	6,028,645
Realized on sale of investment at fair value through PNL	(21,678)	1,359

*Income from non - financial assets*

CGT processing charges	3,852,770	3,166,450
Others	60,000	120,500
	<b>19,319,993</b>	<b>10,551,124</b>

**15. TAXATION**

Current - for the period	15.1	<b>22,062,591</b>	<b>7,793,393</b>
--------------------------	------	-------------------	------------------

**15.1** There is no significant change in deferred tax balance as those reported in the annual financial statements for the year ended June 30, 2023.

(Unaudited)	
Three months period ended	
September 30, 2023	September 30, 2022
Rupees	Rupees

**16. CASH GENERATED FROM OPERATIONS**

Profit before taxation		82,609,749	45,843,489
------------------------	--	------------	------------

Adjustments for non cash charges and other items:

Depreciation on operating assets		2,385,821	2,164,744
Depreciation on right of use of assets		3,212,763	3,212,763
Amortisation		166,584	158,174
Provision for gratuity		3,174,875	2,604,792
Provision for provident fund		3,182,616	2,610,073
Mark-up on bank deposits		(2,927,381)	(1,234,170)
Return on investments		(12,501,520)	(6,028,645)
Share of loss from associate		1,245,000	1,245,000
Realized loss on remeasurement of investment		21,678	(1,359)
Working capital changes	16.1	<b>(65,457,400)</b>	6,977,747
		<b>(67,496,964)</b>	11,709,119

<b>Cash generated from / (used in) operations</b>		<b>15,112,785</b>	<b>57,552,608</b>
---	--	-------------------	-------------------

(Unaudited)	
Three months period ended	
September 30, 2023	September 30, 2022
Rupees	Rupees

### 16.1 Working capital changes

#### *Decrease / (increase) in current assets*

Annual subscription receivable  
Deposits and prepayments  
Other receivables

(81,437)	1,357,907
(26,389,598)	(2,070,758)
(39,018,148)	(7,564,508)
<b>(65,489,183)</b>	<b>(8,277,359)</b>

#### *(Decrease) / increase in current liabilities*

Advance fees  
Creditors, accrued and other liabilities

(6,356,250)	(5,637,500)
6,388,033	20,892,606
<b>31,783</b>	<b>15,255,106</b>

<b>(65,457,400)</b>	<b>6,977,747</b>
---------------------	------------------

### 17. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company as at June 30, 2023.

### 18. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying value of all financial assets and liabilities are estimated to approximate their fair values. There were no transfers amongst levels during the period.

### 19. 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.

#### 19.1 Transactions during the period

(Unaudited)	
Three months period ended	
September 30, 2023	September 30, 2022
Rupees	Rupees

#### **Associates Undertakings**

Zahid Latif Securities (Private) Ltd

    Repayment of clearing house deposit

<b>2,500,000</b>	1,500,000
<b>2,500,000</b>	1,500,000

#### **Rent and Utilities expenses**

#### **Associated Company**

ISE REIT Management Limited

<b>819,969</b>	116,314
----------------	---------

	(Unaudited)	
	Three months period ended	
	September 30, 2023 Rupees	September 30, 2022 Rupees
<b>Salaries and benefits</b>		
Directors	2,100,000	615,000
Managing Director	36,513,891	9,163,416
Key Management Personnel	20,026,891	18,662,785
	<u>58,640,782</u>	<u>28,441,201</u>
Payment made to gratuity fund during the period	<u>2,005,108</u>	<u>2,261,578</u>
Payment made to provident fund during the period	<u>5,521,164</u>	<u>4,523,156</u>
<b>Payment to Fund on Income earned on Deposits</b>		
SGF Trust	<u>50,446,446</u>	<u>29,048,161</u>
<b>Payment to Fund</b>		
Investor Protection Fund	<u>1,191,241</u>	<u>590,066</u>

## 20. DATE OF AUTHORISATION OF ISSUE

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

## 21. GENERAL

Figures have been rounded off to the nearest Rupee.

--Sd--

\_\_\_\_\_  
CHAIRMAN

--Sd--

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

--Sd--

\_\_\_\_\_  
MANAGING DIRECTOR

--Sd--

\_\_\_\_\_  
MANAGING DIRECTOR