

The logo for TRG Pakistan Limited, featuring the lowercase letters 'trg' in a white serif font on a red square background.

trg

TRG PAKISTAN
LIMITED

A stylized graphic of a circuit board with glowing white and orange lines and nodes, set against a dark red background with a grid of small dots.

FIRST QUARTERLY REPORT
SEPTEMBER 2024



Vision

To be the global leader in providing business process outsourcing services.

Mission

We aim to be the most efficient provider of business process outsourcing services by setting the industry standards for cost and quality of services.

We will grow through acquisition of other business process outsourcing companies that can benefit from our expertise, as well as through organic growth resulting from the strength of our franchise. Our long term success will be driven by our relentless focus on recruiting and developing the most talented pool of human capital in our industry.



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Corporate Information

Board of Directors

Mohammedulla Khan Khaishgi

Chairman

Hasnain Aslam

CEO

Patrick McGinnis

Ahmad Zuberi

John Leone

Mustafa Kirdar

Marlene Peller

Suleman Lalani

Asad Nasir

Abid Hussain

Audit Committee

Mustafa Kirdar - Chairman

Mohammedulla Khan Khaishgi

John Leone

HR Recruitment & Remuneration Committee

Marlene Peller - Chairperson

Hasnain Aslam

John Leone

Chief Financial Officer

Rahat Lateef

Company Secretary

Zeeshan Ul Haq

Legal Advisor

Lexium - Attorneys at Law

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Shares Registrar

THK Associates (Pvt.) Ltd.

Share Department,

Plot No. 32-C, Jami Commercial

Street 2, D.H.A. Phase VII,

Karachi-75500, Pakistan.

Phone: +92 (021) 111-000-322

FAX: +92 (021) 34168271

Registered Office

24th Floor, Sky Tower West Wing,

Dolmen, HC-3, Block-4,

Marine Drive, Clifton,

Karachi-75600, Pakistan.

UAN: (021) 111-874-874

Fax: (021) 35184042

Report of the Directors

For the First Quarter ended September 30, 2024

Your directors are pleased to present the condensed interim financial information of TRG Pakistan Limited (the “Company”) for the first quarter ended September 30, 2024.

Key Developments:

Our portfolio company Ibex Limited (“Ibex”) continues to focus on investment in its technology capabilities, operational efficiencies, margin enhancement and revenue growth. During this prior quarter, Ibex established partnerships with multiple technology providers to power its automation and generative AI solutions, for which it has been successful in closing new revenue opportunities with both existing and new logos. Ibex has also invested in an expansion of its operating platform both in its nearshore (Central America) and offshore (Asia) operations. We expect Ibex to leverage its strong balance sheet to continue structural improvements in the business and accelerate wins in new verticals, as sales cycles pick up pace again.

Our indirect portfolio company that provides Artificial Intelligence Enterprise Software (the “AI Software Business” or the “Business”) announced in September 2024 that it has agreed to a financial restructuring and recapitalization transaction with its senior lenders, who will become the majority shareholders of the post-restructuring entity. Other shareholders will include existing preferred shareholders, including The Resource Group International Limited (“TRGIL”), and the management team of the Business. This restructuring addresses the debt maturity of the Business as well as its unsustainable senior leverage, which was incurred primarily between 2019 and 2021. This restructuring continues to be on track to close by the end of the calendar year, with the Bermuda court process initiated for the transfer of its assets to a new holding company in the United States. Upon the closing of the restructuring and all its related transactions, the Company’s indirect economic stake in the Business is expected to be substantially retained in percentage terms, on a fully diluted basis. With a restructured balance sheet, the Business will be able to better focus on the resumption of growth as well as sharpening its go-to-market strategy in line with its diversifying product base.

TRG Pakistan Limited Financial Review:

The most significant item on our balance sheet is the value of the Company’s share in TRGIL, our sole operating asset. As of September 30, 2024, the value of our share in TRGIL is Rupees 43.4 billion, representing an increase of Rupees 2.9 billion compared to Rupees 40.5 billion on June 30, 2024. This increase is due to a net profit incurred by TRGIL during the financial period, due to reasons explained in the ensuing paragraph. In addition to the Company’s stake in TRGIL, it also has other assets of Rupees 0.03 billion and liabilities of Rupees 7.9 billion (primarily relating to deferred taxes) resulting in net assets of Rupees 35.6 billion.

Our income statement is primarily driven by the changes in value of our share in TRGIL. Our share of the net profit in equity accounted investee (i.e. TRGIL) was Rupees 3 billion, before taxation. This is primarily due to the mark-to-market gain booked on Ibex shares held by TRGIL.

The Company recognized interest income of Rupees 0.5 million and incurred expenses of Rupees 135.7 million. Tax amounting to Rupees 450 million was booked during the year, mainly on account of deferred taxes. Overall, the Company posted a net profit of Rupees 2.4 billion for the period ending September 30, 2024.

Earnings per share

The earnings per share of the Company was Rupees 4.4 per share for the quarter ended September 30, 2024.

Outlook

We remain focused on enhancing the value of our portfolio assets and then monetizing them in due course to maximize value and liquidity for the benefit of the shareholders of the Company.

Shareholder Acknowledgment

Your directors close this report by thanking you for your continued confidence in the Company, and for the opportunity to serve you as your fiduciaries in the management of your Company.

For and on Behalf of the Board of Directors



Mohammedulla Khan Khaishgi
Chairman

Karachi
October 28, 2024



Hasnain Aslam
Chief Executive

نقطہ نظر:

حالیہ اتار چڑھاؤ اور مارکیٹ کی خرابی کے پیش نظر، ہم اپنے پورٹ فولیو اثاثوں کی قدر کو بڑھانے پر توجہ مرکوز کیے ہوئے ہیں اور پھر کمپنی کے شیئر ہولڈرز کو زیادہ سے زیادہ قدر اور لیکویڈیٹی فراہم کرنے کے لیے مقررہ وقت میں ان سے رقم کمانے پر توجہ مرکوز رکھے ہوئے ہیں۔

اظہار تشکر:

اس رپورٹ کے اختتام پر ڈائریکٹرز آپ کے مستقل اعتماد اور کمپنی کی انتظامیہ کو امین کے طور پر خدمات کا موقع دینے پر آپ کے تہ دل سے مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Hasan Ali

حسین اسلم

چیف ایگزیکٹو

Muhammad

محمد اللہ خان شیخلی

چیرمین

کراچی

تاریخ: اکتوبر ۲۸، ۲۰۲۳

سٹرکچرڈ بیننس شیٹ کے ساتھ، کاروبار ترقی کی بحالی پر بہتر توجہ مرکوز کر سکے گا اور ساتھ ہی اس کے متنوع پروڈکٹس کے مطابق اپنی گونومارکیٹ حکمت عملی کو تیز کر سکے گا۔

ٹی آر جی پاکستان لمیٹڈ مالیاتی بیانات:

ہماری بیننس شیٹ پر سب سے اہم چیز ٹی آر جی آئی ایل میں کمپنی کے حصہ کی قیمت ہے، جو ہمارا واحد آپریننگ اثاثہ ہے۔ ۳۰ ستمبر ۲۰۲۳ تک، ٹی آر جی آئی ایل میں ہمارے حصہ کی مالیت ۳۳۰.۴ بلین روپے ہے، جو کہ ۳۰ جون ۲۰۲۳ کو ۴۰.۵ بلین روپے کے مقابلے میں ۲۰.۹ بلین روپے کے اضافے کو ظاہر کرتی ہے۔ یہ اضافہ مالیاتی مدت کے دوران ٹی آر جی آئی ایل کے خالص منافع کی وجہ سے ہے، جس کی وجہ آئندہ پیراگراف میں بیان کی گئی ہے۔ ٹی آر جی آئی ایل میں کمپنی کے حصص کے علاوہ، اس کے پاس ۰.۰۳ بلین روپے کے دیگر اثاثے اور ۰.۹ بلین روپے کی واجبات (بنیادی طور پر موخر ٹیکسوں سے متعلق) ہیں جس کے نتیجے میں ۳۵.۶ بلین روپے کے خالص اثاثے ہیں۔

ہماری آمدنی کا بیان بنیادی طور پر ٹی آر جی آئی ایل میں ہمارے حصص کی قدر میں ہونے والی تبدیلیوں سے چلتا ہے۔ ایکویٹی اکاؤنٹ انویسٹی (یعنی ٹی آر جی آئی ایل) میں خالص منافع میں ہمارا حصہ ٹیکس سے پہلے ۳ بلین روپے تھا۔ یہ بنیادی طور پر ٹی آر جی آئی ایل کے پاس آئی ٹیکس حصص پر بک کیے گئے مارک ٹومارکیٹ گین کی وجہ سے ہے۔

کمپنی نے اپنی آمدنی کے بیان میں ۰.۵ بلین روپے کی سود کی آمدنی کو تسلیم کیا، جب کہ اس نے ۱۳۵.۷ بلین روپے کے اخراجات کیے ہیں۔ سال کے دوران ۴۵۰ بلین روپے کا ٹیکس بک کیا گیا، جو بنیادی طور پر موخر ٹیکسوں کی وجہ سے تھا۔ مجموعی طور پر، کمپنی نے ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی مدت کے لیے ۲.۴ بلین روپے کا خالص منافع کمایا۔

فی حصص آمدنی:

۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی تین ماہ کی مدت کے لیے کمپنی کی فی حصص آمدنی ۴.۴ روپے فی حصص تھی۔

ڈائریکٹرز کی رپورٹ

پہلی سہ ماہی کے لیے جو ۳۰ ستمبر ۲۰۲۳ کو ختم ہوئی

آپ کے ڈائریکٹرز ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی پہلی سہ ماہی کے لیے ٹی آر جی پاکستان لمیٹڈ ("کمپنی") کی مختصر عبوری مالیاتی معلومات انتہائی مسرت کے ساتھ پیش کر رہے ہیں۔

اہم پیشرفت:

ہماری پورٹ فولیو کمپنی آئی بیکس لمیٹڈ (آئی بیکس) اپنی ٹیکنالوجی کی صلاحیتوں، آپریشنل افادیت، مارجن میں اضافہ اور آمدنی میں اضافے پر سرمایہ کاری پر توجہ مرکوز رکھے ہوئے ہے۔ اس پچھلی سہ ماہی کے دوران، آئی بیکس نے اپنے آٹومیشن اور جنریٹو اے آئی سلوشنز کو طاقت دینے کے لیے متعدد ٹیکنالوجی فراہم کنندگان کے ساتھ شراکت داری قائم کی، جس کے لیے وہ موجودہ اور نئے لوگوں کے ساتھ آمدنی کے نئے مواقع کو بند کرنے میں کامیاب رہا ہے۔ آئی بیکس نے اپنے آپریٹنگ پلیٹ فارم کی توسیع میں اپنے قریبی ساحل (وسطی امریکہ) اور آف شور (ایشیا) آپریشنز میں بھی سرمایہ کاری کی ہے۔ ہم توقع کرتے ہیں کہ آئی بیکس اپنی مضبوط بیلنس شیٹ کا فائدہ اٹھائے گا تاکہ کاروبار میں ساختی بہتری کو جاری رکھا جاسکے اور نئے عمودی حصوں میں جیت کو تیز کیا جاسکے، کیونکہ سیلز سائیکل دوبارہ تیز ہو جاتا ہے۔

ہماری بالواسطہ پورٹ فولیو کمپنی جو مصنوعی ذہانت انٹرپرائز سافٹ ویئر فراہم کرتی ہے ("اے آئی" سافٹ ویئر برنس "یا "برنس") نے ستمبر ۲۰۲۳ میں اعلان کیا تھا کہ اس نے اپنے سینئر قرض دہندگان کے ساتھ مالیاتی تنظیم نو اور دوبارہ سرمایہ کاری کے لین دین پر اتفاق کیا ہے، جو موجودہ ترجیحی شیئر ہولڈرز سمیت دیگر شیئر ہولڈرز، جس میں ریورس گروپ انٹرنیشنل لمیٹڈ ("ٹی آر جی آئی ایل")، اور کاروبار کا انتظام شامل ہے کے ساتھ بعد از سر نو تشکیل دینے والے ادارے کے اکثریتی شیئر ہولڈرز بن جائیں گے۔ یہ تنظیم نو کاروبار کے قرض کی پچھلی کے ساتھ ساتھ اس کے غیر پائیدار سینئر لیوریج پر بھی توجہ دیتی ہے، جو بنیادی طور پر ۲۰۱۹ اور ۲۰۲۱ کے درمیان خرچ کیا گیا تھا۔ یہ تنظیم نو کیلنڈر سال کے اختتام تک بند ہونے کے راستے پر ہے، برمودا عدالت نے ریاستہائے متحدہ میں ایک نئی ہولڈنگ کمپنی کو اپنے اثاثوں کی منتقلی کے لیے شروع کیا ہے۔ تنظیم نو اور اس سے متعلقہ تمام لین دین کے بند ہونے پر، کاروبار میں کمپنی کے بالواسطہ اقتصادی حصص کو مکمل طور پر کمزور بنیادوں پر فیصد کے لحاظ سے کافی حد تک برقرار رکھنے کی امید ہے۔ ری



TRG PAKISTAN
LIMITED

Condensed Interim Financial Statements

For the three months period ended

September 30, 2024

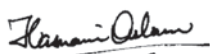
FIRST QUARTERLY REPORT
SEPTEMBER 2024

Condensed Interim Statement of Financial Position

As at September 30, 2024

		September 30, 2024 (unaudited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Operating fixed assets		1,119	1,292
Long term investment	4	43,420,437	40,544,488
Long term deposit		75	75
		43,421,631	40,545,855
Current assets			
Accrued interest		168	235
Prepayment		312	887
Taxation - net		3,485	3,399
Cash and bank balances	5	30,682	31,654
		34,647	36,175
Total assets		43,456,278	40,582,030
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	6	7,330,000	7,330,000
<i>Share capital</i>			
Issued, subscribed and paid-up capital	6	5,453,907	5,453,907
<i>Revenue reserves</i>			
Foreign currency translation reserve		28,027,910	28,127,185
Unappropriated profit / (loss)		2,112,379	(295,075)
		35,594,196	33,286,017
Non-current liabilities			
Deferred tax liabilities - net		7,175,446	6,744,053
Current liabilities			
Payable to related parties	7	643,316	520,106
Accrued and other liabilities		27,712	16,284
Unclaimed dividend		15,207	15,259
Payable to provident fund		401	311
		686,636	551,960
Total equity and liabilities		43,456,278	40,582,030
Contingencies and commitments	8		

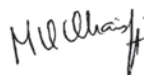
The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



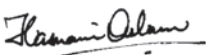
Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

For the three months period ended September 30, 2024

		Sep 30, 2024	Sep 30, 2023
	Note	----- (Rupees in '000) -----	
Interest Income	9	507	589
Administrative and other expenses		(135,731)	(88,933)
Operating loss		(135,224)	(88,344)
Share of profit / (loss) in equity accounted investee	4.2	2,992,742	(10,591,845)
Profit / (Loss) before taxation		2,857,518	(10,680,189)
Taxation		(450,064)	1,588,777
Profit / (Loss) after taxation		2,407,454	(9,091,412)
Other comprehensive income			
<i>Items that may be reclassified to statement of profit or loss in subsequent periods</i>			
Effect of translation of net investment in foreign associate - net of tax		(99,275)	552,574
Total comprehensive income / (loss)		2,308,179	(8,538,838)
----- (Rupees) -----			
Earnings / (Loss) per share - basic and diluted		4.414	(15.656)

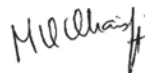
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Chief Executive Officer



Chief Financial Officer



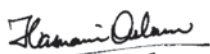
Director

Condensed Interim Statement of Changes in Equity (Un-audited)

For the three months period ended September 30, 2024

	Issued, subscribed and paid-up capital	Revenue Reserves		Total
		Foreign currency translation reserve	Unappropriated profit	
----- (Rupees in '000) -----				
Balance as at July 1, 2023 - Audited	5,453,907	29,492,506	30,553,025	65,499,438
Total comprehensive income for the period ended September 30, 2023				
Loss for the period	-	-	(9,091,412)	(9,091,412)
Other comprehensive income				
Foreign currency translation difference - net of tax	-	552,574	-	552,574
	-	552,574	(9,091,412)	(8,538,838)
Balance as at September 30, 2023 - unaudited	<u>5,453,907</u>	<u>30,045,080</u>	<u>21,461,613</u>	<u>56,960,600</u>
Balance as at June 30, 2024 - Audited	5,453,907	28,127,185	(295,075)	33,286,017
Total comprehensive income for the period ended September 30, 2024				
Profit for the period	-	-	2,407,454	2,407,454
Other comprehensive income				
Foreign currency translation difference - net of tax	-	(99,275)	-	(99,275)
	-	(99,275)	2,407,454	2,308,179
Balance as at September 30, 2024 - unaudited	<u>5,453,907</u>	<u>28,027,910</u>	<u>2,112,379</u>	<u>35,594,196</u>

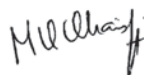
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Chief Executive Officer



Chief Financial Officer



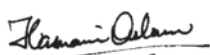
Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended September 30, 2024

	Sep 30, 2024	Sep 30, 2023
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net cash (used in) / generated from operations	10 (256)	1,019
Interest income received	575	508
Income tax paid	(1,239)	(76)
Net cash (used in) / generated from operating activities	(920)	1,451
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets	-	(545)
Net cash used in investing activities	-	(545)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(52)	(34)
Net cash used in financing activities	(52)	(34)
Net (decrease) / increase in cash and cash equivalents during the period	(972)	872
Cash and cash equivalents at the beginning of the period	31,654	22,347
Cash and cash equivalents at end of the period	30,682	23,219

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 TRG Pakistan Limited ("the Company") was incorporated in Pakistan as a public limited company on December 2, 2002 under the repealed Companies Ordinance, 1984 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 24th Floor, Sky Tower, West Wing, Dolmen, HC-3, Block- 4, Marine Drive, Clifton, Karachi, Pakistan. On May 14, 2003 the Company obtained a license from the Securities and Exchange Commission of Pakistan ("SECP") to undertake venture capital investment as a Non-Banking Finance Company in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). On January 18, 2012 the Company exited from NBFC regime and continues to operate as a listed company.
- 1.2 The principal activity of the Company, through its associate, The Resource Group International Limited (TRGIL) is to invest in a portfolio of investments primarily in the Technology and IT enabled services sectors.

2. BASIS OF PREPARATION

These condensed interim financial statements of the Company 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 the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the 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.

These condensed interim financial statements do not include all of the information required for full financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

These condensed interim financial statements comprises the condensed interim statement of financial position as at September 30, 2024, condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the three months period then ended.

The comparative condensed interim statement of financial position, presented in these condensed interim financial statements as at June 30, 2024 has been extracted from the annual audited financial statements of the Company for the year then ended, whereas the comparative condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from the unaudited condensed interim unconsolidated financial statements for the three months period ended September 30, 2023.

2.1 Judgments and estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to annual audited financial statements of the Company for the year ended June 30, 2024.

2.2 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are effective for annual periods beginning on or after July 01, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in this condensed interim financial information.

2.3 Risk management

Risk management policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2024. With reference to the liquidity risk, a major portion of the Company's financial liabilities are obligations due to the Company's associate, TRGIL, whose 100% net assets are factually owned by the Company as at September 30, 2024. TRGIL has assured the Company that it will not demand payments of its payable in the next 12 months as it has sufficient liquidity to meet its financial obligations as they fall due, unless the Company's financial position permits and will provide sufficient funds support to the Company to operate smoothly.

2.4 Basis of measurement

This condensed interim financial information have been prepared under going concern basis and under the historical cost convention except for the investments which are stated at fair value.

2.5 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Company's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended June 30, 2024. Further, accounting policies related to material class of accounts does not necessarily mean it is material.

4. LONG TERM INVESTMENT

	Note	Sep 30 2024 (Un-audited) ---- (Rupees in '000) ----	Jun 30 2024 (Audited)
The Resource Group International Limited (TRGIL) Unquoted 60,450,000 (June 30, 2023: 60,450,000) Series B Preferred Shares			
- Equity accounted investee	4.1 & 4.2	<u>43,420,437</u>	<u>40,544,488</u>
		<u>43,420,437</u>	<u>40,544,488</u>

- 4.1 This represents investment in TRGIL, an associate incorporated in Bermuda having par value and additional paid up share capital of US\$0.01 and US\$ 0.99 per share respectively. The registered office of TRGIL is situated at Crawford House 50, Cedar Avenue, Hamilton HM 11, Bermuda. The Company holds 60,450,000 shares in TRGIL representing 68.8% of the total shares in issue (June 30, 2024: 68.8%), but with voting power of 45.3% (June 30, 2024: 45.3%). Furthermore, the Company does not control the composition of the board, i.e. it does not have the power to appoint majority of directors on TRGIL's board nor does it exercise or control more than fifty percent of TRGIL's voting power as per the contractual arrangements in place, thereby making TRGIL an associate. The percentage holding for share of associate accounting is calculated after taking into account the features of each class of shares and assets that have been earmarked for respective shareholders, which has resulted in 100% effective beneficial interest over its residual net assets after taking into account the interest accruing to other shareholders (June 30, 2024: 100%).

4.2 Reconciliation of carrying amount of investment

	Sep 30 2024 (Un-audited) ---- (Rupees in '000) ----	Jun 30, 2024 (Audited)
Opening balance	40,544,488	78,057,512
Share of profit / (loss)	2,992,742	(35,906,764)
Exchange translation impact	(116,793)	(1,606,260)
Closing balance	<u>43,420,437</u>	<u>40,544,488</u>

5. CASH AND BANK BALANCES

Balance with bank in		
- Current accounts	11,995	12,034
- Current account - Shairiah Complaint	2,215	6,282
- Savings account	16,470	13,335
	<u>30,680</u>	<u>31,651</u>
Cash in hand	2	3
	<u>30,682</u>	<u>31,654</u>

6. SHARE CAPITAL

	September 30, 2024 (Un-audited)		June 30, 2024 (Audited)	
	Number of shares	(Rupees in '000)	Number of shares	(Rupees in '000)
Authorized share capital				
- Ordinary class 'A' shares of Rs.10 each	720,000,000	7,200,000	720,000,000	7,200,000
- Ordinary class 'B' shares of Rs.10 each	13,000,000	130,000	13,000,000	130,000
	<u>733,000,000</u>	<u>7,330,000</u>	<u>733,000,000</u>	<u>7,330,000</u>
Issued, subscribed and paid-up capital				
Ordinary class 'A' shares of Rs. 10 each				
- allotted for consideration paid in cash	535,765,687	5,357,657	535,765,687	5,357,657
- allotted for consideration other than cash (note 6.1)	9,624,978	96,250	9,624,978	96,250
	<u>545,390,665</u>	<u>5,453,907</u>	<u>545,390,665</u>	<u>5,453,907</u>

6.1 These shares were issued in exchange of 1,636,000 shares of The Resource Group International Limited of US\$1 each in 2003.

7. PAYABLE TO RELATED PARTIES

7.1 This includes payable to TRGIL, an associate of the Company, for funds advanced by TRGIL to the Company for meeting its day to day operational expenses. During the period, funds amounting to US\$ 0.105 million (2023: US\$ 0.136 million) equivalent to Rs.29.249 million (2023: Rs. 39.529 million) were advanced by TRGIL. Furthermore, expense incurred by TRGIL on behalf of the Company amounted to US\$ 0.341 million (2023: US\$ 0.131 million) equivalent to Rs. 94.917 million (2023: Rs. 38.960 million), whereas, foreign exchange gain recognised in respect of this foreign liability amounted to Rs.1.755 million (2023: Rs.0.128 million).

7.2 This also includes payable to TRG (Private) Limited, an associate of the Company, for shared administrative expenses incurred by TRG (Private) Limited on behalf of the Company amounting to Rs. 1.598 million (June 30, 2024: Rs. 0.798 million). During the period, an amount of Rs.0.80 million (2023: Rs. 0.570 million) has been charged in this respect by the associated company.

8. CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments as reported in note 13 to the annual audited financial statements for the year ended June 30, 2024.

9. INTEREST INCOME

This represents interest income earned on conventional bank deposit.

10. CASH FLOW FROM OPERATIONS

	Sep 30, 2024	Sep 30, 2023
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Net profit / (loss) before taxation	2,857,518	(10,680,189)
Adjustments for :		
Depreciation	172	148
Interest income on bank balances	(507)	(589)
Share of (profit) / loss in equity accounted investee	(2,992,742)	10,591,845
Effect on cash flows of working capital changes	10.1 135,303	89,804
	<u>(2,857,774)</u>	<u>10,681,208</u>
	<u>(256)</u>	<u>1,019</u>

10.1 Working capital changes

Decrease / (Increase) in current Assets:

Prepayments

	575	(1,976)
--	-----	---------

Increase in current liabilities:

Accrued and other liabilities

	11,518	12,849
Payable to related parties	123,210	78,931
	<u>134,728</u>	<u>91,780</u>
	<u>135,303</u>	<u>89,804</u>

11. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. As the accompanying financial statements are prepared under the historical cost method, differences may arise between the book values and the fair value estimates. Management believes that fair values of the Company's financial assets and liabilities are not materially different from their carrying values since all of the financial instruments of the Company are classified as amortized cost or are repriced frequently.

12. RELATED PARTY DISCLOSURES

Related parties comprise of associates, subsidiaries, directors and their close family members, staff retirement benefit fund and key management personnel of the Company. Transactions with related parties are carried out on agreed basis and are settled in ordinary course of business. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with Staff Service Rules.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Related party transactions and balances other than those disclosed elsewhere in these condensed interim financial statements are as follows:

TRANSACTIONS WITH RELATED PARTIES

Description of related parties	Nature of transaction	Sep 30,	Sep 30,
		2024	2023
		----- (Un-audited) -----	
		----- (Rupees in '000) -----	
Directors	Board and other meeting fees	6,600	6,000
Key management personnel	Remuneration	18,106	10,463
Staff retirement fund - TRGP Staff			
Employees Provident Fund	Company's Contribution	1,084	783
		25,790	17,246

No remuneration was paid to the Chief Executive Officer of the Company during the period.

- 12.1 The investments out of provident fund of the Company have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

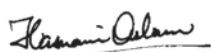
13. UPDATE ON LITIGATION AND REGULATORY CASES

- 13.1 There is no change in status of litigation and regulatory cases as reported in note 26.1 to the annual audited financial statements for the year ended June 30, 2024 except the following, with reference to the Arbitration on October 9, 2024, the District Court ruled that Chishti's derivative claims are subject to the Release, and that at least two of the Claims are not covered by the Release because certain purchases of Company shares commenced in March 2022, which is after the date of the Release. However, as it is undisputed that such purchases commenced in December 2021 – which is before the date of the Release – and not March 2022, the Company filed a motion for the District Court to reconsider its ruling in light of demonstrable factual error. On the basis of the District Court's October 9, 2024 ruling, Chishti has in the meantime requested that the Arbitration commence for at least the two claims which the District Court ruled were not covered by the Release. Such request and the Company's motion for reconsideration remain pending.

- 13.2 In addition, there are a few other proceedings and cases related to previous litigation as well as litigation filed during the period, which the Company believes carry no merits.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 28, 2024 by the board of directors of the Company. As more fully explained in note 26 and 28.2 to the annual audited financial statements for the year ended June 30, 2024 due to the pending Annual General Meetings of the Company for June 30, 2022, June 30, 2023 and June 30, 2024 respectively, the financial statements of the Company for the years ended June 30, 2022, June 30, 2023 and June 30, 2024 have not been adopted by the shareholders of the Company.



Chief Executive Officer



Chief Financial Officer



Director



The logo consists of the lowercase letters 'trg' in a white, serif font, enclosed within a dark red square. The background of the entire page is a dark red gradient with a pattern of small white dots and a complex network of white and light red circuit-like lines that flow from the top right towards the bottom right.

TRG PAKISTAN LTD.

24TH FLOOR, SKY TOWER WEST WING,
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