



1ST QUARTERLY REPORT
SEPTEMBER

2023



TRG PAKISTAN
LIMITED



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.



Contents

Corporate Information	03
Report of the Directors.....	04
Condensed Interim Financial Statements of TRG Pakistan Limited	10



Corporate Information

Board of Directors

Mohammedulla Khan Khaishgi

Chairman

Hasnain Aslam

CEO

Zafar Iqbal Sobani

Ahmad Zuberi

John Leone

Mustafa Kirdar

Marlene Peller

Suleman Lalani

Asad Nasir

Abid Hussain

Audit Committee

Mustafa Kirdar - Chairman

Zafar Iqbal Sobani

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 Quarter ended September 30, 2023

Your Directors are pleased to present the condensed interim financial information of TRG Pakistan Limited (the "Company") for the quarter ended September 30, 2023.

Key Developments:

Our portfolio company Ibx Limited (Ibx) continues to focus on operational efficiencies, margin enhancement and revenue growth. Despite continued macroeconomic headwinds, Ibx expects FY24 revenues to grow to \$525—\$535 million. This is against the backdrop of significant volatility in the industry, where most of our competitors had flat to declining revenue over the last year. We expect Ibx 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.

During recent months, trading valuation multiples in Ibx's outsourced customer relationship management industry have contracted significantly in response to (i) macroeconomic conditions and (ii) an expectation of increased automation through AI. Over the last few months, Ibx's share price has followed the industry trend, declining from \$21.23 per share on June 30, 2023 to \$15.45 per share on September 30, 2023. As the Company's income statement reflects mark-to-market investment accounting by its associate, The Resource Group International Limited (TRGIL), this decline in Ibx share price is the primary contributor to our net loss for the quarter. Despite the short-term volatility in Ibx stock price, indeed consistent with the industry, we believe the fundamentals of the business remain robust.

Our portfolio company that provides Artificial Intelligence Enterprise Software (AI Software Business) is focused on consolidating recent new logo wins to offset revenue volatility on some of the existing accounts, while strengthening renewed cost discipline implemented over the last six months. In addition, the AI Software Business recently appointed its CTO to the position of its Chief Executive Officer, after an exhaustive search process, led by one of the top executive search firms in the world. The newly upgraded and energized management team is now focused on enhancing core operating performance, adding new customers, as well as commercializing newly developed products via external partnerships. We remain optimistic of the long-term trajectory of the business, despite market headwinds in the broader enterprise software industry.

TRG Pakistan Limited Financial Review:

The most significant item on our balance sheet is the value of the Company's share in its associate The Resource Group International Limited (TRGIL), its sole operating asset. As of September 30, 2023, the value of such share in TRGIL is Rupees 68.1 billion, compared to Rupees 78.1 billion on June 30, 2023 representing a decrease of Rupees 10 billion. This decrease is on account of loss from our associate during the period, which in turn is largely explained by the decline in the public share price of Ibx over the course of the quarter. In addition to the Company's stake in TRGIL, it also has other assets of Rupees 0.03 billion and liabilities of Rupees 11.2 billion (primarily relating to deferred taxes), resulting in net assets of Rupees 57 billion.

Our income statement is primarily driven by the changes in value of our share in TRGIL. Our share of the net loss in our equity accounted investee, TRGIL, was Rupees 10.6 billion, before taxation, which, as mentioned above, was predominantly on account of mark-to-market loss booked on Ibx shares. The Company recognized interest income of Rupees 0.6 million in its income statement, whereas it incurred expenses of Rupees 88.9 million. Deferred tax amounting to Rupees 1.6 billion was reversed during the period. Consequently, the Company posted an overall net loss of Rupees 9.1 billion for the three-month period ended September 30, 2023.

Earnings per share

The loss per share of the Company was Rupees 15.66 per share for the three-month period ended September 30, 2023.

Outlook

We remain focused on enhancing the value of our remaining 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 27, 2023



Hasnain Aslam
Chief Executive

فی شیئر آمدنی:

30 ستمبر 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے کمپنی کافی شیئر نقصان 15.66 روپے فی شیئر تھا۔

نقطہ نظر:

ہم اپنے بقیہ پورٹ فولیو اثاثوں کی قدر کو بڑھانے 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 مرکوز رہتے ہیں۔

شیئر ہولڈر کا اعتراف:

آپ کے ڈائریکٹرز کمپنی پر آپ کے مسلسل اعتماد، اور آپ کی کمپنی کے انتظام میں آپ کی خدمت کرنے کے موقع کے لیے شکریہ ادا کرتے ہوئے اس رپورٹ کو بند کرتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے



حسین اسلم
چیف ایگزیکٹو



محمد اللہ خان خٹکی
چیرمین

کراچی

27 اکتوبر 2023

ہماری پورٹ فولیو کمپنی جو آرٹیفیشل انٹیلی جنس انٹر پرائز سافٹ ویئر (AI سافٹ ویئر بزنس) فراہم کرتی ہے اس کی توجہ حالیہ نئے لوگوں کی جیت کو مضبوط کرنے پر مرکوز ہے تاکہ آمدنی میں اتار چڑھاؤ کو دور کیا جاسکے۔ موجودہ کھاتوں میں سے کچھ، گزشتہ چھ ماہ کے دوران لاگو نئے لاگت کے نظم و ضبط کو مضبوط بناتے ہوئے اس کے علاوہ، AI سافٹ ویئر بزنس نے حال ہی میں اپنے CTO کو اپنے چیف ایگزیکٹو آفیسر کے عہدے پر مقرر کیا ہے، جس کی قیادت دنیا کی اعلیٰ ایگزیکٹو سرچ فرموں میں سے ایک کی سربراہی میں سو سے زائد پروفائلز کا جائزہ لینے کے مکمل تلاش کے عمل کے بعد کی گئی ہے۔ نئی اپ گریڈ شدہ اور متحرک انتظامی ٹیم اب بنیادی آپریٹنگ کو بڑھانے پر مرکوز ہے۔ کارکردگی، نئے لوگوں کو شامل کرنے کے ساتھ ساتھ بیرونی شراکت داری کے ذریعے نئی تیار شدہ مصنوعات کو تجارتی بنانا۔ ہم وسیع تر انٹر پرائز سافٹ ویئر انڈسٹری میں مارکیٹ کی سرگرمیوں کے باوجود کاروبار کے طویل مدتی رفتار کے بارے میں محتاط طور پر پرامید ہیں۔

TRG پاکستان لمیٹڈ مالیاتی جائزہ:

ہماری ہیلنٹس شیٹ پر سب سے اہم چیز اس کے ایسوسی ایٹ ریورس گروپ انٹرنیشنل لمیٹڈ (TRGIL) میں کمپنی کے شیئر کی قیمت ہے، جو اس کا واحد آپریٹنگ اثاثہ ہے۔ 30 ستمبر 2023 تک، TRGIL میں اس طرح کے شیئر کی مالیت 68.1 بلین روپے ہے، جو کہ 30 جون 2023 کو 78.1 بلین روپے کے مقابلے میں 10 بلین روپے کی کمی کو ظاہر کرتی ہے۔ یہ کمی اس مدت کے دوران ہمارے ساتھی سے ہونے والے نقصان کی وجہ سے ہے، جس کے نتیجے میں بڑی حد تک سہ ماہی کے دوران Ibex کے عوامی حصص کی قیمت میں کمی سے واضح ہوتا ہے۔ TRGIL میں کمپنی کے حصص کے علاوہ، اس کے پاس 0.03 بلین روپے کے دیگر اثاثے اور 11.2 بلین روپے کی واجبات (بنیادی طور پر موخر ٹیکسوں سے متعلق) ہیں، جس کے نتیجے میں 57 بلین روپے کے خالص اثاثے ہیں۔

ہماری آمدنی کا بیان بنیادی طور پر TRGIL میں ہمارے حصص کی قدر میں ہونے والی تبدیلیوں سے چلتا ہے۔ ایکویٹی کا وٹھوٹا نوٹیشن (یعنی TRGIL) میں خالص نقصان میں ہمارا حصہ ٹیکس سے پہلے 10.6 بلین روپے تھا، جو کہ جیسا کہ اوپر بتایا گیا ہے، بنیادی طور پر Ibex کے حصص پر بک کیے گئے مارک ٹو مارکیٹ نقصان کی وجہ سے تھا۔ کمپنی نے اپنی آمدنی کے گوشوارے میں 0.6 بلین روپے کی سودی آمدنی کو تسلیم کیا، جب کہ اس نے 88.9 بلین روپے کے اخراجات اٹھائے۔ اس مدت کے دوران 1.6 بلین روپے کے موخر ٹیکس کو الٹ دیا گیا۔ مجموعی طور پر، کمپنی نے 30 ستمبر 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے 9.1 بلین روپے کا خالص نقصان پہنچایا۔

ڈائریکٹرز کی رپورٹ

30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے لیے

آپ کے ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے لیے TRG Pakistan Limited ("کمپنی") کی مختصر عبوری مالیاتی معلومات پیش کرنے پر خوش ہیں۔

اہم پیشرفت:

ہماری پورٹ فولیو کمپنی Ibex Limited (Ibex) آپریشنل افادیت، مارجن میں اضافہ، آمدنی میں اضافے اور مسلسل معاشی ترقی پر توجہ مرکوز رکھے ہوئے ہے۔ Ibex کو توقع ہے کہ FY24 کی آمدنی \$525—\$535 ملین تک بڑھ جائے گی۔ یہ صنعت میں نمایاں اتار چڑھاؤ کے پس منظر کے خلاف ہے، جہاں ہمارے زیادہ تر حریفوں کی گزشتہ سال کے دوران آمدنی میں کمی واقع ہوئی تھی۔ ہم توقع کرتے ہیں کہ Ibex اپنی مضبوط بیلنس شیٹ سے 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 میں تیزی آتی ہے۔

حالیہ مہینوں کے دوران، Ibex کی آؤٹ سورس کسٹمر ریلیشن شپ مینجمنٹ انڈسٹری میں ملٹیپلر نے میکرو اکنامک حالات کے جواب میں AI اور AI کے ذریعے مزید آؤٹسٹیشن کی توقع کے ساتھ نمایاں طور پر معاہدہ کیا ہے۔ پچھلے چند مہینوں کے دوران، Ibex کے حصص کی قیمت نے صنعت کے رجحان کی پیروی کی ہے، جو 30 جون 2023 کو \$21.23 فی حصص سے 30 ستمبر 2023 کو \$15.45 فی حصص تک گر گئی۔ ایسوسی ایٹ، ریورس گروپ انٹرنیشنل لمیٹڈ (TRGIL)، Ibex کے حصص کی قیمت میں یہ کمی سہ ماہی کے لیے ہمارے خالص نقصان میں سب سے بڑا معاون ہے۔ ہمیں یقین ہے کہ Ibex اسٹاک کی قیمت میں قلیل مدتی اتار چڑھاؤ کے باوجود، صنعت سے مطابقت رکھتا ہے، کاروبار کے بنیادی اصول مضبوط رہتے ہیں۔



Condensed Interim Financial Statements
For the three months period ended
September 30, 2023

1ST QUARTERLY REPORT
SEPTEMBER

2023



**TRG PAKISTAN
LIMITED**

Condensed Interim Statement of Financial Position

As at September 30, 2023

		September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Operating fixed assets		1,809	1,412
Long term investment	4	68,115,754	78,057,512
Long term deposit		75	75
		68,117,638	78,058,999
Current assets			
Accrued interest		216	135
Prepayment		2,174	198
Taxation - net		3,106	3,030
Cash and bank balances	5	23,219	22,347
		28,715	25,710
Total assets		68,146,353	78,084,709
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		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		30,045,080	29,492,506
Unappropriated profit		21,461,613	30,553,025
		56,960,600	65,499,438
Non-current liabilities			
Deferred tax liabilities - net		10,879,743	12,371,007
Current liabilities			
Payable to related parties	7	259,702	180,771
Accrued and other liabilities		28,211	15,381
Unclaimed dividend		17,826	17,860
Payable to provident fund		271	252
		306,010	214,264
Total equity and liabilities		68,146,353	78,084,709
Contingencies and commitments	8		

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



Director



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, 2023

		September 30, 2023	September 30, 2022
Note	----- (Rupees in '000) -----		
Interest Income	9	589	375
Administrative and other expenses		(88,933)	(19,759)
Operating loss		(88,344)	(19,384)
Share of (loss) / profit in equity accounted investee	4.2	(10,591,845)	6,905,253
(Loss) / Profit before taxation		(10,680,189)	6,885,869
Taxation		1,588,777	(1,035,788)
(Loss) / Profit after taxation		(9,091,412)	5,850,081
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		552,574	5,684,023
Total comprehensive (loss) / income		(8,538,838)	11,534,104
----- (Rupees) -----			
(Loss) / Earnings per share - basic and diluted		(15.656)	10.726

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



Director



Chief Financial Officer



Director

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

For the three months period ended September 30, 2023

	Issued, subscribed and paid-up capital	Revenue Reserves		Total
		Foreign currency translation reserve	Unappropriated profit	
----- (Rupees in '000) -----				
Balance as at July 1, 2022	5,453,907	10,205,961	31,889,071	47,548,939
Total comprehensive income for the period ended September 30, 2022				
Profit for the period	-	-	5,850,081	5,850,081
Other comprehensive income				
Foreign currency translation difference - net of tax	-	5,684,023	-	5,684,023
	-	5,684,023	5,850,081	11,534,104
Balance as at September 30, 2022	5,453,907	15,889,984	37,739,152	59,083,043
Total comprehensive income				
Loss after tax for the nine months period ended June 30, 2023	-	-	(7,186,127)	(7,186,127)
Foreign currency translation difference - net of tax	-	13,602,522	-	13,602,522
	-	13,602,522	(7,186,127)	6,416,395
Balance as at June 30, 2023	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	5,453,907	30,045,080	21,461,613	56,960,600

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



Director



Chief Financial Officer




Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended September 30, 2023

	September 30, 2023	September 30, 2022
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net cash generated from / (used) in operations	10 1,019	(19,612)
Interest income received	508	565
Income tax paid	(76)	(107)
Net cash generated from / (used) in operating activities	1,451	(19,154)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets	(545)	-
Net cash used in investing activities	(545)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(34)	-
Net cash used in financing activities	(34)	-
Net increase / (decrease) in cash and cash equivalents during the period	872	(19,154)
Cash and cash equivalents at the beginning of the period	22,347	34,884
Cash and cash equivalents at end of the period	23,219	15,730

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



Director



Chief Financial Officer



Director

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

For the three months period ended September 30, 2023

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, 2023.

These condensed interim financial statements comprises the condensed interim statement of financial position as at September 30, 2023, 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, 2023 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, 2022.

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, 2023.

2.2 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, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the 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, 2023.

4. LONG TERM INVESTMENT

	Note	September 30, 2023 (Un-audited) ---- (Rupees in '000) ----	June 30, 2023 (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	68,115,754	78,057,512
		68,115,754	78,057,512

- 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, 2023: 68.8%), but with voting power of 45.3% (June 30, 2023: 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, 2023: 100%).

4.2 Reconciliation of carrying amount of investment

	September 30, 2023 (Un-audited) ---- (Rupees in '000) ----	June 30, 2023 (Audited)
Opening balance	78,057,512	56,717,816
Share of loss	(10,591,845)	(1,350,357)
Exchange translation impact	650,087	22,690,053
Closing balance	68,115,754	78,057,512

5. CASH AND BANK BALANCES

Balance with bank in		
- Current accounts	15,077	14,202
- Savings account	8,141	8,118
	23,218	22,320
Cash in hand	1	27
	23,219	22,347

6. SHARE CAPITAL

	September 30, 2023 (Un-audited)		June 30, 2023 (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
	733,000,000	7,330,000	733,000,000	7,330,000
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
	545,390,665	5,453,907	545,390,665	5,453,907

- 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\$ 0.136 million (Rs. 39.529 million) (2022: Nil) were advanced by TRGIL. Furthermore, expense incurred by TRGIL on behalf of the Company amounted to US\$ 0.131 million (Rs. 38.960 million) (2022: Nil), whereas, foreign exchange (gain) / loss recognised in respect of this foreign liability amounted to Rs.(0.128) million (2022: 0.628 million).
- 7.2 This also includes payable to TRG (Private) Limited, an associate of the Company amounting to Rs. 2.511 million (June 30, 2023: Rs. 1.941 million) with respect to shared administrative expenses incurred by TRG (Private) Limited on behalf of the 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, 2023.

9. INTEREST INCOME

This represents interest income earned on bank deposits.

10. NET CASH USED IN OPERATIONS

Note	September 30, 2023	September 30, 2022
	(Un-audited)	
	(Rupees in '000)	(Rupees in '000)
Net (loss) / profit before taxation	(10,680,189)	6,885,869
Adjustments for :		
Depreciation	148	-
Interest income on bank balances	(589)	(375)
Share of loss / (profit) in equity accounted investee	10,591,845	(6,905,253)
Effect on cash flows of working capital changes	10.1 89,804	147
	10,681,208	(6,905,481)
	1,019	(19,612)

10.1 Working capital changes

	September 30, 2023	September 30, 2022
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
<i>Increase in current Assets:</i>		
Prepayments	(1,976)	(889)
<i>Increase in current liabilities:</i>		
Accrued and other liabilities	12,849	408
Payable to related parties	78,931	628
	91,780	1,036
	89,804	147

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 financial statements are as follows:

TRANSACTIONS WITH RELATED PARTIES

Name of related party	Nature of transaction	September 30, 2023	September 30, 2022
		----- (Un-audited) -----	----- (Un-audited) -----
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Chairman	Remuneration	-	100
Directors	Board and other meeting fees	6,000	700
Key management personnel	Remuneration	10,463	4,421
Staff retirement fund - TRGP Staff			
Employees Provident Fund	Company's Contribution	783	385
		17,246	5,606

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

There is no change in status of litigation and regulatory cases as reported in note 27 to the annual audited financial statements for the year ended June 30, 2023 except that, with reference to note 27.3, following consultation with the arbitral parties, an arbitrator was selected on or about October 17, 2023, as per the standard arbitration process.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 27, 2023 by the board of directors of the Company.



Director



Chief Financial Officer



Director







trg

TRG PAKISTAN LTD.

24TH FLOOR, SKY TOWER WEST WING,
DOLMEN, HC-3, BLOCK-4, MARINE DRIVE,
CLIFTON, KARACHI-75600, PAKISTAN.

UAN # +92.21.111.TRG.TRG

FAX: 021-35184042

<http://trgpcorp.com>