THIRD QUARTERLY REPORT
MARCH 31, 2022

TRG PAKISTAN LIMITED

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.

TRG PAKISTAN
LIMITED

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TRG PAKISTAN LIMITED

Corporate Information

Board of Directors

Waleed Tariq Saigol
Chairman
Hasnain Aslam
CEO
Zafar Iqbal Sobani
Khaldoon Bin Latif
John Leone
Farrukh Imdad
Doina Popescu
Suleman Lalani
Asad Nasir
Abid Hussain

Audit Committee

Zafar Iqbal Sobani - Chairman
Doina Popescu
Suleman Lalani
Asad Nasir

HR Recruitment & Remuneration Committee

Khaldoon Bin Latif - Chairman
Hasnain Aslam
John Leone
Abid Hussain

Chief Financial Officer & Company Secretary

Rahat Lateef

Legal Advisor

Lexium - Attorneys at Law

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Shares Registrar

THK Associates (Pvt.) Ltd.
Share Department,
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Street 2, D.H.A. Phase VII,
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Report of the Directors

For the nine months period ended March 31, 2022

Your Directors are pleased to present the condensed interim financial information of TRG Pakistan Limited ("the Company") for the nine months ended March 31, 2022.

Key Developments:

The first nine months of FY22 represent a period of consolidation for the Company. We successfully completed the sale of our e-TeleQuote business in July 2021. Subsequently, our associate, The Resource Group International Limited (TRGIL), allocated assets, both liquid and non-liquid, to the Company which have a value of Rs.45 billion as of March 31, 2022. The total amount invested in TRGIL by the Company was Rs 3.6 billion, which makes this an extremely profitable venture. We expect the value of the Company's investment in TRGIL to continue to grow in the future.

A portion of the above liquid assets are being used by TRGIL to purchase shares of the Company from the stock market to provide value, benefit and liquidity to shareholders of the Company. This purchase is being done through Greentree Holdings Limited, a wholly-owned subsidiary of TRGIL. As of March 31, 2022, Greentree had acquired a total of 64.9 million shares, representing 11.91% of the total shares of the Company.

Our portfolio company Ibex Limited (IBEX) continued to show strong performance and healthy growth. IBEX has been investing in additional capacity in response to increasing demand for its services. IBEX has been successful in transforming its business over the last 5 years, with a shift towards high-growth, emerging technology, and new economy sectors, resulting in increased client diversification and higher growth from new brands that has more than offset the decline from mature, legacy clients. We expect IBEX's stock price on NASDAQ to reflect this growth, as the company delivers on performance in 2H FY22 and beyond.

Our portfolio company that provides Artificial Intelligence Enterprise Software (AI Software Business) has had historical revenue growth averaging over 50% during the last 8 years. In recent years, this growth has been lumpy with flat revenue during FY20 followed by revenue growth of nearly 300% during FY21. In light of recent events, the plan for FY22 is to consolidate the FY21 growth and target additional enterprise deals which would result in further growth in FY23. Certain cost control strategies are in place from early 2022 to help improve profitability.

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 March 31, 2022, the value of our share in TRGIL is Rupees 45 billion, representing a decrease of Rupees 4.6 billion compared to Rupees 49.6 billion on June 30, 2021. This decrease is primarily related to two drivers: (1) a decrease in the share price of IBEX between June 30, 2021 and March 31, 2022 and (2) a partial redemption of certain TRGIL shareholders in December 2021 that resulted in a finance charge. In addition to the Company's stake in TRGIL, it also has other assets of Rupees 0.05 billion and liabilities of Rupees 7.5 billion (primarily relating to deferred taxes) resulting in net assets of Rupees 37.5 billion.

Our income statement is primarily driven by the changes in value of our share in TRGIL. Our share of the net loss in equity accounted investee (i.e. TRGIL) was Rupees 12.2 billion, before taxation. Out of this loss from associate, Rupees 4.6 billion was on account of a mark-to-market loss booked on IBEX shares held by TRGIL. IBEX's share price on NASDAQ declined by almost 18% during the period under review. The remaining loss was primarily on account of the redemption of certain preference shares in December 2021. These preference shares were originally classified as debt owed to their holders at the amount of their original investment, as the investors had the ability to have their preference shares purchased back at the higher of the original issue price or their pro-rated share of the underlying net assets, including their share of a preference amount. As the redemption value of these preference shares was more than the original issue price because of the high value of the underlying monetization, the difference between the redemption amount and the original issue price was reflected as a one-time finance charge.

The Company recognized interest income of Rupees 7.9 million in its income statement, whereas it incurred expenses of Rupees 37.8 million. Deferred tax amounting to Rupees 1.8 billion was reversed during the period. Overall, the Company posted net loss of Rupees 10.4 billion for the nine-month period ended March 31, 2022 as a result of these factors, and a net profit of Rs. 2.2 billion for the three-month period then ended.

Loss per share

The loss per share of the Company was Rupees 19.05 per share for the nine-month period ended March 31, 2022 and the earnings per share was Rupees 4.01 per share for the three-month period then ended.

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 to shareholders of the Company.

Acknowledgments

Your Directors close this report by thanking you of 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

Waleed Tariq Saigol
Chairman

Hasnain Aslam
Chief Executive

Karachi
April 27, 2022

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 تہہ دل سے مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ولید طارق سہگل
چیئرمین

حسنین اسلم
چیف ایگزیکٹو

کراچی
تاریخ: ۲۷ اپریل ۲۰۲۲

ٹی آر جی پاکستان لمیٹڈ مالی جائزہ

ہماری بیلنس شیٹ پر سب سے اہم چیز ٹی آر جی آئی ایل میں کمپنی کے حصہ کی قیمت ہے، جو ہمارا واحد آپریٹنگ اثاثہ ہے۔ ۳۱ مارچ ۲۰۲۲ تک، ٹی آر جی آئی ایل میں ہمارے حصہ کی مالیت ۴۵ بلین روپے ہے، جو کہ ۳۰ جون ۲۰۲۱ کو ۴۹.۰۶ بلین روپے کے مقابلے میں ۴۰.۶ بلین روپے کی کمی کو ظاہر کرتی ہے، یہ کمی بنیادی طور پر دو ڈرائیوروں سے متعلق ہے، (۱) ۳۰ جون ۲۰۲۱ اور ۳۱ مارچ ۲۰۲۲ کے درمیان آئیبیکس کے حصص کی قیمت میں کمی اور (۲) دسمبر ۲۰۲۱ میں کچھ ٹی آر جی آئی ایل شیئر ہولڈرز کا جزوی اخراج جس کے نتیجے میں فنانس چارج کی لاگت لگی۔ ٹی آر جی آئی ایل میں کمپنی کے حصص کے علاوہ، اس کے پاس ۰.۰۵ بلین روپے کے دیگر اثاثے اور ۷.۵ بلین روپے کے واجبات (بنیادی طور پر موخر ٹیکسوں سے متعلق) ہیں جس کے نتیجے میں ۳۷.۵ 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 اکاؤنٹڈ انویسٹی (یعنی ٹی آر جی آئی ایل) میں خالص نقصان میں ہمارا حصہ ۱۲۰۲ بلین روپے تھا۔ ایسوسی ایٹ کے اس نقصان میں سے، ۴.۰۶ بلین ٹی آر جی آئی ایل کے پاس موجود آئیبیکس حصص پر مارک ٹو مارکیٹ نقصان کی وجہ سے تھے۔ زیر جائزہ مدت کے دوران نیڈیک پر آئیبیکس کے حصص کی قیمت میں تقریباً ۱۸ فیصد کی کمی واقع ہوئی۔ بقیہ نقصان بنیادی طور پر دسمبر ۲۰۲۱ میں کچھ ترجیحی حصص کی واپسی کی وجہ سے تھا۔ ان ترجیحی حصص کو اصل میں ان کے ہولڈرز پر ان کی اصل سرمایہ کاری کی رقم پر واجب الادا قرض کے طور پر درجہ بندی کیا گیا تھا، کیونکہ سرمایہ کاروں کے پاس اپنے ترجیحی حصص خریدنے کی اہلیت تھی۔ اصل ایشو کی قیمت سے زیادہ یا بنیادی خالص اثاثوں کے ان کے پروریٹیڈ شیئر پر واپس، بشمول ترجیحی رقم میں ان کا حصہ۔ چونکہ ان ترجیحی حصص کے اخراج کی قیمت اصل ایشو کی قیمت سے زیادہ تھی کیونکہ بنیادی منیٹائزیشن کی زیادہ قیمت کی وجہ سے، اخراج کی رقم اور اصل ایشو کی قیمت کے درمیان فرق کو ایک بار فنانس چارج کے طور پر ظاہر کیا گیا تھا۔

کمپنی نے اپنی آمدنی کے بیانئے میں ۷.۹ ملین روپے ظاہر کیے، جبکہ اس پر ۳۷.۸ ملین روپے کے اخراجات ہوئے۔ اس عرصے کے دوران ۱۰.۸ بلین روپے کے موخر ٹیکس کو الٹ دیا گیا۔ مجموعی طور پر، کمپنی نے ان عوامل کے نتیجے میں ۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی مدت کے لیے ۱۰.۴ بلین روپے کا خالص نقصان ہوا، جس کے نتیجے میں اس سہ ماہی میں کمپنی کو ۲.۰۲ بلین روپے کا خالص منافع ہوا۔

فی حصص نقصان

۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی نو ماہ کی مدت کے لیے کمپنی کا فی حصص نقصان ۱۹.۰۵ روپے فی حصص تھا اور اسی مدت میں ختم ہونے والی تین ماہ کی مدت کے لیے فی حصص آمدنی ۴.۰۱ روپے فی حصص تھی۔

متوقع امکانات

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 مناسب وقت میں ان سے رقم کمانے پر توجہ مرکوز رکھے ہوئے ہیں۔

ڈائریکٹرز کی رپورٹ

برائے دورانیہ ۳۱مارچ ۲۰۲۲ کے اختتام پر (نوماہی رپورٹ)

آپ کے ڈائریکٹرز انتہائی مسرت کے ساتھ ٹی آر جی پاکستان لمیٹڈ (کمپنی) کے ۳۱مارچ ۲۰۲۲ کو اختتام پذیر ہونے والی نوماہی کے معاشی بیانیے پیش کرتے ہیں۔

اہم پیشرفت:

مالی سال ۲۲ کے پہلے نوماہ کمپنی کے استحکام کے دور کی نمائندگی کرتے ہیں۔ ہم نے جولائی ۲۰۲۱ میں اپنے ای-ٹیلی کوٹ کاروبار کی فروخت کو کامیابی کے ساتھ مکمل کیا۔ اس کے بعد، ہماری اسوسیٹ، ریسورس گروپ انٹرنیشنل لمیٹڈ (ٹی آر جی آئی ایل) کمپنی کو اثاثے، مائع اور غیر مائع دونوں مختص کیے جن کی قیمت ۳۱ مارچ ۲۰۲۲ کو ۴۵ بلین روپے ہے۔ کمپنی نے ٹی آر جی آئی ایل میں کل ۳۰.۶ بلین روپے کی سرمایہ کاری کی جو اس کو انتہائی منافع بخش منصوبہ بناتا ہے۔ ہم امید کرتے ہیں کہ ٹی آر جی آئی ایل میں کمپنی کی سرمایہ کاری کی قدر مستقبل میں بھی بڑھتی رہے گی۔

مذکورہ مائع اثاثوں کا ایک حصہ ٹی آر جی آئی ایل کمپنی کے شیئر ہولڈرز کو قیمت، فائدہ اور لیکویڈیٹی فراہم کرنے کے لیے اسٹاک مارکیٹ سے کمپنی کے حصص خریدنے کے لیے استعمال کر رہا ہے۔ یہ خریداری ٹی آر جی آئی ایل کی مکمل ملکیت والی ذیلی کمپنی گرین ٹری ہولڈینگز لیمیٹڈ کے ذریعے کی جارہی ہے۔ ۳۱مارچ ۲۰۲۲ تک گرین ٹری نے کل ۶۴.۹ ملین شیئرز خریدے تھے، جو کہ کمپنی کے کل حصص کا ۱۱.۹۱ فیصد ہیں۔

ہماری پورٹ فولیو کمپنی آئیبیکس لیمیٹڈ (آئیبیکس) مضبوط کارکردگی اور صحت مند ترقی دکھاتی رہی۔ آئیبیکس اپنی خدمات کی بڑھتی ہوئی طلب کے جواب میں اضافی صلاحیت میں سرمایہ کاری کر رہی ہے۔ آئیبیکس پچھلے 5 سالوں میں اپنے کاروبار کو تبدیل کرنے میں کامیاب رہی ہے، جس میں اعلی ترقی، ابھرتی ہوئی ٹیکنالوجی، اور نئی معیشت کے شعبوں کی طرف تبدیلی ہے، جس کے نتیجے میں کلائنٹ کے تنوع میں اضافہ ہوا ہے اور نئے برانڈز سے زیادہ ترقی ہوئی ہے جس نے مستحکم کلائنٹ کے اخراج سے ہونے والی کمی کو پورا کیا ہے۔ ہم توقع کرتے ہیں کہ نیزڈیک پر آئیبیکس اسٹاک کی قیمت اس نمو کی عکاسی کرے گی، جیسا کہ کمپنی مالی سال ۲۰۲۲ کی دوسری ششماہی میں کارکردگی پیش کی ہے۔

ہماری پورٹ فولیو کمپنی جو آر ٹیفیشل انٹیلی جنس انٹرپرائز سافٹ ویئر (اے آئی سافٹ ویئر بزنس) فراہم کرتی ہے گزشتہ ۸ سالوں کے دوران اس کی آمدنی میں ۵۰ فیصد سے زیادہ تاریخی اضافہ ہوا ہے۔ حالیہ برسوں میں، یہ نمو مالی سال ۲۰ کے دوران فلیٹ ریونیو کے ساتھ مستحکم رہی ہے جس کے بعد مالی سال ۲۱ کے دوران تقریباً ۳۰۰ فیصد تک آمدنی میں اضافہ ہوا۔ حالیہ واقعات کی روشنی میں، مالی سال ۲۲ کا منصوبہ مالی سال ۲۱ کی نمو کو مستحکم کرنا اور اضافی انٹرپرائز سودوں کو ہدف بنانا ہے جس کے نتیجے میں مالی سال ۲۳ میں مزید ترقی ہوگی۔ منافع کو بہتر بنانے میں مدد کے لیے ۲۰۲۲ کے اوائل سے لاگت پر قابو پانے کی کچھ حکمت عملی لاگو ہیں۔

Condensed Interim Financial Statements

For the nine months period ended

March 31, 2022

THIRD QUARTERLY REPORT

MARCH 31, 2022

TRG PAKISTAN LIMITED

Condensed Interim Statement of Financial Position

As at March 31, 2022

	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		------ (Rupees in '000) ------	
ASSETS			
Non-current assets			
Operating fixed assets		-	17
Long term investment	4	44,976,670	49,620,244
Long term deposit		75	75
		44,976,745	49,620,336
Current assets			
Accrued Interest		275	10,828
Prepayments		491	-
Cash and bank balances	5	46,776	598,429
		47,542	609,257
Total assets		45,024,287	50,229,593
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		7,330,000	7,330,000
Share capital			
Issued, subscribed and paid-up capital	6	5,453,907	5,453,907
Revenue reserves			
Foreign currency translation reserve		5,596,767	(815,095)
Unappropriated Profit		26,481,029	36,869,797
		37,531,703	41,508,609
Non-current liabilities			
Deferred tax liabilities - net		7,408,881	8,105,417
Current liabilities			
Accrued and other liabilities		7,304	322,217
Payable to related party	7	31,806	27,265
Dividend Payable		22,275	92,885
Taxation - net		22,318	173,200
		83,703	615,567
Total equity and liabilities		45,024,287	50,229,593
Contingencies and commitments	8		

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Director **Chief Financial Officer** **Director**

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

For the nine months period ended March 31, 2022

	Note	Nine months period ended		Three months period ended	
		March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
		(Rupees in '000)			
Interest Income	9	**7,941**	117,621	**864**	35,983
Administrative and other expenses		**(37,811)**	(27,583)	**(21,086)**	(2,284)
Operating (loss) / profit		**(29,870)**	90,038	**(20,222)**	33,699
Share of (loss) / profit in equity accounted investee	4.3	**(21,050,632)**	8,413,307	**(4,606,259)**	3,255,278
Dilution gain on equity accounted investee	4.3	**8,863,693**	-	**7,201,424**	-
(Loss) / Profit before taxation		**(12,216,809)**	8,503,345	**2,574,943**	3,288,977
Taxation		**1,828,041**	(1,277,809)	**(389,275)**	(488,292)
(Loss) / Profit after taxation		**(10,388,768)**	7,225,536	**2,185,668**	2,800,685
Other comprehensive income					
Items that may be reclassified to statement of profit or loss in subsequent periods					
Effect of translation of net investment in foreign associate - net of tax		**6,411,862**	(2,095,358)	**1,867,427**	(1,830,606)
Total comprehensive (loss) / income		**(3,976,906)**	5,130,178	**4,053,095**	970,079
		(Rupees)		(Rupees)	
(Loss) / Earnings per share - basic and diluted		**(19.05)**	13.25	**4.01**	5.14

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Director | **Chief Financial Officer** | **Director**

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

For the nine months period ended March 31, 2022

	Issued, subscribed and paid-up capital	Revenue Reserves		Total
		Foreign currency translation reserve	Unappropriated profit	
	(Rupees in '000)			
Balance as at July 1, 2020	5,453,907	533,376	13,417,089	19,404,372
Total comprehensive income				
Profit after tax for the nine months period ended March 31, 2021	-	-	7,225,536	7,225,536
Foreign currency translation difference - net of tax	-	(2,095,358)	-	(2,095,358)
	-	(2,095,358)	7,225,536	5,130,178
Balance as at March 31, 2021	5,453,907	(1,561,982)	20,642,625	24,534,550
Total comprehensive income				
Profit after tax for the three months period ended June 30, 2021	-	-	18,626,891	18,626,891
Foreign currency translation difference - net of tax	-	746,887	-	746,887
	-	746,887	18,626,891	19,373,778
Transactions with owners, recorded directly in equity				
Interim dividend at Rs. 4.4 per share	-	-	(2,399,719)	(2,399,719)
Balance as at June 30, 2021	5,453,907	(815,095)	36,869,797	41,508,609
Total comprehensive income				
Loss after tax for the nine months period ended March 31, 2022	-	-	(10,388,768)	(10,388,768)
Foreign currency translation difference - net of tax	-	6,411,862	-	6,411,862
	-	6,411,862	(10,388,768)	(3,976,906)
Balance as at March 31, 2022	5,453,907	5,596,767	26,481,029	37,531,703

The annexed notes 1 to 13 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 nine months period ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
		------ (Rupees in '000) ------	
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash used in operations	10	**(348,656)**	893,333
Interest income received		**18,494**	118,529
Income tax paid		**(150,881)**	(5,653)
Net cash (used in) / generated from operating activities		**(481,043)**	1,006,209
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from repayment of related party loan		**-**	1,579,646
Net cash flows from investing activities		**-**	1,579,646
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		**(70,610)**	-
Net cash used in financing activities		**(70,610)**	-
Effects of exchange rate difference		**-**	-
Net (decrease) / increase in cash and cash equivalents during the period		**(551,653)**	2,585,855
Cash and cash equivalents at beginning of the period		**598,429**	3,308
Cash and cash equivalents at end of the period		**46,776**	2,589,163

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Director **Chief Financial Officer** **Director**

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 (now the Companies Act, 2017) 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 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, 2021.

These condensed interim financial statements comprises the condensed interim statement of financial position as at March 31, 2022, 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 nine months period then ended.

The comparative condensed interim statement of financial position, presented in these condensed interim financial statements as at June 30, 2021 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 financial statements for the nine months period ended March 31, 2021.

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 polices 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, 2021.

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, 2021.

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, 2021.

4. LONG TERM INVESTMENT

	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees in '000) -----	
The Resource Group International Limited (TRGIL)			
Unquoted 60,450,000 (June 30, 2020: 60,450,000) Series B Preferred Shares			
- Equity accounted investee	*4.2 & 4.3*	**44,976,670**	49,620,244
		44,976,670	49,620,244

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 out of a total of 87,921,564 shares issued and outstanding as at March 31, 2021; representing 68.8% of the total shares in issue (June 30, 2021: 45.3%) with voting power of 45.3% (June 30, 2021: 45.9%) making it 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 (June 30, 2021: 56.9%).

4.2 Between December 2021 and February 2022 certain TRGIL shareholders partially redeemed their shares in exchange for a combination of cash and shares of a portfolio company that were held by TRGIL. As a result of this, the holding percentage of the remaining shareholders, including the Company, in TRGIL has increased. This redemption hasn't impacted the voting power of the Company in TRGIL.

4.3 Reconciliation of carrying amount of investment

	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees in '000) -----	
Opening balance		**49,620,244**	21,778,686
Share of (loss) / profit		**(21,050,632)**	30,312,643
Distribution received		**-**	(884,647)
Dilution gain on equity accounted investee	*4.2*	**8,863,693**	-
Exchange translation impact		**7,543,365**	(1,586,438)
Closing balance		**44,976,670**	49,620,244

5. CASH AND BANK BALANCES

Balance with bank in		
- Current accounts	**17,398**	77,094
- Savings account	**29,323**	521,331
	46,721	598,425
Cash in hand	**55**	4
	46,776	598,429

6. SHARE CAPITAL

	March 31, 2022 (Un-audited)		June 30, 2021 (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 PARTY - current account - unsecured

This represents payable to TRGIL, associate of the Company, relating to activties for carrying out routine operations.

8. CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments as reported in note 14 to the annual audited financial statements for the year ended June 30, 2021.

9. INTEREST INCOME

	Note	**March 31, 2022**	March 31, 2021
		--------- (Un-audited) ---------	
		--------- (Rupees in '000) ---------	
- Bank balances	*9.1*	**7,941**	36,049
- Loan to related party		**-**	81,572
		7,941	117,621

9.1 Interest income is earned from bank deposits.

10. NET CASH USED IN OPERATIONS

Net (loss) / profit before taxation		**(12,216,809)**	8,503,345
Adjustments for :			
Depreciation		**17**	32
Interest income on return on bank balances		**(7,941)**	(117,621)
Distribution received		**-**	884,647
Share of loss / (profit) in equity accounted investee		**21,050,632**	(8,413,307)
Dilution gain on equity accounted investee		**(8,863,693)**	-
Effect on cash flows of working capital changes	*10.1*	**(310,862)**	36,237
		11,868,153	(7,610,012)
		(348,656)	893,333

	March 31, 2022	March 31, 2021
	--------- (Un-audited) ---------	
	--------- (Rupees in '000) ---------	

10.1 Working capital changes

Increase in current Assets:		
Prepayments	**(491)**	-
Increase / (decrease) in current liabilities:		
Accrued and other liabilities	**(314,912)**	(5,509)
Payable to related party	**4,541**	41,746
	(310,371)	36,237
	(310,862)	**36,237**

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

Name of related party	Nature of transactions	March 31, 2022	March 31, 2021
		--------- (Un-audited) ---------	
		--------- (Rupees in '000) ---------	
Chairman	Remuneration	**200**	-
Directors	Board and other meeting fees	**1,950**	-
Key management personnel	Remuneration	**3,804**	-
Staff retirement fund - TRGP Staff Provident Fund	Contribution	**410**	99
		6,364	99

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

PAYABLE TO RELATED PARTIES

Name of related party	Nature of transactions	March 31, 2022	March 31, 2021
		--------- (Un-audited) ---------	
		--------- (Rupees in '000) ---------	
Chairman	Remuneration	**200**	-
Directors	Board and other meeting fees	**1,950**	-
Key management personnel	Remuneration	**1,674**	-
Staff retirement fund - TRGP Staff Provident Fund	Contribution payable	**466**	-
		4,290	-

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 27, 2022 by the board of directors of the Company.

Director **Chief Financial Officer** **Director**

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