TRG PAKISTAN LIMITED

Third Quarterly Report
March 31, 2019

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

Peter H.R. Riepenhausen
Chairman

Muhammad Ziaullah Khan Chishti
CEO

Zafar Iqbal Sobani

Muhammad Ali Jameel

John Leone

Mohammadullah Khan Khaishgi

Patrick McGinnis

Ameer S. Qureshi

Asad Nasir

Sabiha Sultan Ahmad

Audit Committee

Zafar Iqbal Sobani - Chairman
Patrick McGinnis
Ameer S. Qureshi
Asad Nasir

HR Recruitment & Remuneration Committee

Sabiha Sultan Ahmad - Chairman
John Leone
Peter H.R. Riepenhausen
Mohammed Khaishgi

Chief Financial Officer

Hassan Farooq

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,
1st Floor, 40-C, Block-6, P.E.C.H.S.,
Karachi-75400, Pakistan.
Phone: +92 (021) 111-000-322
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Registered Office

Centre Point Building, Level 18, Plot
No. 66/3-2, Off. Shaheed-e-Millat
Expressway, Near KPT Interchange
Flyover, Karachi-74900, Pakistan.
UAN: (021) 111-874-874
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Report of the Directors

For the Nine Months ended March 31, 2019

Your Directors are pleased to present the condensed interim unconsolidated and consolidated financial information of TRG Pakistan Limited for the nine months ended March 31, 2019.

Key Developments

The first nine months of FY19 was a period of highly significant growth for TRG. Our consolidated revenues reached Rupees 51,328 million, representing a 43.5% increase over the same period last year. This increase has been broad-based and took place across all of our major operating subsidiaries and was also aided by a weaker Rupee against the US Dollar.

Noteworthy in its revenue growth trajectory during this first nine months was IBEX Holdings, the intermediate vehicle for our contact center and medicare insurance subsidiaries, where revenues increased to Rupees 42,761 million, representing a 39.5% growth over the same period in fiscal 2018. The improvement in margins was even more significant, with EBITDA increasing from Rupee 988 million to Rupee 4,698 million during these nine months. This increase was a result of better operational efficiencies at IBEX Global, as well as significant expansion, on the back of a successful Annual Enrolment Period at eTelequote. The investment made by IBEX Global in its nearshore facilities in prior years is proving to be highly profitable. Furthermore, our eTelequote business continues to gain scale and realize benefits of recent investments. With the closing of a US$75 million debt facility in the first half of this fiscal year, eTelequote has adequate working capital to double in size in the next 12 to 18 months.

Our enterprise software subsidiary Afiniti, continues to execute on plan and its topline grew by almost 50% over the same period last year. With the ongoing expansion in new geographies and strong customer traction with existing clients, we expect Afiniti to further accelerate its rapid growth in FY20. Additionally, the recent strategic partnership with the world's leading unified communications and contact center switching provider will further contribute to significant increases in Afiniti revenues in the next 12 to 18 months.

Financial Review:

TRG Pakistan's condensed interim financial information consists of the financial information of the parent company on a standalone basis, as well as the consolidated financial information of the entire group.

Consolidated Financial Information

For the nine months ended March 31, 2019, our consolidated revenues amounted to Rupees 51,328 million, which represents a 43.5% increase from revenues of Rupees 35,777 million for the comparative period in 2018.

Our recurring subsidiary revenues were offset by net recurring cash operating costs (excluding interest) of Rupees 49,215 million, resulting in recurring earnings before interest, taxes, depreciation and amortization of Rupees 2,113 million.

Our operating subsidiaries incurred a net interest expense of Rupees 2,817 million to service their respective loans and lines of credit. Our total corporate overheads for the nine months were Rupees 387 million as compared to Rupees 349 million incurred during the same period in 2018.

In non-cash adjustments, we had depreciation and amortization expenses of Rupees 1,838 million, stock option charge of Rupees 412 million and exchange gain of Rupees 455 million. In addition, we incurred a non-cash interest expense of Rupees 1,205 million on account of preferred shares issued by our subsidiaries and tax expense of Rupees 211 million.

The net result of the above was a loss for the nine months period ended March 31, 2019 of Rupees 3,020 million, compared to a loss of Rupees 4,578 million during the same period in 2018.

TRG Pakistan Limited Standalone Financial Information

TRG Pakistan Limited essentially serves as a holding company with minimal operations of its own.

The company recognized income of Rupees 179 million mainly as a return on loan to an indirect subsidiary, whereas it incurred expenses of Rupees 11 million for administrative and other expenses and its exchange loss was Rupees 232 million. As a result, TRG Pakistan Limited incurred a net loss (on a standalone basis) of Rupees 65 million for the nine months ended March 31, 2019.

Earnings per share

The loss per share of the Company on a consolidated basis was Rupee 1.66 per share. On a standalone basis, the company recognized loss per share of Rupee 0.12.

Outlook

We remain focused on our strategic plan of continuing to create significant shareholder value through the operational progress of our various subsidiaries as well as preparing to realize this value. We continue to assess both public and private market options in that regard while in parallel continuing to increase the operating scale and profitability of our assets in order to enhance their attractiveness on these markets.

Board of Directors

The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes the following Directors:

S. No.	Category	Name of Director
1.	Executive Directors	Muhammad Ziaullah Khan Chishti Mohammed Khaishgi
2.	Non-Executive Directors	Muhammad Ali Jameel Patrick McGinnis John Leone Peter H.R. Riepenhausen Ameer S. Qureshi
3.	Independent Directors	Zafar Iqbal Sobani Asad Nasir Sabiha Sultan Ahmad

Board Sub-Committees

S. No.	Category	Name of Member
1.	Audit Committee	Zafar Iqbal Sobani Patrick McGinnis Ameer S. Qureshi Asad Nasir
2.	HR Recruitment & Remuneration Committee	Sabiha Sultan Ahmad John Leone Peter H.R. Riepenhausen Mohammed Khaishgi

Acknowledgments

Your directors close this report by thanking you of your continued confidence 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

Muhammad Ziaullah Khan Chishti
Chief Executive

Muhammad Ali Jameel
Director

Karachi:
April 26, 2019

بورڈ آف ڈائریکٹرز

کمپنی اپنے بورڈ پر آزاد غیر جانبدار ڈائریکٹرز اور مینوریٹی انٹرسٹ کی نمائندگی کرنے والے ڈائریکٹرز کی حوصلہ افزائی کرتی ہے۔ اس وقت بورڈ میں مندرجہ ذیل ڈائریکٹرز شامل ہیں:

نمبر شمار	عہدہ	ڈائریکٹرز کے نام
1.	ایگزیکٹو ڈائریکٹرز	جناب محمد ضیاء اللہ چشتی جناب محمد اللہ خیشگی
2.	غیر ایگزیکٹو ڈائریکٹرز	جناب محمد علی جمیل جناب پیٹرک مک گینز جناب جان لیون جناب پیٹر ایچ۔ آر۔ رائپن ہاسن جناب امیر شابو قریشی
3.	آزاد ڈائریکٹرز	جناب ظفر اقبال سبحانی جناب اسد ناصر سبیہا سلطان احمد

بورڈ آف ڈائریکٹرز کی ذیلی کمیٹیاں

نمبر شمار	عہدہ	ڈائریکٹرز کے نام
1.	آڈٹ کمیٹی	جناب ظفر اقبال سبحانی جناب پیٹرک مک گینز جناب امیر شابو قریشی جناب اسد ناصر
2.	ایچ آر ریکروٹمنٹ اینڈ ریمونیریشن کمیٹی	سبیہا سلطان احمد جناب جان لیون جناب پیٹر ایچ۔ آر۔ رائپن ہاسن جناب محمد اللہ خیشگی

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

محمد ضیاء اللہ خان چشتی
چیف ایکزیکیٹو

علی جمیل
ڈائریکٹر

کراچی
تاریخ: 26 اپریل 2019

مالیاتی جائزہ

ٹی آر جی پاکستان لمیٹڈ کے معاشی بیانئے میں اصل کمپنی کے انفرادی معاشی بیانئے اوراس کیساتھ ساتھ پورے گروپ کے مجموعی مالیاتی بیانئے شامل ہیں۔

مجموعی مالیاتی بیانئے

31 مارچ 2019 کوختم ہونے والی نوماہی رپورٹ کیلئے ہماری مجموعی آمدنی 2018 کے اسی عرصے کے مقابلے میں 43.5 فیصد اضافے کے ساتھ 35,777 ملین روپے سے بڑھ کر 51,328 ملین روپے ہوگئی۔

ہمارے ذیلی اداروں سے حاصل ہونے والی آمدنی ہمارے بار بار ہونے والے نقد اخراجات نکالنے کے بعد مبلغ 49,215 ملین روپے تھی۔ جسکے نتیجے میں ہماری ٹیکس کٹوتی ،فرسودگی ،سوداورقرضہ جات سے قبل آمدنی 113 ملین روپے رہی۔

ہمارے ذیلی اداروں نے اپنے متعلقہ قرضہ جات کی سروس کے لئے 817 ملین روپے کا خرچ کیا۔ اس نوماہی رپورٹ میں کارپوریٹ اوورہیڈ 387 ملین روپے رہے جو کہ 2018 میں 349 ملین روپے تھے۔

غیرنقدی تصفیہ میں ہمارے فرسودگی کے اخراجات 1,838 ملین روپے ،غیرنقدی اسٹاک آپشن کے اخراجات 412 ملین روپے اورایکسچینج گین 455 ملین روپے رہے۔ اس کے علاوہ، ہمارے ماتحت اداروں کی طرف سے جاری کرداترجیحی حصص کے غیرنقدی سودی اخراجات 1,205 ملین روپے رہے۔ اور ٹیکس اخراجات 211 ملین روپے تھے۔

مذکورہ بالا کے نتیجے میں اس نوماہی رپورٹ کے دوران 3,020 ملین روپے خسارا ہوا جبکہ 2018 کے اسی عرصے کے دوران یہ خسارا 4,578 ملین روپے تھا۔

ٹی آر جی پاکستان لمیٹڈ کے انفرادی مالیاتی بیانئے

ٹی آر جی پاکستان لمیٹڈ بنیادی طور پر بہت کم آپریشنز کے ساتھ ایک ہولڈنگ کمپنی کے طور پر کام کرتی ہے۔

کمپنی نے اپنی آمدنی کے بیانئے میں 179 ملین روپے کی آمدنی ظاہر کی جسکی بنیادی وجہ ہمارے ذیلی ادارے سے قرضہ جات کی مد میں آمدنی ہے۔جبکہ انتظامی اور دیگر اخراجات 11 ملین روپے رہے اور ایکسچینج لاس 232 ملین روپے رہا۔ جسکے نتیجے میں اس نوماہ کے اختتام پرٹی آر جی پاکستان لمیٹڈ نے 65 ملین روپے صافی خسارا حاصل کیا۔

فی شئیر آمدنی

مجموعی بنیاد پرفی شئیر خسارا 1.66 پیسے رہا جبکہ انفرادی سطح پر کمپنی نے فی شئیر 0.12 پیسے کا خسارا حاصل کیا۔

آئندہ امکانات

ہم کوشاں ہیں کے ہم اپنے تعاملاتی اثاثوں کی بہتری اوراسکی قیمت کے حصول کے لیے اپنے منصوبوں پر عملدرامد جاری رکھیں۔ ہم مستقل پبلک اور پرائیوٹ دونوں قسم کی مارکیٹ کا بغور جائزہ لیتے رہتے ہیں اورساتھ ساتھ اپنے حجم اورآمدنی کو بڑھانے کی کوشش کرتے رہتے ہیں تاکہ ہمارے اثاثہ جات کو مارکیٹ میں مزید پرکشش بناسکیں۔

ڈائریکٹرز کی رپورٹ

برائے دورانیہ 31 مارچ 2019 کے اختتام پر (نو ماہی رپورٹ)

آپ کے ڈائریکٹرز انتہائی مسرت کے ساتھ ٹی آر جی پاکستان لمیٹڈ کے 31 مارچ 2019 کو اختتام پذیر ہو چکے نو ماہی انفرادی اور مجموعی معاشی بیانیے پیش کرتے ہیں۔

اہم ترقیات

مالی سال 2019 کے پہلے نو مہینے ٹی آر جی کے لئے بہت اہم ترقی کی مدت تھی۔ ہماری مجموعی آمدنی 51,328 ملین روپے تک پہنچ گئی، جو کہ 2018 کے مقابلے میں اسی مدت کے دوران 43.5 فیصد سے زیادہ ہے۔ یہ اضافہ وسیع پیمانے پر ہے اور ہمارے تمام بڑے آپریٹنگ ماتحت اداروں میں اضافہ ہوا ہے۔ اور ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے بھی ہمیں مدد ملی ہے۔

قابل ذکر ہے کہ اس کی پہلی نو ماہی کے دوران آمدنی کی ترقی جاری رہی اور آئی بیکس ہولڈنگز، کے تحت ہمارے رابطے کے مرکز کے ذیلی دارے میڈی کیئر انشورنس کی آمدنی میں مالی سال 2018 کے مقابلے میں اسی مدد میں 39.5 فیصد اضافے کے ساتھ 42,761 ملین روپے ہو گی. اس مارجن میں بہتری کی اہم وجہ یہ بھی ہے کہ آمدنی کے ساتھ ساتھ ابیٹا ان نو ماہ کے دوران 988 ملین روپے سے بڑھ کے 4,698 ملین روپے ہو گیا۔ یہ اضافہ آئی بیکس گلوبل کی اہم ٹاپ لائن کی توسیع اور بہتر آپریشنل صلاحیتوں اور ای ٹیلیکوٹ کے کامیاب سالانہ اندراج کی وجہ سے ہوا۔ آئی بیکس گلوبل کی گزشتہ سالوں کی نیر شور میں سرمایہ کاری انتہائی منافع بخش ثابت ہو رہی ہے. ہم امید کرتے ہیں کہ آئی بیکس گلوبل باقی مالی سال میں بھی اسی طرح ترقی جاری رکھے گا. اسکے علاوہ، ہمارے ای ٹیلیکوٹ کاروبار حالیہ سرمایہ کاری کے فوائد حاصل کر رہا ہے۔ سال کے پہلے ششماہی میں 75 ملین ڈالر کی قرض کی سہولت کے اختتام کے ساتھ، ای ٹیلیکوٹ اگلے 12 سے 18 مہینے میں سائز میں دوگنا ہو جانے کی صلاحیت رکھتا ہے۔

ہمارے انٹرپرائز سوفٹ ویئر کی ماتحت کمپنی ایفنٹی نے منصوبے پر عملدرامت کو جاری رکھا ہے اور گزشتہ سال اسی مدت کے مقابلے میں اسکی آمدنی تقریبا 50 فی صد بڑھ گئی ہے۔ نئے جغرافیاؤں اور موجودہ گاہکوں کے ساتھ مضبوط رابطہ مسلسل توسیع کے ساتھ، ہم توقع کرتے ہیں کہ مالی سال 2020 میں ایفنٹی تیزی سے ترقی کرے گا. اضافی طور پر، دنیا کی معروف یونیفائیڈ مواصلات اور رابطے مرکز سوئچنگ فراہم کنندہ کے ساتھ حال ہی میں اسٹریٹیجک شراکت داری اگلے 12 سے 18 مہینے میں ایفنٹی آمدنی میں نمایاں اضافہ میں مزید کردار ادا کرے گا.

TRG PAKISTAN LIMITED

Condensed Interim Unconsolidated Financial Statements

For the nine months period ended

March 31, 2019

Condensed Interim Unconsolidated Statement of Financial Position

As at March 31, 2019

	Note	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		(Rupees in '000)	
ASSETS			
Non-current assets			
Operating fixed assets		**112**	26
Long term investment	*4*	**17,835,797**	16,138,471
Long term loan	*5*	**1,649,175**	-
Accrued mark-up		**93,359**	-
Long term deposits		**75**	75
		19,578,518	16,138,572
Current assets			
Current maturity of accrued mark-up		**5**	110,572
Current maturity of long term loan	*5*	**-**	1,523,226
Cash and bank balances	*6*	**727**	799
		732	1,634,597
Total assets		**19,579,250**	17,773,169
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	*7*	**7,330,000**	7,330,000
Issued, subscribed and paid-up capital	*7*	**5,453,907**	5,453,907
Foreign currency translation reserve		**7,118,461**	5,065,891
Fair value reserve - net of deferred tax		**4,361,446**	4,866,594
Accumulated losses		**(593,153)**	(527,659)
		16,340,661	14,858,733
Non-current liability			
Deferred tax liability		**3,158,151**	2,830,461
Current liabilities			
Accrued and other liabilities		**62,465**	68,414
Payable to related parties		**1,739**	1,274
Taxation - net		**16,234**	14,287
		80,438	83,975
Total equity and liabilities		**19,579,250**	17,773,169
Contingencies and commitments	*8*		

The annexed notes 1 to 12 form an integral part of these condensed interim unconsolidated financial statements.

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

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

For the nine months period ended March 31, 2019

	Note	Quarter ended		Nine months period ended	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
		(Rupees in '000)			
Revenue	9	**61,022**	56,349	**179,285**	171,539
Administrative and other expenses		**(3,001)**	(1,740)	**(10,807)**	(14,621)
Operating Profit		**58,021**	54,609	**168,478**	156,918
Exchange loss - net		**(17,911)**	(27,627)	**(232,008)**	(118,091)
(Loss) / profit before taxation		**40,110**	26,982	**(63,530)**	38,827
Taxation		**(275)**	(7,721)	**(1,964)**	(10,585)
(Loss) / profit for the period		**39,835**	19,261	**(65,494)**	28,242
Other comprehensive income / (loss)					
Items that are reclassified to profit or loss subsequently					
Available for sale investment - change in fair value net of deferred tax		**-**	(111,250)	**-**	(460,177)
Foreign currency translation difference - net of related tax		**-**	498,844	**-**	1,116,108
Items that will not be reclassified to profit or loss					
Fair value through other comprehensive income - change in fair value net of deferred tax		**(217,152)**	-	**(505,148)**	-
Foreign currency translation difference - net of related tax		**92,570**	-	**2,052,570**	-
		(124,582)	387,594	**1,547,422**	655,931
Total comprehensive income / (loss) for the period		**(84,747)**	406,855	**1,481,928**	684,173
		(Rupee)			
Earnings / (loss) per share - basic and diluted		**0.07**	0.04	**(0.12)**	0.05

The annexed notes 1 to 12 form an integral part of these condensed interim unconsolidated financial statements.

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

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

For the nine months period ended March 31, 2019

	Issued, subscribed and paid-up capital	Foreign currency translation reserve	Fair value reserve-net of deferred tax	Accumulated losses	Total
	(Rupees in '000)				
Balance as at July 1, 2017	5,453,907	3,129,752	4,506,085	(310,118)	12,779,626
Total comprehensive income / (loss) for the nine months period					
Profit for the nine months period ended March 31, 2018	-	-	-	28,242	28,242
Available for sale investment - change in fair value net of deferred tax	-	-	(460,177)	-	(460,177)
Foreign currency translation difference - net of related tax	-	1,116,108	-	-	1,116,108
	-	1,116,108	(460,177)	28,242	684,173
Balance as at March 31, 2018	5,453,907	4,245,860	4,045,908	(281,876)	13,463,799
Balance as at July 1, 2018	**5,453,907**	**5,065,891**	**4,866,594**	**(527,659)**	**14,858,733**
Total comprehensive income for the nine months period					
Loss for the nine months period ended March 31, 2019	**-**	**-**	**-**	**(65,494)**	**(65,494)**
Fair value through other comprehensive income - change in fair value net of deferred tax	**-**	**-**	**(505,148)**	**-**	**(505,148)**
Foreign currency translation difference - net of related tax	**-**	**2,052,570**	**-**	**-**	**2,052,570**
	-	**2,052,570**	**(505,148)**	**(65,494)**	**1,481,928**
Balance as at March 31, 2019	**5,453,907**	**7,118,461**	**4,361,446**	**(593,153)**	**16,340,661**

The annexed notes 1 to 12 form an integral part of these condensed interim unconsolidated financial statements.

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

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the nine months period ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	**(63,530)**	38,827
Adjustments for:		
Depreciation	**41**	77
Interest on loan and return on bank balances	**(179,285)**	(171,539)
Unrealized exchange loss	**232,008**	118,091
Increase in payable to related parties	**465**	19,119
Increase in accrued and other liabilities	**64,595**	10,202
Cash used in operations	**54,294**	14,777
Taxes paid	**(5)**	(1,069)
Net cash used in operating activities	**54,289**	13,708
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(127)**	-
Net cash used in investing activities	**(127)**	-
Effects of exchange rate difference	**(54,234)**	(14,554)
Net decrease in cash and cash equivalents	**(72)**	(846)
Cash and cash equivalents at beginning of the period	**799**	1,715
Cash and cash equivalents at end of the period	**727**	869

The annexed notes 1 to 12 form an integral part of these condensed interim unconsolidated financial statements.

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

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

For the nine months period ended March 31, 2019

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 Companies Act, 2017 (formerly Companies Ordinance, 1984) and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 18th Floor, Centre Point, Off Shaheed-e-Millat Expressway, 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 is to act as holding company and acquire, invest and manage operations relating to business process outsourcing, online customer acquisition, marketing of medicare related products, and contact centre optimization services through its subsidiary, The Resource Group International Limited.

1.3 These condensed interim financial statements are unconsolidated financial statements of the Company. Condensed interim consolidated financial statements are prepared separately.

2. BASIS OF PREPARATION

These condensed interim unconsolidated 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all of the information required for full financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2018.

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position as at March 31, 2019, condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated statement of cash flows and notes thereto for the nine months period then ended. These condensed interim unconsolidated financial statements also include the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarter ended March 31, 2019 which are neither audited nor reviewed.

The comparative condensed interim unconsolidated statement of financial position, presented in these condensed interim unconsolidated financial statements as at June 30, 2018 have been extracted from the annual audited unconsolidated financial statements of the Company for the year then ended, whereas the comparative condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows are extracted from the unaudited condensed interim unconsolidated financial statements for the nine months period ended March 31, 2018. The comparative condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarter ended March 31, 2018 which is included in this condensed interim unconsolidated financial statements was neither audited nor reviewed.

Judgments and estimates

The preparation of condensed interim unconsolidated financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Accounting estimates require the use of significant management assumptions and judgments as to future events, and the effect of those events cannot be predicted with certainty. The accounting estimates will change as new events occur, more experience is acquired and more information is obtained. Management evaluate and update assumptions and estimates on an ongoing basis and use outside experts to assist in that evaluation when deem necessary.

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 unconsolidated financial statements of the Company for the year ended June 30, 2018 except for new significant judgements and key source of estimation uncertainty related to application of IFRS 9 described in note 3.4 to these condensed interim unconsolidated financial statements.

Risk management

Risk management policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. The accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the Company's annual audited unconsolidated financial statements for the year ended June 30, 2018 except for the changes in accounting policies as referred to in note 3.4 to these condensed interim unconsolidated financial statements.

3.2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The Company has early adopted IFRS 9 'Financial Instruments' from July 1, 2018. The impact of the initial adoption of the Standard and the new accounting policies are disclosed in note 3.4 below. S.R.O. 229(I)/2019 issued by the Securities and Exchange Commission of Pakistan deferred the effective date for application of IFRS 9 from July 1, 2018 to reporting periods ending on or after June 30, 2019. However, earlier application is permitted and complied with in these condensed interim unconsolidated financial statements.

A number of other pronouncements are effective from July 1, 2018 as detailed in Company's annual audited unconsolidated financial statements as at and for the year ended June 30, 2018, but they do not have a material effect on these condensed interim unconsolidated financial statements and therefore have not been detailed.

3.3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

There are certain new standards, interpretations and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, currently management considers that these pronouncements will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

3.4. CHANGES IN ACCOUNTING POLICIES DUE TO EARLY ADOPTION OF IFRS 9 'FINANCIAL INSTRUMENTS'

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting.

The early adoption of IFRS 9 Financial Instruments from July 1, 2018 resulted in changes in accounting policies and reclassification to the amounts recognised in the financial statements. The Company has taken an exemption not to restate comparative information for prior periods with respect to IFRS 9's classification and measurement (including impairment) requirements. Accordingly, the information presented for comparative period in these condensed interim unconsolidated financial statements does not generally reflect the requirements of IFRS 9 but rather those of IAS 39.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. There is no effect of adopting IFRS 9 on the carrying amounts of financial assets at July 1, 2018. However, investment in equity securities, which represents investment that the Company intends to hold for the long-term strategic purposes, have been designated at the date of initial application of IFRS 9 as measured at fair value through other comprehensive income. Also Loan to related parties and bank balances that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The financial assets at amortised cost consist of cash and cash equivalents, and other receivables including loans to related parties. The move from incurred loss model to ECL does not have any impact on financial position or financial performance of the Company.

4. LONG TERM INVESTMENT

	Note	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		(Rupees in '000)	
In unquoted subsidiary - The Resource Group International Limited (TRGIL) 60,450,000 (June 30, 2018: 60,450,000) Series B Preferred Shares	*4.1*	**17,835,797**	16,138,471

4.1 This represents investment in a subsidiary incorporated in Bermuda. Par value of each share is US$0.01 and the additional paid up capital per share amounts to US$ 0.99. The percentage of the Company's holding in TRGIL's ordinary shares is 57.32% (June 30, 2018: 57.32%) whereas the percentage of voting interest of the Company is 57.16% (June 30, 2018: 58.65%). The investment in subsidiary has been made in accordance with the requirements of the Companies Act, 2017. The long term investment is reclassified from available for sale category under IAS 39 to FVOCI under IFRS 9. As permitted by IFRS 9, the Company has designated the investment at the date of initial application as measured at FVOCI.

4.2 Reconciliation of carrying amount of investment

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Opening balance	**16,138,471**	13,462,261
Changes in fair value	**(651,804)**	465,173
Foreign currency translation difference	**2,349,130**	2,211,037
Closing balance	**17,835,797**	16,138,471

5. LONG TERM LOAN - considered good

Loan amount	**1,649,175**	1,523,226
Less: current maturity	**-**	(1,523,226)
	1,649,175	-

This represents loan to TRG (Private) Limited, an indirect subsidiary of the Company, for working capital and operational needs. The loan has a maturity period of twelve months, which may be extended by another twelve months. The loan carries markup of 15% per annum. Loan is secured by letter of guarantee from The Resource Group International Limited, subsidiary of the Company.

5.1 Accrued mark-up

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Accrued mark-up	**93,364**	110,572
Less: current maturity	**(5)**	(110,572)
	93,359	-

This represents the markup on loan to TRG (Private) Limited as referred to in note 5.

6. CASH AND BANK BALANCES

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Balance with bank in		
- current account	**625**	625
- saving account	**84**	170
	709	795
Cash in hand	**18**	4
	727	799

7. SHARE CAPITAL

	March 31, 2019 (Un-audited)		June 30, 2018 (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 7.1)	**9,624,978**	**96,250**	9,624,978	96,250
	545,390,665	**5,453,907**	545,390,665	5,453,907

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

7.2 On October 4, 2005, TRGIL entered into a Preferred Stock Purchase Agreement (subsequently redesignated as Series A Preferred Stock following the merger) with a consortium of related investors, comprised of AIG Global Emerging Markets Fund II, L.P., AIG Annuity Insurance Company, American General Life Insurance Company and Variable Annuity Life Insurance Company (the PineBridge Investors; formerly AIG Investors). Under the agreement, PineBridge investors purchased 26,785,714 shares of Preferred Stock for an initially determined purchase price of US$ 1.12 per share. The total amount invested was US$ 30 million. The Pinebridge investors have the right to have their preference shares purchased back at the original issue price (US$ 1.12 per share). The investors also have a right to convert these preference shares into ordinary shares. To date, PineBridge investors have not exercised either of these rights.

The Series A preferred stock is entitled to the same voting rights as other voting securities of TRGIL (namely Series B Preferred Shares and Class A Common Shares), but rank higher in the event of liquidation. The Series A preferred stock is also entitled to trigger event dividends at the rate of 8% per annum which accrue only if certain conditions precedent and covenants are not met and only for the duration that the Company remains in breach of such conditions and covenants. There were no triggering events for the period ended March 31, 2019, requiring such an accrual or payment.

The holders of Series A Preferred Shares will be entitled to an aggregate preference equal to the greater of (A) US$ 46.5 million prior to payment of any liquidating distribution in respect of Series B Preferred Shares or Common Shares, subject to reduction for any non-liquidating distributions received and (B) the amount such Series A Preferred Shares received upon conversion to Series B Preferred Shares. Secondly, the holders of Series B Preferred Shares will be entitled to an aggregate preference of US$ 104.862 million, less any amount paid as the preference to the holders of Series A Preferred Shares or Series B Preferred Shares on liquidating or non-liquidation distributions, prior to payment of any distribution in respect of Common Shares, subject to reduction for any non-liquidating distributions received.

8. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as reported in note 11 to the annual audited unconsolidated financial statements for the year ended June 30, 2018.

9. REVENUE

	Note	**March 31, 2019**	March 31, 2018
		(Rupees in '000)	
- Return on bank balances		**53**	20
- Interest income on long term loan	5	**179,232**	171,519
		179,285	171,539

10. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management has established a control framework for fair value measurement.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the condensed interim unconsolidated financial statements at fair value on a recurring basis, management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value:

	March 31, 2019 (Un-audited)			
	Carrying amount			Fair value
	Fair value through other comprehensive income	Amortised cost	Other financial liabilities	Level 3
	(Rupees in '000)			
Financial assets measured at fair value				
Long term investment	**17,835,797**	-	-	**17,835,797**
Financial assets not measured at fair value				
Long term loan to related party	-	**1,649,175**	-	-
Long term deposits	-	**75**	-	-
Accrued markup	-	**93,364**	-	-
Cash and bank balances	-	**727**	-	-
Financial liabilities not measured at fair value				
Accrued and other liabilities	-	-	**61,855**	-
Payable to related parties	-	-	**1,739**	-

	June 30, 2018 (Audited)			
	Carrying amount			Fair value
	Other financial assets	Loan and receivables	Other financial liabilities	Level 3
	(Rupees in '000)			
Financial assets measured at fair value				
Long term investment	16,138,471	-	-	16,138,471
Financial assets not measured at fair value				
Long term loan to related party	-	1,523,226	-	-
Long term deposits	-	75	-	-
Accrued mark-up	-	110,572	-	-
Cash and bank balances	-	799	-	-
Financial liabilities not measured at fair value				
Accrued and other liabilities	-	-	67,806	-
Payable to related parties	-	-	1,274	-

Management assessed that the fair values of cash and cash equivalents, loan, accrued markup receivable thereon, long term deposits, payables and other current liabilities approximate their carrying amounts.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value, including but not limited to selection of the appropriate valuation model, determination of expected future cash flows selection of discount rates.

Management has used discounted cash flow approach while valuing underlying investee (included in these financial statements under Long Term Investment) which holds unquoted equity portfolio. The discounted cash flow approach includes significant unobservable inputs such as forecast of annual revenue growth, forecast of EBITDA margin of underlying unquoted equity portfolios, discount rates, terminal value growth rate etc. which are sensitive to fair value measurement of underlying investee company. If the valuation assumptions (significant unobservable inputs) would be changed, the fair value of investment and other comprehensive income would decrease or increase respectively.

11. RELATED PARTY DISCLOSURES

Related parties comprise of group companies (including subsidiaries and associates), 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.

Transactions with related parties during the period and their balances, other than those which have been disclosed elsewhere in these condensed interim unconsolidated financial statements, are as follows:

	March 31, 2019	March 31, 2018
	(Rupees in '000)	
Transaction with subsidiary		
Interest income on long term loan	**179,232**	171,519

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on April 26, 2019 by the Board of Directors of the Company.

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

TRG PAKISTAN
LIMITED

Condensed Interim Consolidated Financial Statements

For the nine months period ended

March 31, 2019

Condensed Interim Consolidated Statement of Financial Position

As at March 31, 2019

	Note	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		(Rupees in '000)	
Assets			
Non-current assets			
Goodwill		**4,288,329**	3,723,519
Other intangible assets		**1,889,348**	1,738,554
Property and equipment		**3,712,077**	3,693,320
Long term investment		**46,350**	47,616
Deferred tax asset		**843,747**	637,055
Long term receivables		**5,882,103**	3,314,997
Long term deposits, prepayments and other assets		**1,317,831**	1,385,071
Total non-current assets		**17,979,785**	14,540,132
Current assets			
Trade and other receivables		**15,178,499**	10,019,768
Current portion of long term receivables		**1,857,506**	1,046,841
Deferred expenses		**-**	318,816
Cash and bank balances		**6,349,350**	6,189,004
Total current assets		**23,385,355**	17,574,429
Total assets		**41,365,140**	32,114,561
Equity and liabilities			
Equity attributable to owners of the parent			
Issued, subscribed and paid-up capital		**5,453,907**	5,453,907
Foreign currency translation reserve		**(1,182,176)**	(262,813)
Accumulated deficit		**(10,707,507)**	(10,455,070)
		(6,435,776)	(5,263,976)
Non-controlling interests		**(5,223,210)**	(2,243,280)
Total equity		**(11,658,986)**	(7,507,256)
Non-current liabilities			
Deferred revenue		**40,687**	86,012
Borrowings		**27,803,455**	17,254,315
Deferred tax liability		**925,127**	648,753
Other non-current liabilities		**441,708**	344,235
Total non-current liabilities		**29,210,977**	18,333,315
Current liabilities			
Trade and other payables		**12,238,430**	9,872,391
Borrowings		**6,696,372**	7,083,785
Convertible preference shares		**4,197,900**	3,645,000
Deferred revenue		**680,447**	687,326
Total current liabilities		**23,813,149**	21,288,502
Total liabilities		**53,024,126**	39,621,817
Total equity and liabilities		**41,365,140**	32,114,561
Contingencies and commitments	4		

The annexed notes from 1 to 8 form an integral part of these condensed interim consolidated financial statements.

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

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

For the nine months period ended March 31, 2019

	Note	Quarter ended		Nine months period ended	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
		(Rupees in '000)			
Revenue		**17,546,771**	12,243,269	**51,327,915**	35,777,020
Other operating income		**55,586**	120,089	**368,911**	297,356
Payroll and related costs		**11,703,189**	8,447,232	**32,690,133**	25,593,339
Acquisition expenses		**1,569,489**	1,043,407	**4,432,506**	3,049,640
Depreciation, amortization and other non-cash costs		**381,425**	1,202,160	**1,716,808**	2,568,285
Other operating costs		**4,649,243**	3,535,608	**12,849,394**	8,374,341
Profit / (loss) from operations		**(700,989)**	(1,865,049)	**7,985**	(3,511,229)
Finance expenses		**(1,005,429)**	(433,463)	**(2,816,468)**	(1,290,510)
Loss before taxation		**(1,706,418)**	(2,298,512)	**(2,808,483)**	(4,801,739)
Income tax (expense) / income		**24,019**	249,126	**(211,370)**	224,013
Net loss for the period		**(1,682,399)**	(2,049,386)	**(3,019,853)**	(4,577,726)
Other comprehensive loss					
Item that may be subsequently reclassified to profit or loss					
Foreign currency translation adjustment		**(148,143)**	(111,805)	**(1,351,589)**	(469,656)
Actuarial gain on retirement benefit		**-**	32,571	**-**	32,571
Total comprehensive loss		**(1,830,542)**	(2,128,620)	**(4,371,442)**	(5,014,811)
Loss attributable to:					
- Shareholders of the Holding Company		**(550,859)**	(947,577)	**(903,659)**	(1,995,007)
- Non-controlling interest		**(1,131,540)**	(1,101,809)	**(2,116,194)**	(2,582,719)
		(1,682,399)	(2,049,386)	**(3,019,853)**	(4,577,726)
Other comprehensive loss attributable to:					
- Shareholders of the Holding Company		**(66,997)**	143,986	**(919,363)**	(94,928)
- Non-controlling interest		**(81,146)**	(223,220)	**(432,226)**	(342,157)
		(148,143)	(79,234)	**(1,351,589)**	(437,085)
Total comprehensive loss attributable to:					
- Shareholders of the Holding Company		**(617,856)**	(803,591)	**(1,823,022)**	(2,089,935)
- Non-controlling interest		**(1,212,686)**	(1,325,029)	**(2,548,420)**	(2,924,876)
		(1,830,542)	(2,128,620)	**(4,371,442)**	(5,014,811)
Loss per share attributable to the ordinary equity holders of the parent		(Rupees)			
Basic loss per share	5	**1.01**	1.74	**1.66**	3.66
Diluted loss per share	5	**1.01**	1.74	**1.66**	3.66

The annexed notes from 1 to 8 form an integral part of these condensed interim consolidated financial statements.

Director	Chief Financial Officer	Director

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

For the nine months period ended March 31, 2019

	Attributable to share holders of the Parent Company				Non-controlling interests	Total
	Issued, subscribed and paid-up capital	Foreign currency translation reserve	Accumulated losses	Sub-total		
	(Rupees in '000)					
Balance as at July 1, 2017	5,453,907	113,395	(8,712,985)	(3,145,683)	(1,291,560)	(4,437,243)
Comprehensive loss for the period						
Loss for the period	-	-	(1,995,007)	(1,995,007)	(2,582,719)	(4,577,726)
Other comprehensive loss						
Actuarial gain on retirement benefit	-	-	32,571	32,571	-	32,571
Foreign currency translation difference	-	(127,499)	-	(127,499)	(342,157)	(469,656)
Total comprehensive loss for the period	-	(127,499)	(1,962,436)	(2,089,935)	(2,924,876)	(5,014,811)
Transactions with owners						
Issuance of shares by a foreign subsidiary without loosing control	-	-	1,106,827	1,106,827	2,239,239	3,346,066
Share-based transactions	-	-	-	-	903,471	903,471
Balance as at March 31, 2018	5,453,907	(14,104)	(9,568,594)	(4,128,791)	(1,073,726)	(5,202,517)
Balance as at July 1, 2018	**5,453,907**	**(262,813)**	**(10,455,070)**	**(5,263,976)**	**(2,243,280)**	**(7,507,256)**
Comprehensive loss for the period						
Loss for the period	**-**	**-**	**(903,659)**	**(903,659)**	**(2,116,194)**	**(3,019,853)**
Other comprehensive loss						
Foreign currency translation difference	**-**	**(919,363)**	**-**	**(919,363)**	**(432,226)**	**(1,351,589)**
Total comprehensive loss for the period	**-**	**(919,363)**	**(903,659)**	**(1,823,022)**	**(2,548,420)**	**(4,371,442)**
Transactions with owners						
Redemption of senior preferred shares	-	**-**	**-**	**-**	**(835,553)**	**(835,553)**
Share-based transactions	-	**-**	**-**	**-**	**411,588**	**411,588**
Transactions with non-controlling interests	**-**	**-**	**651,222**	**651,222**	**(7,545)**	**643,677**
Balance as at March 31, 2019	**5,453,907**	**(1,182,176)**	**(10,707,507)**	**(6,435,776)**	**(5,223,210)**	**(11,658,986)**

The annexed notes from 1 to 8 form an integral part of these condensed interim consolidated financial statements.

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

Condensed Interim Consolidated Statement of Cash Flows (Un-audited)

For the nine months period ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(2,808,483)**	(4,801,739)
Adjustments for:		
Depreciation, amortization and other non-cash costs	**1,716,808**	2,568,285
Share of profit from long term investment	**(14,065)**	(19,821)
Finance expenses	**2,816,468**	1,290,510
Increase in trade and other receivables	**(5,361,966)**	(1,208,641)
Increase in long term receivables	**(3,377,771)**	(1,623,299)
Decrease / (increase) in prepayments and other assets	**411,502**	(1,768,868)
Increase in trade and other payables and other liabilities	**909,791**	3,852,591
Cash used in operations	**(5,707,716)**	(1,710,982)
Finance expenses paid	**(1,611,819)**	(506,083)
Income taxes paid	**(145,766)**	(122,741)
Net cash used in operating activities	**(7,465,301)**	(2,339,806)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment - net	**(1,522,583)**	(1,459,931)
Purchase of other intangible assets - net	**(485,043)**	(571,189)
Net cash used in investing activities	**(2,007,626)**	(2,031,120)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings - net	**10,161,727**	4,764,173
Redemption of senior preferred shares	**(835,553)**	-
Transactions with non-controlling interests	**643,677**	-
Net cash generated from financing activities	**9,969,851**	4,764,173
Effects of exchange rate difference on cash and cash equivalents	**(336,578)**	(348,407)
Net decrease in cash and cash equivalents	**160,346**	44,840
Cash and cash equivalents at beginning of the period	**6,189,004**	3,073,986
Cash and cash equivalents at end of the period	**6,349,350**	3,118,826

The annexed notes from 1 to 8 form an integral part of these condensed interim consolidated financial statements.

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

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months period ended March 31, 2019

1. THE GROUP AND ITS OPERATIONS

1.1 TRG Pakistan Limited ("the Parent Company") was incorporated in Pakistan as a public limited company on December 2, 2002 under the Companies Act, 2017 (formerly Companies Ordinance, 1984) and is listed on the Pakistan Stock Exchange Limited. The registered office of the Parent Company is situated at 18th Floor, Centre Point, Off Shaheed-e-Millat Expressway, Karachi, Pakistan. On May 14, 2003 the Parent 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 Parent Company exited from NBFC regime and continues to operate as a listed company.

1.2 The principal activity of the Parent Company is to act as a Holding Company. The Parent Company, (through its subsidiary, The Resource Group International Limited) has investment in a portfolio of companies in the technology and IT services and Business Processing Outsourcing (BPO) sectors.

1.3 The Parent Company has an investment in an operational subsidiary, The Resource Group International Limited ('TRGIL"). The percentage of the Parent Company's holding in TRGIL's ordinary shares is 57.32% (June 30, 2018: 57.32%) whereas the percentage of voting interest of the Company is 57.16% (June 30, 2018: 58.65%).

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements has been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards as applicable in Pakistan comprise of International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements does not include all of the statements required for full financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Parent Company for the year ended June 30, 2018.

These condensed interim consolidated financial statements comprises the condensed interim consolidated statement of financial position as at March 31, 2019, condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity, condensed interim consolidated statement of cash flows and notes thereto for the nine months period then ended. These condensed interim consolidated financial statements also includes the condensed interim consolidated statement of profit or loss and other comprehensive income for the quarter ended March 31, 2019 which was also neither audited nor reviewed.

The comparative condensed interim consolidated statement of financial position, presented in these condensed interim consolidated financial statements as at June 30, 2018 has been extracted from the annual audited consolidated financial statements of the Company for the year then ended, whereas the comparative condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows are extracted from the unaudited condensed interim consolidated financial statements for the nine months period ended March 31, 2018, which were neither audited nor reviewed. The comparative condensed interim consolidated statement of profit or loss and other comprehensive income for the quarter ended March 31, 2018 which is included in this condensed interim consolidated financial statements was neither audited nor reviewed.

Judgments and estimates

The preparation of condensed interim consolidated financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Accounting estimates require the use of significant management assumptions and judgments as to future events, and the effect of those events cannot be predicted with certainty. The accounting estimates will change as new events occur, more experience is acquired and more statements is obtained. We evaluate and update our assumptions and estimates on an ongoing basis and use outside experts to assist in that evaluation when we deem necessary.

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 consolidated financial statements of the Parent Company for the year ended June 30, 2018.

Risk management

Risk management policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2018.

New standards, interpretations and amendments adopted by the company

IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after July 1, 2018. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. IFRS 9 replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. A number of other pronouncements are effective from July 1, 2018 as detailed in Company's annual audited consolidated financial statements as at and for the year ended June 30, 2018, but they do not have a material effect on these condensed interim consolidated financial statements and therefore have not been detailed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (here in after referred as the Group).

The financial statements of the Parent Company and consolidated financial statements of TRGIL and its subsidiaries are prepared up to the same reporting date and are combined on a line-by-line basis. All intercompany balances, transactions and related unrealized profits and losses are eliminated in consolidation.

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual audited consolidated financial statements for the year ended June 30, 2018.

4. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as disclosed in note 20 to the annual audited consolidated financial statements for the year ended June 30, 2018.

5. LOSS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue and the potential ordinary shares.

The inclusion of the Company's stock options in the computation of diluted loss per share would have an anti-dilutive effect on loss per share and are therefore excluded from the computation. Consequently, there is no difference between basic loss per share and diluted loss per share.

	Quarter ended		Nine months period ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	(Rupees in '000)			
Loss attributable to equity holders of the Parent Company	**(550,859)**	(947,577)	**(903,659)**	(1,995,007)
	(Shares)			
Weighted average number of ordinary shares - basic	**545,390,665**	545,390,665	**545,390,665**	545,390,665
	(Rupees)			
Basic loss per share	**(1.01)**	(1.74)	**(1.66)**	(3.66)
	(Shares)			
Weighted average number of ordinary shares - diluted	**545,390,665**	545,390,665	**545,390,665**	545,390,665
	(Rupees)			
Diluted loss per share	**(1.01)**	(1.74)	**(1.66)**	(3.66)

6. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise of associated undertakings, staff retirement funds, directors and key management personnel. The investments out of provident fund of the Group have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

7. GENERAL

All financial information presented has been rounded off to nearest thousand of Pakistani Rupees.

8. DATE OF AUTHORISATION

This condensed interim consolidated financial statements was authorized for issue by the board of directors of the Parent Company on April 26, 2019.

Director	Chief Financial Officer	Director

trg

TRG PAKISTAN LTD.

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