



TRG PAKISTAN LIMITED



HALF YEARLY REPORT

**HALF YEARLY REPORT
DECEMBER 31, 2019**



Vision

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

Mission

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

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



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Corporate Information

Board of Directors

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

FAX: +92 (021) 34168271

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

FAX: (021) 35805893

Report of the Directors

For the Six Months ended December 31, 2019

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

Key Developments

The first half of FY20 was a period of significant growth for TRG. Our consolidated revenues reached Rupees 47,442 million, representing a 40% increase over the same period last year. This growth was broad based across our portfolio and was also aided by a weaker Rupee against the US Dollar.

Noteworthy in its revenue growth trajectory during this first six months was IBEX, where revenues increased to Rupees 31,757 million, representing a 28% growth over the same period in fiscal 2019. The improvement in margins was equally significant, with EBITDA increasing from Rupees 2,180 million to Rupees 3,969 million during this half of FY20. IBEX continues to transition away from revenues delivered from onshore locations to more profitable nearshore and offshore facilities.

e-Telequote, our health insurance marketing subsidiary, continued its record growth and its revenues increased from Rupees 3 billion to Rupees 9 billion. This increase was a result of the continued investment the Company is making in our Medicare insurance business. With this larger scale, e-Telequote has been successful in improving operational efficiencies and profitability, due to which, its EBITDA increased from Rupees 1,355 million to Rupees 3,533 million.

Our enterprise software subsidiary, Afiniti, continues to execute on plan and its topline grew from Rupees 5,658 million to Rupees 6,545 million.

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 six months ended December 31, 2019, our consolidated revenues amounted to Rupees 47,442 million, which represents a 40% increase from revenues of Rupees 33,781 million for the comparative period in 2018.

Our recurring operating subsidiary revenues were offset by net recurring cash operating costs (excluding interest) of Rupees 42,442 million, resulting in recurring earnings before interest, taxes, depreciation and amortization at the operating subsidiary level of Rupees 5,000 million.

Our operating subsidiaries incurred a net interest expense of Rupees 2,849 million to service their respective loans and lines of credit. Our total corporate overheads for the six months were Rupees 300 million.

In non-cash adjustments, we had depreciation and amortization expenses of Rupees 2,815 million, stock option charge of Rupees 118 million and exchange loss of Rupees 296 million. In addition, we incurred a non-cash interest expense of Rupees 1,075 million on account of preferred shares issued by our subsidiaries and tax expense of Rupees 224 million.

The net result of the above was a loss for the six months period ended December 31, 2019 of Rupees 2,676 million, compared to a loss of Rupees 1,337 million during the same period in 2018.

TRG Pakistan Limited Standalone Financial Information

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

The company recognized income of Rupees 119.5 million mainly as a return on loan to an indirect subsidiary, whereas it incurred expenses of Rupees 94.9 million for administrative and other expenses. As a result, TRG Pakistan Limited realized net profit (on a standalone basis) of Rupees 18.5 million for the six months ended December 31, 2019.

Earnings per share

The loss per share of the Company on a consolidated basis was Rupees 0.90 per share. On a standalone basis, the company recognized earnings per share of Rupee 0.034.

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

Karachi:
February 27, 2020

Muhammad Ali Jameel
Director

بورڈ آف ڈائریکٹرز

کمپنی اپنے بورڈ پر آزاد غیر جانبدار ڈائریکٹرز اور مینوریٹری انٹر سٹ 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 خٹکی
2.	غیر ایگزیکٹو ڈائریکٹرز	جناب محمد علی جمیل جناب پیٹرک مک گینز جناب جان لیون جناب پیٹر ایچ۔ آر۔ رائین ہاسن جناب امیر شاہ بقریشی
3.	آزاد ڈائریکٹرز	جناب ظفر اقبال سبحانی جناب اسد ناصر سہیل 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 شاہ بقریشی جناب اسد ناصر
2.	ایچ آر ریکرڈ منٹ اینڈ ریویویشن کمیٹی	سہیل سلطان احمد جناب جان لیون جناب پیٹر ایچ۔ آر۔ رائین ہاسن جناب محمد اللہ خٹکی

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

علی جمیل
ڈائریکٹر

محمد ضیاء اللہ خان چشتی
چیف ایگزیکٹو

کراچی

تاریخ: 27 فروری 2020

مجموعی مالیاتی بیانے

31 دسمبر 2019 کو ختم ہونے والی ششماہی رپورٹ کیلئے ہماری مجموعی آمدنی 2018 کے اسی عرصے کے مقابلے میں 40 فیصد اضافے کے ساتھ 33,781 ملین روپے سے بڑھ کر 47,442 ملین روپے ہو گئی۔

ہمارے ذیلی اداروں سے حاصل ہونے والی آمدنی ہمارے بار بار ہونے والے نقد اخراجات نکالنے کے بعد مبلغ 42,442 ملین روپے تھی۔ جسکے نتیجے میں ہماری ٹیکس کٹوتی، فرسودگی، سود اور قرضہ جات سے قبل آمدنی 5,000 ملین روپے رہی۔

ہمارے ذیلی اداروں نے اپنے متعلقہ قرضہ جات کی سروس کے لئے 2,849 ملین روپے کا خرچ کیا۔ اس ششماہی رپورٹ میں کارپوریٹ اور ریٹ 300 ملین روپے رہے تھے۔

غیر نقدی تصفیے میں ہمارے فرسودگی کے اخراجات 2,815 ملین روپے، غیر نقدی اسٹاک آپشن کے اخراجات 118 ملین روپے اور ایکسچینج خسارہ 296 ملین روپے رہے۔ اس کے علاوہ، ہمارے ماتحت اداروں کی طرف سے جاری کردار ترجیحی حصص کے غیر نقدی سودی اخراجات 1,075 ملین روپے رہے۔ اور ٹیکس اخراجات 224 ملین روپے تھے۔

مذکورہ بالا کے نتیجے میں اس ششماہی رپورٹ کے دوران 2,676 ملین روپے خسارہ ہوا جبکہ 2018 کے اسی عرصے کے دوران یہ خسارہ 1,337 ملین روپے تھا۔

ٹی آر جی پاکستان لمیٹڈ کے انفرادی مالیاتی بیانے

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 بیانے میں 119.5 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 94.9 ملین روپے رہے اور جسکے نتیجے میں اس ششماہی کے اختتام پر ٹی آر جی پاکستان لمیٹڈ نے 18.5 ملین روپے صافی نفع حاصل کیا۔

فی شیئر آمدنی

مجموعی بنیاد پر فی شیئر خسارہ 0.90 پیسے رہا جبکہ انفرادی سطح پر کمپنی نے فی شیئر 0.034 پیسے کی آمدنی حاصل کی۔

آئندہ امکانات

ہم کو شائبہ ہیں کہ ہم اپنے تعاملاتی اثاثوں کی بہتری اور اسکی قیمت کے حصول کے لیے اپنے منصوبوں پر عملدرآمد جاری رکھیں۔ ہم مستقل پبلک اور پرائیویٹ دونوں قسم کی مارکیٹ کا بغور جائزہ لیتے رہتے ہیں اور ساتھ ساتھ اپنے حجم اور آمدنی کو بڑھانے کی کوشش کرتے رہتے ہیں تاکہ ہمارے اثاثہ جات کو مارکیٹ میں مزید پرکشش بنا سکیں۔

ڈائریکٹرز کی رپورٹ

برائے دورانیہ 31 دسمبر 2019 کے اختتام پر (ششماہی رپورٹ)

آپ کے ڈائریکٹر ز انتہائی مسرت کے ساتھ ٹی آر جی پاکستان لمیٹڈ کے 31 دسمبر 2019 کو اختتام پذیر ہو چکے ششماہی میں انفرادی اور مجموعی معاشی بیانیے پیش کرتے ہیں۔

اہم ترقیات

مالی سال 2019 کے پہلے چھ ماہ ٹی آر جی کے لیے بہت اہم ترقی کی مدت تھی ہماری مجموعی آمدنی 47,442 ملین روپے تک پہنچ گئی جو کہ 2018 کے مقابلے میں اسی مدت کے دوران 40 فیصد سے زیادہ ہے یہ اضافہ وسیع پیمانے پر ہے اور ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے بھی ہمیں مدد ملی ہے۔

قابل ذکر ہے کہ اس ششماہی کے دوران آمدنی کی ترقی کی پیش رفت میں آئی ٹیکس اپنی آمدنی میں مالی سال 2019 کے مقابلے میں اسی مدت میں 28 فیصد اضافے کے ساتھ 31,757 ملین روپے رہی۔ اس مارجن میں بہتری کی اہم وجہ یہ بھی ہے کہ آمدنی کے ساتھ ساتھ ای بی ٹی ڈی اے چھ ماہ کے دوران 2,180 ملین روپے سے بڑھ کر 3,969 ملین روپے ہو گیا۔

ہمارے ذیلی ادارے ای ٹیلیکوم جو کہ ہیلتھ انشورنس مارکیٹنگ کا ادارہ ہے نے ریکارڈ ترقی کو جاری رکھا اور اس کی محصولات 3 ارب روپے سے بڑھ کر 9 ارب روپے ہو گئی یہ اضافہ اس بات کا نتیجہ ہے کہ کمپنی ہمارے میڈیکل انشورنس کے کاروبار میں لگاتار سرمایہ کاری کر رہی ہے اس بڑے پیمانے پر، ای ٹیلیکوم آپریشنل ایلیمینٹوں کو بہتر بنانے اور منافع بڑھانے میں کامیاب رہا ہے اس کا ای بی آئی ٹی ڈی اے 1,355 ملین روپے سے بڑھ کر 3,533 ملین روپے ہو گیا ہے۔

ہمارے انٹرپرائز سوفٹ ویئر کی ماتحت ایف ٹی نے منصوبہ بندی کو جاری رکھا ہے اور گزشتہ سال اسی مدت کے دوران اس کی آمدنی 5,658 ملین روپے سے بڑھ کر 6,545 ملین روپے ہو گئی۔

مالیاتی جائزہ

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

A large, stylized graphic in the background shows a grey hand holding a small globe of the Earth. The hand is positioned as if it is presenting or supporting the globe. The globe shows the continents of Africa and Europe. The entire graphic is set against a light grey background with faint concentric circles.

Half Yearly Report

**Condensed Interim Un-consolidated
Financial Statements**
For the six months period ended
December 31, 2019

Independent Auditor's Review Report

To the members of TRG Pakistan Limited

Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of TRG Pakistan Limited as at 31 December 2019 and the related 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, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended 31 December 2019 and 31 December 2018 in the interim financial statements have not been reviewed and we do not express a conclusion on them. The engagement partner on the audit resulting in this independent auditor's report is **Moneeza Usman Butt**.

Date: February 27, 2020

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Unconsolidated Statement of Financial Position

As at December 31, 2019

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Operating fixed assets		80	101
Long term investment	4	16,516,850	16,392,528
Long term loan to related party - secured and considered good	5	-	1,579,646
Long term deposits		75	75
		16,517,005	17,972,350
Current assets			
Current maturity of accrued mark-up	5.1	22,306	-
Current maturity of long term loan - secured and considered good	5	1,579,646	-
Cash and bank balances	6	1,712	1,685
		1,603,664	1,685
Total assets		18,120,669	17,974,035
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	7	7,330,000	7,330,000
<i>Share capital</i>			
Issued, subscribed and paid-up capital	7	5,453,907	5,453,907
<i>Revenue reserves</i>			
Foreign currency translation reserve		7,768,712	8,202,725
Fair value reserve - net of deferred tax		2,554,208	2,022,911
Accumulated losses		(507,276)	(525,804)
		15,269,551	15,153,739
Non-current liability			
Deferred tax liability		2,818,419	2,791,380
Current liabilities			
Accrued and other liabilities		7,778	9,529
Payable to related parties - unsecured	8	4,431	4,579
Taxation - net		20,490	14,808
		32,699	28,916
Total equity and liabilities		18,120,669	17,974,035
Contingencies and commitments			
	9		

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

Director

Chief Financial Officer

Director

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

For the quarter and six months period ended December 31, 2019

		Quarter ended		Six months period ended	
		December 31,	December 31,	December 31,	December 31,
	Note	2019	2018	2019	2018
----- (Rupees in '000) -----					
Revenue	10	59,761	60,654	119,542	118,263
Administrative and other expenses		(58,465)	(201,714)	(94,922)	(221,903)
Profit / (loss) before taxation		1,296	(141,060)	24,620	(103,640)
Taxation		(321)	3,635	(6,092)	(1,689)
Profit / (loss) for the period		975	(137,425)	18,528	(105,329)
Other comprehensive income					
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>					
Equity investments at FVOCI - net of tax		90,062	1,658,383	97,284	1,672,004
Total comprehensive income for the period		91,037	1,520,958	115,812	1,566,675
----- (Rupee) -----					
Earnings / (loss) per share - basic and diluted		0.002	(0.250)	0.034	(0.190)

The annexed notes 1 to 14 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 six months period ended December 31, 2019

	Issued, subscribed and paid-up capital	Foreign currency translation reserve	Revenue Reserves Fair value reserve - net of deferred tax	Accumulated losses	Total
----- (Rupees in '000) -----					
Balance as at July 1, 2018	5,453,907	5,065,891	4,866,594	(527,659)	14,858,733
Total comprehensive income					
Loss for the six months period ended December 31, 2018	-	-	-	(105,329)	(105,329)
Equity investments at FVOCI - change in fair value net of deferred tax	-	-	(287,996)	-	(287,996)
Foreign currency translation difference - net of related tax	-	1,960,000	-	-	1,960,000
	-	1,960,000	(287,996)	(105,329)	1,566,675
Balance as at December 31, 2018	<u>5,453,907</u>	<u>7,025,891</u>	<u>4,578,598</u>	<u>(632,988)</u>	<u>16,425,408</u>
Balance as at July 1, 2019	5,453,907	8,202,725	2,022,911	(525,804)	15,153,739
Total comprehensive income					
Profit for the six months period ended December 31, 2019	-	-	-	18,528	18,528
Equity investments at FVOCI - change in fair value net of deferred tax	-	-	531,297	-	531,297
Foreign currency translation difference - net of related tax	-	(434,013)	-	-	(434,013)
	-	(434,013)	531,297	18,528	115,812
Balance as at December 31, 2019	<u>5,453,907</u>	<u>7,768,712</u>	<u>2,554,208</u>	<u>(507,276)</u>	<u>15,269,551</u>

The annexed notes 1 to 14 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 six months period ended December 31, 2019

	Note	December 31, 2019	December 31, 2018
		----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in operations	11	(96,830)	(62,902)
Mark-up income received -net		97,236	62,896
Taxes paid		(409)	(3)
Net cash used in operating activities		(3)	(9)
Effects of exchange rate difference		30	-
Net increase / (decrease) in cash and cash equivalents		27	(9)
Cash and cash equivalents at beginning of the year		1,685	799
Cash and cash equivalents at end of the year		1,712	790

The annexed notes 1 to 14 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 six months period ended December 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 a holding company. The Parent Company, (through its subsidiary, The Resource Group International Limited) has a portfolio of investments primarily in the Technology, IT Enabled Services and Medicare Insurance sectors.
- 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, 2019.

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position as at December 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 six 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 December 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, 2019 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 six months period ended December 31, 2018. The comparative condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarter ended December 31, 2018 which is included in this condensed interim unconsolidated financial statements was neither audited nor reviewed.

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

For the six months period ended December 31, 2019

Judgments and estimates

The preparation of these condensed interim unconsolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2019.

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 unconsolidated financial statements of the Company for the year ended June 30, 2019.

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, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

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, 2019.

A number of other pronouncements are effective from July 1, 2019 as detailed in Company's annual audited unconsolidated financial statements as at and for the year ended June 30, 2019, but they do not have a material effect on these condensed interim unconsolidated financial statements and therefore have not been detailed.

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, 2020. 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.

4. LONG TERM INVESTMENT - fair value through OCI

		December 31, 2019 (Un-audited) ---- (Rupees in '000) ----	June 30, 2019 (Audited)
	Note		
In unquoted subsidiary - The Resource Group International Limited (TRGIL) 60,450,000 (June 30, 2019: 60,450,000)			
Series B Preferred Shares	4.1	16,516,850	16,392,528

- 4.1 This represents investment in a subsidiary incorporated in Bermuda having par value and additional paid up share capital of US\$0.01 and US\$ 0.99 per share respectively. The percentage of the Company's holding in TRGIL's shares is 57.32% (June 30, 2019: 57.32%) and the percentage of holding on a fully diluted basis, after taking into account all the classes of shares that will potentially participate in equity distribution, is 45.32% (June 30, 2019: 45.32%). The management fee relating to this investment for the six months period ended December 31, 2019 amounted to Rs. 87 million (December 31, 2018: Rs. 55 million).

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the six months period ended December 31, 2019

4.2 Reconciliation of carrying amount of investment	December 31,	June 30,
	2019	2019
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Opening balance	16,392,528	16,138,471
Changes in fair value	678,972	(3,694,284)
Foreign currency translation difference	(554,650)	3,948,341
Closing balance	16,516,850	16,392,528

- 4.3** On October 4, 2005, TRGIL entered into a Preferred Stock Purchase Agreement with a consortium of related investors (the PineBridge investors). Under the agreement, the total amount invested for purchase of Series A Preferred Shares was US\$ 30 million (the original issue price). The PineBridge investors have the right to have their Series A Preferred Shares purchased back at the original issue price or convert into Common Shares. Further, 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.

5. LONG TERM LOAN TO RELATED PARTY - secured and considered good	December 31,	June 30,
	2019	2019
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Loan amount	1,579,646	1,579,646
Less: current maturity	(1,579,646)	-
	-	1,579,646

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	December 31,	June 30,
	2019	2019
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Accrued mark-up	22,306	-
Less: current maturity	(22,306)	-
	-	-

This represents the accrued markup on loan to TRG (Private) Limited as referred in note 5. The total markup income for the period amounted to Rs. 119.5 million (December 31, 2018: Rs. 118.2 million).

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the six months period ended December 31, 2019

6. CASH AND BANK BALANCES

	December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
	---- (Rupees in '000) ----	
Balance with bank in		
- current account	625	625
- saving account	1,086	1,047
	1,711	1,672
Cash in hand	1	13
	1,712	1,685

7. SHARE CAPITAL

	December 31, 2019 (Un-audited)		June 30, 2019 (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	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.

8. PAYABLE TO RELATED PARTIES - current account - unsecured

This comprises of Rs. 4.4 million (June 2019: Rs. 4.6 million) payable to TRGIL, subsidiary of the Company.

9. CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments as reported in note 11 to the annual audited unconsolidated financial statements for the year ended June 30, 2019.

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

For the six months period ended December 31, 2019

10. REVENUE

	Note	December 31, 2019	December 31, 2018
		--- (Rupees in '000) ---	
Interest income on			
- Bank balances		95	28
- Long term loan	5	119,447	118,235
		119,542	118,263

11. CASH USED IN OPERATIONS

Profit / (loss) for the year before taxation	24,620	(103,640)
Adjustments for :		
Depreciation	21	30
Interest on loan and return on bank balances	(119,542)	(118,263)
Exchange loss - net	-	159,750
Working capital changes	(1,929)	(779)
	(121,450)	40,738
	(96,830)	(62,902)

11.1 Working capital changes

(Decrease) / increase in current liabilities:

Accrued and other liabilities	(1,781)	(1,231)
Payable to related parties	(148)	452
	(1,929)	(779)

12. 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.

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

For the six months period ended December 31, 2019

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

December 31, 2019 (Un-audited)			
	Carrying amount		Fair value
	FVOCI - equity instruments	Financial assets at amortized cost	Other financial liabilities
			Level 3
	(Rupees in '000)		
Financial assets measured at fair value			
Long term investment	16,516,850	-	-
Financial assets not measured at fair value			
Long term deposits	-	75	-
Current maturity of accrued markup	-	22,306	-
Current maturity of loan to related party	-	1,579,646	-
Cash and bank balances	-	1,712	-
Financial liabilities not measured at fair value			
Accrued and other liabilities	-	-	7,778
Payable to related parties - current account	-	-	4,431

June 30, 2019 (Audited)			
	Carrying amount		Fair value
	FVOCI - equity instruments	Financial assets at amortized cost	Other financial liabilities
			Level 3
	(Rupees in '000)		
Financial assets measured at fair value			
Long term investment	16,392,528	-	-
Financial assets not measured at fair value			
Long term loan to related party	-	1,579,646	-
Long term deposits	-	75	-
Cash and bank balances	-	1,685	-
Financial liabilities not measured at fair value			
Accrued and other liabilities	-	-	8,919
Payable to related parties - current account	-	-	4,579

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.

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

For the six months period ended December 31, 2019

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. The movement in Level 3 financial instruments is disclosed in Long Term Investment note; hence not separately disclosed.

13. 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 have been disclosed in respective notes to these condensed interim unconsolidated financial statements. The investments out of provident fund of the Company have been made in accordance with the provisions of the Section 218 of the Companies Act, 2017 and rules formulated for this purpose.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on February 27, 2020 by the board of directors of the Company.

Director

Chief Financial Officer

Director

A large, stylized graphic in shades of gray dominates the middle of the page. It depicts a hand with a thick, curved index finger pointing towards the right. The tip of the finger is curled around a small, detailed globe of the Earth, showing the continents of Africa and Europe. The entire graphic is set against a background of faint, concentric circles.

Half Yearly Report

**Condensed Interim Consolidated
Financial Statements**
For the six months period ended
December 31, 2019

Condensed Interim Consolidated Statement of Financial Position

As at December 31, 2019

	December 31, 2019 (Un-audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
Note		
ASSETS		
Non-current assets		
Goodwill	4,745,571	4,904,932
Other intangible assets	2,199,421	2,153,991
Property and equipment	19,051,453	18,848,625
Long term investment	57,415	36,282
Deferred tax asset	450,935	479,346
Long term receivables	13,326,591	9,371,201
Deferred expenses	749,216	774,375
Long term deposits, prepayments and other assets	1,748,464	1,697,450
Total non-current assets	42,329,066	38,266,202
Current assets		
Trade and other receivables	18,710,221	17,214,366
Current portion of long term receivables	3,125,991	2,181,731
Current portion of deferred expenses	402,280	415,788
Cash and bank balances	8,720,072	14,021,555
Total current assets	30,958,564	33,833,440
Total assets	73,287,630	72,099,642
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital		
Issued, subscribed and paid-up capital	5,453,907	5,453,907
Revenue reserves		
Foreign currency translation reserve	(2,913,082)	(3,017,025)
Accumulated deficit	(10,869,555)	(10,703,678)
	(13,782,637)	(13,720,703)
Non-controlling interests	(7,495,872)	(6,185,806)
Total equity	(15,824,602)	(14,452,602)
Non-current liabilities		
Deferred revenue	101,100	120,447
Lease liabilities	14,128,473	13,906,091
Borrowings	45,518,965	42,330,440
Deferred tax liability	776,985	805,124
Other non-current liabilities	1,887,307	1,829,926
Total non-current liabilities	62,412,830	58,992,028
Current liabilities		
Trade and other payables	12,013,429	11,465,276
Current portion of lease liabilities	2,591,780	2,893,382
Current portion of borrowings	6,075,481	6,735,756
Convertible preference shares	4,645,500	4,801,500
Current portion of deferred revenue	1,373,212	1,664,302
Total current liabilities	26,699,402	27,560,216
Total liabilities	89,112,232	86,552,244
Total equity and liabilities	73,287,630	72,099,642
Contingencies and commitments		

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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 Account and Other Comprehensive Income (Un-audited)

For the quarter and six months period ended December 31, 2019

Note	Quarter ended		Six months period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000)			
Revenue	26,222,195	18,808,832	47,442,248	33,781,144
Other operating income	475,250	153,843	888,272	313,325
Payroll and related costs	14,571,120	10,631,979	27,638,659	19,614,901
AI and development costs	2,029,794	859,091	3,816,604	1,987,810
Acquisition expenses	2,413,348	1,484,775	4,048,963	2,863,017
Depreciation, amortization and other non-cash costs	2,082,851	936,500	3,229,293	1,335,383
Other operating costs	4,175,616	4,357,505	8,126,165	7,584,384
Profit from operations	1,424,716	692,825	1,470,836	708,974
Finance expenses	(2,125,644)	(1,060,101)	(3,923,565)	(1,811,039)
Loss before taxation	(700,928)	(367,276)	(2,452,729)	(1,102,065)
Income tax expense	(131,001)	(181,252)	(223,516)	(235,389)
Net loss for the period	(831,929)	(548,528)	(2,676,245)	(1,337,454)
Other comprehensive income / (loss)				
<i>Item that will be subsequently reclassified to profit or loss account</i>				
Foreign currency translation adjustment	153,767	(1,047,302)	545,214	(1,203,446)
Total comprehensive loss	(678,162)	(1,595,830)	(2,131,031)	(2,540,900)
Loss attributable to:				
- Shareholders of the Parent Company	14,535	(7,322)	(490,820)	(352,800)
- Non-controlling interest	(846,464)	(541,206)	(2,185,425)	(984,654)
	(831,929)	(548,528)	(2,676,245)	(1,337,454)
Other comprehensive income / (loss) attributable to:				
- Shareholders of the Parent Company	(155,341)	(771,146)	103,943	(852,366)
- Non-controlling interest	309,108	(276,156)	441,271	(351,080)
	153,767	(1,047,302)	545,214	(1,203,446)
Total comprehensive loss attributable to:				
- Shareholders of the Parent Company	(140,806)	(778,468)	(386,877)	(1,205,166)
- Non-controlling interest	(537,356)	(817,362)	(1,744,154)	(1,335,734)
	(678,162)	(1,595,830)	(2,131,031)	(2,540,900)
Earnings / (loss) per share attributable to the ordinary equity holders of the Parent Company	(Rupees)			
Basic earnings / (loss) per share	5	0.03	(0.01)	(0.90)
Diluted earnings / (loss) per share	5	0.03	(0.01)	(0.65)

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 six months period ended December 31, 2019

	Attributable to shareholders of the Parent Company				Non-controlling interests	Total
	Share capital	Revenue reserves				
	Issued, subscribed and paid-up capital	Foreign currency translation reserve	Accumulated losses	Sub-total		
	----- (Rupees in '000) -----					
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	-	-	(352,800)	(352,800)	(984,654)	(1,337,454)
Other comprehensive loss						
Foreign currency translation difference	-	(852,366)	-	(852,366)	(351,080)	(1,203,446)
Total comprehensive loss for the period ended December 31, 2018	-	(852,366)	(352,800)	(1,205,166)	(1,335,734)	(2,540,900)
Transactions with owners						
Redemption of senior preferred shares	-	-	-	-	(829,164)	(829,164)
Share-based transactions	-	-	-	-	332,074	332,074
Transactions with non-controlling interests	-	-	646,241	646,241	(7,487)	638,754
Balance as at December 31, 2018	5,453,907	(1,115,179)	(10,161,629)	(5,822,901)	(4,083,591)	(9,906,492)
Balance as at July 1, 2019	5,453,907	(3,017,025)	(10,703,678)	(8,266,796)	(6,185,806)	(14,452,602)
Comprehensive loss for the period						
Loss for the period	-	-	(490,820)	(490,820)	(2,185,425)	(2,676,245)
Other comprehensive income						
Foreign currency translation difference	-	103,943	-	103,943	441,271	545,214
Total comprehensive loss for the period ended December 31, 2019	-	103,943	(490,820)	(386,877)	(1,744,154)	(2,131,031)
Transactions with owners						
Share-based transactions	-	-	-	-	118,444	118,444
Dividend distribution to minority shareholders by an indirect subsidiary	-	-	(18,791)	(18,791)	-	(18,791)
Transaction with non-controlling interests	-	-	343,734	343,734	315,644	659,378
Balance as at December 31, 2019	5,453,907	(2,913,082)	(10,869,555)	(8,328,730)	(7,495,872)	(15,824,602)

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 six months period ended December 31, 2019

	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,452,729)	(1,102,065)
Adjustments for:		
Depreciation, amortization and other non-cash costs	3,229,293	1,335,383
Share of profit from long term investment	(22,577)	(13,677)
Finance expenses	3,923,565	1,811,039
Increase in trade and other receivables	(1,587,915)	(5,985,850)
Increase in long term receivables	(4,899,650)	(2,434,391)
(Increase) / decrease in prepayments and other assets	(12,347)	408,950
(Decrease) / increase in trade and other payables and other liabilities	(843,928)	2,104,918
Cash used in operations	(2,666,288)	(3,875,693)
Finance expenses paid	(2,848,999)	(1,031,102)
Income taxes paid	(158,785)	(167,844)
Net cash used in operating activities	(5,674,072)	(5,074,639)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment - net	(2,703,520)	(1,148,801)
Purchase of other intangible assets - net	(359,581)	(435,358)
Net cash used in investing activities	(3,063,101)	(1,584,159)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings - net	2,528,250	6,447,815
Redemption of senior preferred shares	-	(829,164)
Transactions with non-controlling interests	659,378	638,754
Dividend paid	(18,791)	-
Repayment of lease liabilities - net	(79,220)	-
Net cash generated from financing activities	3,089,617	6,257,405
Effects of exchange rate difference on cash and cash equivalents	346,073	(509,944)
Net decrease in cash and cash equivalents	(5,301,483)	(911,337)
Cash and cash equivalents at beginning of the period	14,021,555	6,189,004
Cash and cash equivalents at end of the period	8,720,072	5,277,667

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 six months period ended December 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 repealed 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. 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 a portfolio of investments primarily in the Technology, IT Enabled Services and Medicare Insurance sectors.
- 1.3 The Parent Company's holding in The Resource Group International Limited ('TRGIL') is 57.32% (June 30, 2019: 57.32%). Whereas the Parent Company's fully diluted holding in TRGIL is 45.32% (June 30, 2019: 45.32%).

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have 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 following;

- 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 and;
- Provisions of and directives issued under the Companies Act, 2017 and;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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, 2019.

These condensed interim consolidated financial statements comprises of the condensed interim consolidated statement of financial position as at December 31, 2019, condensed interim consolidated statement of profit or loss account and other comprehensive income, condensed interim consolidated statement of changes in equity, condensed interim consolidated statement of cash flows and notes thereto for the six months period then ended.

The comparative condensed interim consolidated statement of financial position, presented in these condensed interim consolidated financial statements as at June 30, 2019 has been extracted from the annual audited consolidated financial statements of the Parent Company for the year then ended, whereas the comparative condensed interim consolidated statement of profit or loss account 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 six months period ended December 31, 2018, which were neither audited nor reviewed.

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

For the six months period ended December 31, 2019

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 information 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 policies 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, 2019.

Risk management

Risk management policies are consistent with those disclosed in the annual audited consolidated financial statements of the Company for the year ended June 30, 2019.

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, 2019.

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, 2019.

5. EARNINGS / (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 year. 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.

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

For the six months period ended December 31, 2019

	Quarter ended		Six months period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----			
Profit / (loss) attributable to equity holders of the Parent Company	<u>14,535</u>	<u>(7,322)</u>	<u>(490,820)</u>	<u>(352,800)</u>
	----- (Shares) -----			
Weighted average number of ordinary shares - basic	<u>545,390,665</u>	<u>545,390,665</u>	<u>545,390,665</u>	<u>545,390,665</u>
	----- (Rupees) -----			
Basic earnings / (loss) per share	<u>0.03</u>	<u>(0.01)</u>	<u>(0.90)</u>	<u>(0.65)</u>
	----- (Shares) -----			
Weighted average number of ordinary shares - diluted	<u>545,390,665</u>	<u>545,390,665</u>	<u>545,390,665</u>	<u>545,390,665</u>
	----- (Rupees) -----			
Diluted earnings / (loss) per share	<u>0.03</u>	<u>(0.01)</u>	<u>(0.90)</u>	<u>(0.65)</u>

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 Parent Company 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 thousands of Pakistani Rupees.

8. DATE OF AUTHORISATION

These condensed interim consolidated financial statements was authorized for issue by the board of directors of the Parent Company on February 27, 2020.

Director

Chief Financial Officer

Director



TRG PAKISTAN LTD.

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