



**THIRD QUARTERLY REPORT**  
**MARCH 31, 2021**



TRG PAKISTAN  
LIMITED



# Vision

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

# Mission

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

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



# Contents

Corporate Information .....	03
Report of the Directors .....	04
Condensed Interim Financial Statements of TRG Pakistan Limited .....	09



# 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,

Plot No. 32-C, Jami Commercial

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

Karachi-75500, Pakistan.

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

FAX: +92 (021) 34168271

## Registered Office

24th Floor, Sky Tower West Wing,

Dolmen, HC-3, Block-4,

Marine Drive, Clifton,

Karachi-75600, Pakistan.

UAN: (021) 111-874-874

Fax: (021) 35184042

## Report of the Directors

For the Nine Months ended March 31, 2021

Your Directors are pleased to present the condensed interim financial information of TRG Pakistan Limited ("the Company") for the nine months ended March 31, 2021.

### Key Developments:

Our associate TRG International (TRGI) and its underlying portfolio companies have achieved some significant milestones during the current fiscal year to date. We are happy to report that TRGI has recently entered into a definitive agreement for the sale of all of its economic stake in its health insurance marketing subsidiary to a leading US-based marketing company active in the insurance and financial services industry. The total enterprise value of the subsidiary is \$600 million, with an estimated implied equity value of \$450 million at closing and estimated consideration for TRGI of \$309 million. There is an additional potential earn-out of up to \$35 million payable to TRGI over the next two years, contingent on the successor company meeting certain financial targets in 2021 and 2022. The transaction is subject to regulatory approvals and other closing conditions and is targeted to close no earlier than 1 July 2021. TRG Pakistan's prorated stake at closing, excluding any earn-out and prior to net debt adjustment at TRGIL, will be approximately Rupees 21.5 billion.

Our portfolio company in the outsourced customer interactions sector, that was listed on Nasdaq in August 2020, continues to win strategic new logos across key verticals, resulting in significant growth as well as decrease in client concentration. Consequently, its stock is trading above the IPO price.

Our portfolio company in the enterprise software sector continues to deliver powerful topline growth during the current fiscal year to date. The company has a robust revenue pipeline and is aggressively pursuing expansion in additional geographies. We expect the company to continue on this growth trajectory in the coming months. The Company successfully raised additional debt during the year, which was used to retire its relatively expensive Series D shares. TRGI used its portion of the buyback proceeds to partially pay down its high-cost debt.

### TRG Pakistan Limited Financial Review:

The value of the Company's share in TRGI as of March 31, 2021 was Rupees 26.8 billion. This value was Rupees 21.8 billion on June 30, 2020, representing an increase of Rupees 5.0 billion during the period and an overall increase that is more than seven times the value of its original investment. In addition to the Company's stake in TRGI, it also has other assets of Rupees 2.6 billion and liabilities of Rupees 4.9 billion resulting in net assets of Rupees 24.5 billion.

The Company recognized interest income of Rupees 117.6 million in its income statement, whereas it incurred expenses of Rupees 27.6 million. In addition, its share of profit from associate was Rupees 8,413.3 million. Tax expense amounting to Rupees 1,277.8 million, mainly on account of deferred tax, was incurred during the period. As a result, the Company posted a net profit of Rupees 7,225.5 million for the period ended March 31, 2021.

### Earnings Per Share

The earning per share for the nine months period was Rupees 13.25.

### **Interim Dividend**

The Board is pleased to announce interim dividend of Rs. 4.4/- per share.

### **Outlook**

We remain focused on creating shareholder value and liquidity through monetizations.

### **Acknowledgments**

Your directors close this report by thanking you for 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  
Dated: April 29, 2021

**Muhammad Ali Jameel**  
Director

## عبوری منافع

بورڈ کو عبوری منافع ۲۰۲۲ روپے فی شیئر تقسیم کرتے ہوئے خوشی ہے۔

## متوقع امکانات

ہم ہاتھوں کی مونیٹائزیشن کے ذریعے حصص یافتگان کے سرمایہ اور ٹیکویڈیٹی میں اضافے کے لئے مسلسل کوشاں ہیں۔

## اظہار تشکر

اس رپورٹ کے اختتام پر ڈائریکٹرز آپ کے مستقل اعتماد اور کمپنی کی انتظامیہ کو امانت 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: ۲۹ اپریل ۲۰۲۱

## ڈائریکٹر کی رپورٹ

### برائے دورانیہ ۳۱ مارچ ۲۰۲۱ کے اختتام پر (نومانی رپورٹ)

آپ کے ڈائریکٹر انتہائی مسرت کے ساتھ ٹی آر جی پاکستان لمیٹڈ (کمپنی) کے ۳۱ مارچ ۲۰۲۱ کو اختتام پذیر ہونے والی نوماہی کے معاشی بیانیے پیش کرتے ہیں۔

#### اہم پیشرفت:

ہماری اسویٹ ٹی آر جی انٹر نیٹل (ٹی آر جی آئی) اور اس کی بنیادی پورٹ فولیو کمپنیوں نے موجودہ مالی سال کے دوران آج تک کچھ اہم سنگ میل حاصل کر لئے ہیں۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہے کہ ٹی آر جی آئی نے حال ہی میں انشورنس اور مالیاتی خدمات کی صنعت میں سرگرم امریکہ کی ایک مشہور مارکیٹنگ کمپنی کو اپنی صحت انشورنس مارکیٹنگ کے ماتحت ادارہ میں اپنے تمام معاشی حصص کی فروخت کے لئے ایک معاہدہ کیا ہے۔

ماتحت ادارہ کی انٹر پرائز قیمت ۶۰۰ ملین ڈالر ہے، جس میں تخمینے کے مطابق ۳۵۰ ملین ڈالر کی ایکویٹی کی قیمت ہے اور ٹی آر جی آئی کو اندازاً ۳۰۹ ملین ڈالر ملنے کی توقع ہے۔ اگلے دو سالوں میں ٹی آر جی آئی کو ۳۵۰ ملین ڈالر تک قابل ادائیگی کی ایک اضافی ممکنہ آمدنی متوقع ہے، جس کی بنیاد خریدار کمپنی کو ۲۰۲۱ اور ۲۰۲۲ میں کچھ مالی اہداف پورا کرنے پر مشتمل ہے۔ اس لین دین کو باقاعدہ منظور اور دیگر اختتامی شرائط سے مشروط کیا جاتا ہے اور اس لین دین کو اوجھلائی ۲۰۲۱ تک اختتام کرنے کی کوشش کی جائے گی۔ ٹی آر جی آئی ایل میں کسی بھی کمائی کو چھوڑ کر اور خالص قرضوں میں ایڈجسٹمنٹ سے پہلے، ٹی آر جی پاکستان کو تقریباً ۲۱۰ ملین روپے حاصل ہوں گے۔

آڈٹ سورس گلوبل کی بات چیت کے شعبے میں ہماری پورٹ فولیو کمپنی، جو اگست ۲۰۲۰ میں نیڈیک پریسڈنٹ تھی، اس نے اہم معاہدے جیتنا جاری رکھا جس کی وجہ سے اس کی فنڈونمائی رفتار میں اضافہ اور گہا کوں کی وجہ مرکوز کرنے میں کمی ہوئی۔ اس کے نتیجے میں اس کے شیر کی قیمت ابتدائی عوامی پیش کش کی قیمت سے برہ گئی۔

انٹر پرائز سافٹ ویئر کمپنیز میں ہماری پورٹ فولیو کمپنی رواں مالی سال کے دوران آج تک طاقتور ٹاپ لائن گروتھ کی فراہمی جاری رکھے ہوئے ہے۔ کمپنی کے پاس ایک مضبوط آمدنی والی پائپ لائن ہے اور وہ جارحانہ انداز میں اضافی جغرافیوں میں توسیع کے لئے کوشاں ہے۔ ہم توقع کرتے ہیں کہ کمپنی آنے والے مہینوں میں اس ترقی کو جاری رکھے گی۔ کمپنی نے کامیابی کے ساتھ سال کے دوران اضافی قرض جمع کیا، جو اپنے نسبتاً ہلکے سیریز ڈی کے حصص کو ریٹائر کرنے کے لئے استعمال ہوا۔ ٹی آر جی آئی نے اپنے اعلیٰ لاگت والے قرض کو جزوی طور پر ادائیگی کے لئے بائی بیک کی اپنی آمدنی کا کچھ حصہ استعمال کیا۔

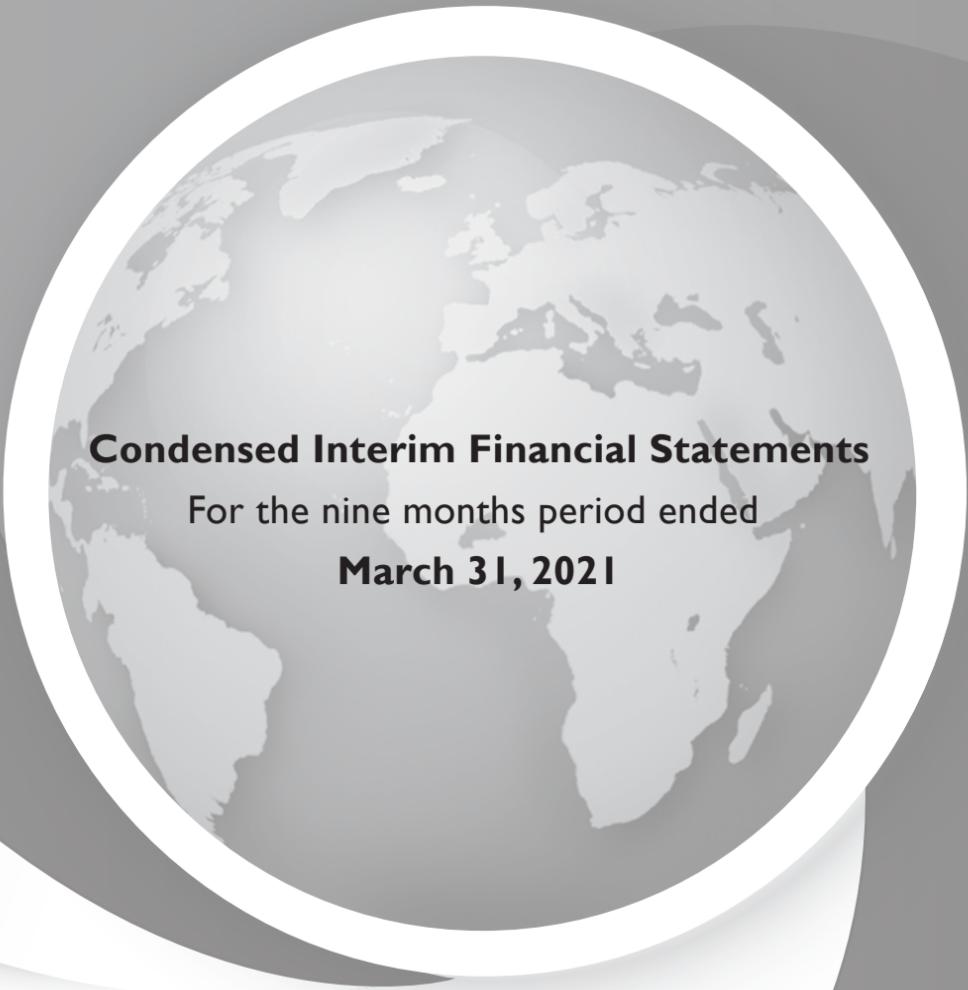
#### ٹی آر جی پاکستان لمیٹڈ مالی جائزہ

۳۱ مارچ ۲۰۲۱ کو کمپنی کا حصہ ٹی آر جی آئی میں ۲۶۰۸ ملین روپے رہا یہ حصہ ۳۰ جون ۲۰۲۰ کو ۲۱۰۸ ملین روپے تھا۔ اس مدت کے دوران ۵ بلین روپے کا اضافہ ہوا جبکہ مجموعی طور پر اصل سرمایہ کاری میں تقریباً سات گنا سے زیادہ رہا۔ ٹی آر جی آئی میں کمپنی کے حصے کے علاوہ، اس میں ۲۰۶ ملین روپے کے دوسرے اثاثے اور ۳۰۹ ملین روپے کی واجبات ہیں جس کے نتیجے میں خالص اثاثہ جات ۲۲۰۵ ملین روپے ہیں۔

کمپنی نے اپنی آمدنی کے بیانے میں ۱۷۰۶ ملین روپے ظاہر کیے، جبکہ اس پر ۶۰۶ ملین روپے کے اخراجات ہوئے۔ اسویٹڈ کمپنی میں منافع کا حصہ ۸،۴۱۳،۰۳۰ ملین روپے تھا۔ اس عرصے کے دوران اثاثہ بنکس اخراجات سمیت ۸،۷۷۰،۲۷۰ ملین روپے بنکس کا خرچہ ہوا۔ اس کے نتیجے میں، کمپنی نے ۳۱ مارچ ۲۰۲۱ کو ختم ہونے والی مدت میں ۲۲۵،۰۵۰ ملین روپے کا خالص منافع حاصل کیا۔

#### فی حصص آمدن

کمپنی نے فی حصص ۱۳۰۲۵ روپے کا منافع حاصل کیا۔



**Condensed Interim Financial Statements**  
For the nine months period ended  
**March 31, 2021**

**THIRD QUARTERLY REPORT**  
**MARCH 31, 2021**

## Condensed Interim Statement of Financial Position

As at March 31, 2021

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Operating fixed assets		27	59
Long term investment	4	26,827,219	21,778,686
Long term deposit		75	75
		26,827,321	21,778,820
<b>Current assets</b>			
Current maturity of accrued interest		-	908
Current maturity of long term loan		-	1,579,646
Cash and bank balances	5	2,589,163	3,308
		2,589,163	1,583,862
<b>Total assets</b>		<b>29,416,484</b>	<b>23,362,682</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital		7,330,000	7,330,000
<i>Share capital</i>			
Issued, subscribed and paid-up capital	6	5,453,907	5,453,907
<i>Revenue reserves</i>			
Foreign currency translation reserve		(1,561,982)	533,376
Unappropriated Profit		20,642,625	13,417,089
		24,534,550	19,404,372
<b>Non-current liability</b>			
Deferred tax liability		4,836,300	3,929,183
<b>Current liabilities</b>			
Accrued and other liabilities		3,961	9,470
Payable to related party	7	16,862	4,807
Taxation - net		24,811	14,850
		45,634	29,127
<b>Total equity and liabilities</b>		<b>29,416,484</b>	<b>23,362,682</b>
<b>Contingencies and commitments</b>			
	8		

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

Director

Chief Financial Officer

Director

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

For the nine months period ended March 31, 2021

		Three months period ended		Nine months period ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note		(Rupees in '000)			
Interest Income	9	35,983	58,641	117,621	178,183
Administrative and other expenses		(2,284)	(57,685)	(27,583)	(152,607)
<b>Operating profit</b>		<b>33,699</b>	<b>956</b>	<b>90,038</b>	<b>25,576</b>
Share of profit in equity accounted investee	4.2	3,255,278	-	8,413,307	-
<b>Profit before taxation</b>		<b>3,288,977</b>	<b>956</b>	<b>8,503,345</b>	<b>25,576</b>
Taxation		(488,292)	(266)	(1,277,809)	(6,358)
<b>Profit for the period</b>		<b>2,800,685</b>	<b>690</b>	<b>7,225,536</b>	<b>19,218</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>					
Equity investments at FVOCI - net of tax		-	713,611	-	810,895
<i>Items that may be reclassified subsequently to statement of profit or loss</i>					
Foreign currency translation difference		(1,830,606)	-	(2,095,358)	-
<b>Total comprehensive income for the period</b>		<b>970,079</b>	<b>714,301</b>	<b>5,130,178</b>	<b>830,113</b>
(Rupees)					
Earnings per share - basic and diluted		5.135	0.001	13.248	0.035

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

Director

Chief Financial Officer

Director

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

For the nine months period ended March 31, 2021

	Issued, subscribed and paid-up capital	Revenue Reserves			Total
		Foreign currency translation reserve	Fair value reserve - net of deferred tax	Unappropriated profit / (accumulated losses)	
----- (Rupees in '000) -----					
Balance as at July 1, 2019	5,453,907	8,202,725	2,022,911	(525,804)	15,153,739
Total comprehensive income					
Profit after tax for the nine months period ended March 31, 2020	-	-	-	19,218	19,218
Equity investments at FVOCI - change in fair value net of tax	-	-	266,846	-	266,846
Foreign currency translation difference - net of tax	-	544,049	-	-	544,049
	-	544,049	266,846	19,218	830,113
Balance as at March 31, 2020	5,453,907	8,746,774	2,289,757	(506,586)	15,983,852
Balance as at July 01, 2020	5,453,907	533,376	-	13,417,089	19,404,372
Total comprehensive income					
Profit after tax for the nine months period ended March 31, 2021	-	-	-	7,225,536	7,225,536
Foreign currency translation difference - net of tax	-	(2,095,358)	-	-	(2,095,358)
	-	(2,095,358)	-	7,225,536	5,130,178
Balance as at March 31, 2021	5,453,907	(1,561,982)	-	20,642,625	24,534,550

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

Director

Chief Financial Officer

Director

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

For the nine months period ended March 31, 2021

		March 31, 2021	March 31, 2020
	Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net cash from operations	10	893,333	(158,357)
Interest income received - net		118,529	158,477
Tax paid		(5,653)	(414)
<b>Net cash generated from / (used in) operating activities</b>		<b>1,006,209</b>	<b>(294)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from repayment of related party loan		1,579,646	-
<b>Net cash from investing activities</b>		<b>1,579,646</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,585,855</b>	<b>(294)</b>
Cash and cash equivalents at beginning of the period		3,308	1,685
<b>Cash and cash equivalents at end of the period</b>		<b>2,589,163</b>	<b>1,391</b>

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

Director

Chief Financial Officer

Director

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

For the nine months period ended March 31, 2021

## I. LEGAL STATUS AND NATURE OF BUSINESS

- I.1 TRG Pakistan Limited ("the Company") was incorporated in Pakistan as a public limited company on December 2, 2002 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 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.
- I.2 The principal activity of the Company, through its associate, The Resource Group International Limited (TRGIL) is to invest in portfolio of investments primarily in the Technology, IT Enabled Services and Medicare Insurance sectors.

## 2. BASIS OF PREPARATION

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all of the information required for full financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020.

These condensed interim financial statements comprises the condensed interim statement of financial position as at March 31, 2021, condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the six months period then ended.

The comparative condensed interim statement of financial position, presented in these condensed interim financial statements as at June 30, 2020 has been extracted from the annual audited financial statements of the Company for the year then ended, whereas the comparative condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from the unaudited condensed interim consolidated financial statements for the six months period ended March 31, 2020.

- 2.1 During the fiscal year 2020, 24,725,843 Class B Non-Voting Common Shares were converted into Class A Common Shares. As a result of this conversion, TRG Pakistan's voting interest in TRGIL was diluted from 57.16% to 46.03%. Due to this dilution in voting interest on June 15, 2020, TRGIL is no longer a subsidiary of the Company and is treated as an associate in these condensed interim financial statements as fully described in note 1.3 of the annual audited financial statement of the Company for the year then ended June 30, 2020.
- 2.2 **Judgments and estimates**

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

The significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to annual audited financial statements of the Company for the year ended June 30, 2020.

## 2.3 Risk management

Risk management policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2020.

## 2.4 Impact of COVID -19 on financial statements

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic (the "Pandemic"). The spread of the Pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan has not directly affected the Company. Resultantly there is no significant accounting impact of the Pandemic on these condensed interim financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended June 30, 2020 and unconsolidated condensed interim financial statements for the period then ended March 31, 2020 other than those disclosed in note 2.1 of these condensed interim financial statements.

## 4. LONG TERM INVESTMENT

	Note	March 31, 2021 (Un-audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
The Resource Group International Limited (TRGIL)			
Unquoted 60,450,000 (June 30, 2020: 60,450,000)			
Series B Preferred Shares			
- Equity accounted investee	4.1 & 4.2	<b>26,827,219</b>	21,778,686
		<b>26,827,219</b>	<b>21,778,686</b>

- 4.1 This represents investment in TRGIL, an associate incorporated in Bermuda having par value and additional paid up share capital of US\$0.01 and US\$ 0.99 per share respectively. The percentage of the Company's holding in TRGIL's shares is 56.86% (June 30, 2020: 56.86%) with voting power of 45.90% (June 30, 2020: 46.03%). 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, 2020: 45.32%).

## 4.2 Reconciliation of carrying amount of investment

	March 31, 2021 (Un-audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
Opening balance	<b>21,778,686</b>	21,279,414
Share of profit in equity accounted investee	<b>8,413,307</b>	86,948
Foreign currency translation difference	<b>(3,364,774)</b>	412,324
Closing balance	<b>26,827,219</b>	<b>21,778,686</b>

## 5. CASH AND BANK BALANCES

Balance with bank in		
- current account	<b>625</b>	625
- savings account	<b>2,588,538</b>	2,676
	<b>2,589,163</b>	3,301
Cash in hand	-	7
	<b>2,589,163</b>	<b>3,308</b>

## 6. SHARE CAPITAL

	March 31, 2021 (Un-audited)		June 30, 2020 (Audited)	
	Number of shares	(Rupees in '000)	Number of shares	(Rupees in '000)
<b>Authorized share capital</b>				
- 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
	<b>733,000,000</b>	<b>7,330,000</b>	<b>733,000,000</b>	<b>7,330,000</b>
<b>Issued, subscribed and paid-up capital</b>				
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
	<b>545,390,665</b>	<b>5,453,907</b>	<b>545,390,665</b>	<b>5,453,907</b>

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

## 7. PAYABLE TO RELATED PARTIES - current account - unsecured

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

## 8. CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments as reported in note 11 to the annual audited financial statements for the year ended June 30, 2020.

## 9. INTEREST INCOME

	March 31, 2021 ----- (Un-audited) ----- ----- (Rupees in '000) -----	March 31, 2020 ----- (Un-audited) ----- ----- (Rupees in '000) -----
<i>Interest income on</i>		
- Bank balances	36,049	149
- Long term loan	81,572	178,034
	<b>117,621</b>	<b>178,183</b>

## 10. CASH USED IN OPERATIONS

Profit for the period before taxation	8,503,345	25,576
Adjustments for :		
Depreciation	32	32
Interest income on loan and return on bank balances	(117,621)	(178,183)
Exchange loss	899,448	29
Share of profit in equity accounted investee	(8,413,307)	-
Effect on cash flows of working capital changes	21,436	(5,811)
	<b>(7,610,012)</b>	<b>(183,933)</b>
	<b>893,333</b>	<b>(158,357)</b>

### 10.1 Working capital changes

Increase / (Decrease) in current liabilities:

Accrued and other liabilities	(5,509)	(6,001)
Payable to related parties	26,945	190
	<b>21,436</b>	<b>(5,811)</b>

## 11. FAIRVALUE OF FINANCIAL ASSETS AND LIABILITIES

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

## 12. RELATED PARTY DISCLOSURES

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

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

Related party transactions and balances are disclosed elsewhere in these condensed interim financial statements and accordingly not reproduced in this note.

- 12.1 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.

## 13. SUBSEQUENT EVENTS

- 13.1 Subsequent to March 31, 2021, the Company's associate entered into a definitive agreement to sell all of its economic stake in its health insurance marketing subsidiary to a leading US-based marketing company active in the insurance and financial services industry.

The transaction is subject to regulatory approvals and other closing conditions and is targeted to close no earlier than July 1, 2021.

The Company's prorated stake at closing, excluding any earn-out and prior to net debt adjustment at associate level, will be at approximately Rs. 21.5 billion. As this is not indicative of conditions that existed at the balance sheet date, this has not been accounted for in the value of equity accounted associate in these interim financial statements.

- 13.2 The Board of Directors in its meeting held on April 29, 2021 proposed an interim dividend of Rs. 4.4/- per share.

## 14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 29, 2021 by the board of directors of the Company.

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Director

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Chief Financial Officer

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Director



**TRG PAKISTAN LTD.**

24TH FLOOR, SKY TOWER WEST WING,  
DOLMEN, HC-3, BLOCK-4, MARINE DRIVE,  
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