



TRG PAKISTAN LIMITED

**HALF YEARLY REPORT
DECEMBER 31, 2016**



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

Mohammedullah Khan Khaishgi

Patrick McGinnis

Ameer S. Qureshi

Rafiq K. Dossani

Hassan Farooq

Audit Committee

Patrick McGinnis - Chairman

Ameer S. Qureshi

Rafiq K. Dossani

HR Recruitment &

Remuneration Committee

John Leone - Chairman

Peter H.R. Riepenhausen

Zafar Iqbal Sobani

Chief Financial Officer

Hassan Farooq

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-5, 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, 2016

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, 2016.

Key Developments

The first half of FY17 continued to be a period of significant growth for TRG. Our consolidated reported revenues reached Rupees 16,670 million, representing a 15% increase over the same period in 2015. This increase has been broad-based and took place across all our major operating subsidiaries. We expect this growth momentum to continue during the second half of the year.

Our outsourced contact center subsidiary continued to scale during this half year, driven primarily by a ramp in one of its largest clients. Given the growth outlook of this subsidiary, we invested significantly in its capacity, with expansion of its installations in the Philippines and Pakistan, and with the opening of its first facility in Nicaragua.

During this half year, our enterprise software subsidiary continued its top line momentum, with a doubling of our enterprise level rollouts and a large number of additional rollouts currently under deployment. This subsidiary enables real-time pairing of individual call center agents with individual callers in large enterprise contact centers, using artificial intelligence in a big data framework. Our solution is rapidly becoming a de-facto standard for large enterprise call centers across the world, with a very significant addressable market. In order to realize this strong potential, we have been investing in business development and implementation resources. We would also like to draw attention to our insurance brokerage subsidiary, which utilizes the direct marketing channel to acquire customers for carriers offering senior health insurance products in the United States. This subsidiary has continued to grow in scale and profitability, and during this period, nearly doubled in size compared to the same period a year earlier.

In addition to the operational developments above, we were able to buy back the public float of our two listed companies on the London Stock Exchange, and achieve a successful delisting of both companies. We took this step as it was our belief that the market was not adequately reflecting the value of each company given their strong growth profile. The resulting low valuation therefore provided us with an opportunity to achieve this buyback.

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, 2016, our consolidated revenues amounted to Rupees 16,670 million, which represents 15% increase from revenues of Rupees 14,495 million for the comparative period in 2015.

Our recurring subsidiary revenues were offset by net recurring cash operating costs (excluding interest) of Rupees 16,517 million, resulting in recurring earnings before interest, taxes, depreciation and amortization of Rupees 112 million.

Our operating subsidiaries incurred a net interest expense of Rupees 640 million to service their respective loans and lines of credit. As a result, our recurring operating cash income from our subsidiaries was negative Rupees 528 million over the six months ended December 31, 2016.

Our total corporate overheads for the six months were Rupees 222 million as compared to Rupees 235 million incurred during the same period in 2015.

In non-cash adjustments, we had depreciation and amortization expenses of Rupees 748 million, stock option charge of Rupees 65 million and exchange loss of Rupees 25 million. Other non-recurring expenses were Rupees 236 million and tax expense was Rupees 13 million.

The net result of the above was a loss for the six months period ended December 31, 2016 of Rupees 1,837 million, compared to a loss of Rupees 1,660 million during the same period in 2015.

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 108.9 million mainly as a return on loan to an indirect subsidiary, whereas it incurred expenses of Rupees 94.8 million for interest expense, payroll and professional services and audit fees associated with its holding company activities. As a result, TRG Pakistan Limited realized net profit (on a standalone basis) of Rupees 10.8 million for the six months ended December 31, 2016.

Earnings per share

The loss per share of the Company on a consolidated basis was Rupees 1.35 per share. On a standalone basis, the company recognized earning per share of Rupee 0.02.

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.

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.

Karachi:
February 27, 2017

For and on Behalf of the Board of Directors
Muhammad Ziaullah Khan Chishti
Chief Executive

اعلیٰ ہاتھ: شکر:

اس رپورٹ کے اختتام میں 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 ایگزیکٹو

کراچی
تاریخ: 27 فروری 2017

مجموعی مالیاتی بیانیے:

31 دسمبر 2016 کو ختم ہونے والی ششماہی کیلئے ہماری مجموعی آمدنی 2015 کے اسی عرصے کے مقابلے میں 15 فیصد اضافے کیساتھ 14,495 ملین روپے سے بڑھ کر 16,670 ملین روپے ہو گئی۔ ہمارے ذیلی اداروں سے حاصل ہونے والی آمدنی قبل از نقد اخراجات باسوائے منافع مبلغ 16,516 ملین روپے تھے۔ جسکے نتیجے میں ای بیٹا 112 ملین روپے حاصل ہوا۔ ہمارے ذیلی اداروں نے اپنے متعلقہ قرضہ جات کی سروس کے لئے 640 ملین روپے کا اضافی خرچ کیا جس کے نتیجے میں ہماری حاصل کردہ آپریشنل نقد آمدنی ہمارے ذیلی اداروں سے 31 دسمبر 2016 کو ختم ہونے والی ششماہی میں 528 ملین روپے منفی رہی۔

اس ششماہی میں کارپوریٹ اور ہیڈ صرف 222 ملین روپے رہے جو کہ 2015 میں 235 ملین روپے تھے۔ غیر نقدی تصفیے میں ہماری خوردگی اور واجبات کی ادائیگی کے اخراجات 748 ملین روپے رہے، غیر نقدی اسٹاک آپشن کے اخراجات 65 ملین روپے اور ایکسچینج لاس 25 ملین روپے رہے۔ ایک مرتبہ ادائیگی کے اخراجات 236 ملین روپے اور ٹیکس کے اخراجات 13 ملین روپے تھے۔ مذکورہ بالا کاصافی نتیجہ اس ششماہی کے دوران 1,837 ملین روپے خسارہ تھا جبکہ 2015 کے اسی عرصے کے دوران یہ خسارہ 1,660 ملین روپے تھا۔

ٹی آر جی پاکستان لمیٹڈ کے انفرادی مالیاتی بیانیے:

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

انفرادی سطح پر کمپنی نے اپنی آمدنی کے بیانیے میں 108.9 ملین روپے آمدنی ظاہر کی جسکی بنیادی وجہ ہمارے ذیلی ادارے سے قرضہ جات کی مد میں آمدنی ہے۔ جبکہ ہولڈنگ کمپنی کی سرگرمیوں کے طور پر 94.8 ملین روپے کے اخراجات ادا کیے جسکے نتیجے میں اس ششماہی کے اختتام پر ٹی آر جی پاکستان لمیٹڈ نے 10.8 ملین روپے صافی نفع حاصل کیا۔

فی شئیر آمدنی:

مجموعی بنیاد پر فی شئیر خسارہ 1.35 روپے تھا جبکہ انفرادی سطح پر کمپنی نے فی شئیر 0.02 روپے کی آمدنی حاصل کی۔

آئینہ امکانات:

ہم کوشاں 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 بطور 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 بناسکیں۔

ڈائریکٹرز کی رپورٹ

برائے دورانیہ 31 دسمبر 2016 کے اختتام پر (ششماہی رپورٹ)

آپکے ڈائریکٹرز انتہائی مسرت کیساتھ ٹی آر جی پاکستان لمیٹڈ کے 31 دسمبر 2016 کو اختتام پزیر ہونے والے پہلے ششماہی انفرادی اور مجموعی اور معاشی بیانیے پیش کرتے ہیں۔

اہم ترقیات:

مالیاتی سال 2017 کی پہلی ششماہی میں ٹی آر جی نے شاندار مالیاتی ترقی کا سفر جاری رکھا۔ ہماری مجموعی آمدنی مبلغ 16,670 ملین روپے تک پہنچ چکی ہے جو کہ 2015 کی اسی مدت سے 15 فیصد زیادہ ہے۔ یہ مالیاتی اضافہ ہمارے تمام بڑے ذیلی اداروں کی کوششوں سے حاصل ہوا ہے۔ ہم امید کرتے ہیں کہ مالی ترقی کا یہ سلسلہ سال کی دوسری ششماہی میں بھی جاری رہے گا۔

ہمارے کال سینٹر کے ذیلی ادارے نے اس ششماہی کے دوران مسلسل ترقی کا رجحان ہمارے بڑے صارفین کی مدد سے برقرار رکھا۔ ہم نے اسکی ترقی کو دیکھتے ہوئے ذیلی ادارے میں مزید سرمایہ کاری کی جن میں فلپائن اور پاکستان کی تنصیبات میں وسعت اور نکارا گوا میں پہلی سہولت کا افتتاح قابل ذکر ہے۔

اس ششماہی کے دوران ہمارے انٹر پرائز سافٹ ویئر کی سہولت میسر کرنے والے ذیلی ادارے نے اپنی ترقی کی رفتار کو مستقل جاری وساری رکھا اور مکمل ہوئے پروجیکٹس کی تعداد کو گنا کیا، جبکہ ایک بڑی تعداد میں نئے پروجیکٹس ابھی زیر تکمیل ہیں۔ ہمارا یہ ذیلی ادارہ مصنوعی انٹیلی جنس کے ذریعے رابطے کے مراکز کو رابطہ کرنے والوں سے منسلک کرتا ہے۔ ہماری یہ ٹیکنالوجی بہت تیزی سے بڑے رابطے کرنے والے دنیا بھر کے مراکز کا معیار بنتی جا رہی ہے اور مارکیٹ کو بہت تیزی سے متوجع کر رہی ہے۔ ان مضبوط توقعات کو حقیقت بنانے کے لیے ہم مستقل اس ادارے کے کاروبار کی نمو اور اس کے ذرائع میں سرمایہ کاری کر رہے ہیں۔ ہم آپ کی توجہ اپنے انشورنس برکوریج کے ذیلی ادارے کی جانب دلانا چاہیں گے جو کہ براہ راست مارکیٹنگ کو استعمال کر کے امریکا میں چھوٹے صارفین کو سنٹر طبعی انشورنس کی خدمات فراہم کرتا ہے۔ اس ادارے کا منافع اور حجم مستقل طور پر بڑھ رہا ہے اور پچھلے سال کے اسی دورانیے کے مقابلے میں دگنا ہو گیا ہے۔

مذکورہ بالا سرگرمیوں کے علاوہ ہم نے کامیابی کیساتھ ۲ ذیلی اداروں کو انکے شیرز واپس خرید کر لندن اسٹاک ایکسچینج کی فہرست سے نکال لیا۔ ہم نے یہ قدم اس لئے اٹھایا چونکہ ہمیں یقین تھا کہ ان اداروں کا مارکیٹ تخمینہ انکی مسلسل ترقی کا صحیح آئینہ دار نہیں تھا اور اسی کم مارکیٹ کے تخمینے نے ہمیں یہ موقع دیا کہ ہم ان اداروں کے شیرز مارکیٹ سے واپس خرید سکیں۔

مالیاتی جائزہ:

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



**Condensed Interim Unconsolidated
Financial Information**

For the six months period ended
December 31, 2016

Auditor's Report to the Members on Review of Condensed Interim Unconsolidated Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of TRG Pakistan Limited ("the Company") as at 31 December 2016 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity, and notes to the condensed interim unconsolidated financial information for the six-months period then ended (here-in-after referred to as the "condensed interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information 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 condensed interim unconsolidated financial information 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 condensed interim unconsolidated financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended 31 December 2016 and 31 December 2015 in the condensed interim unconsolidated financial information have not been reviewed and we do not express a conclusion on them.

Date: February 27, 2017

Karachi.

**KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt**

Condensed Interim Unconsolidated Balance Sheet
As at December 31, 2016

	Note	December 31, 2016 (Un-audited) (Rupees in thousand)	June 30, 2016 (Audited)
ASSETS			
Non current assets			
Operating fixed assets		204	300
Long term investment	4	13,487,626	12,919,989
Long term loan to related party	5	931,551	929,551
Long term deposits		75	75
		<u>14,419,456</u>	<u>13,849,915</u>
Current assets			
Accrued markup		280,566	202,484
Receivable from related parties	6	-	16,856
Current maturity of long term loan		468,325	468,325
Cash and bank balances	7	6,382	3,758
		<u>755,273</u>	<u>691,423</u>
Total assets		<u>15,174,729</u>	<u>14,541,338</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	8	7,330,000	7,330,000
Issued, subscribed and paid-up capital	8	5,453,907	5,453,907
Foreign currency translation reserve		3,100,378	3,127,483
Fair value reserve - net of deferred tax		4,551,265	4,087,773
Accumulated losses		(304,672)	(315,477)
		<u>12,800,878</u>	<u>12,353,686</u>
Non current liability			
Deferred tax liability		2,234,063	2,106,344
Current liabilities			
Accrued and other liabilities		65,914	64,722
Payable to related parties - current account	9	56,929	2,901
Taxation - net		16,945	13,685
		<u>139,788</u>	<u>81,308</u>
Total equity and liabilities		<u>15,174,729</u>	<u>14,541,338</u>
Contingencies and commitments	10		

The annexed notes from 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the six months period ended December 31, 2016

		Quarter Ended		Six months period ended	
	Note	December 31, 2016	December 31, 2015 Restated	December 31, 2016	December 31, 2015 Restated
(Rupees in thousand)					
Interest and other income	11	52,835	41,896	108,871	62,944
Other expenses		(45,836)	(17,389)	(94,803)	(28,195)
Finance cost		-	(8,354)	-	(12,794)
Profit before taxation		6,999	16,153	14,068	21,955
Taxation		(1,376)	(5,169)	(3,263)	(7,026)
Profit for the period		5,623	10,984	10,805	14,929
Other comprehensive income					
<i>Items that may be reclassified to profit or loss subsequently</i>					
Foreign currency translation difference - net of deferred tax		57,633	154,225	(27,105)	326,433
Available for sale investment - change in fair value net of deferred tax		213,936	(103,424)	463,492	175,907
		271,569	50,802	436,387	502,340
Total comprehensive income for the period		277,192	61,786	447,192	517,269
(Rupee)					
Earnings per share - basic and diluted		0.01	0.02	0.02	0.03

The annexed notes from 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)
For the six months period ended December 31, 2016

	Issued, subscribed and paid-up capital	Foreign currency translation reserve	Fair value reserve-net of deferred tax	Accumulated losses	Total
	(Rupees in thousand)				
Balance as at July 1, 2015, as previously reported	4,453,907	997,934	-	(1,655,035)	3,796,806
Impact of change in accounting policy (refer note 3)	-	1,818,852	3,956,745	1,242,396	7,017,993
Restated balance as at July 1, 2015	4,453,907	2,816,786	3,956,745	(412,639)	10,814,799
Transactions with owners - contributions					
Issue of shares	1,000,000	-	-	-	1,000,000
Total comprehensive income for the six months period					
Profit for the six months period ended December 31, 2015	-	-	-	14,929	14,929
<i>Other comprehensive income</i>					
Available for sale investment change in fair value - net of deferred tax	-	-	175,907	-	175,907
Foreign currency translation difference - net of deferred tax	-	326,433	-	-	326,433
	-	326,433	175,907	14,929	517,269
Restated balance as at December 31, 2015	<u>5,453,907</u>	<u>3,143,219</u>	<u>4,132,652</u>	<u>(397,710)</u>	<u>12,332,068</u>
Balance as at July 1, 2016	5,453,907	3,127,483	4,087,773	(315,477)	12,353,686
Total comprehensive income for the six months period					
Profit for the six months period ended December 31, 2016	-	-	-	10,805	10,805
<i>Other comprehensive income / (loss)</i>					
Available for sale investment change in fair value - net of deferred tax	-	-	463,492	-	463,492
Foreign currency translation difference - net of deferred tax	-	(27,105)	-	-	(27,105)
	-	(27,105)	463,492	10,805	447,192
Balance as at December 31, 2016	<u>5,453,907</u>	<u>3,100,378</u>	<u>4,551,265</u>	<u>(304,672)</u>	<u>12,800,878</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the six months period ended December 31, 2016

	Six months period ended	
	December 31, 2016	December 31, 2015
Note	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	14,068	21,955
Adjustments for:		
Depreciation	96	57
Interest income from loan and return on bank balances	(105,377)	(62,944)
Unrealized exchange (gain) / loss	(3,494)	16,923
	(108,775)	(45,964)
<i>Decrease / (increase) in current assets</i>		
Accrued markup	27,295	3,347
Receivable from related parties - current account	16,856	(23,453)
	44,151	(20,106)
<i>Increase / (decrease) in current liabilities</i>		
Accrued and other liabilities	1,192	(4,082)
Payable to related parties - current account	54,028	(19,847)
	55,220	(23,929)
Cash generated from / (used in) operations	4,664	(68,044)
Taxes paid	(3)	(335)
Net cash generated from / (used in) operating activities	4,661	(68,379)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	-	(263)
Long term loan to related party	(2,000)	(850,500)
Net cash used in investing activities	(2,000)	(850,763)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	-	1,000,000
Net cash from financing activities	-	1,000,000
Effects of exchange rate difference	(37)	17
Net increase in cash and cash equivalents	2,624	80,875
Cash and cash equivalents at beginning of the period	3,758	9,610
Cash and cash equivalents at end of the period	7 6,382	90,485

The annexed notes from 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended December 31, 2016

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 Ordinance, 1984 and is listed on the Pakistan Stock Exchange. 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 optimisation services through its subsidiary, The Resource Group International Limited.
- 1.3** This condensed interim financial information is unconsolidated financial information of the Company in which investment in subsidiary is accounted for in accordance with the accounting policy as stated in note 3.

2. BASIS OF PREPARATION

This condensed interim unconsolidated financial information has been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim unconsolidated financial information does not include all of the information required for full financial statements and should be read in conjunction with the audited unconsolidated financial statements of the Company for the year ended June 30, 2016.

This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet as at December 31, 2016, condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes thereto for the six months period then ended.

The comparative condensed unconsolidated balance sheet, presented in this condensed interim unconsolidated financial information, as at June 30, 2016 has been extracted from the annual audited unconsolidated financial statements of the Company for the year then ended whereas the comparative condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity for the six months period ended December 31, 2015 were subjected to a review but not audited. The comparative condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarter ended December 31, 2015 which is included in this condensed interim unconsolidated financial information was neither audited nor reviewed.

Judgements and Estimates

The preparation of this condensed interim unconsolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting

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

For the six months period ended December 31, 2016

policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements 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 for the year ended June 30, 2016.

Risk Management

Risk management policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim unconsolidated financial information are consistent with those followed in the preparation of the Company's annual audited unconsolidated financial statements for the year ended June 30, 2016.

In previous period, the Company has measured its investment in subsidiary at cost. However, during the year ended June 30, 2016, the Company changed its accounting policy with respect to accounting for its investment in subsidiary. As per new policy, investment in subsidiary is carried at fair value under IAS 39 'Financial Instruments: Recognition and Measurement' and classified as available for sale as allowed under IAS 27 'Separate Financial Statements'. Management considers that such change provides more relevant and reliable information with respect to financial position and financial performance of underlying investee company.

The change has been accounted for in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in restatement of financial statements of prior periods. Resultantly, the cumulative effect of adjustments that arose for the earliest period has been presented and disclosed as part of the statement of changes in equity, while the corresponding period adjustment through other comprehensive income is restated and disclosed as part of the Statement of Comprehensive Income respectively.

	December 31, 2015		
	As previously reported	Impact due to change in policy (Un-audited)	As restated
	(Rupees in thousand)		
Effect on other comprehensive income			
Foreign currency translation reserve - net of deferred tax	115,104	211,329	326,433
Available for sale investments change in fair value - net of deferred tax	-	175,907	175,907
	July 01, 2015		
	As previously reported	Impact due to change in policy (Audited)	As restated
	(Rupees in thousand)		
Effect on condensed interim unconsolidated statement of changes in equity			
Fair value reserve - net of deferred tax	-	3,956,745	3,956,745
Foreign currency translation reserve	997,934	1,818,852	2,816,786
Accumulated losses	(1,655,035)	1,242,396	(412,639)

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended December 31, 2016

4. LONG TERM INVESTMENT

December 31, June 30,
2016 2016
(Un-audited) (Audited)
(Rupees in thousand)

In unquoted subsidiary

The Resource Group International Limited (TRGIL)
60,450,000 (June 30, 2016: 60,450,000) ordinary shares

13,487,626 12,919,989

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, 2016: 57.18%) whereas the percentage of voting interest of the Company in TRGIL is 58.65% (June 30, 2016: 58.51%). Movement in carrying amount of investment is disclosed in other comprehensive income bifurcated into fair value change and foreign currency translation difference.

Further, during the period, one of the investment by underlying investee became its subsidiary.

5. LONG TERM LOAN TO RELATED PARTY

This represents loans to TRG (Private) Limited, an indirect subsidiary of the Company, for working capital and operational needs. The loans have a maturity period of two years. The loans carry a minimum markup of 15% per annum.

6. RECEIVABLE FROM RELATED PARTIES - considered good

December 31, June 30,
2016 2016
(Un-audited) (Audited)
(Rupees in thousand)

Name of related party Nature of relationship

TRG Holdings LLC. Indirect subsidiary
TRG Marketing Solutions, UK Indirect subsidiary

- 16,256
- 600
- 16,856

7. CASH AND BANK BALANCES

Balances with bank in

- current account
- saving account

625 625
5,741 3,133

6,366 3,758

Cash in hand

16 -
6,382 3,758

8. SHARE CAPITAL

December 31, 2016

June 30, 2016

Authorised share capital

Ordinary class 'A' shares of Rs. 10 each
Ordinary class 'B' shares of Rs. 10 each

Number of shares Rupees in thousand
720,000,000 7,200,000
13,000,000 130,000
733,000,000 7,330,000

Number of shares Rupees in thousand
720,000,000 7,200,000
13,000,000 130,000
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
- allotted for consideration other than cash (refer note 8.1)

535,765,687 5,357,657
9,624,978 96,250
545,390,665 5,453,907

535,765,687 5,357,657
9,624,978 96,250
545,390,665 5,453,907

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended December 31, 2016

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

8.2 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\$ 30,000,000. The Pinebridge investors have the right to have their preference shares purchased back at the original issue price (US\$ 1.12 per share) or force liquidation of TRGIL's assets or to require TRGIL's ordinary shares to be sold, for redemption of their investment. Alternatively, the investors 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 December 31, 2016, 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\$ 104,862,250, 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.

As of December 31, 2016, PineBridge Investors have invested the full Rs. 3,138 million (US\$ 30 million) committed to TRGIL.

9. PAYABLE TO RELATED PARTIES - current account - unsecured

Name of related party	Nature of relationship	December 31, 2016 (Un-audited) (Rupees in thousand)	June 30, 2016 (Audited)
TRG Holdings LLC.	Indirect subsidiary	54,751	-
Trakker (Private) Limited	Associated company	2,178	2,178
TRG (Private) Limited	Indirect subsidiary	-	723
		<u>56,929</u>	<u>2,901</u>

10. CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments as disclosed in Note 12 to the annual audited unconsolidated financial statements for the year ended June 30, 2016.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended December 31, 2016

11. INTEREST AND OTHER INCOME

	Six months period ended	
	December 31, 2016	December 31, 2015
	(Un-audited)	
	(Rupees in thousand)	
<i>Interest income</i>		
- return on bank balances	42	3,997
- interest income from Loan to related party	105,335	58,947
<i>Other income</i>		
- exchange gain	3,494	-
	108,871	62,944

12. Fair values 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 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.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended December 31, 2016

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

31 December 2016				
	Carrying amount			Fair value
	Other financial assets	Loan and receivables	Other financial liabilities	Level 3
(Un-audited)				
(Rupees in thousand)				
Financial assets measured at fair value				
Long term investment	13,487,626	-	-	13,487,626
Financial assets not measured at fair value				
Long term loan to related party	-	1,399,876	-	-
Long term deposits	-	75	-	-
Accrued markup	-	280,566	-	-
Receivable from related parties	-	-	-	-
Cash and bank balances	-	6,382	-	-
Financial liabilities not measured at fair value				
Accrued and other liabilities	-	-	65,322	-
Payable to related parties - current account	-	-	56,929	-

30 June 2016				
	Carrying amount			Fair value
	Other financial assets	Loan and receivables	Other financial liabilities	Level 3
(Audited)				
(Rupees in thousand)				
Financial assets measured at fair value				
Long term investment	12,919,989	-	-	12,919,989
Financial assets not measured at fair value				
Long term loan to related party	-	1,397,876	-	-
Long term deposits	-	75	-	-
Accrued markup	-	202,484	-	-
Receivable from related parties	-	16,856	-	-
Cash and bank balances	-	3,758	-	-
Financial liabilities not measured at fair value				
Accrued and other liabilities	-	-	64,130	-
Payable to related parties - current account	-	-	2,901	-

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended December 31, 2016

Management assessed that the fair values of cash & cash equivalents, receivables, loan, payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and credit quality of counter parties.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgement 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 and selection of discount rates.

Management has used discounted cash flow approach and market approach while valuing underlying investee (included in this financial information under Long Term Investment). 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 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 note 4 and hence not separately disclosed.

13. RELATED PARTY DISCLOSURES

Related parties comprise of direct subsidiaries, indirect subsidiaries, associated companies, staff retirement benefit fund and key management personnel of the Company. Transactions with related parties are carried out on agreed basis. Transactions with related parties during the period, other than those which have been disclosed elsewhere in this condensed interim unconsolidated financial information, are as follows:

	Six months period ended	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
	(Un-audited)	
TRG (Private) Limited - (Indirect subsidiary)		
Loan disbursed during the period	2,000	850,500
Interest income on advance	105,335	58,947
TRG Pakistan Limited Staff Provident Fund		
Contributions to the fund	49	239

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim unconsolidated financial information was authorised for issue on February 27, 2017 by the Board of Directors of the Company.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

 Director

 Director



**Condensed Interim Consolidated
Financial Information**

For the six months period ended
December 31, 2016

Condensed Interim Consolidated Balance Sheet

As at December 31, 2016

	Note	December 31, 2016 (Un-audited)(Rupees in thousand)....	June 30, 2016 (Audited)
ASSETS			
Non current assets			
Property and equipment		3,110,425	2,810,241
Intangible assets		6,218,644	2,193,714
Long term investment		29,295	3,387,612
Deferred tax asset		197,466	166,042
Long term loans and advances		1,009,477	1,020,731
Long term deposits and prepayments		415,664	352,313
		<u>10,980,971</u>	<u>9,930,653</u>
Current assets			
Trade debts		8,494,678	7,404,431
Advances		59,860	10,629
Deposits and prepayments		1,189,012	1,405,349
Other receivables		358,225	252,339
Advance tax		231,451	202,170
Cash and bank balances		2,766,165	5,259,909
		<u>13,099,391</u>	<u>14,534,827</u>
Total assets		<u><u>24,080,362</u></u>	<u><u>24,465,480</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized share capital		7,330,000	7,330,000
Issued, subscribed and paid-up capital		5,453,907	5,453,907
Foreign currency translation reserve		(189,242)	(216,539)
Accumulated losses		(4,294,311)	(2,633,235)
Equity attributable to shareholders of the Parent Company		970,354	2,604,133
Non-controlling interests		(1,416,519)	313,520
Total equity		<u>(446,165)</u>	<u>2,917,653</u>
LIABILITIES			
Non current liabilities			
Long term finances		10,091,665	7,534,809
Liabilities against assets subject to finance lease		743,733	836,512
Retirement benefit obligation		70,728	66,360
Other non-current liabilities		320,123	192,729
		<u>11,226,249</u>	<u>8,630,410</u>
Current liabilities			
Trade and other payables		7,079,326	6,519,915
Convertible preference shares		3,137,955	3,145,032
Short term borrowings		1,704,170	1,863,944
Current maturity of:			
- Long term finances		610,591	666,158
- Liabilities against assets subject to finance lease		534,725	472,509
Taxes payable		233,511	249,859
		<u>13,300,278</u>	<u>12,917,417</u>
Total equity and liabilities		<u><u>24,080,362</u></u>	<u><u>24,465,480</u></u>
Contingencies and commitments			

6

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim consolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the six months period ended December 31, 2016

	Quarter Ended		Six months period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Note				
	(Rupees in thousand)			
Revenue	8,000,253	7,231,638	16,669,806	14,495,162
Cost of services	(6,805,093)	(6,207,846)	(14,116,646)	(12,675,134)
Gross profit	1,195,160	1,023,792	2,553,160	1,820,028
Administrative and general expenses	(1,812,055)	(1,652,085)	(3,980,513)	(3,305,880)
Other income	92,713	23,613	367,810	68,836
Other charges	(37,114)	(11,033)	(82,742)	(17,590)
	(561,296)	(615,713)	(1,142,285)	(1,434,606)
Finance cost	(280,502)	(86,166)	(639,986)	(205,999)
Share of (loss) / profit of equity accounted associate - net of tax	(19,745)	21,765	(41,489)	53,860
Loss before tax	(861,543)	(680,114)	(1,823,760)	(1,586,745)
Taxation	(6,940)	(34,763)	(13,047)	(72,790)
Loss for the period	(868,483)	(714,877)	(1,836,807)	(1,659,535)
Other comprehensive (loss) / income				
<i>Item that is or may be reclassified to profit or loss subsequently</i>				
Foreign currency translation difference	13,987	(400)	29,145	(697)
Total comprehensive loss for the period	<u>(854,496)</u>	<u>(715,277)</u>	<u>(1,807,662)</u>	<u>(1,660,232)</u>
Loss attributable to:				
Share holders of the Parent Company	(303,969)	(449,429)	(738,273)	(1,043,316)
Non-controlling interests	(564,514)	(265,448)	(1,098,534)	(616,219)
	<u>(868,483)</u>	<u>(714,877)</u>	<u>(1,836,807)</u>	<u>(1,659,535)</u>
Total comprehensive loss attributable to:				
Share holders of the Parent Company	(299,073)	(469,839)	(710,976)	(1,090,545)
Non-controlling interests	(555,422)	(245,438)	(1,096,686)	(569,687)
	<u>(854,496)</u>	<u>(715,277)</u>	<u>(1,807,662)</u>	<u>(1,660,232)</u>
			(Rupee)	
Loss per share attributable to ordinary shareholders of the Parent Company - basic and diluted	7			
	<u>(0.56)</u>	<u>(0.84)</u>	<u>(1.35)</u>	<u>(1.95)</u>

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim consolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)
For the six months period ended December 31, 2016

	Attributable to share holders of the Parent Company			Non- controlling interests	Total
	Issued, subscribed and paid-up capital	Foreign currency translation reserve	Accumulated losses		
(Rupees in thousand)					
Balance as at July 1, 2015	4,453,907	(147,184)	(3,949,244)	1,645,222	2,002,701
Comprehensive loss					
Net loss for the period	-	-	(1,043,316)	(616,219)	(1,659,535)
Other comprehensive (loss) / income					
Currency translation difference	-	(47,229)	-	46,532	(697)
Total comprehensive loss for the period	-	(47,229)	(1,043,316)	(569,687)	(1,660,232)
Transactions with owners					
Right shares issued at par	1,000,000	-	-	-	1,000,000
Non-controlling interest arising on new issue of shares of a subsidiary	-	-	-	291,340	291,340
Dividend paid to minority shareholders by an indirect subsidiary	-	-	-	(77,807)	(77,807)
Purchase of treasury shares by a foreign subsidiary	-	-	-	(4,045)	(4,045)
Gain arising on sale of shares of a subsidiary without losing control	-	-	578,903	-	578,903
Share based payment transactions	-	-	-	19,984	19,984
Balance as at December 31, 2015	<u>5,453,907</u>	<u>(194,413)</u>	<u>(4,413,657)</u>	<u>1,305,007</u>	<u>2,150,844</u>
Balance as at July 1, 2016	5,453,907	(216,539)	(2,633,235)	313,520	2,917,653
Comprehensive loss					
Net loss for the period	-	-	(738,273)	(1,098,534)	(1,836,807)
Other comprehensive income					
Currency translation difference	-	27,297	-	1,848	29,145
Total comprehensive income / (loss) for the period	-	27,297	(738,273)	(1,096,686)	(1,807,662)
Transactions with owners					
Buy back of own shares by a foreign subsidiary	-	-	(17,700)	(13,680)	(31,380)
Purchase of a subsidiary's shares	-	-	(881,324)	(767,906)	(1,649,230)
Equity accounted associate-share of net assets	-	-	(23,779)	-	(23,779)
Acquisition of an indirect subsidiary	-	-	-	82,812	82,812
Share based payment transactions	-	-	-	65,421	65,421
Balance as at December 31, 2016	<u>5,453,907</u>	<u>(189,242)</u>	<u>(4,294,311)</u>	<u>(1,416,519)</u>	<u>(446,165)</u>

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim consolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the six months period ended December 31, 2016

	Six months period ended	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(1,823,760)	(1,586,745)
Adjustments for:		
Depreciation and amortization	747,818	560,114
Gain on buy back of own shares by a foreign subsidiary	(21,025)	-
Share of loss / (profit) of equity accounted associate	41,489	(53,860)
Finance costs	639,986	205,999
Employee's stock option plan expense	65,421	19,984
Return on bank balances / interest on advances	(3,764)	(4,025)
	<u>1,469,925</u>	<u>736,262</u>
	(353,835)	(850,483)
Increase in trade debts	(355,219)	(1,239,337)
Decrease in advances, deposits, prepayments and other receivables	114,200	43,718
(Decrease) / increase in current & other liabilities	(197,417)	364,479
	<u>(438,436)</u>	<u>(831,140)</u>
Net cash used in operations	(792,271)	(1,681,623)
Return received on bank balances / advances	3,439	3,129
Mark-up / interest paid on borrowings / leases	(639,986)	(204,915)
Taxes paid	(91,745)	(85,853)
Long term loans, advances, deposits and prepayments	(52,097)	(50,416)
	<u>(780,389)</u>	<u>(338,055)</u>
Net cash used in operating activities	(1,572,660)	(2,019,678)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, equipment & intangibles	(845,465)	(581,145)
Purchase of a subsidiary's shares	(1,649,230)	-
Acquisition of an indirect subsidiary, net of cash acquired	(677,130)	-
Dividend received from associate	-	59,516
Net cash used in investing activities	(3,171,825)	(521,629)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of right shares	-	1,000,000
Buy back of own shares by a foreign subsidiary	(10,355)	(4,045)
Repayment of finance lease liability	(30,563)	(79,698)
Proceeds from borrowing - net	2,266,790	1,244,499
Dividend paid to minority shareholders by an indirect subsidiary	-	(77,807)
Investment in a subsidiary by third parties without losing control	-	870,243
Net cash generated from financing activities	<u>2,225,872</u>	<u>2,953,192</u>
Effect of exchange rate difference	24,869	(16,753)
Net (decrease) / increase in cash and cash equivalents	<u>(2,493,744)</u>	<u>395,132</u>
Cash and cash equivalents at beginning of the period	5,259,909	605,876
Cash and cash equivalents at end of the period	<u>2,766,165</u>	<u>1,001,008</u>

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim consolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

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

For the six months period ended December 31, 2016

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 Ordinance, 1984 and is listed on the Pakistan Stock Exchange. 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 holding company and acquire, invest and manage operations relating to business process outsourcing, softwares, online customer acquisition, marketing of medicare related products, and contact centre optimisation services through its subsidiary, The Resource Group International Limited (TRGIL).
- 1.3** During the period, TRGIL acquired further 32.7% equity interest in Digital Globe Services (previous holding was 46.4%) and gained control. DGS is accounted for as a subsidiary after the recent acquisition. Furthermore, TRGIL also acquired an additional 28.9% equity interest of IBEX Global Solutions and now has 99.9% ownership interest in IBEX.

2. STATEMENT OF COMPLIANCE

This un-audited condensed interim consolidated financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements as at and for the year ended June 30, 2016.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of this condensed interim consolidated financial information are the same as those applied in preparing the annual audited consolidated financial statements for the year ended June 30, 2016.

4. BASIS OF CONSOLIDATION

The interim consolidated financial information of the group comprises the interim financial information of the Parent Company and the entities controlled by it. The interim financial information of the Parent Company and subsidiary companies was prepared up to the same reporting date using consistent accounting policies and are combined on a line-by-line basis. All intercompany balances, transactions and resulting unrealised profits / (losses) are eliminated.

The financial information of subsidiaries have been consolidated from the date on which control was transferred to the group.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the six months period ended December 31, 2016

5. MINORITY INTERESTS

Minority interests represent the following:

Entity	Percentage of holding by minority shareholders	Percentage of voting rights of minority shareholders
The Resource Group International Limited	42.68	41.35

6. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as disclosed in Note 21 to the annual audited consolidated financial statements for the year ended June 30, 2016.

7. EARNINGS / (LOSS) PER SHARE

	Quarter Ended		Six months period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	(Rupees in thousand)			
Net loss attributable to share holders of the Parent Company	(303,969)	(449,429)	(738,273)	(1,043,316)
	Shares		Shares	
Weighted average number of ordinary shares outstanding	545,390,665	534,475,527	545,390,665	534,475,527
	(Rupee)		(Rupee)	
Loss per share - basic and diluted	(0.56)	(0.84)	(1.35)	(1.95)

8. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings (including subsidiaries and associates), staff retirement funds, directors and key management personnel. Material transactions with related parties, other than remuneration and benefits to the directors and key management personnel under the terms of employment are given below:

	Six months period ended	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
TPL Trakker Limited - (Common directorship)		
Revenue	6,590	7,806
Services acquired	4,762	1,797
TPL Direct Insurance Limited - (Common directorship)		
Revenue	4,416	4,704
Staff Provident Funds		
Employees' provident fund - Contribution made	35,918	22,997

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the six months period ended December 31, 2016

8.1 The transactions are carried out on the basis of mutually agreed terms.

8.2 The following balances were receivable from / (payable to) related parties as at the reporting date:

	December 31, 2016	June 30, 2016
 (Rupees in thousand).....	
TPL Trakker Limited - (Common directorship)		
Balance receivable / (payable)	5,612	(2,178)
TPL Direct Insurance Limited - (Common directorship)		
Balance receivable	1,663	3,064

9. GENERAL

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

10. DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorized for issue by the Board of Directors of the Parent Company on February 27, 2017.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim consolidated financial information has been signed by two directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director



TRG PAKISTAN LTD.

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