



## **TRG VISION**

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

## **TRG 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.



## **TABLE OF CONTENTS**

Corporate Information 03

Report of the Directors 04

Condensed Interim Unconsolidated  
Financial Information of TRG Pakistan Limited 06



## CORPORATE INFORMATION

### Board of Directors

**Peter H.R. Riepenhausen**

Chairman

**Muhammad Ziaullah Khan Chishti**

CEO

**Ali Jehangir Siddiqui**

**Zafar Iqbal Sobani**

**Muhammad Ali Jameel**

**John Leone**

**Mohammedullah Khan Khaishgi**

**Patrick McGinnis**

**Ameer S. Qureshi**

**Rafiq K. Dossani**

### 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.

Shares Department,

2nd Floor, State Life Bldg. No.3,

Dr. Ziauddin Ahmed Road, Karachi.

UAN: (021) 111-000-322

Fax: (021) 35655595

### 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 nine months period ended March 31, 2016

Your Directors are pleased to present the standalone Financial Statements of TRG Pakistan Limited for the period ended March 31, 2016. We would like to note that we have received an exemption from the Securities and Exchange Commission of Pakistan (SECP) from the requirement of preparing consolidated financial statements for this current quarter. The reason for this exemption is that two of our investee companies (IBEX Global Solutions and Digital Globe Services) are listed on the London Stock Exchange in AIM Market, where the financial calendar is on a half-yearly basis. Hence these two companies no longer release their financial information in the first and third quarters of the year and as such, we will consolidate their financial information into our June 30 results

### Key Developments

On a standalone basis, TRG Pakistan Limited serves as a holding company that holds equity interest in various operating companies through its TRG International Limited subsidiary. TRG Pakistan Limited has a 60.3% stake in TRG International Limited, and our financial statements reflect that stake at a book value of Rupees 3,471 million.

The market value of TRG International Limited's combined stakes in our two publicly listed subsidiaries IBEX Global Solutions and Digital Globe Services was Rupees 6,497 million (December 31, 2015: Rupees 6,251 million), corresponding to a pro-rated stake for TRG Pakistan Limited of Rupees 3,918 million (December 31, 2015: Rupees 3,769 million) or 1.1 times the book value for all of TRG International Limited reflected in our standalone financial statements. This pro-rated amount does not include the value represented by our other non-publicly listed subsidiaries such as SATMAP, e-Telequote, iSky. We will provide a more detailed update on our subsidiary-by-subsidiary operations at the time of our consolidated financial statements release for the year ending June 30, 2016.

### TRG Pakistan Limited Standalone Financial Statements

TRG Pakistan Limited essentially services as a holding company with minimal operations on a standalone basis.

The Company recognized standalone income of Rupees 115.0 million consisting of return on its cash balances and loans whereas it incurred expenses of Rupees 46.2 million associated with its holding company activities. As a result, TRG Pakistan Limited realized a profit before tax of Rupees 69.2 million for the nine months period ended March 31, 2016.

### Outlook

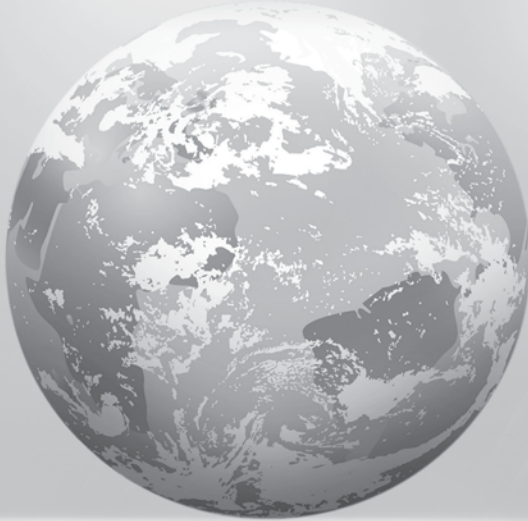
Our strategic plan continues to consist of executing on the realization of shareholder value for our operating assets. Our Enterprise Software subsidiary continues to grow rapidly in terms of value and provide significant upside to TRG. There is also a strong possibility of driving significant returns, possibly within the next twelve months. Furthermore, we are equally focused on exercising our significant shareholding in our listed companies in a manner that maximizes earnings and therefore generates valuation growth at these entities.

### 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: April 29, 2016



**CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE NINE MONTHS PERIOD ENDED  
MARCH 31, 2016**

## CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

|  | Note | March 31,<br>2016<br>(Un-audited)<br>.....(Rupees in thousand)..... | June 30,<br>2015<br>(Audited) |
|--|------|---|-------------------------------|
| <b>ASSETS</b>                          |      |   |                               |
| <b>Non-current assets</b>              |      |   |                               |
| Property and equipment                 |      | 380   | 203                           |
| Long term investment                   | 4    | 3,471,365   | 3,372,743                     |
| Long term loans to related party       | 5    | 1,397,876   | 468,325                       |
| Long term deposits                     |      | 75  | 75                            |
|  |      | <u>4,869,696</u>  | <u>3,841,346</u>              |
| <b>Current Assets</b>                  |      |   |                               |
| Accrued markup                         |      | 150,225   | 39,170                        |
| Receivable from related parties        | 6    | 16,870  | 583                           |
| Cash and bank balances                 | 7    | 7,563   | 9,610                         |
|  |      | <u>174,658</u>  | <u>49,363</u>                 |
| <b>Total Assets</b>                    |      | <u><u>5,044,354</u></u>   | <u><u>3,890,709</u></u>       |
| <b>EQUITY AND LIABILITIES</b>          |      |   |                               |
| <b>Share capital and reserves</b>      |      |   |                               |
| Authorised share capital               | 8    | <u>7,330,000</u>  | <u>7,330,000</u>              |
| Issued, subscribed and paid-up capital | 8    | 5,453,907   | 4,453,907                     |
| Foreign currency translation reserve   |      | 1,113,942   | 997,934                       |
| Accumulated losses                     |      | (1,594,039)   | (1,655,035)                   |
|  |      | <u>4,973,810</u>  | <u>3,796,806</u>              |
| <b>Current liabilities</b>             |      |   |                               |
| Accrued and other liabilities          | 9    | 57,618  | 62,624                        |
| Payable to related parties             |      | 2,901   | 29,061                        |
| Taxation - net                         |      | 10,025  | 2,218                         |
|  |      | <u>70,544</u>   | <u>93,903</u>                 |
| <b>Total equity and liabilities</b>    |      | <u><u>5,044,354</u></u>   | <u><u>3,890,709</u></u>       |

10

### Contingencies and commitments

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 NINE MONTHS PERIOD ENDED MARCH 31, 2016

|  | Note | Quarter Ended     |                   | Nine months period ended |                   |
|--|------|-------------------|-------------------|--------------------------|-------------------|
|  |      | March 31,<br>2016 | March 31,<br>2015 | March 31,<br>2016        | March 31,<br>2015 |
| .....(Rupees in thousand).....                         |      |                   |                   |                          |                   |
| Interest income  | 11   | 52,448            | 17,165            | 115,392                  | 28,362            |
| Other expenses   |      | (5,166)           | (10,261)          | (33,361)                 | (21,833)          |
| Finance cost   |      | -                 | -                 | (12,794)                 | (9,120)           |
| Profit / (loss) before taxation                        |      | 47,282            | 6,904             | 69,237                   | (2,591)           |
| Taxation   |      | (1,215)           | -                 | (8,241)                  | -                 |
| Profit / (loss) for the period                         |      | 46,067            | 6,904             | 60,996                   | (2,591)           |
| <b>Other comprehensive income</b>                      |      |                   |                   |                          |                   |
| Foreign currency translation difference                |      | 904               | 54,161            | 116,008                  | 107,104           |
| <b>Total comprehensive income for the period</b>       |      | <b>46,971</b>     | <b>61,065</b>     | <b>177,004</b>           | <b>104,513</b>    |
|  |      | <b>(Rupee)</b>    |                   | <b>(Rupee)</b>           |                   |
| <b>Earnings / (loss) per share - basic and diluted</b> |      | <b>0.09</b>       | <b>0.01</b>       | <b>0.11</b>              | <b>(0.01)</b>     |

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 NINE MONTHS PERIOD ENDED MARCH 31, 2016

|  | Issued,<br>subscribed<br>and paid-up<br>capital | Foreign<br>currency<br>translation<br>reserve | Accumulated<br>losses | Total            |
|--|---|---|-----------------------|------------------|
|  | ----- (Rupees in thousand) -----                |   |                       |                  |
| <b>Balance as at July 1, 2014</b>                                    | 3,853,907                                       | 896,875                                       | (1,657,014)           | 3,093,768        |
| <b>Transaction with owners</b>                                       |   |   |                       |                  |
| Issue of shares  | 600,000   | -   | -                     | 600,000          |
| <b>Total comprehensive income for the nine months period</b>         |   |   |                       |                  |
| Loss for the nine months period ended March 31, 2015                 | -   | -   | (2,591)               | (2,591)          |
| Other comprehensive income - Foreign currency translation difference | -   | 107,104                                       | -                     | 107,104          |
|  | -   | 107,104                                       | (2,591)               | 104,513          |
| <b>Balance as at March 31, 2015</b>                                  | <u>4,453,907</u>                                | <u>1,003,979</u>                              | <u>(1,659,605)</u>    | <u>3,798,281</u> |
| <b>Balance as at July 1, 2015</b>                                    | 4,453,907                                       | 997,934                                       | (1,655,035)           | 3,796,806        |
| <b>Transaction with owners</b>                                       |   |   |                       |                  |
| Issue of shares  | 1,000,000                                       | -   | -                     | 1,000,000        |
| <b>Total comprehensive income for the nine months period</b>         |   |   |                       |                  |
| Profit for the nine months period ended March 31, 2016               | -   | -   | 60,996                | 60,996           |
| Other comprehensive income - Foreign currency translation difference | -   | 116,008                                       | -                     | 116,008          |
|  | -   | 116,008                                       | 60,996                | 177,004          |
| <b>Balance as at March 31, 2016</b>                                  | <u>5,453,907</u>                                | <u>1,113,942</u>                              | <u>(1,594,039)</u>    | <u>4,973,810</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 NINE MONTHS PERIOD ENDED MARCH 31, 2016

|  | Note | Nine months period ended |                   |
|--|------|--------------------------|-------------------|
|  |      | March 31,<br>2016        | March 31,<br>2015 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>             |      |                          |                   |
| Profit / (loss) before tax for the period              |      | 69,237                   | (2,591)           |
| Adjustments for:                                       |      |                          |                   |
| Depreciation   |      | 87                       | 77                |
| Interest on loan and return on bank balances           |      | (115,392)                | (28,362)          |
| Unrealised exchange loss                               |      | 18,223                   | 5,769             |
|  |      | (97,082)                 | (22,516)          |
| Increase in current assets                             |      |                          |                   |
| Receivable from related parties                        |      | (16,287)                 | (18)              |
| Decrease in current liabilities                        |      |                          |                   |
| Accrued and other liabilities                          |      | (5,006)                  | (4,218)           |
| Payable to related parties                             |      | (26,160)                 | (97,691)          |
|  |      | (31,166)                 | (101,909)         |
| Cash used in operations                                |      | (75,298)                 | (127,034)         |
| Markup income received                                 |      | 4,337                    | 6,751             |
| Taxes paid   |      | (434)                    | (675)             |
| Net cash used in operating activities                  |      | (71,395)                 | (120,958)         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>             |      |                          |                   |
| Purchase of property and equipment                     |      | (264)                    | (119)             |
| Loan to related party                                  |      | (929,551)                | (468,325)         |
| Net cash used in investing activities                  |      | (929,815)                | (468,444)         |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>             |      |                          |                   |
| Issue of shares  |      | 1,000,000                | 600,000           |
| Net cash generated from financing activities           |      | 1,000,000                | 600,000           |
| Effects of exchange rate difference                    |      | (837)                    | (2,705)           |
| Net (decrease) / increase in cash and cash equivalents |      | (2,047)                  | 7,893             |
| Cash and cash equivalents at beginning of the period   |      | 9,610                    | 2,068             |
| Cash and cash equivalents at end of the period         | 7    | 7,563                    | 9,961             |

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 NINE MONTHS PERIOD ENDED MARCH 31, 2016

### I. 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 Karachi Stock Exchange (now Pakistan Stock Exchange Limited). The Company obtained the certificate of commencement of business on February 27, 2003. The operations of the Company started on April 11, 2003. The registered office of the Company is situated at 18th Floor, Center Point, Plot # 66/3-2, Off Shaheed-e-Millat Expressway, Korangi, Karachi, Pakistan. The Company obtained a license on May 14, 2003 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). Regulations 17(1) & (2) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 were relaxed for the Company, permitting the Company to expose up to 100% of its equity attributable to venture capital investment in its subsidiary. The Company filed an application with SECP under section 21 of the Companies Ordinance 1984, seeking approval for the exit of the Company from NBFC Regime and continue to operate as a listed company. The SECP vide its letter (NBFC/PE/TRG/VC/167/2012) dated January 18, 2012 has approved the Company's application.
- 1.2 The principal activity of the Company is to 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 (TRGIL).
- 1.3 This condensed interim financial information is unconsolidated financial information of the Company in which investment in subsidiary is carried at cost, less accumulated impairment. Securities and Exchange Commission of Pakistan ("SECP"), vide its letter No. EMD/233/650/2003-2139 dated April 28, 2016 has exempted the Company from preparation of consolidated financial statements for the quarter ended March, 31 2016. Accordingly, the consolidated financial statements of the group comprising the Company and its subsidiary, TRGIL, have not been attached with these financial statements.
- 1.4 As stated in note 8.3, TRGIL has not consummated a qualified public offering within the specified time period. Accordingly, the rights available to the PineBridge Investors (formerly AIG Investors) to cause the subsidiary to liquidate its assets or to force the sale of the TRGIL's ordinary shares to a third party have become exercisable. If the PineBridge Investors exercise their right, TRGIL may, as an alternative, be required by the PineBridge Investors to purchase back their preference shares from them (PineBridge Investors) instead, at a price not less than the original issue price (i.e. US\$ 1.12 per share). These options indicate the existence of uncertainty related to the future outcome if the PineBridge Investors exercise any of the aforementioned options. However, management is confident that the PineBridge Investors would continue with their investment in the preference shares of TRGIL in foreseeable future.

### 2. BASIS OF PREPARATION

This condensed interim unconsolidated financial information has been prepared in accordance with the requirements of International Accounting Standards 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 do 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, 2015.

This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet as at March 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 nine months period then ended which are neither audited nor reviewed. This condensed interim unconsolidated financial information also includes the condensed interim unconsolidated profit and loss account for the quarter ended March 31, 2016 which was also neither audited nor reviewed.

The comparative condensed unconsolidated balance sheet, presented in this condensed interim unconsolidated financial information, as at June 30, 2015 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 nine months period ended March 31, 2015 were neither audited nor reviewed. The comparative condensed interim unconsolidated profit and loss account for the quarter ended March 31, 2015 which is included in this condensed interim unconsolidated financial information was also 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 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, 2015.

### Risk Management

Risk management policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2015.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim 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, 2015.

## 4. LONG TERM INVESTMENT

|  | March 31,<br>2016<br>(Un-audited) | June 30,<br>2015<br>(Audited) |
|--|-----------------------------------|-------------------------------|
|--|-----------------------------------|-------------------------------|

(Rupees in thousand)

### In quoted subsidiary - at cost

The Resource Group International Limited (TRGIL)

|  |       |                  |                  |
|--|-------|------------------|------------------|
| 60,450,000 (June 30, 2015: 60,450,000) ordinary shares | 4.1.1 | 6,332,428        | 6,152,522        |
| Less: Accumulated impairment                           | 4.1.2 | (2,861,063)      | (2,779,779)      |
|  |       | <u>3,471,365</u> | <u>3,372,743</u> |

- 4.1 This represents investment in a subsidiary incorporated in Bermuda. Par value of each share is US\$ 0.01 and the additional paid up capital per share amounts to US\$ 0.99. The percentage of the Company's holding in TRGIL ordinary shares is 82.3% (June 30, 2015: 82.3%) whereas the percentage of voting interest of the Company in TRGIL is 60.31% (June 30, 2015: 60.31%).

**4.1.1 Movement in investment at cost**

| <b>March 31,</b>    | <b>June 30,</b>  |
|---------------------|------------------|
| <b>2016</b>         | <b>2015</b>      |
| <b>(Un-audited)</b> | <b>(Audited)</b> |

(Rupees in thousand)

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Opening balance                 | 6,152,522        | 5,972,738        |
| Currency translation difference | 179,906          | 179,784          |
| Closing balance                 | <u>6,332,428</u> | <u>6,152,522</u> |

**4.1.2 Movement in accumulated impairment**

| <b>March 31,</b>    | <b>June 30,</b>  |
|---------------------|------------------|
| <b>2016</b>         | <b>2015</b>      |
| <b>(Un-audited)</b> | <b>(Audited)</b> |

(Rupees in thousand)

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Opening balance                 | 2,779,779        | 2,698,551        |
| Currency translation difference | 81,284           | 81,228           |
| Closing balance                 | <u>2,861,063</u> | <u>2,779,779</u> |

**5. LONG TERM LOANS TO RELATED PARTY**

This represents loans extended 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 at a minimum markup of 15% per annum.

**6. RECEIVABLE FROM RELATED PARTIES - Unsecured**

| <b>March 31,</b>    | <b>June 30,</b>  |
|---------------------|------------------|
| <b>2016</b>         | <b>2015</b>      |
| <b>(Un-audited)</b> | <b>(Audited)</b> |

| <b>Name of related party</b> | <b>Nature of relationship</b> | <b>(Rupees in thousand)</b> |            |
|------------------------------|-------------------------------|-----------------------------|------------|
| TRG Marketing Solutions, UK  | Indirect subsidiary           | 600                         | 583        |
| TRG Holdings LLC.            | Indirect subsidiary           | 16,270                      | -          |
|                              |                               | <u>16,870</u>               | <u>583</u> |

**7. CASH AND BANK BALANCES**

|                        |              |              |  |
|------------------------|--------------|--------------|--|
| Balances with banks in |              |              |  |
| - current account      | 625          | 625          |  |
| - saving account       | 6,938        | 8,968        |  |
|                        | 7,563        | 9,593        |  |
| Cash in hand           | -            | 17           |  |
|                        | <u>7,563</u> | <u>9,610</u> |  |

## 8. SHARE CAPITAL

|   | March 31, 2016     |                    | June 30, 2015      |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | Number of shares   | Rupees in thousand | Number of shares   | Rupees in thousand |
| <b>Authorised 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            |
|   | <u>733,000,000</u> | <u>7,330,000</u>   | <u>733,000,000</u> | <u>7,330,000</u>   |
| <b>Issued, subscribed and paid-up capital</b>                 |                    |                    |                    |                    |
| Ordinary class 'A' shares of Rs 10 each                       |                    |                    |                    |                    |
| - allotted for consideration paid in cash (refer note 8.1)    | 535,765,687        | 5,357,657          | 435,765,687        | 4,357,657          |
| - allotted for consideration other than cash (refer note 8.2) | 9,624,978          | 96,250             | 9,624,978          | 96,250             |
|   | <u>545,390,665</u> | <u>5,453,907</u>   | <u>445,390,665</u> | <u>4,453,907</u>   |

- 8.1 During the current period, Company has issued one right share at par for every 4.454 Ordinary Class'A' shares held.
- 8.2 These shares were issued in exchange of share of 1,636,000 shares of TRGIL of US\$ 1 each in 2003.
- 8.3 On October 4, 2005, TRGIL entered into a series A preferred stock purchase agreement 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). The agreement allowed for the purchase of upto 26,785,714 shares of Series A Preferred Stock for an initially determined purchase price of US\$ 1.12 per share. The total committed amount was upto US\$ 30,000,000.

The preferred stock is entitled to the same voting rights and dividend entitlements as ordinary share, but rank higher in the event of liquidation. The 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 TRGIL remains in breach of such conditions and covenants. There were no triggering events for the nine months period ended March 31, 2016, requiring such an accrual or payment.

The preferred stock can be converted at any time into an equivalent amount of ordinary shares at the option of the preferred stockholder, subject to adjustment, if at any time after the date the preference shares were issued, TRGIL issues or sells or is deemed to have issued or sold any shares of TRGIL's ordinary share for consideration per share less than the conversion price of the preference shares on the date of such issuance or sale. Additionally, if certain minimum valuation thresholds are not met, a qualified public offering or change of control can cause an adjustment to conversion price. Accordingly, the precise number of ordinary shares issuable upon the conversion of the preferred shares cannot be definitely predicted.

If TRGIL has not consummated a qualified public offering on or before the third anniversary of the initial closing date, then the PineBridge Investors have the right to cause the TRGIL to sell to a third party all or a portion of either (1) the TRGIL issued ordinary shares or (2) the consolidated assets of the Group. If the PineBridge Investors exercise this right, TRGIL as an alternative be required by PineBridge Investors to purchase back their preference shares from them at a price not less than the original issue price (US\$ 1.12). However, according to section 4.06(e) of the Investor Rights Agreement (an agreement between the Company and International Finance Corporation (IFC)), the Company shall

not, without the approval of its shareholders by a special resolution, undertake or permit, amongst other things, change in control of any key subsidiary (which includes TRGIL). Further, section 4.06(e) of the Investor Rights Agreement has been made part of the aforementioned Preferred Stock Purchase Agreement. Nonetheless, according to paragraph 8.7(c)(iii) of the Preferred Stock Purchase Agreement, the Company, TRGIL and the management shareholders are required to take all necessary steps to enable the PineBridge Investors to cause sale of the TRGIL's issued ordinary shares.

If a liquidity event occurs, which is defined as a change of control or qualified public offering, the investors will receive the liquidity event amount for each preferred share held, which is determined as follows:

- 125% of the liquidation amount (US\$ 1.12) if the liquidity event occurs within 21 months of the initial closing date.
- 135% of the liquidation amount (US\$ 1.12) if the liquidity event occurs between 21 months and 36 months of the initial closing date.
- 145% of the liquidation amount (US\$ 1.12) if the liquidity event occurs between 36 months and 54 months of the initial closing date.
- 155% of the liquidation amount (US\$ 1.12) if the liquidity event occurs after 54 months from the initial closing date.

As the third anniversary of the initial closing date has passed on October 4, 2008 and TRGIL has not consummated a qualified offering, the PineBridge Investors, now have the right to exercise any one of the aforementioned options. However, to date TRGIL has not been notified by the PineBridge Investors of any intention to cause it to sell the assets or sale its outstanding ordinary shares.

As of March 31, 2016, PineBridge Investors has invested the full US\$ 30 million committed to the TRGIL.

## 9. PAYABLE TO RELATED PARTIES

**March 31,**  
**2016**  
**(Un-audited)**

**June 30,**  
**2015**  
**(Audited)**

(Rupees in thousand)

| Name of related party     | Nature of relationship |              |               |
|---------------------------|------------------------|--------------|---------------|
| TRGIL                     | Subsidiary             | -            | 11,587        |
| Trakker (Private) Limited | Associated company     | 2,178        | 2,178         |
| TRG Holding LLC           | Indirect subsidiary    | -            | 14,573        |
| TRG (Private) Limited     | Indirect subsidiary    | 723          | 723           |
|                           |                        | <u>2,901</u> | <u>29,061</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, 2015.

## 11. INTEREST INCOME

Nine months period ended

|  | March 31,<br>2016 | March 31,<br>2015 |
|--|-------------------|-------------------|
| Interest from financial assets               |                   |                   |
| - return on bank balances                    | 4,330             | 6,744             |
| - interest income from loan to related party | 111,062           | 21,618            |
|  | <u>115,392</u>    | <u>28,362</u>     |

## 12. DEFERRED TAXATION

Deferred tax asset has not been recognized in this condensed interim unconsolidated financial information as the management is of the view that it is not probable that sufficient taxable profit will be available in the foreseeable future against which deductible temporary differences and unused tax losses can be utilized.

## 13. RELATED PARTY DISCLOSURES

Related parties comprise of associated companies, staff retirement benefit fund, and key management personnel of the Company. Transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

|  | Nine months period ended |                   |
|--|--------------------------|-------------------|
|  | March 31,<br>2016        | March 31,<br>2015 |
| <b>TRG (Private) Limited - (Indirect subsidiary)</b> |                          |                   |
| Loan disbursed during the period                     | 929,551                  | 468,325           |
| Interest income on loans                             | 111,062                  | 21,618            |
| <b>TRG Pakistan Limited Staff Provident Fund</b>     |                          |                   |
| Contributions to the fund                            | 285                      | 391               |

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

## 14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim unconsolidated financial information was authorised for issue on April 29, 2016 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