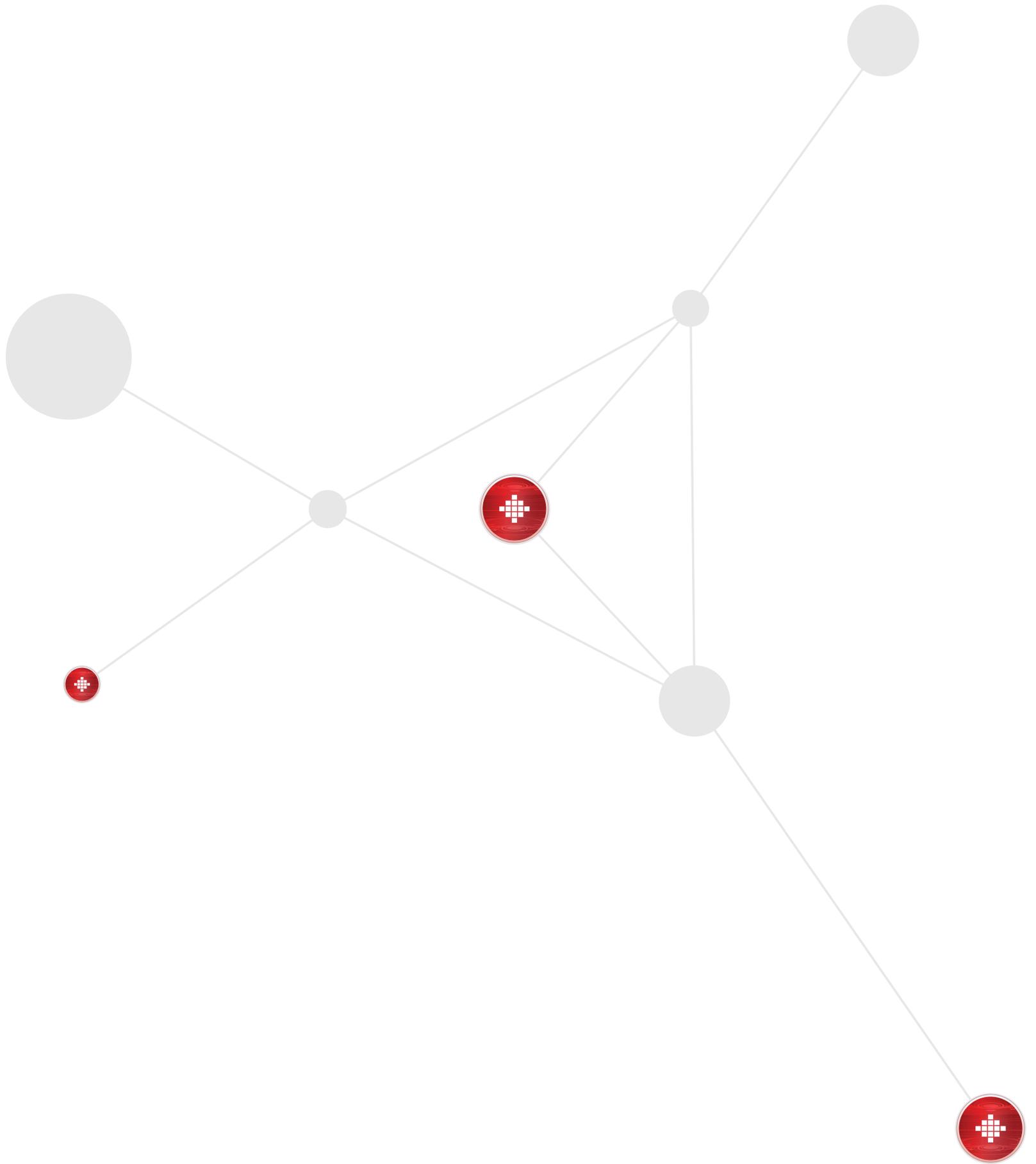




# TPLTrakker

Annual Report 2019-20



# Table of Contents

<b>Company Profile</b>		<b>Financial Statements</b>	
Vision and Mission	02	Auditor's Review Report	45
Core Values	02	Statement of Financial Position	48
Company Information	03	Statement of Profit and Loss Account	49
Geographical Presence	03	Statement of Cash Flow	50
		Statement of Changes in Equity	51
<b>Chairman's Review Report</b>	04	Notes to the Financial Statements	52
<b>CEO's Message</b>	06	<b>Shareholders' Information</b>	
		Notice of Annual General Meeting	105
<b>Profile of Directors</b>	09	Statement of Material Facts	107
		Proxy Form	125
<b>Sustainability Report</b>	19		
<b>Stakeholders' Information</b>			
Horizontal Analysis Balance Sheet	24		
Horizontal Analysis Profit / Loss Accounts	25		
Vertical Analysis Balance Sheet	26		
Vertical Analysis Profit / Loss Accounts	27		
Cash Flow Analysis	28		
Ratio Analysis	29		
Graphical Presentation of Key Financial Ratios	30		
Statement of Value Addition	31		
<b>Directors' Report</b>			
Economic Outlook	32		
Financial Highlights	32		
Business Review	33		
Internal Control System	34		
Credit Rating	35		
Key Financial Data for the last Three Years	35		
Auditors	36		
Statement on Corporate and Financial	36		
Pattern of Shareholding	36		
Board Meetings	37		
Acknowledgments	37		



TPL Trakker is one of the largest Telematics companies in Pakistan. For two decades, we have been a pioneer in the GPS Tracking Industry, helping customers extract data about vehicles and turning their utilization into intelligence. This improves operations and safety while mitigating cost and risk. TPL Trakker provides reliable end-to-end solutions for individuals, commercial fleets, businesses and automotive industry suppliers.



**Trakking**



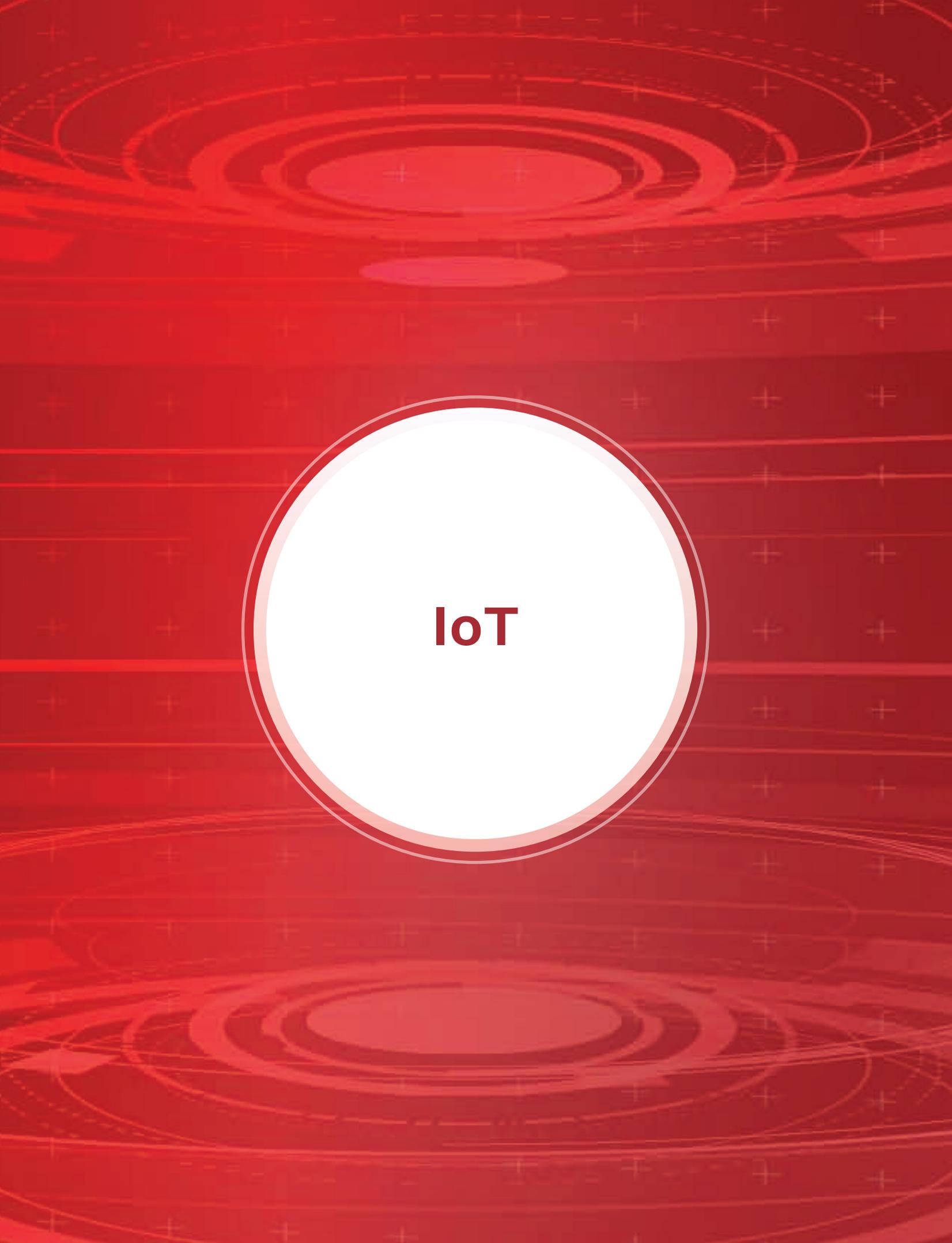
As leaders of geospatial data in Pakistan via our mapping arm, TPL Maps, we provide services and solutions that are current, scalable, automated and consistent. Licensed by the Survey of Pakistan, TPL Trakker was amongst the first companies to get a license for digital mapping in the country. As a location data powerhouse covering 400 cities, 4.5 million geo-coded addresses and POIs, and 600,000 km of road network mapped across Pakistan, TPL Trakker is poised to power the on-demand digital economy.



**Mapping &  
Location  
Services**



TPL Trakker's core business of Industrial Internet of Things (IIoT) puts analytics, people and machines to work, creating an advanced network of connected devices. We help businesses that are spread across a broad spectrum of industries to make smarter decisions that drive powerful outcomes.

The image features a vibrant red background with a subtle grid of small white plus signs. Overlaid on this are several concentric, semi-transparent circular patterns that resemble ripples or orbits. In the center, a white circle with a thin red border contains the text "IoT" in a bold, black, sans-serif font.

**IoT**

# Vision

Creating value through digital transformation.

# Mission

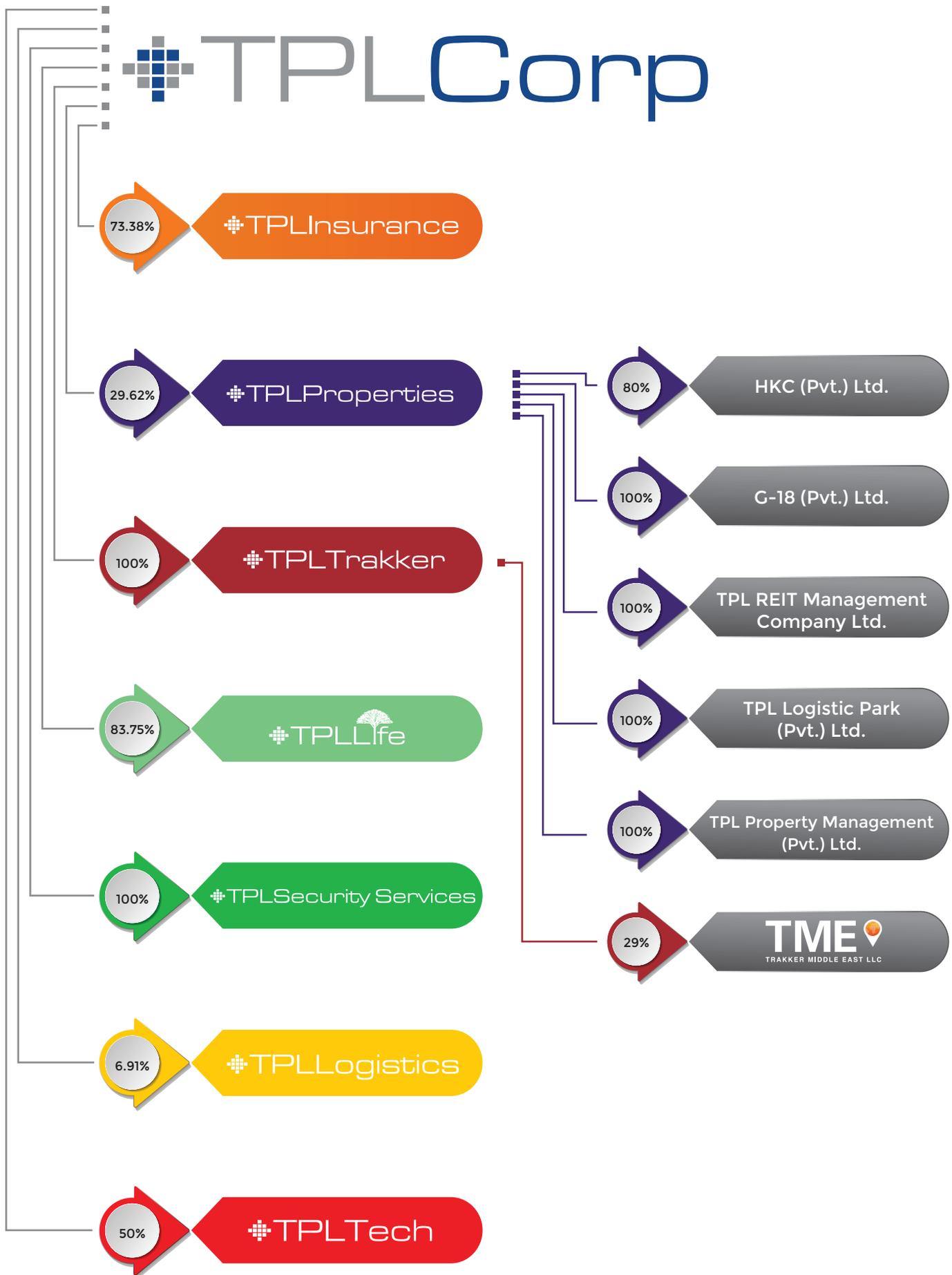
Delivering telematics to connect mobile assets, people and businesses.

# Core Values

Integrity | Entrepreneurial Spirit | Value Creation  
Team Work | Diversity | Gender Equality



# TPL Corp



# Company Information

## Board of Directors

Jameel Yusuf S.St.	Director/Chairman
Sarwar Ali Khan	Director
Sabiha Sultan Ahmad	Director
Mohammad Riaz	Director
Brig (R) Mohammad Tahir Chaudhary	Director
Adnan Shahid	Director
Ahmed Zuberi	Director
Ali Asgher	Director

## Chief Executive Officer

Sarwar Ali Khan

## Chief Financial Officer

Malik Ahmed Sheheryar

## Company Secretary

Danish Qazi

## Audit Committee

Ahmed Zuberi	Chairman
Adnan Shahid	Member
Muhammad Riaz	Member
Yousuf Zohaib Ali	Secretary

## Human Resources & Remuneration Committee

Ahmed Zuberi	Chairman
Adnan Shahid	Member
Sarwar Ali Khan	Member
Nader Nawaz	Secretary

## Auditors

EY Ford Rhodes  
Chartered Accountants

## Legal Advisor

Mohsin Tayebaly & Co.

## Bankers

Habib Metropolitan Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
National Bank of Pakistan  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
JS Bank Limited  
Bank Al Habib Limited  
United Bank Limited  
Summit Bank Limited  
Faysal Bank Limited  
Silkbank Limited  
BankIslami Pakistan Limited  
Askari Bank Limited  
Al Baraka Bank Pakistan Limited

## Share Registrar

THK Associates (Pvt.) Limited  
1<sup>st</sup> Floor, 40-C, Block-6, P.E.C.H.S.,  
Karachi 75400, Pakistan  
Phone: +92 (21) 34168270  
UAN: 111-000-322  
Fax: +92 (21) 34168271

## Registered Office

12<sup>th</sup> & 13<sup>th</sup> Floor, Centrepoint,  
Off Shaheed-e-Millat Expressway,  
Adjacent KPT Interchange,  
Karachi - 74900

## Web Presence

[www.tpltrakker.com](http://www.tpltrakker.com)

# Geographical Presence

## Corporate Office, Karachi

12<sup>th</sup> & 13<sup>th</sup> Floor, Centrepoint, Off Shaheed-e-Millat Expressway,  
Adjacent KPT Interchange, Karachi-74900

## TPL Trakker Installation Centre

20-B, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

## Lahore Regional Office

Tower 75, 4<sup>th</sup> Floor, L Block, Gulberg III, Kalma Chowk,  
Main Ferozepur Road, Lahore.

## Islamabad Regional Office

10<sup>th</sup> Floor (South), ISE Towers, 55-B,  
Jinnah Avenue, Blue Area, Islamabad.

## Islamabad Branch Office

19Y, 3<sup>rd</sup> Floor, Business Bay Avenue, Bahria Expressway,  
Sector F, DHA Phase 1, Islamabad.

## Faisalabad Regional Office

Office No. 2, 4<sup>th</sup> Floor, Mezan Executive Tower, Civil Lines,  
Faisalabad.

## Multan Regional Office

House No. 2, Haider Street, Shalimar Colony, Multan.

## Peshawar Regional Office

C-7 & C-8, 3<sup>rd</sup> Floor, Jasmine Arcade, Fakhr-e-Alam Road,  
Peshawar Cantt.

## Hyderabad Regional Office

2<sup>nd</sup> Floor, Plot # 5, Block B-15, Main Auto Bahn Road,  
Hyderabad.



# Chairman's Review



On behalf of the Board of Directors, I would like to thank our shareholders for joining the vision of TPL Trakker Limited ("the Company") of creating value through digital transformation and delivering telematics to connect mobile assets, people and businesses. Through this report, subsequent to the listing of the Company, I present the Company's overview to our shareholders and other stakeholders to apprise them of the performance of the team.

With over two decades of experience, TPL Trakker Limited has been a market leader in the vehicle tracking industry. With its mapping arm, the company ventured into Connected Car, Data Mapping, Location Based Services and Industrial IoT solutions. We attribute our success to our employees, who strive to steer the company forward, even during challenging times.

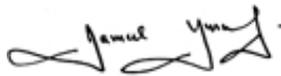
Our financial results for the year 2019 reflect the impact of the economic climate and volatility in markets following COVID-19. We continue to maintain our commitment to ensure effective performance and reinforce our stakeholders' concerns.

I would like to express my gratitude to our Board and the management team for their dedicated efforts, as well as to all employees for their hard work throughout the year. Our Board of Directors (the Board) comprises of independent, non-executive and executive directors who represent the right combination of skills and experience. The Board assists the management of the Company to thrive consistently in all situations through their knowledge, thoughtful engagement and regular support.

The trading of shares of TPLT on the Pakistan Stock Exchange has marked the beginning of a new chapter in our Company's growth. Giving the utmost importance to corporate governance, the Board has constituted its Committees ("the Audit Committee and the Human Resource Committee") which have played a crucial role in ensuring adherence to all regulatory requirements by the management and carrying out a review to evaluate its processes and effectiveness with the aim of ensuring efficient and effective operations and functions.

My sincere appreciation to all our shareholders for placing their trust in TPL Trakker. I would also like to thank our financiers, business associates, consultants and the regulatory authorities for their continued support.

Wishing success in the years to come.



Jameel Yusuf S.St.  
Chairman of the Board  
As of June 30, 2020

# CEO's Message



Disruption and resilience have been at the core of this past year. Amidst the uncertainty and volatility brought on by the COVID-19 pandemic, we have shown determination to drive success and growth through tangible business outcomes in the technology sector. We have drawn focus to our core business strengths, further developing new business lines, and to new digital initiatives for sustainable growth. I am pleased to share below, a snapshot of our achievements and innovations in the past year and I trust that these will enable TPL Trakker Limited to continue to create and deliver value for all our stakeholders.

With the first half of the year showing growth, our position was expectedly positive, however with the onset of the COVID-19 pandemic, we saw a tremendous shift to the outlook for key markets, the nature of business, as well as considerable changes in consumer behavior.

While key sectors like automotive manufacturing were already underperforming in 2019, this market shrunk further in the face of the pandemic and we had to adapt accordingly to maintain business momentum and generate sustainable growth. This involved bringing new innovations to the forefront such as Connected Car solutions and Trakker for Retail, as well as actively targeting new entrants like Kia, Hyundai and Changan in the automobile market for both the AVN and Tracking business lines. As auto financing rates improved over the year, subsequently driving an uptick in auto sales, this strategic move proved to yield long term dividends that would help maintain our position as market leaders.

Given changes in the business environment, we kept employee well-being in mind, shifting to remote work and adeptly maintaining goals and targets while also providing employees with training sessions to manage the dramatic changes to their day-to-day lives. We also took upon strategic initiatives to streamline internal operations and ultimately transform customer-facing touch-points. This included digitization and automation of Invoicing and Billing functions, an initiative that would not only reduce costs for our organization, but also improve our customer experience by reducing clutter and selecting channels most suited to their needs.

As the pandemic showed no signs of respite, our portfolio of Solutions and Services ensured we were ideally positioned to meet the shifts in customer expectations. Consumers began to rely further and further on digital services and solutions. Not only did this become an opportunity to showcase the TPL Trakker Mobile Application to new audiences via digital campaigns, but it also proved to be a significant opportunity for Location Based Services (LBS) sales. With a sharp increase in demand for digitally-linked services such as Food Delivery and Logistics, our LBS consumption with clients such as foodpanda, Eat Mubarak and Bykea has increased to new heights and has set the stage for strong growth in market share over the next year.

As we continue to grow newer business lines such as LBS, we have also drawn significant momentum for the Container Security Solutions business line, which has been used to track and monitor Afghan Transit bonded cargo for several years. In the next financial year, we expect to increase our monthly volumes by 60% (MoM) by initiating tracking of Transshipment Cargo and Reverse Commercial Cargo coming from Afghanistan into Pakistan. It is also a point of pride that we are also the first Company to have started commercial tracking operations from Gwadar Port which will further add to the long term growth of the Container Security business line.

Our business has truly demonstrated its strengths in the market and has emerged from the economic downturn more streamlined and determined to generate tangible business outcomes and continue on the path of growth, expansion and success. This is in no small part due to our people, who have shown tremendous resolve, agility and pragmatism. As we keep going forward, we will continue to explore new avenues of growth through product and data innovation that will ultimately strengthen our presence in key markets and address the needs of our stakeholders. We are agents of disruption with a passion for digital transformation and innovation that serve our customers' needs with efficiency, efficacy and ingenuity.

I would like to express my sincere appreciation and gratitude to those who have extended their trust in TPL Trakker.

Best,



Sarwar Ali Khan

# Board of Directors



Jameel Yusuf S. St. Chairman



Sarwar Ali Khan CEO



Sabiha Sultan Ahmed Director



Adnan Shahid Director



Ahmad Zuberi Director



Mohammad Riaz Director



Ali Asgher Director



Brigadier (R) Muhammad Tahir Chaudhary Director

# Sustainability

At TPL, we proactively integrate Sustainability into our routine decision making processes. Dedicated to driving positive change, we are aligned with the goals of the United Nation's 2030 Agenda for Sustainable Development.

## Our Focus Areas



### Health

52,590

Beneficiaries provided with good health and well-being



### Education

6,189

Beneficiaries provided with quality education



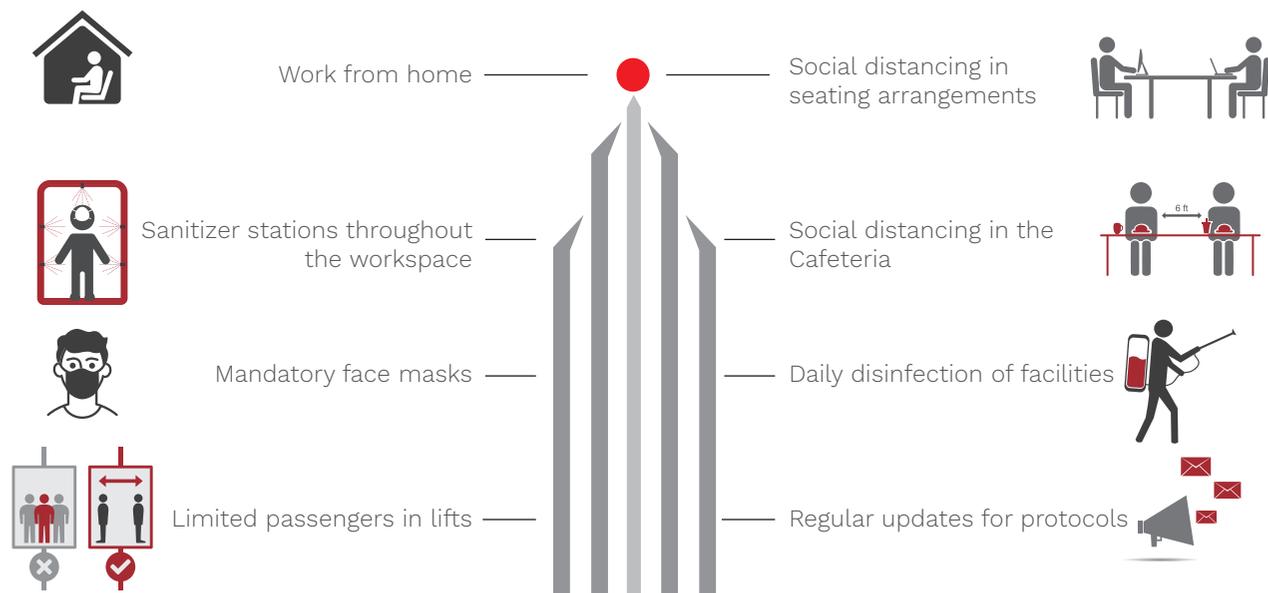
### Environment

34,943

Agents of environmental change

## COVID-19 Response at Centrepont

In January 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 to be a Public Health Emergency of International Concern. In response, we minimized the risk faced by our people and implemented strict precautionary measures at our offices, in compliance with international guidelines for the workplace. We will continue to ensure the safety and well-being of our employees, suppliers, customers, and local communities in the battle against COVID-19.

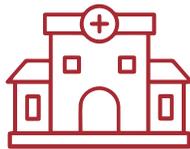


# Health



## The Lady Dufferin Hospital

TPL contributed towards the construction of Lady Dufferin Hospital's new OPD building which provides free of cost gynaecological surgeries and deliveries, ensuring low clinical charges for the needy.



Construction of the OPD building that will result in a 10% increase in capacity

## Awareness Sessions

To encourage employees to be mentally and physically fit, we regularly arrange awareness programs.



Session on Mental Health Awareness held for 100+ female staff on International Women's Day



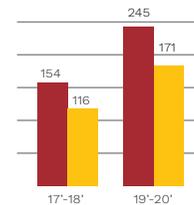
Session on Breast Cancer Awareness held in collaboration with Shaukat Khanum Memorial Cancer Hospital for 45+ female employees



Session on Good Health & Well-Being conducted by Dr. Kholod Shafi (MBBS & CFT) for 20+ employees

## Blood Donation Drive

TPL partnered with The Indus Hospital and Pakistan Red Crescent Society to organize a Blood Donation Drive to help fulfill the nation's demand for blood.



Number of blood units drawn in four years

■ Registrations ■ Blood units drawn

## 58<sup>th</sup> TPL Sindh Open Boys Swimming Championship 2019

TPL was the proud Sponsor of the 58th TPL Sindh Open Boys Swimming Championship 2019. Organized by the Sindh Swimming Association (SSA), the three-day championship is one of the largest sporting events in the province.



400 contestants from schools, colleges and recreational clubs



# Education



## Language Sessions

TPL held basic English Language sessions for lift operators, housekeeping, security, electricians and kitchen staff.

80+ employees successfully completed the sessions



## Educating the Marginalized

A workshop with the theme 'Clean Green Pakistan' was conducted at Nano's School. Employees volunteered to teach the students about environmental sustainability.

45+ Students provided with environmental education



## Karachi Biennale '19

TPL has been sponsoring Karachi Biennale since its inception. In 2019, we were the exclusive sponsor of the "Educational Program" which reached out to multiple schools. Through a series of art tours, it aimed to bring the community together and focused on the theme of green ecosystems.

Impact of KB '19  
3,000 students | 200 teachers | 30 schools



# Environment



## Drinking Water

We have reduced our mineral water expense and mitigated plastic consumption by installing water purifying dispensers throughout Centrepoint.

Number of plastic bottles saved: 32,643



## No-Meat Monday

TPL introduced the concept of going meat-less on Mondays at the Centrepoint cafeteria to increase awareness on adopting a healthier lifestyle.

10% reduction in meat consumption per month

## Responsible Consumption and Waste Management

TPL launched a Company-wide water and energy conservation awareness campaign to reduce our carbon footprint. We also partnered with Davaam Waste to recycle the waste generated from Centrepoint.



70% waste recycled per month

# Social Responsibility



## CPR Training Workshop

TPL conducted a Cardiopulmonary Resuscitation (CPR) Training Session in collaboration with The Indus Hospital. By learning this life saving technique, our employees will be able to assist a person in an emergency.



**50+**

Employees received basic CPR certification

## Health and Safety in the Workplace

TPL strives to ensure the routine implementation of strict policies and targeted safety drills. We aim to provide a workplace environment where employees are physically and mentally safe.



**0**

Fatalities reported in 2019-20



**2 Fire Drills**

conducted in 2019-20

## TPL Trakker Powers Smart Lockdown Solutions

TPL Trakker partnered with NITB (National Information Technology Board) and NCOC (National Command and Operation Center) to develop a smart lockdown and clustering solution. This helped the Government in its efforts to control and reduce the number of COVID-19 cases in Pakistan.



## Training and Development

TPL is committed to creating a dynamic and inclusive workplace that fosters a healthy, highly engaged and skilled workforce where everyone can excel. We ensure that everyone working with us feels welcomed, supported and valued for their talents. To ensure the continuous growth of our employees in their professional endeavors, we regularly conduct training sessions which include both soft and technical trainings.



**476**

Employees trained in soft and technical skills

## Diversity and Inclusion

TPL strives to operate with integrity, promoting diversity and inclusion in the workplace. As an equal opportunity employer, management teams ensure that people from diverse backgrounds are recruited. TPL implemented a Paternity Leave Policy with support and flexibility for fathers to help them transition to parenthood.



**706**

Total number of employees



**1:20**

Gender Diversity Ratio

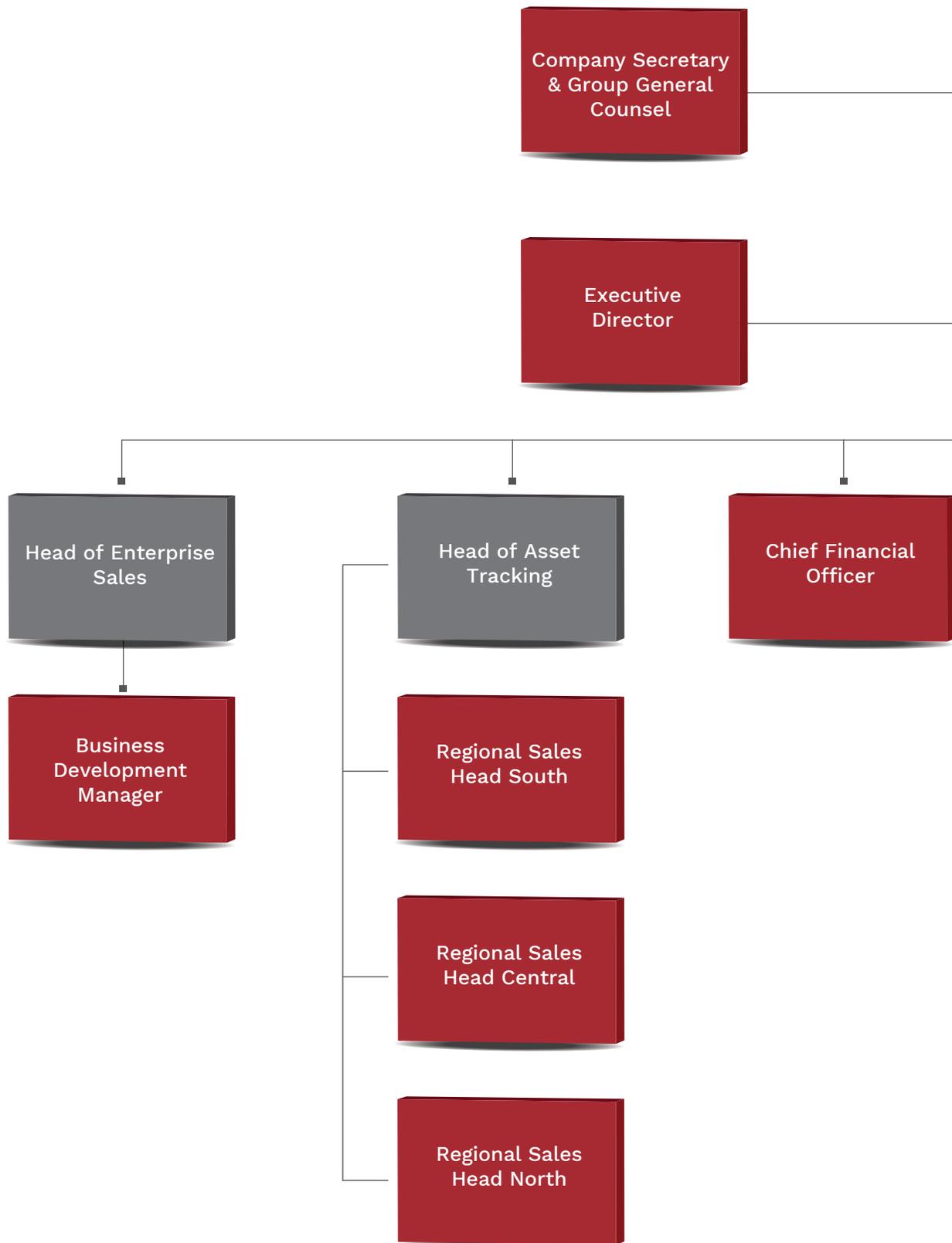
# Scaling for Impact

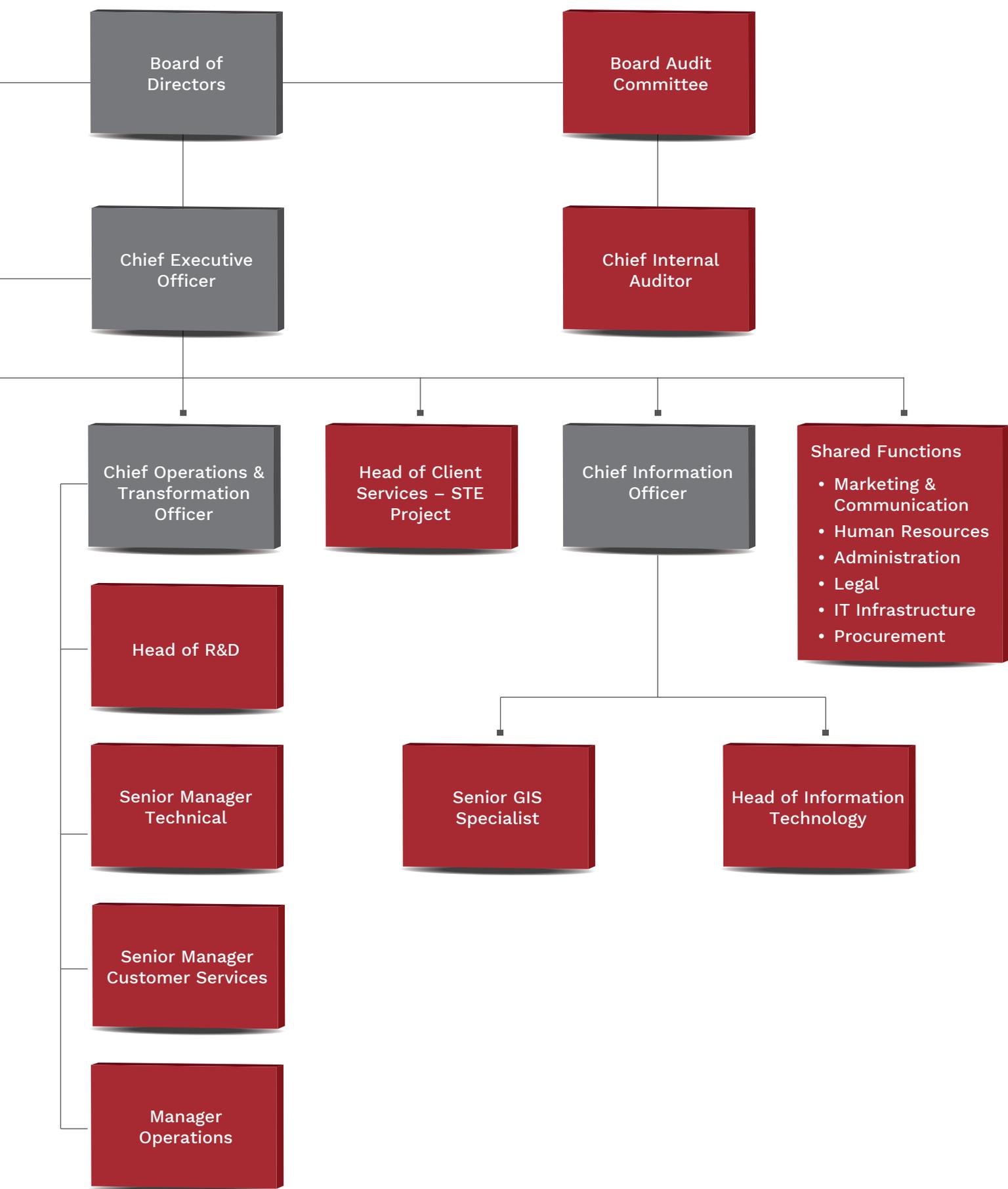
Over the years, TPL has supported more than 50 nonprofit organizations and charitable trusts across Pakistan, ranging from local charities to international NGOs and universities.

We aim to understand the challenges being faced by our communities to make collective change.



# Organizational Structure





# Horizontal Analysis Balance Sheet

	2020		2019		2018
	Rupees	Variance %	Rupees	Variance %	Rupees
Property, plant & equipment	1,059,232,338	-34%	1,602,145,206	44%	1,109,137,640
Intangible Assets	2,138,388,733	86%	1,151,299,734	0%	1,152,007,635
Right-of-use assets	72,269,178	100%	-	0%	-
Long-term investments	85,030,450	0%	85,030,450	100%	-
Long term loans	669,898	5%	637,436	46%	436,577
Long term deposits	33,953,962	-28%	47,100,425	-11%	52,968,501
Deferred tax assets - net	63,764,748	788%	7,178,349	431%	1,351,052
Stock-in-trade	246,221,725	-8%	266,339,657	-18%	325,837,835
Trade debts	1,022,872,997	-22%	1,309,502,023	1%	1,298,977,797
Loan and advances	107,834,467	173%	39,435,026	-1%	39,967,125
Trade deposits and prepayments	61,494,946	41%	43,674,281	-14%	50,731,410
Interest accrued	128,444,634	76%	73,054,250	131%	31,634,768
Other receivables	29,339,542	111%	13,934,042	-26%	18,924,417
Short-term investments	-	0%	-	-100%	200,000,000
Due from related parties	1,071,684,058	86%	576,290,498	81%	318,635,764
Taxation - net	-	-100%	42,478,304	220%	13,262,192
Cash and bank balances	19,221,288	-3%	19,830,816	40%	14,166,603
<b>TOTAL ASSETS</b>	<b>6,140,422,964</b>		<b>5,277,930,497</b>		<b>4,628,039,316</b>
Issued, subscribed and paid-up capital	1,204,425,930	30%	929,262,520	54%	601,771,360
Capital reserve	146,817,136	100%	-	0%	-
Revenue reserve	(82,063,384)	-164%	128,476,899	-65%	369,095,527
Surplus on revaluation of Fixed Assets	284,432,213	-49%	555,272,027	143%	228,272,597
Long-term financing	393,263,634	31%	300,000,000	-50%	600,000,000
Lease liabilities	26,419,021	-49%	52,145,571	10246%	504,016
Long-term loans	227,448,306	53%	148,888,890	-52%	308,133,420
Government grant	1,781,008	100%	-	0%	-
Trade and other payables	935,825,506	25%	750,929,062	9%	687,457,675
Accrued mark-up	140,061,771	106%	68,100,451	11%	61,557,517
Short-term financing	1,394,169,173	10846%	12,737,305	-34%	19,181,204
Running finance under mark-up arrangements	1,105,194,287	12%	988,025,014	5%	939,871,844
Current portion of non-current liabilities	264,050,183	-58%	627,321,359	86%	337,873,318
Due to related parties	47,772,963	-93%	670,119,700	53%	436,857,162
Taxation - net	13,685,055	100%	-	0%	-
Advance monitoring fees	37,140,162	-20%	46,651,699	25%	37,463,676
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,140,422,964</b>		<b>5,277,930,497</b>		<b>4,628,039,316</b>

# Horizontal Analysis Profit and Loss Account

	2020		2019		2018
	Rupees	Variance %	Rupees	Variance %	Rupees
Turnover - net	1,605,235,951	-9%	1,771,864,595	7%	1,660,647,208
Cost of sales	(981,520,486)	28%	(767,114,950)	16%	(661,285,399)
<b>Gross profit</b>	<b>623,715,465</b>	<b>-38%</b>	<b>1,004,749,645</b>	<b>1%</b>	<b>999,361,809</b>
Distribution expenses	(324,346,121)	13%	(286,453,301)	9%	(263,752,948)
Administrative expenses	(414,778,518)	13%	(368,309,884)	-11%	(411,902,451)
<b>Operating profit</b>	<b>(115,409,174)</b>	<b>-133%</b>	<b>349,986,460</b>	<b>8%</b>	<b>323,706,410</b>
Other expenses	-	-100%	(30,822,802)	62%	(19,049,307)
Finance costs	(515,317,204)	66%	(309,959,166)	38%	(224,068,041)
Other Income	161,224,750	162%	61,484,097	28%	48,097,569
<b>(Loss) / Profit before taxation</b>	<b>(469,501,628)</b>	<b>-764%</b>	<b>70,688,589</b>	<b>-45%</b>	<b>128,686,631</b>
Taxation	10,984,235	-132%	(34,825,647)	11%	(31,340,228)
<b>(Loss) / Profit after taxation</b>	<b>(458,517,393)</b>	<b>-1379%</b>	<b>35,862,942</b>	<b>-63%</b>	<b>97,346,403</b>
Other comprehensive income	(9,538,644)	-103%	327,456,882	100%	-
<b>Total comprehensive income</b>	<b>(468,056,037)</b>	<b>-229%</b>	<b>363,319,824</b>	<b>273%</b>	<b>97,346,403</b>

# Vertical Analysis Balance Sheet

	2020		2019		2018	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Property, plant & equipment	1,059,232,338	17.25%	1,602,145,206	30.36%	1,109,137,640	24%
Intangible Assets	2,138,388,733	34.82%	1,151,299,734	21.81%	1,152,007,635	25%
Right-of-use assets	72,269,178	1.18%	-	0.00%	-	0%
Long-term investments	85,030,450	1.38%	85,030,450	1.61%	-	0%
Long term loans	669,898	0.01%	637,436	0.01%	436,577	0%
Long term deposits	33,953,962	0.55%	47,100,425	0.89%	52,968,501	1%
Deferred tax assets - net	63,764,748	1.04%	7,178,349	0.14%	1,351,052	0%
Stock-in-trade	246,221,725	4.01%	266,339,657	5.05%	325,837,835	7%
Trade debts	1,022,872,997	16.66%	1,309,502,023	24.81%	1,298,977,797	28%
Loan and advances	107,834,467	1.76%	39,435,026	0.75%	39,967,125	1%
Trade deposits and prepayments	61,494,946	1.00%	43,674,281	0.83%	50,731,410	1%
Interest accrued	128,444,634	2.09%	73,054,250	1.38%	31,634,768	1%
Other receivables	29,339,542	0.48%	13,934,042	0.26%	18,924,417	0%
Short-term investments	-	0.00%	-	0.00%	200,000,000	4%
Due from related parties	1,071,684,058	17.45%	576,290,498	10.92%	318,635,764	7%
Taxation - net	-	0.00%	42,478,304	0.80%	13,262,192	0%
Cash and bank balances	19,221,288	0.31%	19,830,816	0.38%	14,166,603	0%
<b>TOTAL ASSETS</b>	<b>6,140,422,964</b>	<b>100%</b>	<b>5,277,930,497</b>	<b>100%</b>	<b>4,628,039,316</b>	<b>100%</b>
Issued, subscribed and paid-up capital	1,204,425,930	19.61%	929,262,520	17.61%	601,771,360	13%
Capital reserve	146,817,136	2.39%	-	0.00%	-	0%
Revenue reserve	(82,063,384)	-1.34%	128,476,899	2.43%	369,095,527	8%
Surplus on revaluation of Fixed Assets	284,432,213	4.63%	555,272,027	10.52%	228,272,597	5%
Long-term financing	393,263,634	6.40%	300,000,000	5.68%	600,000,000	13%
Lease liabilities	26,419,021	0.43%	52,145,571	0.99%	504,016	0%
Long-term loans	227,448,306	3.70%	148,888,890	2.82%	308,133,420	7%
Government grant	1,781,008	0.03%	-	0.00%	-	0%
Trade and other payables	935,825,506	15.24%	750,929,062	14.23%	687,457,675	15%
Accrued mark-up	140,061,771	2.28%	68,100,451	1.29%	61,557,517	1%
Short-term financing	1,394,169,173	22.70%	12,737,305	0.24%	19,181,204	0%
Running finance under mark-up arrangements	1,105,194,287	18.00%	988,025,014	18.72%	939,871,844	20%
Current portion of non-current liabilities	264,050,183	4.30%	627,321,359	11.89%	337,873,318	7%
Due to related parties	47,772,963	0.78%	670,119,700	12.70%	436,857,162	9%
Taxation - net	13,685,055	0.22%	-	0.00%	-	0%
Advance monitoring fees	37,140,162	0.60%	46,651,699	0.88%	37,463,676	1%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,140,422,964</b>	<b>100%</b>	<b>5,277,930,497</b>	<b>100%</b>	<b>4,628,039,316</b>	<b>100%</b>

# Vertical Analysis of Profit and Loss Account

	2020		2019		2018	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Turnover - net	1,605,235,951	100%	1,771,864,595	100%	1,660,647,208	100%
Cost of sales	(981,520,486)	-61%	(767,114,950)	-43%	(661,285,399)	-40%
Gross profit	623,715,465	39%	1,004,749,645	57%	999,361,809	60%
Distribution expenses	(324,346,121)	-20%	(286,453,301)	-16%	(263,752,948)	-16%
Administrative expenses	(414,778,518)	-26%	(368,309,884)	-21%	(411,902,451)	-25%
Operating profit	(115,409,174)	-7%	349,986,460	20%	323,706,410	19%
Other expenses	-	0%	(30,822,802)	-2%	(19,049,307)	-1%
Finance costs	(515,317,204)	-32%	(309,959,166)	-17%	(224,068,041)	-13%
Other Income	161,224,750	10%	61,484,097	3%	48,097,569	3%
(Loss) / Profit before taxation	(469,501,628)	-29%	70,688,589	4%	128,686,631	8%
Taxation	10,984,235	1%	(34,825,647)	-2%	(31,340,228)	-2%
(Loss) / Profit after taxation	(458,517,393)	-29%	35,862,942	2%	97,346,403	6%
Other comprehensive income	(9,538,644)	-1%	327,456,882	18%	-	0%
Total comprehensive income	(468,056,037)	-29%	363,319,824	21%	97,346,403	6%

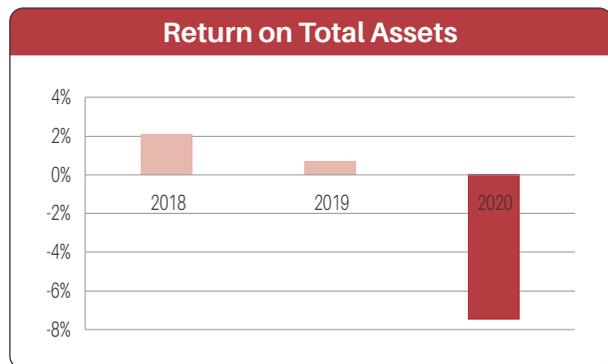
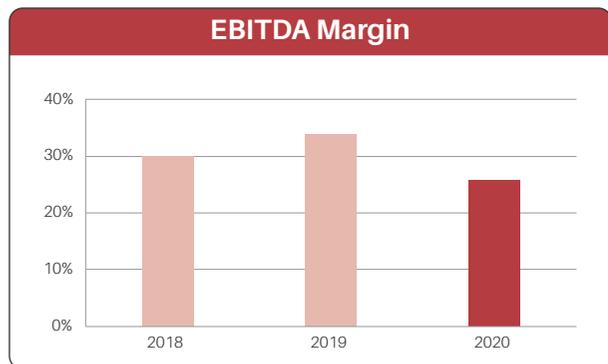
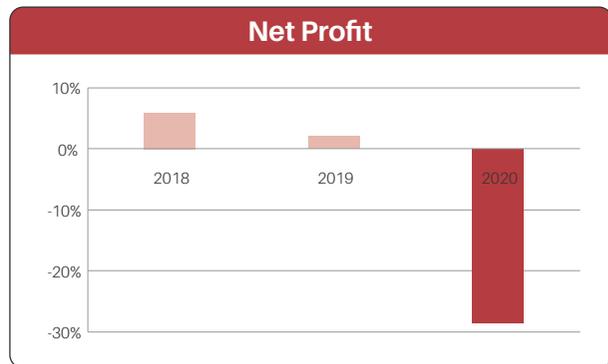
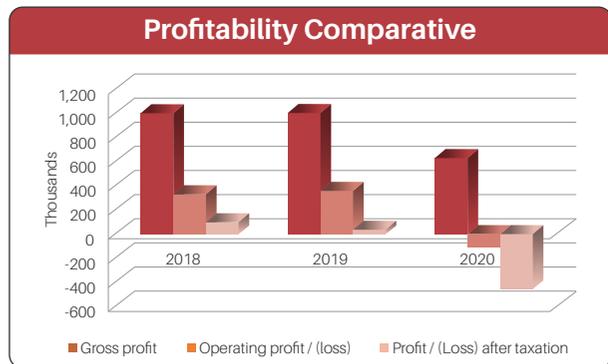
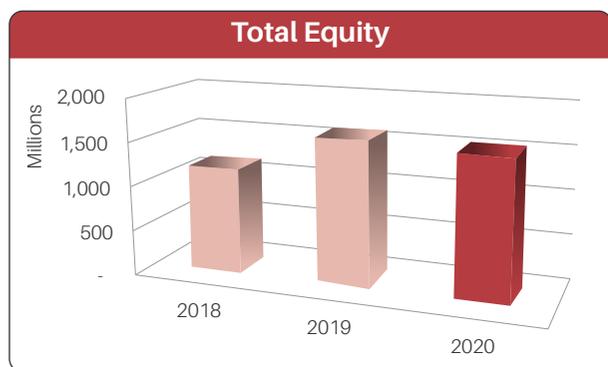
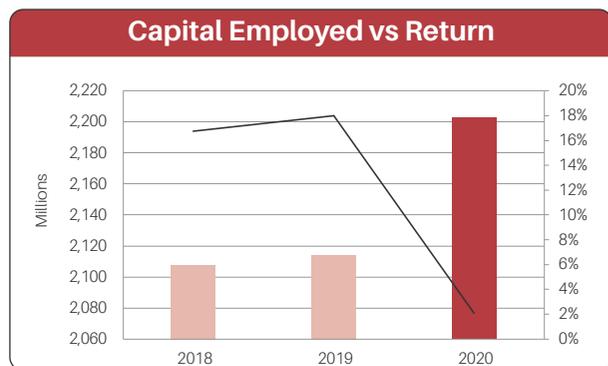
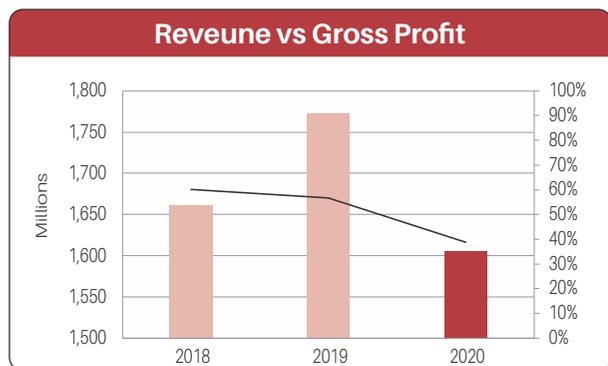
# Cash Flow Analysis

	2020	2019	2018
	Rupees		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation	(469,501,628)	70,688,589	128,686,631
Adjustment for non cash charges and other items:			
Depreciation on operating fixed assets	240,308,576	216,323,634	134,568,953
Depreciation on Right-of-use assets	82,131,716	-	-
(Reversal)/ Allowance for expected credit loss (ECL)	(21,406,034)	4,150,708	15,294,058
Amortisation of intangible assets	45,282,814	3,637,431	10,630,078
Finance cost	515,317,204	309,959,166	224,068,041
Gain on disposal of property, plant and equipment	(344,817)	(3,034,752)	(18,009,801)
Amortization of government grant	(2,416,771)	-	-
Exchange (gain) / loss - net	(639,152)	11,151,268	17,280,150
Deferred income	-	-	(2,444,444)
	<b>858,233,536</b>	<b>542,187,455</b>	<b>381,387,035</b>
Operating profit before working capital changes	<b>388,731,908</b>	<b>612,876,044</b>	<b>510,073,666</b>
(Increase) / decrease in current assets			
Stock-in-trade	20,117,932	(141,029,292)	(166,882,426)
Trade debts	278,242,209	(48,890,303)	(124,790,568)
Loans and advances	(68,399,441)	532,099	(30,198,246)
Trade deposits and prepayments	(15,588,899)	(4,319,719)	(14,547,652)
Other receivables	1,594,500	4,990,375	524,279
Interest Accrued	(108,680,690)	(41,419,482)	(19,632,290)
Due from related parties	(985,890,100)	(257,654,734)	(214,665,207)
	<b>(884,558,622)</b>	<b>(487,791,056)</b>	<b>(570,192,110)</b>
Increase / (decrease) in current liabilities			
Trade and other payables	169,508,573	63,471,387	241,882,101
Due to related parties	(623,577,070)	233,262,538	347,487,052
Advance monitoring fees	(9,511,537)	9,188,023	(130,097,772)
	<b>(463,580,034)</b>	<b>305,921,948</b>	<b>459,271,381</b>
Cash generated from operations	<b>(953,452,615)</b>	<b>431,006,936</b>	<b>399,152,937</b>
Receipts / (payments) for :			
Finance cost	(411,482,742)	(303,416,232)	(211,738,623)
Income taxes	9,753,822	(71,902,319)	(47,115,205)
	<b>(401,728,920)</b>	<b>(375,318,551)</b>	<b>(258,853,828)</b>
Net cash generated from operating activities	<b>(1,355,181,535)</b>	<b>55,688,385</b>	<b>140,299,109</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of - property, plant and equipment	(17,379,690)	(50,853,791)	(23,615,075)
- capital work-in-progress	-	(50,459,257)	(32,543,312)
- intangible assets	(87,974,492)	(2,929,530)	(5,147,556)
Sale proceeds from disposal of property, plant and equipment	323,464,876	3,427,814	33,570,763
Long-term deposits	18,146,463	5,868,076	(12,777,273)
Long-term loans	(32,462)	(200,859)	389,961
Sale proceed from encashment of term deposit receipts	-	200,000,000	(200,000,000)
Net cash (used in) / generated from investing activities	<b>236,224,695</b>	<b>104,852,453</b>	<b>(240,122,492)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liabilities repaid	(90,639,000)	(9,176,330)	(8,924,654)
	(78,225,076)	(152,252,399)	127,165,543
Long term financing - net	(205,807,641)	(35,157,167)	(63,621,506)
Share issuance cost	(13,324,060)	-	-
Short-term financing	1,381,431,868	(6,443,899)	(43,057,518)
Net cash generated (used in) / from financing activities	<b>993,436,091</b>	<b>(203,029,795)</b>	<b>11,561,865</b>
Net (decrease) / increase in cash and cash equivalents	(125,520,749)	(42,488,957)	(88,261,518)
Cash and cash equivalents at the beginning of the year	(968,194,198)	(925,705,241)	50
Cash and cash equivalents transferred under the scheme	7,741,948	-	(837,443,773)
Cash and cash equivalents at the end of the year	<b>(1,085,972,999)</b>	<b>(968,194,198)</b>	<b>(925,705,241)</b>

# Ratio Analysis Profit and Loss Account

		2020	2019	2018
<b>Profitability Ratios</b>				
Gross Profit to Sales	percent	39%	57%	60%
Net Profit to Sales	percent	-29%	2%	6%
EBITDA Margin to sales	percent	26%	34%	30%
Return on Equity	percent	-30%	2%	8%
Return on Capital Employed	percent	2%	18%	17%
<b>Liquidity Ratios</b>				
Current Ratio	Ratio	0.68	0.75	0.92
Quick / Acid test ratio	Ratio	0.62	0.67	0.79
Cash to Current Liabilities	Ratio	0.005	0.006	0.006
Cashflow from Operations to Sales	Ratio	-0.85	0.03	0.08
<b>Activity/ Turnover Ratios</b>				
Inventory turnover	Number of times	7	7	5
No of days in inventory (Days)	Number of days	56	55	72
Debtor turnover	Number of times	1.57	1.35	1.28
No of days in Receivables (Days)	Number of days	233	270	286
Credit turnover	Number of times	1.05	1.02	0.96
No of days in Payables	Number of days	348	357	379
Net Operating cycle	Number of days	-59	-33	-22
Total asset turnover	percent	26%	34%	36%
Fixed assets turnover	percent	46%	61%	72%
<b>Investment Valuation Ratios</b>				
Loss / Earnings per Share	Ratio	-3.81	0.30	1.62
<b>Capital structure Ratios</b>				
Financial leverage Ratio	Ratio	2.14	1.27	1.84
Debt Equity Ratio	Ratio	0.68	0.56	0.65
Interest cover Ratio	Ratio	0.09	1.23	1.57

# Graphical Presentation of Key Financial Ratios



# Statement of Value Addition and its Distribution

2020		2019	
Rupees	%	Rupees	%
<b>WEALTH GENERATED</b>			
Total revenue inclusive of sales tax & other income	1,993,243,281	2,127,544,461	
Cost of Sales and services (excluding salaries)	(674,324,830)	(531,837,285)	
	<u>1,318,918,451</u>	<u>1,595,707,176</u>	<u>100%</u>

## WEALTH DISTRIBUTION

### To Employees

Salaries, benefits and other costs	538,161,956	41%	408,797,656	26%
------------------------------------	-------------	-----	-------------	-----

### To Government

Income tax, sales tax, excise duty and others	272,384,744	21%	326,696,576	20%
---	-------------	-----	-------------	-----

### To Society

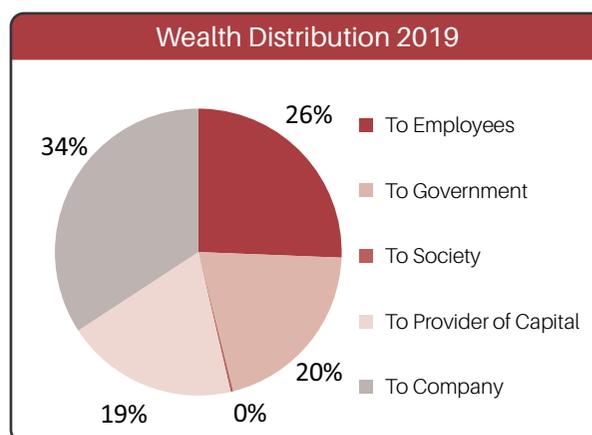
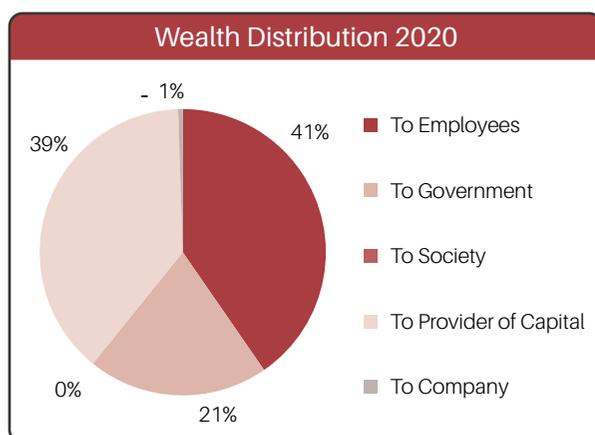
Donation towards education, health and environment	-	0%	4,355,499	0%
--	---	----	-----------	----

### To Provider of Capital

Dividend to shareholders	-	-	-	0%
Markup / Interest expenses on borrowed funds	515,317,204	39%	309,959,166	19%

### To Company

Depreciation, amortization & accumulated profits / (losses)	(6,945,453)	-1%	545,898,279	34%
	<u>1,318,918,451</u>	<u>100%</u>	<u>1,595,707,176</u>	<u>100%</u>



# Directors' Report

On behalf of the Board of Directors of TPL Trakker Limited, I am pleased to present the annual financial statements with the performance review of the Company for the year ended June 30th, 2020.

## 1. ECONOMIC OUTLOOK

According to the Economic Survey of Pakistan, the economy started to show improvement at the beginning of the fiscal year 2019-2020 on account of the Government's advanced policies to address macro-economic imbalances resulting in a reduction of the fiscal deficit to 4% of GDP thus moving the macro-economic indicators towards stabilization. However, on account of the outbreak of Coronavirus (COVID-19) during the second half of the fiscal year; Pakistan's economy has been impacted much like the rest of the world.

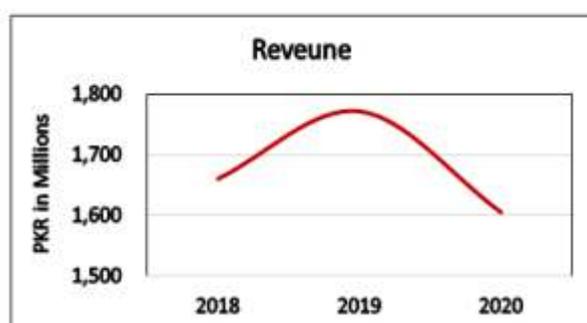
The government and the State Bank of Pakistan took various measures to curtail the adverse economic impacts of COVID-19 such as Rs 1.24 trillion relief package, reduction in interest rates to 7 % from a high of 13.25 %, refinancing schemes for medical centers and various incentives for export-oriented industries etc., which have resulted in a projected negative GDP growth of 0.38% during FY 2019-20 against the global projected contraction of 3% in 2020.

The automobile sector is poised for a revival as COVID-19 grip slowly loosens over the country and the government takes steps to boost industrialization in the coming year. The inauguration of the Allama Iqbal Industrial Zone in Faisalabad under CPEC is expected to boost investment in automobile manufacturing. Hyundai's joint venture with the Nishat Group and the recent successful launch of Tucson vehicle serves as an indication of the market's sentiment. Cheaper financing due to substantially lower interest rates will boost some demand and will likely motivate the customers to opt for borrowing to counter the increase in automobile prices witnessed over the past year.

As the Government has reopened businesses after the economic lockdown of several months; macro-economic indicators and earnings are expected to improve in FY 2020-2021.

## 2. FINANCIAL HIGHLIGHTS

	2019-20	2018-19
	Rupees	
Turnover - net	1,605,235,951	1,771,864,595
Gross profit	623,715,465	1,004,749,645
Operating (loss) / profit	(115,409,174)	349,986,460
(Loss) / Profit before taxation	(469,501,628)	70,688,589
(Loss) / Profit after taxation	(458,517,393)	35,862,942
(Loss)/Earnings per share (Basic & Diluted) (Rs.)	(3.81)	0.30



# Directors' Report

TPL Maps and TPL Rupiya were amalgamated with TPL Trakker w.e.f Jul 01, 2019. The Company achieved total Revenues of Rs 1.605 billion representing a decline of 9% when compared with last year. The Connected Car segment contributed 60% to the topline of the Company, followed by Digital Mapping & Location Services 38% and Industrial Internet of things 2%.

Increased borrowing and higher benchmark rates for the major part of the year contributed to increase in finance cost by 66% when compared with last year.

Based on the successful closure of the Company's recent IPO, a recovering economic situation and a massive decline in COVID-19 cases in the country, the Management envisages that the Company will close in the green for the upcoming fiscal year.

### 3. BUSINESS REVIEW

Like the rest of the world, the novel coronavirus (COVID-19), substantially affected the business and social activities in the country in an adverse manner. The Company not only ensured compliance with all the Standard Operating Procedures (SOPs) prescribed by the Federal & Provincial Governments, but being a corporate responsible citizen and the country's leading tracking services & IoT solutions provider partnered with NITB (National Information Technology Board) and NCOC (National Command & Operation Center) to locate COVID-19 hotspots in the country, which in turn helped the government in imposing geo-based smart lock downs, making them efficient & effective.

However, the Company's conventional operations suffered on account of the pandemic, negative economic growth and a massive reduction in the sales of the automobile sector which witnessed a decline of 50% nationally when compared with last year resulting in slowing down of sales and planned new initiatives.

#### Future Outlook - Connected Car & IoT

While the market has experienced significant turbulence as a result of the COVID-19 pandemic, TPL Trakker has shown resilience and recovery by focusing on its core revenue-generating business lines, new product innovations, digital campaigns, and targeted sales strategies for the Location-Based Services and Solutions portfolio.

Going forward, the Company is going to continue to explore market opportunities for smart solutions in Oil & Gas, Banking and Agriculture sectors. Key successes in these sectors over the past year have demonstrated the potential for future growth as more and more industries are opting for digitalization and the adoption of IoT. Multiple sectors across the country are responding to the shifts in the market with a greater focus on finding points of efficiency and automation. The increasing demand for the Company's IoT Solutions and Services complements the market shifts and is expected to continue to do so as the Company's IoT portfolio will proactively expand over the next year.

The organization's dedication to Research and Development (R&D) yielded significant success for the Retail business lines. Although the automotive sector has yet to fully recover from the declines over the past two years, the Company's successful bespoke retail products for Toyota, Honda and Suzuki led to new product innovations that can address the needs of the retail market as well as the automotive dealer market across the country. With continued dedication to product and market R&D, the Company expects to capitalize on its expertise and position in the market to grow market share and the share of business per customer.

The Government's Auto Policy 2016-21 is encouraging new automakers to set up in the country, and TPL Trakker intends to maintain its leadership of the Audio Video Navigation (AVN) market both with existing clientele and new entrants. This will happen through new innovations in in-car software and hardware, the Company is harnessing the opportunity to scale its business. The Company's market leadership and strength is exemplified with its penetration in the high-value SUV and Sedan segments.

Building upon its momentum and in response to market dynamics, the company will continue to expand its portfolio by bringing complementing solutions and innovations such as Predictive Vehicle Maintenance, Mobile

# Directors' Report

Usage-Based Insurance, Trakker Fleet Management Application, Data Warehousing improvements, and Cold-Chain Monitoring.

In summation, the Company is projecting recovery and stability after showing tremendous resilience in the face of a turbulent market. Diversification and product development will be the catalysts for growth.

## Future Outlook - Digital Mapping & Location Services

Going forward, the mapping division intends to continue to grow its market share as well as the share of business for each individual customer in the Location-Based Services (LBS) business line. This will be led by ramping up sales efforts, improving the portfolio of services, improving client-facing analytics and reporting and also by providing bi-weekly Optimization sessions where technical support is provided directly to the customer to better address their implementation.

With YoY comparison for the same period, LBS sales have increased, particularly with the On-Demand services sector. The growth in sales is expected to increase rapidly in the next financial year as the On-Demand services sector continues to grow at a rapid pace and the Telecommunication sector buoys its B2B segment with modern location-enabled enterprise solutions. The pipeline is anticipated to expand with a structured and coordinated sales team as well as through coordination with sales teams for other TPL Trakker business lines.

Data is at the epicenter of the Company's Services and Solutions. The total geo-coded data in production now amounts to 5,026,435 data points. The current rate of data ingestion is far outpacing internal projections and is poised to reach targets for the next financial year well within the predicted timeframe. This is expected to further enhance the company's competitive advantage in its services and solutions.

The modular Workforce and Logistics Management Solution (DART), a critical arm in the Location Based Solutions portfolio, is being actively pitched to the Banking sector with multiple pilots in the pipeline. These pilots are intended to validate specific customer requirements so that development cycles going into the next financial year will be finely to meet those needs.

Building upon international alliances, the company's partnership with HERE Technologies is continuing with several initiatives including Pakistan's location data integration, data migration for navigation systems, and the exploration of additional services that can be co-developed. The Company is also increasing its business development efforts for HERE's Location Services (HLS), keeping multi-national clientele in Pakistan as its immediate focus. This will provide an additional revenue stream under the auspices of the partnership agreement with HERE. Furthermore, solutions such as DART can be integrated with HLS to then market in the Middle East via Trakker Middle East (TME).

The merger with TPL Trakker has helped the Maps business capitalize on the network effects, refine its approach towards revenue generation and client management, and also develop new innovations in response to key market needs that can ultimately create stable and sustainable growth.

We also expect significant growth in our Container Security solutions which have been used to track and monitor Afghan Transit bonded cargo for several years. This year, we expect to increase our monthly volumes by 60% (MoM) by initiating tracking of Transshipment cargo and Reverse Commercial Cargo coming from Afghanistan into Pakistan. In addition to this, we are also the first Company to have started commercial tracking operations from Gwadar port which will further add to the growth of Container Security business.

## 4. INTERNAL CONTROL SYSTEM

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity, the Internal Audit function reports to the Chairman Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of the internal audit function, process owners undertake corrective action in their

# Directors' Report

respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## 5. CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term entity rating of "A-"(A-minus) and short-term entity rating of A2 (A two) to TPL Trakker Limited. This rating indicates a stable outlook and high credit quality.

## 6. KEY FINANCIAL DATA FOR THE LAST THREE YEARS

	2020	2019	2018
<b>Balance Sheet</b>			
Paid-up Capital	1,204,425,930	929,262,520	601,771,360
Capital reserve	146,817,136	-	-
Revenue reserve	(82,063,384)	128,476,899	369,095,527
Surplus on revaluation of Fixed Assets	284,432,213	555,272,027	228,272,597
<b>Total Equity</b>	<b>1,553,611,895</b>	<b>1,613,011,446</b>	<b>1,199,139,484</b>
Long term financing & loans / leases	647,130,961	501,034,461	908,637,436
Short term financing & loans / leases	2,763,413,643	1,628,083,678	1,296,926,366
Due to Related parties	47,772,963	670,119,700	436,857,162
Other Liabilities	1,128,493,502	865,681,212	786,478,868
<b>Total Liabilities</b>	<b>4,586,811,069</b>	<b>3,664,919,051</b>	<b>3,428,899,832</b>
Fixed Assets (including ROUA)	1,131,501,516	1,602,145,206	1,109,137,640
Intangible Assets	2,138,388,733	1,151,299,734	1,152,007,635
Long-term investments	85,030,450	85,030,450	-
Other Non-Current Assets	98,388,608	54,916,210	54,756,130
Trade Debts	1,022,872,997	1,309,502,023	1,298,977,797
Stock	246,221,725	266,339,657	325,837,835
Due from Related parties	1,071,684,058	576,290,498	318,635,764
Other Current Assets	327,113,589	212,575,903	354,519,912
Cash and Bank balances	19,221,288	19,830,816	14,166,603
<b>Total Assets</b>	<b>6,140,422,964</b>	<b>5,277,930,497</b>	<b>4,628,039,316</b>

# Directors' Report

	2020	2019	2018
Turnover - net	1,605,235,951	1,771,864,595	1,660,647,208
Cost of sales	(981,520,486)	(767,114,950)	(661,285,399)
Gross profit	<b>623,715,465</b>	<b>1,004,749,645</b>	<b>999,361,809</b>
Distribution expenses	(324,346,121)	(286,453,301)	(263,752,948)
Administrative expenses	(414,778,518)	(368,309,884)	(411,902,451)
Operating profit	<b>(115,409,174)</b>	<b>349,986,460</b>	<b>323,706,410</b>
Other expenses	-	(30,822,802)	(19,049,307)
Finance costs	(515,317,204)	(309,959,166)	(224,068,041)
Other Income	161,224,750	61,484,097	48,097,569
(Loss) / Profit before taxation	(469,501,628)	70,688,589	128,686,631
Taxation	10,984,235	(34,825,647)	(31,340,228)
(Loss) / Profit after taxation	<b>(458,517,393)</b>	<b>35,862,942</b>	<b>97,346,403</b>
Other comprehensive income	(9,538,644)	327,456,882	-
Total comprehensive income	<b>(468,056,037)</b>	<b>363,319,824</b>	<b>97,346,403</b>
(Loss) / Earnings per share (Basic & Diluted)	<b>(3.81)</b>	<b>0.30</b>	<b>1.62</b>

## 7. AUDITORS

M/s EY Ford Rhodes, Chartered Accountants retire and offer themselves for reappointment. The Board of Directors has recommended their appointment as auditors for the year ended June 30, 2021 at a fee to be mutually agreed.

## 8. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company was listed on Pakistan Stock Exchange subsequent to June 30, 2020, therefore the Company was not subject to regulations and responsibilities under the Code of Corporate Governance prescribed by the Securities and Exchange Commission of Pakistan for the period July 01, 2019 to June 30, 2020.

## 9. PATTERN OF SHAREHOLDING

A statement of pattern of shareholding of the Company as at June 30, 2020 is as follow;

Category	No. of Shareholder	Shareholding in Number	Shareholding in Percentage
Directors and their associates	5	5	0.000004%
Associated Company/ Subsidiary	1	120,442,588	99.999996%
Total	6	120,442,593	100

# Directors' Report

## 10. BOARD MEETINGS

The Company was listed on Pakistan Stock Exchange subsequent to June 30, 2020, therefore the Company was not subject to regulations and responsibilities under the Code of Corporate Governance prescribed by the Securities and Exchange Commission of Pakistan for the period July 01, 2019 to June 30, 2020.

## 11. ACKNOWLEDGEMENT

We would like to thank the shareholders of the Company for the confidence they have placed in us. We also appreciate the valued support and guidance provided by the Securities and Exchange Commission of Pakistan, Federal Board of Revenue and the Pakistan Stock Exchange. We would also express our sincere thanks to the employees, strategic partners, vendors, suppliers and customers for their support in pursuit of our corporate objectives.



---

JAMEEL YUSUF (S.ST.)  
DIRECTOR

# ڈائریکٹرز رپورٹ

میرے لئے یہ باعث مسرت ہے کہ ٹی بی ایل ٹریڈر لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں ۳۰ جون ۲۰۲۰ کو ختم ہونے والے مالی سال کے لئے کمپنی کے مالیاتی گوشوارے بشمول کارکردگی کا جائزہ فخریہ طور پر آپ کے گوش گزار کرتا ہوں۔

## ۱. اقتصادی جائزہ۔

پاکستان کے اقتصادی سروے کے مطابق، مالی سال ۲۰۱۹-۲۰۲۰ کے آغاز میں معاشی عدم توازن کو دور کرنے کیلئے حکومت کے اعلیٰ درجے کی پالیسیوں کی وجہ سے معیشت میں بہتری آنا شروع ہو گئی، جس کے نتیجے میں مالی خسارے کو جی ڈی پی کے ۴ فیصد تک لایا گیا جس کے باعث میکرو اکنامک اشاریے استحکام کے سمت بڑھنے لگے۔ تاہم، مالی سال کے دوسرے نصف حصے کے دوران کورونا وائرس (COVID-19) کے پھیلنے کی وجہ سے پوری دنیا کی طرح پاکستان میں بھی معیشت پر اثر پڑا۔

حکومت اور اسٹیٹ بینک آف پاکستان نے کوویڈ-۱۹ کے پڑنے والے بڑے اثرات سے نمٹنے کیلئے فوری طور پر ۲۲ اکتوبر ۲۰۲۰ء کو روپے کا امدادی پیکیج دیا، شرح سود ۲۵٪ سے ۱۳ فیصد بلندی سے ۷ فیصد تک کمی کر دی، طبی مراکز صحت اور برآمدی صنعتوں پر مختلف مراعات دی گئیں، جس کے نتیجے میں مالی سال ۲۰۱۹-۲۰۲۰ کیلئے جی ڈی پی ۳ فیصد بڑھوتری عالمی پیشگوئی کے مقابلے میں ۳۸٪ فیصد منفی رہی۔

کوویڈ-۱۹ کی گرفت ملک پر آہستہ آہستہ کم ہو رہی ہے جس کی وجہ سے آٹوموبائل سیکٹر بحالی کی طرف گامزن ہے۔ اور حکومت اس صنعت کو تیزی کے ساتھ فروغ دینے کیلئے مختلف اقدامات کر رہی ہے۔ سی پیک کے تحت فیصل آباد میں علامہ اقبال انڈسٹریل زون کے افتتاح سے آٹوموبائل مینوفیکچرنگ میں سرمایہ کاری کو فروغ دینے کی توقع ہے۔ ہنڈائی کی نشاط گروپ کیساتھ جوائنٹ وینچر اور ٹیکس گاڑی کے کامیاب لانچ مارکیٹ کے آغاز اور شروع ہونے کی نشاندہی کرتا ہے۔ شرح سود میں کمی کی وجہ سے سستے مالی اعانت کی طلب میں اضافہ ہو گا اور صارفین کا گذشتہ سال کے دوران آٹوموبائل کی قیمتوں میں اضافے سے نمٹنے کیلئے قرض لینے کے انتخاب کو ترغیب ملے گی۔

چونکہ حکومت نے کئی مہینوں کی بندش / لاک ڈاؤن کے بعد کاروبار دوبارہ کھولے ہیں، مالی معاشی اشاریے اور مالی سال ۲۰۲۱-۲۰۲۰ میں آمدنی میں بہتری متوقع ہے۔

## ۲. مالیاتی جھلکیاں۔

2018-19	2019-20
Rupees	
1,771,864,595	1,605,235,951
1,004,749,645	623,715,465
349,986,460	(115,409,174)
70,688,589	(469,501,628)
35,862,942	(458,517,393)
92,926,252	120,442,593
0.39	(3.81)

ٹرن اور نیٹ آمدنی

مجموعی منافع

(نقصان) / انتظامی نفع

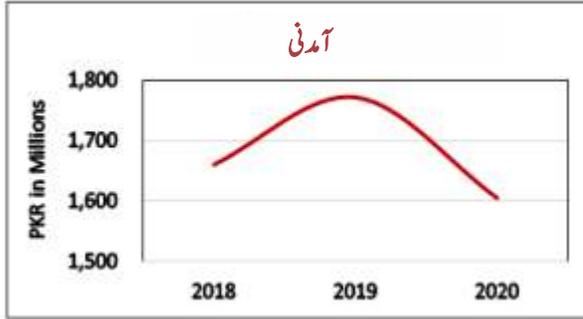
(نقصان) / نفع قبل از محصول

(نقصان) / نفع بعد از محصول

حصص کی تعداد

فی حصص آمدنی (ای پی ایس)

# ڈائریکٹر رپورٹ



ٹی پی ایل نقشہ جات اور ٹی پی ایل روپیا کو کم جولائی، ۲۰۱۹ کو ٹی پی ایل ٹریڈر میں ضم کر دیا گیا تھا۔ کمپنی نے ۲۰۱۹ء ۱۱ ارب روپے کی کل آمدنی حاصل کی تھی جو گذشتہ سال کے مقابلہ میں ۹ فیصد کی کمی کی نشاندہی کرتی ہے۔ منسلک کاروبار نے کمپنی کی ٹاپ لائن میں ۶۰ فیصد حصہ ڈالا، اس کے بعد ڈیجیٹل میپنگ اور لوکیشن سروسز میں ۳۸ فیصد اور صنعتی انٹرنیٹ اشیاء میں ۲ فیصد رہا۔

پچھلے سال کے مقابلے میں سال کے بڑے حصے کے لئے قرضے لینے اور اعلیٰ بیٹج مارک کی شرحوں میں مالیات کی لاگت میں ۶۶ فیصد اضافہ ہوا ہے۔

کمپنی کے حالیہ آئی پی او کی کامیاب تکمیل، معاشی صورتحال کی بحالی، اور ملک میں کوویڈ-۱۹ کے کیسز میں بڑے پیمانے پر کمی کی بنا پر، انتظامیہ نے یہ تصور کیا ہے کہ کمپنی آئندہ مالی سال کے لئے منافع میں بند ہو جائے گی۔

## ۳. کاروباری جائزہ۔

پوری دنیا کی طرح، نول کرونا وائرس (کوویڈ-۱۹) نے، ملک میں کاروباری و سماجی سرگرمیوں کو کافی حد تک متاثر کیا۔ کمپنی نے نہ صرف وفاقی اور صوبائی حکومتوں کے ذریعہ تجویز کردہ تمام معیاری آپریٹنگ طریقہ کار (ایس او پیسز) کی تعمیل کو یقینی بنایا بلکہ کارپوریٹ ذمہ دار شہری ہونے کے ناطے اور ملک کی سرکردہ ٹریڈنگ خدمات اور آئی او ٹی سلوشن فراہم کنندہ این آئی ٹی بی (نیشنل انفارمیشن ٹیکنالوجی بورڈ) اور این سی او سی (نیشنل کمانڈ اینڈ آپریشن سنٹر) کے ساتھ شراکت میں ہے۔ ملک میں کوویڈ-۱۹ ہاٹ سپاٹ کا پتہ لگانے کے لئے مدد فراہم کی، جس کے تحت گورنمنٹ نے علاقے / محلے کی سطح پر لاک ڈاؤن لگایا جو موثر ثابت ہوا۔

تاہم، کمپنی کی روایتی کاروباری و بائی بھاری، منفی معاشی نمو اور آٹو موٹو سیکٹر کی فروخت میں بڑے پیمانے پر کمی کی وجہ سے ہوئی جس میں گذشتہ سال کے مقابلے میں فروخت میں کمی اور منصوبہ بند نئے اقدامات کے نتیجے میں قومی سطح پر ۵۰ فیصد کمی دیکھنے میں آئی۔

### مستقبل کا جائزہ - منسلک کار اور انٹرنیٹ کی اشیاء۔

اگرچہ مارکیٹ میں کوویڈ-۱۹ وبائی مرض کے نتیجے میں نمایاں ہنگامہ برپا ہوا ہے، ٹی پی ایل ٹریڈر نے لوکیشن بیسڈ خدمات اور سلوشنز پورٹ فولیو کو حاصل کرنے والی اپنی بنیادی آمدنی پیدا کرنے والی بزنس لائنوں، نئی مصنوعات کی جدتوں، ڈیجیٹل مہمات اور فروخت کی اہدائی حکمت عملی پر توجہ دے کر چیک اور بازیابی کا مظاہرہ کیا ہے۔

## ڈائریکٹر رپورٹ

آگے بڑھتے ہوئے، کمپنی آئل اینڈ گیس، بیکنگ اور زراعت کے شعبوں میں سمارٹ حل کے لئے مارکیٹ کے مواقع تلاش کرنا جاری رکھے گی۔ گذشتہ ایک سال کے دوران ان شعبوں میں کلیدی کامیابیوں نے مستقبل کی ترقی کے امکانات کو ظاہر کیا ہے کیونکہ زیادہ سے زیادہ صنعتیں ڈیجیٹلائزیشن اور آئی اوٹی کو اپنانے کا انتخاب کر رہی ہیں۔ پورے ملک میں متعدد شعبے مارکیٹ میں ہونے والی تبدیلیوں کا جواب دے رہے ہیں جس میں کارکردگی اور آٹومیشن کے نکات کو تلاش کرنے پر زیادہ توجہ دی جا رہی ہے۔ کمپنی کے IOT حل اور خدمات کی بڑھتی ہوئی طلب سے مارکیٹ کی تبدیلیوں کی تکمیل ہوتی ہے اور توقع کی جاتی ہے کہ اگلے سال میں کمپنی کا IOT پورٹ فولیو کامیابی کے ساتھ وسعت پائے گا۔

ریسرچ اینڈ ڈویلپمنٹ (آر اینڈ ڈی) کے لئے تنظیم کی لگن نے ریٹیل کاروباری اہداف میں نمایاں کامیابی حاصل کی۔ اگرچہ آٹوموٹو سیکٹر نے پچھلے دو سالوں کے دوران کمی سے پوری طرح بحالی حاصل نہیں کی ہے، ٹویوٹا، ہونڈا اور سوزوکی کے لئے کمپنی کی جانب سے کامیابی کے لئے تیار کردہ نئی مصنوعات میں نئی ایجادات کا باعث بنی ہیں جو ریٹیل مارکیٹ کی ضروریات کو پورا کر سکتی ہیں اور ساتھ ہی آٹوموٹو ڈیلر ملک بھر میں مارکیٹ پر وڈکٹ اور مارکیٹ آر اینڈ ڈی کے لئے مسلسل لگن کے ساتھ، کمپنی کو توقع ہے کہ وہ مارکیٹ میں اپنی مہارت اور پوزیشن کا فائدہ اٹھائے گا تاکہ مارکیٹ کا حصہ اور ہر صارف کے کاروبار میں حصہ بڑھ سکے۔

ریسرچ اینڈ ڈویلپمنٹ (آر اینڈ ڈی) کے لئے تنظیم کی لگن نے ریٹیل کاروباری اہداف میں نمایاں کامیابی حاصل کی۔ اگرچہ آٹوموٹو سیکٹر نے پچھلے دو سالوں کے دوران کمی سے پوری طرح بحالی حاصل نہیں کی ہے، ٹویوٹا، ہونڈا اور سوزوکی کے لئے کمپنی کی جانب سے کامیابی کے لئے تیار کردہ نئی مصنوعات میں نئی ایجادات کا باعث بنی ہیں جو ریٹیل مارکیٹ کی ضروریات کو پورا کر سکتی ہیں اور ساتھ ہی آٹوموٹو ڈیلر ملک بھر میں مارکیٹ پر وڈکٹ اور مارکیٹ آر اینڈ ڈی کے لئے مسلسل لگن کے ساتھ کمپنی کو توقع ہے کہ وہ مارکیٹ میں اپنی مہارت اور پوزیشن کا فائدہ اٹھائے گا تاکہ مارکیٹ کا حصہ اور ہر صارف کے کاروبار میں حصہ بڑھ سکے۔

حکومت کی آٹوپالیسی ۲۰۱۶-۲۱ نئے کارسازوں کو ملک میں سیٹ اپ کرنے کی ترغیب دے رہی ہے، اور ٹی پی ایل ٹریڈر موجودہ گاہکوں اور نئے آنے والوں دونوں کے ساتھ آڈیو ویڈیو نیویگیشن (اے وی این) مارکیٹ کی اپنی قیادت برقرار رکھنے کا ارادہ رکھتا ہے۔ یہ کارکیلئے سوفٹ ویئر اور ہارڈ ویئر میں نئی ایجادات کے ذریعے ہوگا، کمپنی اپنے کاروبار کو بڑھانے کے مواقع کو بروئے کار لارہی ہے۔ اعلیٰ قیمت والی ایس یو وی اور سیڈ ان شے میں اس کی داخلے کے ساتھ کمپنی کی مارکیٹ کی قیادت اور طاقت کی مثال دی گئی ہے۔

اس کی رفتار کو آگے بڑھاتے ہوئے اور مارکیٹ کی بلچل کے جواب میں، کمپنی اپنے پورٹ فولیو کو بڑھاتے ہوئے گاڑیوں کی بحالی، موبائل استعمال پر مبنی انشورنس، ٹریڈر فلیٹ مینجمنٹ ایپلی کیشن، ڈیٹا گودام میں بہتری، اور کولڈ چین جیسے تکمیلی سلسلوں اور جدت لاکر اپنے پورٹ فولیو میں توسیع جاری رکھے گی۔

خلاصہ یہ ہے کہ، کمپنی نے ہنگامہ خیز مارکیٹ میں بڑی چمک دکھاتے ہوئے مستحکم رہتے ہوئے اپنے آپ کو بحال رکھا۔ تنوع اور مصنوعات کی نشوونما ترقی کیلئے عمل انگیز ہوگی۔

### مستقبل کا جائزہ - ڈیجیٹل میڈنگ اور لوکیشن سروسز

آگے بڑھتے ہوئے، میڈنگ ڈویژن اپنے مارکیٹ شیئر کے ساتھ ساتھ لوکیشن بیسڈ سروسز (ایل بی ایس) بزنس لائن میں ہر فرد کے کسٹمر کے کاروبار میں حصہ بڑھانا چاہتا ہے۔ اس کی فروخت کی کوششوں کو بڑھانے سے اس کی قیادت ہوگی، خدمات کے پورٹ فولیو کو بہتر بنانے، موبائل کا سامنا کرنے والے تجزیات اور رپورٹنگ کو بہتر بنانے اور دو ہفتہ وار آپٹیمائزیشن سیشن کی فراہمی کے ذریعے کی جائے گی جہاں صارفین کو براہ راست ان کے نفاذ کو بہتر طریقے سے حل کرنے کے لئے تکنیکی مدد فراہم کی جاتی ہے۔

اسی مدت کے لئے سال بہ سال مقابلے کے ساتھ، خاص طور پر آن ڈیمانڈ خدمات کے شعبے کے ساتھ، ایل بی ایس کی فروخت میں اضافہ ہوا ہے۔ توقع ہے کہ اگلے مالی سال میں فروخت میں اضافے میں تیزی سے اضافہ ہوگا کیونکہ آن ڈیمانڈ خدمات کے شعبے میں تیزی سے ترقی جاری ہے اور ٹیلی موصلات کا شعبہ جدید مقام سے چلنے

## ڈائریکٹر رپورٹ

والے انٹرپرائز سلوشنز کے ساتھ اپنے B2B شعبہ خریدتا ہے۔ توقع کی جارہی ہے کہ پائپ لائن کو ایک منظم اور مربوط سیلز ٹیم کے ساتھ ساتھ دیگر ٹی پی ایل ٹریڈر بزنس لائنوں کے لئے سیلز ٹیموں کے ساتھ کو آرڈینیشن کے ذریعے توسیع کی توقع ہے۔

ڈیٹا کمپنی کی خدمات اور سلوشنز کے مرکز کامرکز ہے۔ پیداوار میں جیو کوڈڈ کل ڈیٹا اب ۴۳۵،۰۲۶،۵ ڈیٹا پوائنٹس کے برابر ہے۔ موجودہ اعداد و شمار کے انضمام کی شرح داخلی تخمینے سے کہیں زیادہ دور ہے اور اس کی پیش گوئی کی گئی میعاد کے اندر ہی اگلے مالی سال کے اہداف تک پہنچنے کا امکان ہے۔ اس سے کمپنی کی خدمات اور ان کے سلوشنز میں مسابقتی فائدہ مزید بڑھنے کی امید ہے۔

ماڈیولر ورک فورس اینڈ لاجسٹک مینجمنٹ سلوشن (ڈارٹ)، لوکیشن بیسڈ سلوشنز پورٹ فولیو میں ایک اہم بازو ہے، جس کو پائپ لائن میں متعدد پائلٹوں کے ساتھ بینکنگ سیکٹر میں فعال طور پر کھڑا کیا جا رہا ہے۔ ان پائلٹوں کا مقصد صارفین کی مخصوص ضروریات کو درست کرنا ہے تاکہ اگلے مالی سال میں ترقیاتی سائیکل ان ضروریات کو پورا کرے۔

بین الاقوامی اتحاد کی بنیاد پر، یہاں کی کمپنیوں کی شراکت داری یہاں پر متعدد اقدامات کے ساتھ جاری ہے جس میں پاکستان کے مقام کا ڈیٹا انضمام، نیوی گیٹیشن سسٹم کے لئے ڈیٹا منتقلی، اور اضافی خدمات کی تلاش جن میں ہم آہنگی پیدا کی جاسکتی ہے۔ یہ کمپنی پاکستان میں کثیر قومی کلائنٹس کو اپنی توجہ کامرکز بناتے ہوئے، ہیزلوکیشن سروسز (HLS) کے لئے اپنی کاروباری ترقی کی کوششوں میں بھی اضافہ کر رہی ہے۔ یہ یہاں کے ساتھ شراکت کے معاہدے کے زیر اہتمام ایک اضافی محصول کی فراہمی فراہم کرے گا۔ مزید برآں، ڈارٹ جیسے سلوشنز کو HLS کے ساتھ ٹریڈر ڈیل ایسٹ (TME) کے ذریعے مشرق وسطیٰ میں اس کے بعد مارکیٹ میں ضم کیا جاسکتا ہے۔

ٹی پی ایل ٹریڈر کے ساتھ انضمام سے نقشہ جات کے کاروبار کو نیٹ ورک کے اثرات کو فائدہ پہنچانے میں مدد ملی ہے، محصولات کی پیداوار اور کلائنٹ مینجمنٹ کی طرف اس کے نقطہ نظر کو بہتر بنایا جاسکتا ہے، اور کلیدی مارکیٹ کی ضروریات کے جواب میں نئی جدت طرازی کرنے میں بھی مدد ملی ہے جو بالآخر مستحکم اور پائیدار ترقی کا باعث بن سکتی ہے۔

ہم اپنے کنٹینر سیکورٹی سلوشنز میں بھی نمایاں اضافے کی توقع کرتے ہیں جو کئی سالوں سے افغان ٹرانزٹ بانڈ ڈیکارگو کو ٹریڈ اور مانیٹر کرنے کے لئے استعمال ہوتا رہا ہے۔ اس سال، ہم توقع کرتے ہیں کہ افغانستان سے پاکستان آنے والے ٹرانزیشن کارگو اور ریورس کمرشل کارگو کی کھوج لگانے کے ذریعہ ہم اپنے ماہانہ حجم میں ۶۰ فیصد (ایم او ایم) میں اضافہ کریں گے۔ اس کے علاوہ، ہم پبلی کمپنی بھی ہیں جس نے گوادرنڈر گاہ سے تجارتی ٹریڈنگ آپریشن شروع کیا ہے جس سے کنٹینر سیکورٹی کاروبار میں مزید اضافہ ہو گا۔

## ۳. اندرونی کنٹرول سسٹم۔

کمپنی کا اندرونی کنٹرول سسٹم ہے، جو اپنے کاموں کے سائز، پہچانے اور پیچیدگی کے عین مطابق ہے۔ اندرونی آڈٹ تقریب کی وسعت اور اتھارٹی اندرونی آڈٹ چارٹر میں بیان کی گئی ہے۔ اس کی اعتراض کو برقرار رکھنے کے لئے، داخلی آڈٹ تقریب بورڈ کی چیئر مین آڈٹ کمیٹی کو رپورٹ کرتی ہے۔ محکمہ کا داخلی آڈٹ کمیٹی میں اندرونی کنٹرول سسٹم کی کارکردگی اور اہلیت، اس کے آپریٹنگ سسٹم، کمپنی اور اس کے ماتحت اداروں کے تمام مقامات پر اکاؤنٹنگ کے طریقہ کار اور پالیسیاں کے ساتھ تعمیل کی نگرانی اور جانچ کرتا ہے۔ داخلی آڈٹ کارکردگی کی رپورٹ کی بنیاد پر، کام کرنے والے اپنے اپنے علاقوں میں اصلاحی کارروائی کرتے ہیں اور اس طرح کنٹرول کو مضبوط کرتے ہیں۔ اہم آڈٹ مشاہدات اور اس پر اصلاحی اقدامات بورڈ کی آڈٹ کمیٹی کو پیش کیے گئے ہیں۔

# ڈائریکٹر رپورٹ

## ۵. کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) نے ٹی پی ایل ٹریڈر لیٹنڈ کو طویل مدتی کمپنی کی درجہ بندی میں ”اے مائنس“ (A-minus) اور قلیل مدتی کمپنی کی درجہ بندی میں ”اے ٹو“ (A-Two) دی ہے۔ یہ درجہ بندی مستحکم جائزہ اور اعلیٰ کریڈٹ کوالٹی کی نشاندہی کرتی ہے۔

## ۶. پچھلے تین سال کا اہم مالیاتی کوائف

2018	2019	2020
601,771,360	929,262,520	1,204,425,930
-	-	146,817,136
369,095,527	128,476,899	(82,063,384)
228,272,597	555,272,027	284,432,213
<b>1,199,139,484</b>	<b>1,613,011,446</b>	<b>1,553,611,895</b>
908,637,436	501,034,461	647,130,961
1,296,926,366	1,628,083,678	2,763,413,643
436,857,162	670,119,700	47,772,963
786,478,868	865,681,212	1,128,493,502
<b>3,428,899,832</b>	<b>3,664,919,051</b>	<b>4,586,811,069</b>
1,109,137,640	1,602,145,206	1,131,501,516
1,152,007,635	1,151,299,734	2,138,388,733
-	85,030,450	85,030,450
54,756,130	54,916,210	98,388,608
1,298,977,797	1,309,502,023	1,022,872,997
325,837,835	266,339,657	246,221,725
318,635,764	576,290,498	1,071,684,058
354,519,912	212,575,903	327,113,589
14,166,603	19,830,816	19,221,288
<b>4,628,039,316</b>	<b>5,277,930,497</b>	<b>6,140,422,964</b>

### بیلنس شیٹ

ادا شدہ سرمایہ حصص  
مختص شدہ سرمایہ  
مختص شدہ آمدن  
از سر نو تخمینے پر سرپلس

### کل ایکویٹی

طویل المدت فنانس اور قرضہ جات / لیز  
قلیل المدت فنانس اور قرضہ جات / لیز  
متعلقہ پارٹیوں پر واجب الادا  
دیگر واجبات  
کل واجبات

### طے شدہ اثاثہ جات (بشمول ROUA)

غیر منقولہ جائیداد  
طویل المدت سرمایہ کاری  
دیگر غیر موجودہ اثاثہ جات  
تجارتی قرضہ  
اسٹاک  
متعلقہ پارٹیوں سے واجب الادا  
دیگر موجودہ اثاثہ جات  
زر نقد اور بینک ڈپازٹس  
کل اثاثہ جات

## ڈائریکٹرز رپورٹ

2018	2019	2020	تفصیل برائے نفع اور نقصان
1,660,647,208	1,771,864,595	1,605,235,951	ٹرن اوور-نیٹ
(661,285,399)	(767,114,950)	(981,520,486)	فروختگی کی لاگت
999,361,809	1,004,749,645	623,715,465	مجموعی نفع
(263,752,948)	(286,453,301)	(340,190,602)	انتظامی اخراجات
(411,902,451)	(368,309,884)	(398,934,307)	انتظامی اور دیگر اخراجات
323,706,410	349,986,460	(115,409,174)	انتظامی منافع
(19,049,307)	(30,822,802)	-	دیگر اخراجات
(224,068,041)	(309,959,166)	(515,317,204)	مالیاتی چارجز
48,097,569	61,484,097	161,224,750	دیگر آمدن
128,686,631	70,688,589	(469,501,628)	قبل از محصول نفع / نقصان
(31,340,228)	(34,825,647)	10,984,235	محصولات
97,346,403	35,862,942	(458,517,393)	بعد از محصول نفع / نقصان
-	327,456,882	(9,538,644)	دیگر مجموعی آمدن
97,346,403	363,319,824	(468,056,037)	کل مجموعی آمدن
1.62	0.39	-3.81	ای پی ایس (EPS)

## ۷. اڈیٹرز

میسرز ای وائی فورڈ روڈس، چارٹرڈ اکاؤنٹنٹ ریٹائر ہوئے اور انہوں نے اپنے آپ کو دوبارہ تقرری کے لئے پیش کیا۔ بورڈ آف ڈائریکٹرز نے باہمی اتفاق رائے کیساتھ ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لئے بطور اڈیٹران کی تقرری کی اجازت دے دی ہے۔

## ۸. کارپوریٹ اور مالیاتی فریم ورک رپورٹنگ پر بیان

کمپنی کو ۳۰ جون، ۲۰۲۰ کے بعد پاکستان اسٹاک ایکسچینج میں درج کیا گیا، لہذا کمپنی کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے ۰۱ جولائی، ۲۰۱۹ سے ۳۰ جون ۲۰۲۰ کی مدت کے لئے مقرر کردہ کوڈ آف کارپوریٹ گورننس کے تحت ضوابط اور ذمہ داریوں سے مشروط نہیں کیا گیا۔

## ڈائریکٹرز رپورٹ

### ۹. شیئر ہولڈنگ کا طریقہ

۳۰ جون، ۲۰۲۰ تک کمپنی کے شیئر ہولڈنگ / حصص یافتگی کے پیٹرن کے بارے میں اسٹیٹمنٹ مندرجہ ذیل ہے۔

کیٹیگری	حصص یافتگان کی تعداد	رکھے جانے والے حصص کی تعداد	شیئر ہولڈنگ کی شرح
ڈائریکٹرز اور اُنکے ایسوسی ایٹس	5	5	0.000004 فیصد
ایسوسی ایٹڈ کمپنی / ذیلی ادارہ	1	120,442,588	99.999996 فیصد
ٹوٹل	6	120,44,593	100 فیصد

### ۱۰. بورڈ مینٹنز

کمپنی کو ۳۰ جون، ۲۰۲۰ کے بعد پاکستان اسٹاک ایکسچینج میں درج کیا گیا، لہذا کمپنی کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے ۰۱ جولائی، ۲۰۱۹ سے ۳۰ جون ۲۰۲۰ کی مدت کے لئے مقرر کردہ کوڈ آف کارپوریٹ گورننس کے تحت ضوابط اور ذمہ داریوں سے مشروط نہیں کیا گیا۔

### ۱۱. اظہارِ تشکر

ہم کمپنی کے شیئر ہولڈرز کا ہم پر اعتماد کرنے پر شکریہ ادا کرتے ہیں۔ ساتھ ہی بورڈ شکر گزار ہے کہ اُس تعاون اور مدد کا جو اُسے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) فیڈرل بورڈ آف ریونیو (FBR) اور ایکسچینج کمیشن آف پاکستان نے گاہے بگاہے کی۔ اور ہم شکریہ ادا کرنا چاہتے ہیں اپنے ملازمین کا، اسٹریٹیجک شرکاء اور داروں کا، وہیڈرز کا، سپلائرز اور صارفین کا جن کی مدد سے ہم نے اپنے ادارہ جاتی اہداف مکمل کئے۔



جیل یوسف (ایس۔ ایس۔ ٹی۔)

ڈائریکٹر



EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530  
Pakistan

Tel: + 9221 3565 0007-11  
Fax: + 9221 3568 1965  
e.y.khi@pk.ey.com  
ey.com/pk

# Independent Auditors' Report

## To the members of TPL Trakker Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **TPL Trakker Limited** (the Company), which comprise the statement of financial position as at **30 June 2020**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report and other information, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Arif Nazeer**.

Chartered Accountants

Place: Karachi

Date: October 05, 2020

# Statement Of Financial Position

As at June 30, 2020

		2020	2019
	Note	Rupees	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,059,232,338	1,602,145,206
Intangible assets	6	2,138,388,733	1,151,299,734
Right-of-use assets	7	72,269,178	-
Long-term investments	8	85,030,450	85,030,450
Long-term loans	9	669,898	637,436
Long-term deposits	10	33,953,962	47,100,425
Deferred tax assets - net	11	63,764,748	7,178,349
		3,453,309,307	2,893,391,600
<b>CURRENT ASSETS</b>			
Stock-in-trade	12	246,221,725	266,339,657
Trade debts	13	1,022,872,997	1,309,502,023
Loans and advances	14	107,834,467	39,435,026
Trade deposits and prepayments	15	61,494,946	43,674,281
Interest accrued	16	128,444,634	73,054,250
Other receivables	17	29,339,542	13,934,042
Due from related parties	18	1,071,684,058	576,290,498
Taxation - net	19	-	42,478,304
Cash and bank balances	20	19,221,288	19,830,816
		2,687,113,657	2,384,538,897
<b>TOTAL ASSETS</b>		<b>6,140,422,964</b>	<b>5,277,930,497</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised capital			
285,000,000 (2019: 115,000,000) ordinary shares of Rs. 10/- each		2,850,000,000	1,150,000,000
Issued, subscribed and paid-up capital	21	1,204,425,930	929,262,520
Capital reserve		146,817,136	-
Revenue reserve		(82,063,384)	128,476,899
Surplus on revaluation of property, plant and equipment	22	284,432,213	555,272,027
		1,553,611,895	1,613,011,446
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	23	393,263,634	300,000,000
Lease liabilities	24	26,419,021	52,145,571
Long-term loans	25	227,448,306	148,888,890
Government grant	26	1,781,008	-
		648,911,969	501,034,461
<b>CURRENT LIABILITIES</b>			
Trade and other payables	27	935,825,506	750,929,062
Accrued mark-up	28	140,061,771	68,100,451
Short-term financing	29	1,394,169,173	12,737,305
Running finance under mark-up arrangements	30	1,105,194,287	988,025,014
Current portion of non-current liabilities	31	264,050,183	627,321,359
Due to related parties	32	47,772,963	670,119,700
Taxation - net	19	13,685,055	-
Advance monitoring fees	33	37,140,162	46,651,699
		3,937,899,100	3,163,884,590
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,140,422,964</b>	<b>5,277,930,497</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	34		

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
Turnover - net	35	1,605,235,951	1,771,864,595
Cost of sales and services	36	(981,520,486)	(767,114,950)
<b>Gross profit</b>		<b>623,715,465</b>	<b>1,004,749,645</b>
Distribution expenses	37	(324,346,121)	(286,453,301)
Administrative expenses	38	(414,778,518)	(368,309,884)
<b>Operating (loss) / profit</b>		<b>(115,409,174)</b>	<b>349,986,460</b>
Other expenses	39	-	(30,822,802)
Finance costs	40	(515,317,204)	(309,959,166)
Other income	41	161,224,750	61,484,097
<b>(Loss) / profit before taxation</b>		<b>(469,501,628)</b>	<b>70,688,589</b>
Taxation	42	10,984,235	(34,825,647)
<b>(Loss) / profit for the year</b>		<b>(458,517,393)</b>	<b>35,862,942</b>
<b>Other comprehensive (loss) / income</b>			
Other comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods, net of tax			
(Deficit) / surplus on revaluation of property, plant and equipment		(9,538,644)	329,542,792
Less: Deferred tax thereon		-	2,085,910
Other comprehensive (loss) / income for the year, net of tax		(9,538,644)	327,456,882
<b>Total comprehensive (loss) / income for the year</b>		<b>(468,056,037)</b>	<b>363,319,824</b>
<b>(Loss) / earning per share - basic and diluted</b>	47	<b>(3.81)</b>	<b>0.30</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Statement of Cash Flows

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		(469,501,628)	70,688,589
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets	5.1	240,308,576	216,323,634
Depreciation on ROUA	7.2	82,131,716	-
Amortisation	6.1	45,282,814	3,637,431
(Reversal) / allowance for expected credit loss (ECL)	38	(21,406,034)	4,150,708
Finance costs	40	515,317,204	309,959,166
Gain on disposal of property, plant and equipment	5.2	(344,817)	(3,034,752)
Amortisation of government grant	41	(2,416,771)	-
Exchange (gain) / loss - net	41	(639,152)	11,151,268
<b>Operating profit before working capital changes</b>		<b>388,731,908</b>	<b>612,876,044</b>
<b>(Increase) / decrease in current assets</b>			
Stock-in-trade		20,117,932	(141,029,292)
Trade debts		278,242,209	(48,890,303)
Loans and advances		(68,399,441)	532,099
Trade deposits and prepayments		(15,588,899)	(4,319,719)
Interest accrued		(108,680,690)	(41,419,482)
Other receivables		1,594,500	4,990,375
Due from related parties		(985,890,100)	(257,654,734)
		(878,604,489)	(487,791,056)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		169,508,573	63,471,387
Due to related parties		(623,577,070)	233,262,538
Advance monitoring fees		(9,511,537)	9,188,023
		(463,580,034)	305,921,948
<b>Cash flows from operations</b>		<b>(953,452,615)</b>	<b>431,006,936</b>
Payments for:			
Finance costs		(411,482,742)	(303,416,232)
Income taxes	19	9,753,822	(71,902,319)
		(401,728,920)	(375,318,551)
<b>Net cash flows (used in) / generated from operating activities</b>		<b>(1,355,181,535)</b>	<b>55,688,385</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of - property, plant and equipment	5.1	(17,379,690)	(50,853,791)
- capital work-in-progress	5.3	-	(50,459,257)
- intangible assets	6.1 & 6.2	(87,974,492)	(2,929,530)
Sale proceeds from disposal of property, plant and equipment	5.2	323,464,876	3,427,814
Long-term loans		(32,462)	(200,859)
Long-term deposits		18,146,463	5,868,076
Sale proceeds from encashment of term deposit receipts		-	200,000,000
<b>Net cash flows generated from investing activities</b>		<b>236,224,695</b>	<b>104,852,453</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term financing - net		(205,807,641)	(35,157,167)
Lease liabilities repaid		(90,639,000)	(9,176,330)
Long-term loans - net		(78,225,076)	(152,252,399)
Share issuance cost		(13,324,060)	-
Short-term financing - net		1,381,431,868	(6,443,899)
<b>Net cash flows generated from / (used in) financing activities</b>		<b>993,436,091</b>	<b>(203,029,795)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(125,520,749)</b>	<b>(42,488,957)</b>
Cash and cash equivalents at the beginning of the year		(968,194,198)	(925,705,241)
Cash and cash equivalents transferred under the Scheme	1.3	7,741,948	-
<b>Cash and cash equivalents at the end of the year</b>	46	<b>(1,085,972,999)</b>	<b>(968,194,198)</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

\*No non-cash item is included in investing and financing activities.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Statement of Changes in Equity

For the year ended June 30, 2020

	Issued, subscribed and paid-up capital	Capital reserve - reserves created under Scheme of Arrangement	Revenue reserve - accumulated profits / (losses)	Surplus on revaluation of property, plant and equipment	Total reserves	Total Equity
	Rupees					
Balance as at June 30, 2018	601,771,360	-	334,617,215	228,272,597	562,889,812	1,164,661,172
Issuance of ordinary shares	327,491,160	-	(242,460,710)	-	(242,460,710)	85,030,450
Profit for the year	-	-	35,862,942	-	35,862,942	35,862,942
Other comprehensive income for the year, net of tax	-	-	-	327,456,882	327,456,882	327,456,882
Total comprehensive income for the year	-	-	35,862,942	327,456,882	363,319,824	363,319,824
Surplus on revaluation of property, plant and equipment realised on account of incremental depreciation charged on related assets - net of tax	-	-	457,452	(457,452)	-	-
Balance as at June 30, 2019	929,262,520	-	128,476,899	555,272,027	683,748,926	1,613,011,446
Reserve under scheme of amalgamation (note 21.3)	-	421,980,546	-	-	421,980,546	421,980,546
Issuance of bonus shares @ 29.6% (i.e. 2.96 for every 10 share held) [see note 21.4]	275,163,410	(275,163,410)	-	-	(275,163,410)	-
Loss for the year	-	-	(458,517,393)	-	(458,517,393)	(458,517,393)
Other comprehensive loss for the year, net of tax	-	-	-	(9,538,644)	(9,538,644)	(9,538,644)
Total comprehensive loss for the year	-	-	(458,517,393)	(9,538,644)	(468,056,037)	(468,056,037)
Transaction cost on future issue of shares (note 1.1)	-	-	(13,324,060)	-	(13,324,060)	(13,324,060)
Surplus on revaluation of property, plant and equipment realised on account of:						
- disposal of property, plant and equipment	-	-	260,150,220	(260,150,220)	-	-
- incremental depreciation charged on related assets - net of tax	-	-	1,150,950	(1,150,950)	-	-
			261,301,170	(261,301,170)	-	-
Balance as at June 30, 2020	1,204,425,930	146,817,136	(82,063,384)	284,432,213	349,185,965	1,553,611,895

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Notes to the Financial Statements

For the year ended June 30, 2020

## 1. LEGAL STATUS AND OPERATIONS

1.1 TPL Vehicle Tracking (Private) Limited (the Company) was incorporated in Pakistan on December 27, 2016 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Effective from November 30, 2017, the name of the Company has been changed to TPL Trakker (Private) Limited. The Company was later converted into a public company on January 17, 2018 and accordingly, the name was changed to TPL Trakker Limited. Subsequently, on August 10, 2020, the Company got listed on Pakistan Stock Exchange Limited. The Company is wholly owned subsidiary of TPL Corp Limited and TPL Holdings (Private) Limited is the ultimate parent company.

The registered office of the Company is situated at Centrepoint Building, Off Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi. The principal activities of the Company include installation and sale of tracking devices, vehicle tracking, fleet management.

1.2 During the year, the authorised share capital of the Company has been increased from 115,000,000 ordinary shares to 285,000,000 ordinary shares having face value of Rs.10 each.

1.3 During the year, the Scheme of Arrangement (the Scheme) dated November 22, 2019 was executed on July 01, 2019 (the effective date) among the Company, TPL Maps (Pvt.) Limited [TPLM] and TPL Rupiya (Private) Limited [TPLR] for merging and amalgamating the TPLM and TPLR into the Company. TPLM was engaged in the business of providing navigation services and TPLR was engaged in the business of providing facilities related to cashless payments and e-ticketing facilities to bus users.

The Board of Directors of the Company, TPLM and TPLR in the same meeting held on November 22, 2019 approved the Scheme under Section 284 (2) of the Companies Act, 2017 and was duly registered with SECP vide their letter # CUIN-0104503/9277 dated January 17, 2020 and non-objection clearance was issued by SECP vide their letter # CLD/CCD/CA-279/39/2019-2084 dated January 10, 2020. The objective and salient features of Scheme is as follows:

- a) the entire undertakings, comprising all the assets, liabilities and obligations, if each of TPLR and TPLM shall, simultaneously, as at the effective date (i.e. July 01, 2019), stand merged with, transferred to, vested in, and be assumed by the Company (all three companies being the wholly owned subsidiaries of TPL Corp Limited [TPL Corp]).
- b) upon merger and transfer of TPLR and TPLM respectively, both companies shall, without winding up, stand dissolved and the shares of these companies held by the Company and its nominees shall be cancelled and extinguished. Further, since, the Company, TPLR and TPLM are wholly owned subsidiaries of TPL Corp, upon occurrence of the completion date, and as of the effective date, all the TPLR and TPLM shares held by TPL Corp and its nominees in TPLR and TPLM respectively, shall be cancelled and extinguished without any consideration being issued to any shareholder of the TPLM and TPLR in terms of the requirement of Section 284(2)(i) of the Companies Act, 2017 under the Scheme as of July 01, 2019.
- c) the Scheme, as approved by the Board of Directors of each of the companies, is to be binding on the Company, TPLR and TPLM along with all the shareholders, creditors, employees, customers, contracting parties, tax authorities and any other regulatory / statutory bodies of or with respect to the Company, TPLR and TPLM respectively, in accordance with the terms hereof.
- d) with effect from effective date, all full time officers and employees of TPLR and TPLM shall become the employees of the Company at the same level of remuneration and under the same terms and conditions of services.

# Notes to the Financial Statements

For the year ended June 30, 2020

- e) the carrying values of assets and liabilities of TPLM and TPLR transferred to the Company, consequent to the Scheme, as of effective date i.e. July 01, 2019 are as follows:

Note	TPLM (Rupees)	TPLR (Rupees)	Total July 01, 2019 (Rupees)
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	57,790,133	607,684	58,397,817
Intangible assets	930,116,477	14,280,842	944,397,319
Long-term deposits	-	5,000,000	5,000,000
	<u>987,906,610</u>	<u>19,888,526</u>	<u>1,007,795,136</u>
<b>CURRENT ASSETS</b>			
Trade debts	14,483,553	10,747,858	25,231,411
Trade deposits and prepayments	2,294,686	-	2,294,686
Cash and bank balances	7,409,292	332,656	7,741,948
	<u>24,187,531</u>	<u>11,080,514</u>	<u>35,268,045</u>
<b>Total assets</b>	<u>1,012,094,141</u>	<u>30,969,040</u>	<u>1,043,063,181</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	41,898,032	-	41,898,032
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15,057,529	969,495	16,027,024
Accrued mark-up	48,296,905	5,609,216	53,906,121
Current portion of non-current liabilities	16,717,213	-	16,717,213
Due to related parties	450,266,978	41,459,894	491,726,872
Taxation - net	-	807,373	807,373
	<u>530,338,625</u>	<u>48,845,978</u>	<u>579,184,603</u>
<b>Total liabilities</b>	<u>572,236,657</u>	<u>48,845,978</u>	<u>621,082,635</u>
<b>Net assets transferred under the Scheme</b>	<u><b>439,857,484</b></u>	<u><b>(17,876,938)</b></u>	<u><b>421,980,546</b></u>

## 1.4 Impact of COVID-19 pandemic

Like the rest of the world, the novel coronavirus (COVID-19 pandemic), substantially affected the business and social activities in the country in an adverse manner. The Company not only ensured compliance with all the standard operating procedures (SOPs) prescribed by the Federal and Provincial Governments, but being a corporate responsible citizen and the country's leading tracking services and Internet of Things (IoT) solutions provider partnered with National Information Technology Board (NITB) and National Command and Operation Center (NCOC) to locate COVID-19 hotspots in the country, which in turn helped the government in imposing geo-based smart lock downs, making them efficient and effective.

The Company's conventional operations were not immune from the effects of the pandemic, resulting in slowing down of sales and certain planned new initiatives, however the impact remained marginal due to COVID-19 pandemic.

Based on the successful closure of the Company's initial public offering and listing on Pakistan Stock Exchange Limited subsequent to reporting date, recovering economic situation and massive decline in COVID-19 cases in the country, the management believes that there will be no significant accounting impact in these financial statements. However, the Company has availed facility under Refinance Scheme for Payment of Wages & Salaries in order to make payment of salaries to employees without any disruption.

# Notes to the Financial Statements

## For the year ended June 30, 2020

### 1.5 Geographical location and addresses of business units are as under:

Location	Address
Corporate office, Karachi	12th and 13th floor, Centrepoint, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange, Karachi.
<u>Regional offices:</u>	
Lahore office	Tower 75, 4th Floor, L Block, Gulberg III, Kalma Chowk, Main Ferozpur Road, Lahore
Islamabad office	10th floor (South) ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad.
Faisalabad office	Office No. 2, 4th Floor, Mezan Executive Tower, Liaqat Road, Faisalabad.
Multan office	House No. 2, Shalimar Colony, Haider Street, Bosan Road (near Toyota Multan), Multan
Peshawar office	C-7 & C-8, 3rd floor, Jasmine Arcade, Fakhr-e-Alam Road, Peshawar.
Hyderabad office	A-8 District Council Complex, Hyderabad.
<u>Branch office:</u>	
Islamabad office	19Y, 3rd floor, Business Bay Avenue, Bahria Expressway, Sector F, DHA Phase 1, Islamabad.

### 1.6 Details of related parties

Name of related party	Basis of relationship	Shareholding
TPL Holdings (Private) Limited	Ultimate parent company	-
TPL Corp Limited	Parent company	100
Trakker Middle East LLC	Associated company	29
TPL Insurance Limited	Common directorship	-
TPL Security Services (Private) Limited	Common directorship	-
TPL Properties Limited	Common directorship	-
HKC (Private) Limited	Common directorship	-
G-18 (Private) Limited	Common directorship	-
TPL Direct Finance (Private) Limited	Common directorship	-
TRG Pakistan Limited	Common directorship	-
TPL Logistics (Private) Limited	Common directorship	-
TPL Life Insurance Limited	Common directorship	-
TPL E-Ventures (Private) Limited	Common directorship	-
TPL Mobile (Private) Limited	Common directorship	-
TPL Tech Pakistan (Private) Limited	Common directorship	-
Trakker Energy (Private) Limited	Common directorship	-
Trakker (Private) Limited Staff Provident Fund	Retirement benefit fund	-

## 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act). and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

# Notes to the Financial Statements

## For the year ended June 30, 2020

### 3. BASIS OF PREPARATION

These financial statements have been prepared under the 'historical cost' convention, unless otherwise specifically stated.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Standards, amendments, interpretations and improvements adopted during the period

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year ended, except as described below:

##### New / amended standards, interpretations and improvements

IFRS 9	Prepayment Features with Negative Compensation (Amendments)
IFRS 14	Regulatory Deferral Accounts
IFRS 16	Leases
IFRS 16	COVID 19 Related Rent Concessions (Amendments)
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)
IFRIC 23	Uncertainty over Income Tax Treatments

##### Improvements to Accounting Standards Issued by the IASB (2015-2017 cycle)

IFRS 3	Business Combinations - Previously held Interests in a joint operation
IFRS 11	Joint Arrangements - Previously held Interests in a joint operation
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on these financial statements in the period of initial application except for the adoption of IFRS 16 'Leases' as disclosed in notes 4.1.1 to the financial statements.

#### 4.1.1 IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Company is lessor. Whereas, for lessees all leases will be classified as finance leases only.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying standard recognised at the date of initial application, that is in case of the Company is July 01, 2019. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 as of July 01, 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

# Notes to the Financial Statements

## For the year ended June 30, 2020

The Company has operating and finance lease contracts for various items of computers and accessories, electrical devices, vehicles and office premises. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased item was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on straight-line basis over the lease term. Prepaid rent was recognised as prepayments under non-current / current assets and rent payable as accrued liabilities under trade and other payables, accordingly. Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company. Further, vehicles obtained under ijarah agreements continues to be recorded under Islamic Financial Accounting Standards - 2 (IFAS-2), as per local law requirement.

**i) Leases previously accounted for as operating leases**

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets, if any. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

**ii) Leases previously classified as finance leases**

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal to the leased assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from July 01, 2019.

The Company also applied the available practical expedients wherein it has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease and applied the short-term leases exemptions to leases with lease terms that ends within 12 months at the date of initial application. Based on the foregoing, as at July 01, 2019:

- right-of-use assets and lease liabilities of Rs. 241.095 million and Rs. 241.031 million respectively, were recognised and presented separately in the statement of financial position. Further, lease assets recognised previously under finance leases of Rs. 71.918 million were reclassified from operating fixed assets under property, plant and equipment to right-of-use assets.
- Short-term prepayments of Rs. 0.064 million related to previous operating leases were derecognised.

**iii) The effect of adoption of IFRS 16 and related adjustments did not have any impact on revenue reserves as of July 01, 2019 and accordingly, there is no effect on basic / diluted earning per share. The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:**

# Notes to the Financial Statements

## For the year ended June 30, 2020

	Rupees
Operating lease commitments as at June 30, 2019	372,202,137
Incremental borrowing rate as at July 1, 2019	15%
Discounted operating lease commitments as at July 01, 2019	305,053,580
Less: Commitments relating to short-term leases	(63,958,792)
Less: Commitments relating to low value assets	-
Less: Prepaid rentals	(62,920)
Lease liabilities July 01, 2019	241,031,868

The accounting policy in respect of right of use assets and lease liabilities is stated in note 4.6 to these financial statements.

#### 4.2 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions which are significant to these financial statements:

##### a) Operating fixed assets and intangible assets

The Company reviews the useful lives, methods of depreciation / amortisation and residual values of operating fixed assets on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets and intangible assets with a corresponding effect on the depreciation / amortisation charge and impairment. The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the profit or loss, unless the asset is carried at revalued amount. Any impairment loss of revalued assets is treated as revaluation decrease.

##### b) Stock-in-trade

The Company reviews the net realisable value of stock-in-trade to assess any diminution in the carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

##### c) Provision for expected credit losses of certain financial assets

The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The

# Notes to the Financial Statements

## For the year ended June 30, 2020

Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Any change might affect the carrying value and amount of expected credit loss charge to profit or loss.

### d) Recognition of tax and deferred tax

The provision for taxation is accounted for by the Company after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Company's view differs from the view taken by the tax authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities / assets.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Other areas where judgments, estimates and assumptions involved are disclosed in respective notes to these financial statements.

### 4.3 Property, plant and equipment

#### 4.3.1 Owned

Property, plant and equipment (except for leasehold land and buildings on leasehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Leasehold land and buildings on leasehold land are stated at revalued amounts, which are the fair value at the date of revaluation. Subsequently, these are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Depreciation is charged to profit or loss applying the straight-line method. Depreciation on additions during the year is charged from the month of addition when the asset is available for use, whereas, depreciation on disposals is charged upto the month in which the disposal takes place.

Rates of depreciation which are disclosed in note 5.1 to these financial statements are designed to write-off the cost over the estimated useful lives of the assets.

Major renewals and improvements for assets are capitalised and the assets so replaced, if any, are retired. Maintenance and normal repairs are charged to profit or loss, as and when incurred.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is charged to profit or loss.

# Notes to the Financial Statements

For the year ended June 30, 2020

## 4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consist of expenditure incurred in respect of operating fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

## 4.4 Intangible assets

Intangible assets other than goodwill, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Goodwill, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite and are tested for impairment annually. For other intangibles, amortisation is charged to the profit or loss applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The amortisation rate of the intangible assets are stated in note 6.1 to these financial statements. Full month's amortisation is charged in the month of addition when the asset is available for use, whereas, amortisation on disposals is charged upto the month in which the disposal takes place.

Intangible assets under development are stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred in respect of intangible assets under development in the course of their acquisition, erection, development and installation. The assets are transferred to relevant category of intangible assets when they are available for use.

### 4.4.1 Business combinations and Goodwill

The Company uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at the acquisition date, being the excess of:

- a) the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and
- b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case, the fair value attributable to the Company's interest in the identifiable net assets exceeds the fair value of consideration, the Company recognises the resulting gain in the profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is tested annually or whenever, there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss.

## 4.5 Surplus on revaluation of property, plant and equipment

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

# Notes to the Financial Statements

## For the year ended June 30, 2020

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

### 4.6 Leases

The Company assess at contract inception whether a contract is, or contain a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### 4.6.1 Company as a lessee

The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Company recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### a) Right-of-use assets

The Company recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, on the rates as disclosed in the note 7.1 to these financial statements. ROU assets are subject to impairment.

##### b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

# Notes to the Financial Statements

For the year ended June 30, 2020

The Company has the option, under its lease arrangements to lease the assets for additional term under the contract. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

#### c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### 4.6.2 Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 4.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### 4.7.1 Financial assets

###### 4.7.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

# Notes to the Financial Statements

## For the year ended June 30, 2020

### 4.7.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

#### a) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### b) Financial assets designated at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

#### c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as dividend income in the profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments, if any, under this category.

# Notes to the Financial Statements

## For the year ended June 30, 2020

### d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the profit or loss when the right of payment has been established.

#### 4.7.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### 4.7.1.4 Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual

# Notes to the Financial Statements

For the year ended June 30, 2020

terms. For trade and other receivables (if any), the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For other assets including deposits, accrued interest and bank balances that are held with reputational banks and other third parties, the Company applies low credit risk simplifications. At each reporting date, the Company evaluates whether these assets are considered to have low credit risk using all reasonable and supportable information that is available without un-due cost or effort including their credit ratings assessed by reputable agencies and therefore assessed to have immaterial impact of allowances for ECL.

The Company considers a financial asset in default when contractual payments are past due over the agreed credit terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 4.7.2 Financial liabilities

### 4.7.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### 4.7.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

#### b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

### 4.7.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or

# Notes to the Financial Statements

## For the year ended June 30, 2020

expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

### 4.7.2.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 4.8 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

Goodwill is tested for impairment annually at year end and when the circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) or group of CGUs to which the goodwill relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised.

Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

Impairment losses relating to goodwill are not reversed in future periods.

### 4.9 Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

# Notes to the Financial Statements

## For the year ended June 30, 2020

The Company's investment in its associate is accounted at cost less accumulated impairment losses, if any, under the exemption available in relevant accounting standards.

#### 4.10 Stock-in-trade

Stock-in-trade is valued at the lower of cost, determined on a first-in-first-out basis and net realisable value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Spare parts and loose tools are valued at lower of weighted average cost and net realisable value, except items in transit, which are stated at cost. Spare parts and loose tools are charged to cost of goods sold on an estimated consumption pattern.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessarily to be incurred to make the sale.

#### 4.11 Cash and cash equivalents

Cash and cash equivalents are stated at cost and are defined as cash in hand, cash at banks and short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents comprise of bank balances including short-term deposits net of book overdraft, if any.

#### 4.12 Staff retirement benefits - Defined contribution plan

The Company operates a recognised provident fund (defined contribution scheme) for its permanent employees who have completed the minimum qualifying period of service. Equal monthly contributions are made, both by the Company and the employees at the rate of 8.33 percent of the basic salary. The contribution from the Company is charged to the profit or loss for the year.

#### 4.13 Taxation

##### Current

Provision for current taxation is computed on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

##### Deferred

Deferred tax is recognised using the balance sheet method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the

# Notes to the Financial Statements

## For the year ended June 30, 2020

asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax is charged or credited to the profit or loss.

Deferred tax relating to items recognised directly in the other comprehensive income is recognised in the other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

#### 4.14 Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and accordingly adjusted to reflect current best estimates.

#### 4.15 Ijarah arrangements

Payments made under ijarah arrangements / agreements are charged to the profit or loss on a straight line basis over the ijarah term.

#### 4.16 Revenue recognition

##### 4.16.1 Revenue from contracts with customers

The Company is in the business of sale of equipment and provides associated monitoring and other services. Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

- Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer i.e. when goods are installed.
- Revenue from rendering of monitoring services is recognised over the time i.e. as and when services are rendered, revenue from rendering of other associated services are recognised at the point in time when services are rendered.
- Revenue from rendering of e-ticketing services is recognised at a point in time when services are rendered to the customer.
- For maps navigation business, revenue from sale of goods and rendering of map navigation services are recognised at the point in time when control of the goods and services are transferred to the customer, generally on delivery of goods and rendering of services for installation of goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods and rendering of services, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

# Notes to the Financial Statements

## For the year ended June 30, 2020

### 4.16.2 Other revenues

- a) Rental income from equipment is recognised on accrual basis.
- b) Income on bank accounts are recognised using effective interest rate.
- c) Dividend income is recognised when the right to receive the dividend is established and other income, if any is recognised on accrual basis.

### 4.17 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. Exchange gains and losses are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### 4.18 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 4.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to these financial statements.

### 4.20 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognised in the statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### 4.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (i.e. a single segment at the Company level). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

### 4.22 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments, interpretations and improvement with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

# Notes to the Financial Statements

For the year ended June 30, 2020

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 3	Definition of a Business (Amendments)	January 01, 2020
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 / IAS 39 / IFRS 7	Prepayment Features with Negative Compensation (Amendments)	January 01, 2020
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IAS 1 / IAS 8	Definition of Material (Amendments)	January 01, 2020
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2022
IAS 16	Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	January 01, 2022
<b>Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)</b>		
IFRS 9	Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IAS 43	Agriculture - Taxation in fair value measurements	January 01, 2022

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standard has been issued by IASB which is yet to be notified by the SECP for the purpose of applicability in Pakistan. The management of the Company expects that below new standard will not have any material impact on the Company's financial statements in the period of initial application.

Standard	Effective date (annual periods beginning on or after)
IFRS 17 Insurance Contracts	January 01, 2023

		2020	2019
		Rupees	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>	Note		
Operating fixed assets	5.1	980,967,199	1,523,880,067
Capital work-in-progress	5.3	78,265,139	78,265,139
		<b>1,059,232,338</b>	<b>1,602,145,206</b>

# Notes to the Financial Statements

## For the year ended June 30, 2020

### 5.1 Operating fixed assets

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	Depreciation Rate
	As at July 01, 2019	Additions / (disposals) / transfers / write off	As at June 30, 2020	As at July 01, 2019	Charge for the year / (disposals) / transfers / write off	As at June 30, 2020	As at June 30, 2020	
	(Rupees)							%
<b>Owned</b>								
Leasehold land	735,350,000	** (9,538,644)	411,000,000	-	-	-	411,000,000	-
		(314,811,356)						
Building on leasehold land	67,248,752	-	16,406,766	26,354,190	3,371,045	4,071,893	12,334,873	5
		(50,841,986)			(25,653,342)			
Computers and accessories	158,656,317	* 78,162,670	189,421,226	131,374,991	* 21,421,287	146,968,807	42,452,419	33.33
		12,127,604			53,697,894			
		(1,954,809)			(1,954,809)			
		***** (57,570,556)			***** (57,570,556)			
Generators	5,516,565	***** (1,092,900)	4,423,665	5,441,065	15,100	4,363,265	60,400	20
					***** (1,092,900)			
Electrical devices	1,028,572,320	* 189,100	1,048,008,449	450,629,528	* 94,987	579,187,949	468,820,500	20
		4,197,331			156,599,761			
		*** 72,097,985			(136,416)			
		(145,749)			***** (19,232,989)			
		***** (48,135,616)			***** (8,766,922)			
		***** (8,766,922)						
Furniture and fittings	177,405,821	* 1,081,194	177,223,156	120,043,891	* 484,173	140,647,078	36,576,078	20
		30,000			21,408,232			
		(224,679)			(220,037)			
		***** (1,069,180)			***** (1,069,180)			
Vehicles	13,553,648	-	9,863,338	2,755,253	2,359,228	1,424,171	8,439,167	20
					***** (3,690,310)			
Construction of shed	6,048,277	-	6,048,277	6,048,277	-	6,048,277	-	20
Mobile phones	6,882,571	* 4,798,911	11,137,197	4,625,459	* 3,833,615	9,853,434	1,283,763	33.33
		1,024,755			2,857,315			
		(527,040)			(420,956)			
		***** (1,042,000)			***** (1,042,000)			
	2,199,234,271	17,379,690	1,873,532,074	747,272,654	240,308,576	892,564,875	980,967,199	
		(368,505,619)			(28,385,560)			
		* 84,231,875			* 25,834,061			
		** (9,538,644)			***** (73,231,868)			
		*** 72,097,985			***** (19,232,989)			
		***** (73,231,868)						
		***** (48,135,616)						
<b>Leased</b>								
Computers and accessories	118,084,360	(118,084,360)	-	52,007,404	(52,007,404)	-	-	33.33
Electrical devices	3,570,700	(3,570,700)	-	3,570,700	(3,570,700)	-	-	20
Vehicles	43,610,094	(43,610,094)	-	37,768,600	(37,768,600)	-	-	20
	165,265,154	***** (165,265,154)	-	93,346,704	***** (93,346,704)	-	-	
June 30, 2020	2,364,499,425	17,379,690	1,873,532,074	840,619,358	240,308,576	892,564,875	980,967,199	
		(368,505,619)			(28,385,560)			
		* 84,231,875			* 25,834,061			
		** (9,538,644)			***** (93,346,704)			
		*** 72,097,985			***** (73,231,868)			
		***** (165,265,154)			***** (19,232,989)			
		***** (73,231,868)						
		***** (48,135,616)						

\* Represents assets transferred under Scheme (refer note 1.3)

\*\* Represents deficit on revaluation at the time of disposal of assets

\*\*\* Represents transfers from stock-in-trade to owned assets

\*\*\*\* Represents leased assets reclassified to right-of-use assets (note 7.1)

\*\*\*\*\* Represents assets written off during the year

\*\*\*\*\* Represents transfer from owned assets to stock-in-trade

# Notes to the Financial Statements

For the year ended June 30, 2020

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	Depreciation Rate
	As at July 01, 2018	Additions / (disposals) / transfers / write off	As at June 30, 2019	As at July 01, 2018	Charge for the year / (disposals) / transfers / write off	As at June 30, 2019	As at June 30, 2019	
	(Rupees)							%
<b>Owned</b>								
Leasehold land	413,000,000	322,350,000	735,350,000	-	-	-	735,350,000	-
Building on leasehold land	60,055,960	7,192,792	67,248,752	22,991,752	3,362,438	26,354,190	40,894,562	5
Computers and accessories	143,645,962	30,509,701 (15,499,346)	158,656,317	131,965,050	14,815,275 (15,405,334)	131,374,991	27,281,326	33.33
Generators	5,441,065	75,500	5,516,565	5,441,065	-	5,441,065	75,500	20
Electrical devices	825,626,184	2,418,666 ** 200,527,470	1,028,572,320	299,881,943	150,747,585	450,629,528	577,942,792	20
Furniture and fittings	152,317,307	11,018,864 * 14,069,650	177,405,821	90,003,270	30,040,621	120,043,891	57,361,930	20
Vehicles	9,006,908	4,546,740 **** 3,440,836 (3,440,836)	13,553,648	553,375	2,201,878 **** 3,440,836 (3,440,836)	2,755,253	10,798,395	20
Construction of shed	6,048,277	-	6,048,277	6,048,277	-	6,048,277	-	20
Mobile phones	6,015,951	2,284,320 (1,417,700)	6,882,571	3,109,841	2,634,268 (1,118,650)	4,625,459	2,257,112	33.33
	1,621,157,614	380,396,583 * 14,069,650 ** 200,527,470 **** 3,440,836 (20,357,882)	2,199,234,271	559,994,573	203,802,065 **** 3,440,836 (19,964,820)	747,272,654	1,451,961,617	
<b>Leased</b>								
Computers and accessories	46,000,408	72,083,952	118,084,360	44,493,753	7,513,651	52,007,404	66,076,956	33.33
Electrical devices	3,570,700	-	3,570,700	3,570,700	-	3,570,700	-	20
Vehicles	40,793,930	6,257,000 **** (3,440,836)	43,610,094	36,201,518	5,007,918 **** (3,440,836)	37,768,600	5,841,494	20
Mobile phones	279,800	- *** (279,800)	-	279,800	- *** (279,800)	-	-	20
	90,644,838	78,340,952 **** (3,440,836) *** (279,800)	165,265,154	84,545,771	12,521,569 **** (3,440,836) *** (279,800)	93,346,704	71,918,450	
2019	1,711,802,452	458,737,535 * 14,069,650 ** 200,527,470 *** (279,800) (20,357,882)	2,364,499,425	644,540,344	216,323,634 *** (279,800) (19,964,820)	840,619,358	1,523,880,067	

- \* Represents transfers from capital work-in-progress to owned asset
- \*\* Represents transfers from stock-in-trade to owned assets
- \*\*\* Represents assets derecognised on termination of lease
- \*\*\*\* Represents assets transferred from leased asset to owned asset

# Notes to the Financial Statements

For the year ended June 30, 2020

- 5.1.1 Computers and accessories and vehicles includes assets costing Rs. 4.443 million (2019: Rs. 4.443 million) and Rs. 1.972 million (2019: Rs. 1.972 million) respectively purchased on maturity of ijarah agreements. However, as of the reporting date, the Company is in the process of obtaining no objection certificates and transferring the ownership of these assets in the name of the Company.

		2020	2019
		Rupees	
5.1.2	Depreciation charge for the year has been allocated as follows:		
	Cost of sales and services	137,173,881	123,286,353
	Distribution expenses	43,988,685	39,447,975
	Administrative expenses	59,146,010	53,589,306
		240,308,576	216,323,634

- 5.1.3 During the year, the Company has transferred tracking devices from stock-in-trade at a cost of Rs. 72.098 million (2019: Rs. 200.527 million) to owned assets. As of the reporting date, assets costing Rs. 892.337 million (2019: Rs. 820.239 million) are in possession of third parties, on rental basis. The particulars of these assets have not been disclosed due to several numbers of parties involved.

- 5.1.4 Included in operating fixed assets are fully depreciated assets having cost of Rs. 420.579 million (2019: Rs.482.781 million).

- 5.1.5 During the year, the Company has written off fully depreciated assets costing Rs. 73.231 million.

- 5.1.6 The details of immovable assets (i.e. land and building) of the Company as at June 30, 2020 are as follows:

Location	Addresses	Usage	Covered Area (sq.ft)
Karachi	Plot no. 20-B & 20-C, Block No. 6, P.E.C.H.S., Survey sheet no. 35-P/1	Installation Centre	10,240

- 5.1.7 The forced sale values as per the last revaluation report are as follows:

	Rupees
Leasehold land	349,350,000
Building on leasehold land	12,066,600
	361,416,600

- 5.1.8 The immovable assets of the Company are placed as security against various financing facility obtained from commercial banks as stated in notes 23, 25, 29 and 30 respectively to these financial statements.

- 5.1.9 The Company had carried out last revaluation exercise through an independent valuer as of June 30, 2019 for its leasehold land and building on leasehold land. The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of leasehold land and building on leasehold land falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

Had there been no revaluation, the aggregated cost and written down value of revalued leasehold land and building on leasehold land would have been Rs. 140.181 million and Rs. 137.497 million respectively.

# Notes to the Financial Statements

For the year ended June 30, 2020

5.2 The details of operating fixed assets disposed off during the year are as follows:

	Original / revalued cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on disposals	Mode of disposal	Particulars of buyers	Location
(Rupees)								
<b>Owned</b>								
Aggregate amount of assets disposed off having WDV more than Rs. 5,000,000 each								
Leasehold land	314,811,356	-	314,811,356	340,000,000	-	Negotiation	Mindbridge Pvt. Limited	Lahore
Building on leasehold land	50,841,986	25,653,342	25,188,644					
	<u>365,653,342</u>	<u>25,653,342</u>	<u>340,000,000</u>	<u>340,000,000</u>	<u>-</u>			
Aggregate amount of assets disposed off not having WDV more than Rs. 5,000,000 each								
Computers and accessories	1,954,809	1,954,809	-	136,950	136,950	Various	Various	Karachi
Electrical devices	145,749	136,416	9,333	70,610	61,277	Various	Various	Karachi
Furniture and fittings	224,679	220,037	4,642	64,500	59,858	Various	Various	Karachi
Mobile phones	527,040	420,956	106,084	192,816	86,732	Various	Various	Karachi
	<u>2,852,277</u>	<u>2,732,218</u>	<u>120,059</u>	<u>464,876</u>	<u>344,817</u>			
2020	<u>368,505,619</u>	<u>28,385,560</u>	<u>340,120,059</u>	<u>340,464,876</u>	<u>344,817</u>			
2019	<u>20,357,882</u>	<u>19,964,820</u>	<u>393,062</u>	<u>3,427,814</u>	<u>3,034,752</u>			

		2020	2019
5.3 Capital work-in-progress	Note	Rupees	
Opening balance		78,265,139	41,875,532
Additions during the year		-	50,459,257
Transferred to operating fixed assets		-	(14,069,650)
Closing balance	5.3.1	<u>78,265,139</u>	<u>78,265,139</u>

5.3.1 Represents expenditure in respect of renovation of the building on leasehold land.

		2020	2019
6. INTANGIBLE ASSETS		Rupees	
Intangible assets	6.1	1,235,769,699	1,151,299,734
Intangible assets under development	6.2	<u>902,619,034</u>	-
		<u>2,138,388,733</u>	<u>1,151,299,734</u>

# Notes to the Financial Statements

For the year ended June 30, 2020

## 6.1 Intangible assets

	COST		ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE	Amortisation Rate	
	As at July 01, 2019	Additions / transfers	As at June 30, 2020	As at July 01, 2019	Charge for the year / transfers	As at June 30, 2020		
	(Rupees)							%
<b>Owned</b>								
Goodwill - note 6.4	403,380,571	-	403,380,571	-	-	403,380,571	-	
Customers related intangible assets - note 6.4	453,635,249	-	453,635,249	-	-	453,635,249	-	
Marketing related intangible assets - note 6.4	289,021,582	-	289,021,582	-	-	289,021,582	-	
Internally generated computer softwares	25,840,000	-	25,840,000	25,840,000	-	-	13.33	
Softwares	155,403,176	*159,460,568 ** 9,488,478	324,352,222	150,140,844	*111,277,435 37,757,630	299,175,909	25,176,313	20-33.33
PTA license	1,000,500	-	1,000,500	1,000,500	-	1,000,500	-	6.67
Decarta maps	22,884,695	-	22,884,695	22,884,695	-	22,884,695	-	20
Maps database	-	*147,858,790	147,858,790	-	* 75,777,622 7,525,184	83,302,806	64,555,984	5
2020	1,351,165,773	*307,319,358 ** 9,488,478	1,667,973,609	199,866,039	*187,055,057 45,282,814	432,203,910	1,235,769,699	

\* Represents assets transferred under Scheme (refer note 1.3)

\*\* Represents additions during the year

	COST		ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE	Amortisation Rate	
	As at July 01, 2018	Additions / transfers	As at June 30, 2019	As at July 01, 2018	Charge for the year / transfers	As at June 30, 2019		
	(Rupees)							%
<b>Owned</b>								
Goodwill - note 6.4	403,380,571	-	403,380,571	-	-	403,380,571	-	
Customers related intangible assets - note 6.4	453,635,249	-	453,635,249	-	-	453,635,249	-	
Marketing related intangible assets - note 6.4	289,021,582	-	289,021,582	-	-	289,021,582	-	
Internally generated computer softwares	25,840,000	-	25,840,000	25,840,000	-	25,840,000	-	13.33
Softwares	152,473,646	2,929,530	155,403,176	146,503,413	3,637,431	150,140,844	5,262,332	33.33
PTA license	1,000,500	-	1,000,500	1,000,500	-	1,000,500	-	6.67
Decarta maps	22,884,695	-	22,884,695	22,884,695	-	22,884,695	-	20
2019	1,348,236,243	2,929,530	1,351,165,773	196,228,608	3,637,431	199,866,039	1,151,299,734	

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>6.2 Intangible assets under development</b>			
Opening balance		-	-
Transfer under scheme of arrangement	1.3	824,133,020	-
Additions during the year		78,486,014	-
Closing balance	6.2.1	902,619,034	-

**6.2.1** Represents expenditure incurred for development of map database including business intelligence and applications solutions, etc. which is expected to be completed earliest by year 2021. The Company has estimated that the total cost required to complete the development of these intangible assets aggregates to Rs. 1,620 million, out of which Rs.902.619 million has been incurred by the Company as of the reporting date.

Further, the management has carried out an annual impairment assessment for intangible assets under development based on the value-in-use calculations. The discount rate applied to the cashflow projections is 14.1 percent (2019: 23.3 percent and the growth rate used to extrapolate the cashflows beyond the five year period is 5 percent (2019: 4.1). As a result of this assessment, the management did not identify any impairment in the carrying value of intangible assets under development as of reporting date.

Key assumptions used in value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:

- Discount rates
- Key business assumptions

#### Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the target Weighted Average Cost of Capital of the Group.

#### Key business assumptions

These assumptions are based on industry data for growth rates, management assess how the technology might change over the projected period. Management expects revenues and margins to improve on the basis of multiple strategies planned including, greater focus on development of new databases, applications and solutions, and expected increase in navigation business.

#### Sensitivity to changes in assumptions

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

**6.3** Amortisation expense for the year has been charged to cost of sales and services (note 36).

**6.4** Impairment testing of goodwill and intangibles with indefinite lives

Goodwill acquired through business combinations and intangibles with indefinite useful lives have been allocated and monitored at the Company level (tracking business - excluding non-operating assets). Intangible assets with indefinite useful lives include customer and marketing related intangibles assets. The Company has performed its

# Notes to the Financial Statements

For the year ended June 30, 2020

annual impairment test as at June 30, 2020. The recoverable amount of the Company is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period. The discount rate applied to cash flow projections is 14.1 percent (2019: 17.51 percent). The growth rate used to extrapolate the cash flows beyond the five-year period is 5 percent (2019: 4.1 percent). As a result of this assessment, the management did not identified any impairment for the cash generating unit to which these assets are allocated.

Key assumptions used in value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:

- Discount rates
- Key business assumptions

## Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the Weighted Average Cost of Capital of the Company.

## Key business assumptions

These assumptions are based on industry data for growth rates and management assess how the unit's position might change over the projected period. Management expects revenues and margins to improve on the basis of multiple strategies planned including increase in vehicle tracking sales volume and greater focus on container tracking business.

## Sensitivity to changes in assumptions

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

## 7. RIGHT-OF-USE ASSETS

The carrying amounts of right-of-use assets recognized and movement during the year is as follows:

	Vehicles	Computers and accessories	Regional offices	Total
	(Rupees)			
7.1 Net carrying value basis				
Reclassified from operating fixed assets on initial application of IFRS 16 (note 5.1)	5,841,494	66,076,956	-	71,918,450
Right-of-use assets recognised on initial application of IFRS 16 - note 4.6.1	-	-	241,094,788	241,094,788
Less: Depreciation charge for the year	4,250,732	24,027,984	53,853,000	82,131,716
Less: Derecognised during the year	-	-	158,612,344	158,612,344
Closing net book value	<u>1,590,762</u>	<u>42,048,972</u>	<u>28,629,444</u>	<u>72,269,178</u>
Depreciation rate (%)	<u>20%</u>	<u>33.33%</u>	<u>10%</u>	

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
		Rupees	
7.2	<b>Gross carrying value basis</b>		
	Cost	406,359,942	-
	Less: Accumulated depreciation	175,478,420	-
	Less: Derecognised during the year	158,612,344	-
	<b>Net book value</b>	<b>72,269,178</b>	<b>-</b>

7.3 Included herein fully depreciated electrical devices having cost of Rs. 3.571 million.

		2020	2019
		Rupees	
7.4	Depreciation charge for the year has been allocated as follows:		
	Cost of sales and services	46,882,748	-
	Distribution expenses	15,034,279	-
	Administrative expenses	20,214,690	-
		<b>82,131,717</b>	<b>-</b>

## 8. LONG-TERM INVESTMENTS

### Investment in an associated company - at cost

	2020	2019
Trakker Middle East LLC (TME)	<b>85,030,450</b>	<b>85,030,450</b>

8.1 Represents 29 percent investment of the Company in TME at a purchase cost of Rs. 85.030 million (equivalent to 1,644 ordinary shares of AED 1,000). The book value per share amounts to AED 224.83 equivalent to Rs. 10,191.78 based on the latest un-audited financial statements for the period ended June 30, 2020. Subsequent to the reporting date, the Company has acquired 21% additional shareholding in TME by virtue of which it becomes a subsidiary, the legal proceeding are under way to complete the transactions.

8.2 TME is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of the Company is at P.O. Box 52331, Abu Dhabi, United Arab Emirates. The principal activities of TME are selling, marketing and distribution of products and services in the field of wireless, fleet management, tracking and telemetry services.

8.3 The name of Chief Executive is Asim Syed and name/addresses of beneficial owners are as follows:

Name	Addresses
Al Jaber Group LLC	P.O. Box #: 2175, Abu Dhabi Petroleum Service Area Plot No. 1 & 1A.
Jamal Hohd Matar Al Hai	P.O. Box #: 2116, Dubai UAE

8.4 Investment in associated companies have been made in accordance with the requirement of Companies Act, 2017.

		2020	2019
		Rupees	
9.	<b>LONG-TERM LOANS - secured, considered good</b>		
	Executives	1,601,108	461,530
	Employees	2,351,783	1,912,558
		3,952,891	2,374,088
	Less: Current portion of long-term loans	3,282,993	1,736,652
		<b>669,898</b>	<b>637,436</b>

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>9.1 Reconciliation of the carrying amount of loans to executives</b>			
Opening balance		461,530	474,427
Disbursements		3,400,000	500,000
Less: Repayments / adjustments		2,260,422	512,897
Closing balance		1,601,108	461,530

9.2 The maximum aggregate amount of loans due from the executives at the end of any month during the year was Rs.2.281 million (2019: Rs.0.665 million).

9.3 The loans are provided to employees of the Company for the purchase of furniture and fixtures, renovation of house and marriage of self / children in accordance with the terms of employment and carrying mark up at the rate of 5 percent (2019: 5 percent) per annum. Further, it also includes loans provided on interest free basis amounting to Rs.0.803 million (2019: Rs.1.168 million). All loans are repayable over a period of two years in equal monthly instalments and are secured against salaries and provident fund balances of the employees. The management of the Company has not discounted these loans to their present value, as they considers the impact is immaterial to these financial statements taken as whole.

		2020	2019
	Note	Rupees	
<b>10. LONG-TERM DEPOSITS</b>			
Security deposits - leased and ijarah assets		44,726,703	44,726,704
Less: Current portion of security deposits	15	36,892,609	19,669,967
		7,834,094	25,056,737
Utilities		177,450	177,450
Rent deposits		4,302,756	4,012,756
Cash margin against guarantees	10.1	21,639,662	17,853,482
	10.2	33,953,962	47,100,425

10.1 Represents cash margin on guarantee issued by various commercial banks on behalf of the Company.

10.2 These are non-interest bearing, generally on a term of more than a year and are neither past due nor impaired.

		2020	2019
	Note	Rupees	
<b>11. DEFERRED TAX ASSETS - NET</b>			
Deferred tax liabilities on taxable temporary differences:			
- accelerated tax depreciation on:			
- property, plant and equipment		13,068,135	(32,353,344)
- right of use assets		(20,958,062)	-
- intangible assets		(1,600,454)	597,265
		(9,490,381)	(31,756,079)
Deferred tax assets on deductible temporary differences:			
- trade debts		7,190,786	12,075,718
- surplus on revaluation of property, plant and equipment		4,096,787	5,666,341
- lease liabilities		24,099,543	21,192,369
- tax losses carried forward		36,903,469	-
- minimum tax		964,544	-
		73,255,129	38,934,428
		63,764,748	7,178,349

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
		Rupees	
11.1	The movement in deferred tax assets is as follows:		
	- charge for deferred tax recognised due to adoption of IFRS 9	-	(9,922,187)
	- charge to other comprehensive income in respect of surplus on revaluation of property, plant and equipment	-	2,085,910
	- transfer to unappropriated on account of incremental depreciation for the year	305,758	(315,860)
	- reversal (net) to profit or loss	56,280,641	2,324,840
		<b>56,586,399</b>	<b>(5,827,297)</b>

11.2 As of reporting date, the Company has not recognised deferred tax assets of Rs. 79.621 million on losses of Rs. 274.556 million in line with accounting policies of the Company as stated in note 4.13 to these financial statements.

		2020	2019
		Rupees	
12.	<b>STOCK-IN-TRADE</b>		
	Tracking devices	228,296,492	255,515,852
	Spare parts	17,925,233	10,823,805
		<b>246,221,725</b>	<b>266,339,657</b>

12.1 Includes stock of Rs. 15.696 million (2019: Rs. 36.822 million) held with third parties.

12.2 Represents bonnet locks, window motors etc. which are held for sale.

		2020	2019
		Rupees	
13.	<b>TRADE DEBTS - unsecured</b>		
	Related parties		
	- TPL Insurance Limited (Associate)	4,198,955	9,137,701
	Other than related parties	1,043,469,856	1,342,004,730
		1,047,668,811	1,351,142,431
	Less: Allowances for expected credit losses	24,795,814	41,640,408
		<b>1,022,872,997</b>	<b>1,309,502,023</b>

# Notes to the Financial Statements

For the year ended June 30, 2020

13.1 The credit risk exposure on the Company's trade debts using provision matrix at year end is as follows:

	Total	Current	Days past due		
			> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
2020	(Rupees)				
Expected credit loss rate	2.37%	0.69%	0.52%	8.73%	9.28%
Estimated total gross carrying amount at default	1,047,668,811	269,997,344	554,638,392	113,994,466	109,038,610
Expected credit loss	24,795,814	1,858,119	2,861,290	9,952,938	10,123,467
2019	(Rupees)				
Expected credit loss rate	3.08%	0.00%	1.84%	13.41%	16.92%
Estimated total gross carrying amount at default	1,351,142,431	579,628,968	569,478,502	86,436,819	115,598,142
Expected credit loss	41,640,408	-	10,488,700	11,591,249	19,560,459

13.2 Represent amount receivable from various customers on account of sale and installation of tracking devices and vehicle tracking services provided by the Company. These are unsecured, interest free and generally on 30 to 60 days terms.

13.3 The ageing analysis of unimpaired trade debts due from related parties is as follows:

	Total	Current	Past due but not impaired		
			> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
TPL Insurance Limited - 2020	4,198,955	1,080,891	1,434,362	1,450,076	233,626
TPL Insurance Limited - 2019	9,137,701	5,608,193	2,862,564	246,619	420,325

13.4 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:

	2020	2019
	Rupees	
TPL Insurance Limited	7,161,975	5,608,193

13.5 Allowance for expected credit losses

Opening balance		41,640,408	26,797,873
Adjustment due to adoption of IFRS 9		-	34,215,369
Transferred under Scheme	1.3	4,561,440	-
		46,201,848	61,013,242
Add: Charge for the year		-	4,150,708
Less: Reversal during the year	38	21,406,034	-
Less: Written off during the year		-	23,523,542
Closing balance		24,795,814	41,640,408

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>14. LOANS AND ADVANCES</b>			
Loans – secured, considered good			
Current portion of long-term loans	9	3,282,993	1,736,652
Advances – unsecured, considered good			
- suppliers	14.1	104,047,093	36,633,419
- others		504,381	1,064,955
	14.2	104,551,474	37,698,374
		<u>107,834,467</u>	<u>39,435,026</u>

14.1 Includes advances paid to the following foreign companies as of June 30, 2020 and 2019:

Name of the company	Address	2020 (Rupees)	2019 (Rupees)	Terms, conditions and period
Sportics	Lode de Boningestraat 19, 8560 Wevelgem, Belgium	-	99,000	Purchase of goods to be settled within 90 days
FlyAudio Corp	11 Nanxiang 3rd Road Luogang District Guangzhou, 510700 China	-	356,210	Purchase of goods to be settled within 90 days
Traclogis Co. Ltd.	7/F Block ,80 Bldg Huanan Industrial Park Liaobu Town Dongguan	-	790,010	Purchase of goods to be settled within 90 days
Howen Technologies Co. Ltd.	No.201, 2/F,B Zone, Hivac Building, Langshan 2nd Rd, North Zone of Technology Park, Nan Shan, Shenzhen, China	-	2,764,716	Purchase of goods to be settled within 90 days
Digicore Technologies (Pty) Ltd.	37,Hillclimb Road, Westmead, Pinetown,KZN 3610, South Africa	-	55,415	Purchase of goods to be settled within 90 days
		-	<u>4,065,351</u>	

14.2 These are non-interest bearing and generally on an average term of 1 to 6 months.

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>15. TRADE DEPOSITS AND PREPAYMENTS</b>			
Trade deposits			
- security deposits		1,767,720	1,311,220
- LC margin		377,546	1,262,546
- current portion of leased and ijarah deposits	10	36,892,609	19,669,967
- others		711,516	711,516
	15.1	39,749,391	22,955,249
Prepayments			
- insurance		3,889,737	8,961,989
- fees for services		10,497,893	796,034
- maintenance	15.2	7,357,925	10,961,009
		21,745,555	20,719,032
		61,494,946	43,674,281

15.1 These are non-interest bearing and generally on an average term of 1 to 6 months.

15.2 Included herein maintenance charges of Rs 6.092 million (2019: Rs. 7.762 million) paid to TPL Properties Limited, a related party [previously Centrepont Management Services (Private) Limited].

		2020	2019
	Note	Rupees	
<b>16. INTEREST ACCRUED - unsecured, considered good</b>			
Mark-up accrued on due from related parties			
Ultimate parent company			
- TPL Holdings (Private) Limited		66,313,202	-
Parent company			
- TPL Corp Limited		32,713,172	-
Associates			
- TPL Security Services (Private) Limited		4,326,421	4,326,421
- Trakker Middle East LLC		9,218,594	3,739,729
- Trakker Direct Finance (Private) Limited		1,100,644	967,884
- TRG Pakistan Limited		6,447,351	5,201,813
- TPL Life Insurance Limited		-	4,041,936
- TPL Maps (Pvt.) Limited	1.3	-	47,681,090
- TPL Tech Pakistan (Private) Limited		6,622,491	1,225,293
- TPL Properties Limited		1,702,759	260,868
- TPL Rupiya (Private) Limited	1.3	-	5,609,216
		128,444,634	73,054,250

**17. OTHER RECEIVABLES - unsecured, considered good**

Earnest money		7,715,044	9,330,919
Insurance claims		3,491,229	3,469,853
Others	17.1	18,133,269	1,133,270
	17.2	29,339,542	13,934,042

17.1 Included herein Rs. 17.0 million receivable on account of disposal of property, plant and equipment (see note 5.2).

17.2 These are non-interest bearing receivables which are neither past due nor impaired, and generally on an average term of 1 to 6 months.

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>18. DUE FROM RELATED PARTIES - unsecured, considered good</b>			
<b>Ultimate parent company</b>			
- TPL Holdings (Private) Limited	32.1	433,701,979	-
<b>Parent company</b>			
- TPL Corp Limited	18.1	519,635,427	-
<b>Associates</b>			
- TPL Security Services (Private) Limited [TSS]		16,500,068	17,127,565
- TPL Properties Limited [TPLP]	18.1	5,700,233	4,287,788
- TPL Life Insurance Limited [TPL Life]	18.1	-	12,340,377
- Trakker Middle East LLC [TME]	18.1	46,715,880	21,839,006
- TPL Maps (Pvt.) Limited [TPLM]	1.3	-	449,080,307
- Trakker Direct Finance (Private) Limited [TPLD]	18.1	850,070	802,100
- TPL Rupiya (Private) Limited [TPLR]	1.3	-	41,416,232
- TRG Pakistan Limited [TRG]	18.1	7,616,233	7,616,233
- TPL Tech Pakistan (Private) Limited [TPL Tech]	18.1	40,964,168	21,780,890
	18.2	<b>1,071,684,058</b>	<b>576,290,498</b>

18.1 Represents current account balances with related parties carrying mark-up at the variable rate of 3 months to 6 months KIBOR plus 3 percent (2019: 3 months to 6 months KIBOR plus 3 percent) per annum and are repayable on demand.

18.2 These are neither past due nor impaired.

18.3 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:

		2020	2019
	Note	Rupees	
<b>Ultimate parent company</b>			
- TPL Holdings (Private) Limited		515,803,554	-
<b>Parent company</b>			
- TPL Corp Limited		589,529,961	-
<b>Associated companies</b>			
- TPL Security Services (Private) Limited		25,409,701	103,066,983
- TPL Properties Limited		16,506,311	17,486,098
- TPL Life Insurance Limited		-	60,673,127
- Trakker Middle East LLC		46,715,880	21,839,006
- TPL Maps (Pvt.) Limited		-	449,080,307
- Trakker Direct Finance (Private) Limited		850,070	802,100
- TPL Logistics (Private) Limited		-	1,951,600
- TPL Rupiya (Private) Limited		-	54,678,700
- TRG Pakistan Limited		7,616,233	7,616,233
- TPL Tech Pakistan (Private) Limited		40,964,168	21,780,891

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>19. TAXATION - net</b>			
Opening balance - refundable		42,478,304	13,262,192
Less: Adjustment due to adoption of IFRS 9		-	(10,185,400)
Less: Income tax payable under the Scheme	1.3	(807,373)	-
Less: Provision for current and prior taxation	42	(45,602,164)	(32,500,807)
Add: Income tax paid and deducted at source		36,081,204	71,902,319
Less: Refund received during the year		(45,835,026)	-
Closing balance - (payable) / refundable		(13,685,055)	42,478,304

## 20. CASH AND BANK BALANCES

	2020	2019
Cash in hand	176,141	178,799
At banks in local currency:		
- current accounts	19,044,314	19,651,221
- saving accounts	833	796
	19,045,147	19,652,017
	19,221,288	19,830,816

20.1 These carry mark-up at the rate of 7.65 percent (2019: 10.25 percent) per annum.

## 21. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2020	2019		2020	2019
	Number of shares		Note	Rupees	
	10	10	Ordinary shares of Rs.10/- each	100	100
			- issued for cash		
			- issued for consideration other than cash		
	92,926,242	60,177,126	- opening balance	929,262,420	601,771,260
	-	8,503,045	- issued during the year	-	85,030,450
	92,926,252	68,680,171		929,262,420	686,801,710
	27,516,341	24,246,071	- issued as bonus share	275,163,410	242,460,710
	120,442,593	92,926,252		1,204,425,930	929,262,520

21.1 During the year ended June 30, 2018, TPL Corp Limited (the parent company) has transferred net assets of Rs. 601.771 million related to its Tracking business to the Company with effect from July 01, 2017 under the Scheme of Arrangement (the Scheme) sanctioned / approved by Honourable High Court of Sindh vide its order No. J.C.M. Petition No. 48 of 2016 dated November 17, 2017, in consideration for ordinary shares of the Company.

21.2 During the year ended June 30, 2019, the Company has acquired 29 percent investment in TME at a purchase cost of Rs. 85.030 million (equivalent to 1,644 ordinary shares of AED 1,000) from TPL Corp Limited (the parent company) in consideration of issuance of 8,503,045 ordinary shares of the Company to the parent company.

21.3 As disclosed in note 1.3 to these financial statements, pursuant to the Scheme duly approved by the Board of Directors of the Company, whereby TPLM and TPLR were amalgamated into the Company by way of transfer of net assets as of July 01, 2019 against no consideration in cash or otherwise. Consequently, a reserve arises as a result of Scheme of Rs.421.98 million was created which was classified as capital reserve under the Companies Act, 2017.

# Notes to the Financial Statements

## For the year ended June 30, 2020

21.4 During the year, the Company has issued 27.516 million ordinary shares (i.e. 2.96 shares for every 10 shares held) out of reserves as disclosed in note 21.3 to these financial statements.

21.5 These are ordinary shares which carry one vote per share and right to dividend.

		2020	2019
	Note	Rupees	
<b>22. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
Opening balance;			
Leasehold land		541,225,035	218,875,035
Building on leasehold land		19,713,333	13,293,853
		560,938,368	232,168,888
(Deficit) / surplus on revaluation recognised / (reversed on disposal) during the year:			
Leasehold land		(266,594,744)	322,350,000
Building on leasehold land		(4,357,916)	7,192,792
		(270,952,660)	329,542,792
Transfer to unappropriated profit on account of incremental depreciation charged for the year		(1,456,708)	(773,312)
Deferred tax:			
- on account of surplus on revaluation of building on leasehold land - net		(4,402,545)	(5,982,201)
- impact of deferred tax on incremental depreciation charged for the year		305,758	315,860
		(4,096,787)	(5,666,341)
		284,432,213	555,272,027
<b>23. LONG-TERM FINANCING - secured</b>			
Project finance	23.1	-	44,642,833
Sukuk financing	23.2	450,000,000	600,000,000
Diminishing musharaka	23.3	47,450,437	-
		497,450,437	644,642,833
Less: Current portion shown under current liabilities	31	104,186,803	344,642,833
		393,263,634	300,000,000

23.1 During the year, the Company has repaid in full project financing facility of US Dollars 3.5 million (equivalent to Rs.367.663 million) obtained from Overseas Private Investment Corporation (a foreign financial institution) through an agreement dated November 27, 2013 for a period of 5 years. It carries mark-up at the rate of 5 year United States Treasury Rate plus 3.75 percent (i.e. 5.12 percent) per annum and the Company was liable to pay maintenance fee of US Dollars 7,500 per annum in arrears. Accordingly, the pledge on 35 million ordinary shares and charge on saving account as security for financing was released.

23.2 Represents Sukuk certificates issued of Rs. 600 million divided into 600 certificates of Rs.1 million each for a period of 5 years under an agreement dated April 08, 2016 to be read with amendment agreement for Green Shoe Option dated May 08, 2016 and second supplemental agreement dated Jun 30, 2020. The said certificates are redeemable in periodic installments by April 2022 i.e. redemption date. The rate for rental payment is 1 year KIBOR plus 3 percent (2019: 1 year KIBOR plus 3 percent). These certificates are secured against pledge of 55 million ordinary shares of TPL Properties Limited owned by TPL Corp Limited (the parent company), charge by way of hypothecation of Rs. 750 million (inclusive of 20% margin) over the hypothecated assets in favour of the trustee and a ranking charge ranking subordinate and subservient to the charge in favour of the existing creditors.

# Notes to the Financial Statements

For the year ended June 30, 2020

- 23.3 Represents diminishing musharaka facility to finance the purchase of computer servers and related accessories aggregating to Rs 58.615 million from an Islamic bank for a period of 5 years (after deferment of 1 year) (2019: 4 years) and carries mark-up at the rate of 1 month KIBOR plus 2 percent per annum. The musharaka units are to be purchased by January 2024. The facility is secured by exclusive charge over the diminishing musharaka assets, first charge over all present and future current and fixed assets of the Company and corporate guarantee of TPL Corp Limited (the parent Company).

		2020	2019
	Note	Rupees	
<b>24. LEASE LIABILITIES</b>			
Current maturity of lease liabilities		56,682,850	20,932,496
Non current maturity of lease liabilities		26,419,021	52,145,571
		83,101,871	73,078,067
<b>24.1 Reconciliation of total lease liabilities:</b>			
Opening balance		73,078,067	3,823,435
Lease liabilities due to initial application of IFRS 16 - note 4.6		241,031,868	-
Additions for the year - net		-	76,183,457
Interest expense for the year	40	33,675,087	2,247,505
Payments / adjustments made during the year		(90,639,000)	(9,176,330)
Cancellation		(174,044,151)	-
Closing balance		83,101,871	73,078,067

The following are the amounts recognised in statement of profit or loss in respect of leases:

		2020	2019
	Note	Rupees	
Depreciation expense of right-of-use assets	7.1	82,131,716	-
Interest expense on lease liabilities	40	33,675,087	2,247,505
Total amount recognised in statement of profit or loss		115,806,803	2,247,505

- 24.2 The maturity analysis of lease liabilities is presented in note 43.4 to these financial statements.

- 24.3 The Company had total cash outflows for leases of Rs. 90.639 million (2019: Rs. 9.176 million) as of reporting date. The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 241.031 million (2019: Rs. 71.918 million). The Company do not have any future cashflows relating to leases other than as disclosed in these financial statements.

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>25. LONG-TERM LOANS</b>			
Term finance I	25.1	-	12,500,000
Term finance II	25.2	33,333,337	58,333,333
Term finance III	25.3	-	15,277,777
Term finance IV	25.4	16,250,000	32,500,000
Term finance V	25.5	16,769,782	62,857,143
Term finance VI	25.6	166,666,667	229,166,667
Term finance VII	25.7	37,000,000	-
Term finance VIII	25.8	57,900,009	-
		327,919,795	410,634,920
Less: Current portion shown under current liabilities	31	100,471,489	261,746,030
		227,448,306	148,888,890

- 25.1 During the year, the Company has repaid outstanding balance of term finance facility of Rs. 37.5 million obtained from a commercial bank in last years under an agreement dated January 26, 2017. It was carrying a mark-up at the rate of 3 months KIBOR plus 2.1 percent per annum.
- 25.2 The term finance facility of Rs. 100 million was obtained for a period of three years from a commercial bank through an agreement dated November 27, 2017. The said loan is to be paid in equal quarterly instalments of Rs. 8.3 million each from the date of disbursement. It carries mark-up at the rate of 3 months KIBOR plus 2.1 percent per annum. The facility is secured against first charge over land and building of the Company to the extent of Rs.216 million with 40% margin, personal guarantee of directors and cross corporate guarantee of the parent company.
- 25.3 During the year, the Company has repaid the outstanding balance of term finance of Rs. 50 million obtained from a commercial bank in last years under an agreement dated March 13, 2017. It was carrying mark-up at the rate of 1 month KIBOR plus 3 percent per annum.
- 25.4 The term finance facility of Rs. 65 million was obtained for a period of three years from a commercial bank through an agreement dated March 02, 2017. The loan is repayable in 36 equal monthly instalments of Rs.1.8 million latest by November, 2021 (after deferment of 1 year). It carries mark-up at the rate of 1 month KIBOR plus 3 percent per annum and is secured against first pari passu hypothecation charge over the Company's book debts of Rs. 100 million, first pari passu hypothecation charge over current assets of the Company of Rs. 70 million, first pari passu hypothecation charge over the fixed assets of the Company of Rs. 70 million and pledge of the shares of TPL Insurance Limited and TPL Properties Limited (related parties) owned by TPL Corp Limited (parent company), first exclusive charge over shares amounting to Rs. 429.07 million duly registered with 50 percent margin.
- 25.5 The term finance facility of Rs. 200 million was obtained for a period of three years from a commercial bank through an agreement dated May 09, 2017. The loan is repayable in 36 equal monthly instalments of Rs. 5.556 million latest by May, 2021 (after deferment of 1 year) . It carries mark-up at the rate of 3 months KIBOR plus 1.75 percent (2019: 1 month KIBOR plus 2.5 percent) per annum. The facility is secured against specific charge of Rs. 300 million over tracking devices owned by the Company and assignment of receivables from customers and personal guarantee of directors of the parent company.
- 25.6 The term finance facility of Rs. 250 million for a period of three years from a commercial bank through an agreement dated December 24, 2018. The loan is repayable in 12 equal quarterly instalments of Rs. 20.833 million latest by December, 2022 (after deferment of 1 year).It carries mark-up at the rate of 1 month KIBOR plus 2.50 percent per annum. The facility is secured against first pari passu charge over current assets (receivables only) of the Company to the extent of Rs. 266 million and first pari passu charge over the fixed assets of the Company of Rs. 266 million and pledge of the shares of TPL Insurance Limited and TPL Properties Limited (related parties) owned by TPL Corp Limited (parent company), first exclusive charge over shares amounting to Rs. 429.07 million duly registered with 50 percent margin.

# Notes to the Financial Statements

For the year ended June 30, 2020

25.7 The term finance facility of Rs. 37 million for a period of five years from a commercial bank through an agreement dated August 27, 2019. The loan is repayable in 18 equal quarterly instalments of Rs. 2.05 million each and carries mark-up at the rate of 3 months KIBOR plus 2.50 percent per annum. The facility is secured against first pari passu equitable mortgage charge of Rs. 71 million over land and building of the Company and personal guarantees of directors / sponsors of the Company.

25.8 During the year, the Company and the parent company (TPL Corp Limited) has obtained long-term financing from a commercial bank of Rs. 150 million under Refinance Scheme for payment of Wages & Salaries by State Bank of Pakistan. Out of total facility limit, Rs. 64.81 million was availed by the Company and Rs. 34.21 was availed by the parent company. It carries a flat mark-up at the rate of 3 percent per annum and is repayable in 8 quarterly installments commencing from January 2021 discounted at effective rate of interest of 11.5 percent per annum. The differential mark-up has been recognised as government grant (see note 26 to these financial statements) which will be amortised to interest income over the period of the facility. The facility is secured against existing charge over TPL Trakker Limited's current assets, fixed assets and pledge of shares of TPL Insurance Limited & TPL Properties Limited. As of the reporting date, Rs. 32.58 million for the Company and Rs. 18.40 million for the parent company remains unutilized.

		2020	2019
26	<b>GOVERNMENT GRANT</b>	Note	Rupees
	Recognised during the year	6,906,820	-
	Released to statement of profit or loss	(2,416,771)	-
	As at June 30, 2020	4,490,049	-
	Current portion	2,709,041	-
	Non-current portion shown under current liabilities	1,781,008	-
		4,490,049	-
27.	<b>TRADE AND OTHER PAYABLES</b>		
	Creditors	27.1 323,830,051	391,430,342
	Accrued liabilities	144,069,477	135,119,814
	Unearned equipment rentals	95,741,350	144,130,666
	Book overdraft	115,000,000	-
	Other liabilities		
	Sales commission	4,055,767	4,036,412
	Sales tax	46,282,751	29,808,192
	Withholding tax	142,560,908	15,357,214
	Workers' Welfare Fund	2,638,267	2,638,267
	Provident fund	59,985,137	26,746,362
	Others	27.2 1,661,798	1,661,793
		257,184,628	80,248,240
		27.3 935,825,506	750,929,062

27.1 Included herein Rs.22.768 million (2019: Rs. 55.973 million) payable to TPL Properties Limited, a related party on account of rental, maintenance and other services.

27.2 Includes stale cheques amounting to Rs. 1.647 million (2019: Rs.1.647 million).

27.3 These are non-interest bearing and generally on a term of 1 to 6 months except for creditors which are on a credit term of 30 days.

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>28. ACCRUED MARK-UP</b>			
Long-term financing		12,669,002	19,977,752
Long-term loans		26,845,199	14,906,627
Running finance under mark-up arrangement		37,657,843	31,258,030
Short-term financing		12,556,580	-
Due to related parties		50,333,147	1,958,042
		<b>140,061,771</b>	<b>68,100,451</b>

## 29. SHORT-TERM FINANCING

Payable against LCs	29.1	170,665,871	12,737,305
Commercial Papers (CP)	29.2	1,223,503,302	-
		<b>1,394,169,173</b>	<b>12,737,305</b>

29.1 Represents LCs facilities obtained by the Company from various commercial banks having an aggregate limit of Rs. 210 million (2019: Rs.210 million). It carries mark-up ranging from 3 months KIBOR plus 2.5 percent to 3.5 percent and 1 month KIBOR plus 3 percent per annum and is secured against first pari passu hypothecation charge of Rs. 866 million (2019: Rs.866 million) over all present and future stocks, book debts and fixed assets excluding land and buildings of the Company with cash margins ranging from 5 percent to 15 percent. As of the reporting date, Rs. 39.33 million (2019: Rs.197.26 million) remains unutilized.

29.2 Represents subscription money received from various investors against privately placed Commercial Paper units amounting to Rs. 1,140 million having face value of Rs. 1,000,000 each issued at a discounted value of Rs. 0.927 million calculated using a rate equivalent to 6 months KIBOR plus 2.50 percent over the period of 1 year. Subsequent to the reporting date, the Company has redeemed Rs. 736.58 million (736 units), while the remaining units will be redeemed latest by January 2021 (after deferment of 6 months).

## 30. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

These facilities are obtained from various commercial banks having an aggregate limit of Rs. 1,112.5 million (2019: Rs. 1,012.5 million) out of which Rs. 7.31 million (2019: Rs. 34.47 million) was un-utilised as of the reporting date. The facilities carry mark-up ranging between 1 month KIBOR plus 2 percent to 3 percent and 3 months KIBOR plus 1.5 percent to 3 percent (2019: 3 months KIBOR plus 1 percent to 2.5 percent) per annum. These are secured by way of registered hypothecation over stocks and book debts aggregating to Rs. 1,356 million (2019: Rs.759 million) and pledge of the shares of TPL Insurance Limited and TPL Properties Limited (related parties) owned by TPL Corp Limited (parent company), first exclusive charge over shares amounting to Rs. 429.07 million duly registered with 50 percent margin. (2019: 18.4 million ordinary shares of TPL Insurance Limited) and equitable first pari passu charge over property to the extent of Rs. 385 million (2019: Rs. 809 million) and Rs.115 million on fixed assets (2019: Nil).

		2020	2019
	Note	Rupees	
<b>31. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long-term financing	23	104,186,803	344,642,833
Lease liabilities	24	56,682,850	20,932,496
Long-term loans	25	100,471,489	261,746,030
Government grant	26	2,709,041	-
		<b>264,050,183</b>	<b>627,321,359</b>

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
		Rupees	
<b>32. DUE TO RELATED PARTIES - unsecured</b>	Note		
TPL Holdings (Private) Limited (the ultimate parent company) [TPLH]	32.1	-	101,751,929
TPL Corp Limited (the parent company) [TPL Corp]		-	411,504,033
TPL Insurance Limited (an associated company) [TIL]	32.2	42,090,007	156,863,738
TPL Life Insurance Limited (an associated company) [TPL Life]	32.3	5,682,956	-
		<b>47,772,963</b>	<b>670,119,700</b>

32.1 Represents current account balance carrying mark-up at the fixed rate of 18 percent per annum and is repayable on demand.

32.2 Included herein current account balance of Rs.17.09 million (2019: Rs. 16.864 million) carrying mark-up at the variable rate of 3 months KIBOR plus 3 percent per annum and is repayable on demand. Further, it also includes outstanding loan of Rs. 25 million having facility limit of Rs. 200 million (2019: Rs. 200 million) carrying mark-up at the rate of 1 year KIBOR plus 3.5 percent per annum and is repayable on demand.

32.3 Represents current account balance with related party carrying mark-up at the variable rate of 6 months KIBOR plus 3 percent (2019: 6 months KIBOR plus 3 percent) per annum and is repayable on demand.

		2020	2019
		Rupees	
<b>33. ADVANCE MONITORING FEES</b>	Note		
Opening balance		46,651,699	37,463,676
Billed during the year		405,472,734	440,420,122
Less: Transferred to revenue during the year		414,984,271	431,232,099
Closing balance	33.1	<b>37,140,162</b>	<b>46,651,699</b>

33.1 Represents monitoring fee invoiced in advance, which is taken to revenue as per the appropriate monitoring period.

		2020	2019
		Rupees	
<b>34. CONTINGENCIES AND COMMITMENTS</b>	Note		
<b>34.1 Contingencies</b>			
34.1.1 Guarantees issued by banks on behalf of the Company		<b>21,639,662</b>	<b>22,853,482</b>

34.1.2 The Company is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs. 20.289 (2019: 20.289 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in the favor of the Company and, accordingly, no provision has been made for any liability against these law suits in these financial statements. Details of these legal cases are given below:

# Notes to the Financial Statements

For the year ended June 30, 2020

Court	Factual Description	Date of institution	Party	Relief Sought
High Court of Sindh	Dispute arising on the reimbursement on return of tracking device and un-utilised monitoring charges	April 01, 2011	Geofizyka Krakow Limited vs TPL Trakker Limited	Reimbursement of Rs.10.929 million being the price paid for the equipment in respect of returned units and un-utilised monitoring charges
District and Session Court (East)	Dispute arising due to the non-functionality of tracking device	April 08, 2013	Muhammad Aziz Khan vs TPL Trakker Limited	Recovery of Rs. 1.350 million being the cost of the car and Rs.1 million as damages
District and Session Court (West)	Dispute arising due to the non-functionality of tracking device	October 29, 2015	Ahmed Shah vs TPL Trakker Limited	Recovery of damages and compensation of Rs.7.010 million

## 34.2 Commitments

### 34.2.1 Letter of credits

### 34.2.2 Ijarah agreements

Note

2020

2019

Rupees

170,665,871

12,737,305

The Company has various ijarah agreements with various financial institutions in respect of purchase of vehicles and office equipment for a period upto three years. As of reporting date, total ijarah payments due under the agreements are Rs. 2.077 million (2019: Rs.9.662 million) and are payable in monthly instalments latest by March 2021. Taxes and repairs are to be borne by the Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the ijarah rentals and security deposits of Rs. 1.77 million (2019: Rs.10.19 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	2020	2019
Not later than one year	2,076,870	7,954,024
Later than one year but not later than five years	-	1,707,935
	2,076,870	9,661,959

Note

Rupees

## 35. TURNOVER - net

### Tracking and other digital business

Equipment installation and sales		259,429,013	400,534,318
Monitoring fees		495,906,204	517,114,413
Rentals from tracking devices		1,007,465,630	1,122,407,127
Navigation revenue	1.3	45,586,868	-
E- ticketing services	1.3	4,606,154	-
Other services		19,024,662	26,004,506
		1,832,018,531	2,066,060,364
Less: Sales tax		226,782,580	294,195,769
	35.1	1,605,235,951	1,771,864,595

35.1 Included herein revenue recognized during the year of Rs.240.18 million (2019 : Rs. 227.62 million) made to related parties.

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>36. COST OF SALES AND SERVICES</b>			
<b>Cost of equipment sold</b>			
Opening stock		266,339,657	325,837,835
Purchases during the year		157,620,662	245,619,565
		423,960,319	571,457,400
Less: Units transferred to operating fixed assets given under rental arrangements		(72,097,988)	(200,527,470)
Less: Closing stock	12	(246,221,725)	(266,339,657)
		105,640,606	104,590,273
Salaries, wages and other benefits	36.1	307,195,656	235,277,665
Activation and connection charges		187,932,165	177,987,817
Insurance		11,489,815	14,613,661
Vehicle running and maintenance		40,766,295	22,663,848
Depreciation	5.1.1	137,173,881	123,286,353
Depreciation on ROUA	7.4	46,882,748	-
Amortisation	6.1	45,282,814	3,637,431
License renewal fee		4,257,192	3,663,992
Communication		5,019,355	5,699,034
Travelling and conveyance		20,578,542	16,163,448
Utilities		18,497,716	14,048,312
Rent, rates and taxes		27,654,470	36,623,880
Computer expenses		23,149,231	8,859,236
		875,879,880	662,524,677
		981,520,486	767,114,950

36.1 These include Rs. 17.559 million (2019: Rs.14.350 million) in respect of staff retirement benefits (provident fund contribution).

		2020	2019
	Note	Rupees	
<b>37. DISTRIBUTION EXPENSES</b>			
Salaries, wages and other benefits	37.1	98,510,975	72,074,038
Outsourcing expenses		24,444,134	28,539,901
Commission		63,579,649	56,170,931
Vehicle running and maintenance		13,072,865	7,118,701
Depreciation	5.1.1	43,988,685	39,447,975
Depreciation on ROUA	7.4	15,034,279	-
Sales promotion and publicity		20,824,711	34,009,700
Utilities		5,931,816	4,504,988
Rent, rates and taxes		8,868,188	11,744,483
Postage and courier		8,818,961	6,019,158
Printing and stationery		1,425,872	1,302,482
Communication		1,609,598	1,827,556
Travelling and conveyance		6,599,091	15,759,797
Insurance		3,684,642	4,686,283
Newspapers and periodicals		529,200	406,342
Computer expenses		7,423,455	2,840,966
		324,346,121	286,453,301

37.1 These include Rs. 5.631 million (2019: Rs. 4.602 million) in respect of staff retirement benefits (provident fund contribution).

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
<b>38. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	38.1	132,455,225	101,445,953
Legal and professional		19,628,704	24,946,262
Depreciation	5.1.1	59,146,010	53,589,306
Depreciation on ROUA	7.4	20,214,690	-
(Reversal) / charge of allowances for expected credit losses		(21,406,034)	4,150,708
Utilities		7,975,762	6,057,287
Rent, rates and taxes		11,923,928	15,726,843
Travelling and conveyance		24,717,443	6,969,282
Repairs and maintenance		24,346,992	23,443,909
Security service		18,012,639	16,979,805
Vehicle running and maintenance		17,577,425	9,571,615
Computer expenses		9,981,380	3,819,885
Communication		2,164,223	2,457,284
Late payment surcharge		20,391,430	-
Training		1,070,919	1,595,285
Auditors' remuneration	38.2	4,466,110	3,390,000
Insurance		4,954,098	6,301,052
Entertainment		22,091,603	17,535,425
Printing and stationery		1,917,190	1,751,283
Postage and courier		11,857,740	8,093,198
Donations		-	4,355,499
Ijarah rentals		8,152,647	47,851,903
Subscription		825,000	428,594
Others		12,313,394	7,849,506
		414,778,518	368,309,884

38.1 These include Rs. 7.571 million (2019: Rs. 6.187 million) in respect of staff retirement benefits (provident fund contribution).

		2020	2019
	Note	Rupees	
<b>38.2 Auditors' remuneration</b>			
Audit fee - standalone		2,075,000	1,725,000
Review fee - standalone		738,400	-
Other assurance services		1,500,000	1,500,000
Out of pocket expenses		152,710	165,000
		4,466,110	3,390,000

38.3 Recipients of donations do not include any donee in which a director or spouse had any interest.

38.4 Investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017, and the conditions specified thereunder.

		2020	2019
	Note	Rupees	
<b>39. OTHER EXPENSES</b>			
Workers' Welfare Fund		-	869,110
Exchange loss - net		-	29,953,692
		-	30,822,802

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
		Rupees	
	Note		
<b>40. FINANCE COSTS</b>			
Mark-up on:			
- long-term financing		77,011,640	69,940,826
- lease liabilities	24	33,675,088	2,247,505
- long-term loans		83,607,181	63,972,427
- short-term financing		99,367,589	5,968,965
- running finance under mark-up arrangements		164,285,989	105,666,546
- due to related parties		54,375,256	61,599,299
Bank and other charges		2,994,461	563,598
		<b>515,317,204</b>	<b>309,959,166</b>
<b>41. OTHER INCOME</b>			
<b>Income from financial assets:</b>			
Interest income on loan given to employees		198,805	39,407
Income on term deposit receipts		-	5,856,437
Mark-up on saving accounts		-	796
		198,805	5,896,640
<b>Income from related parties:</b>			
Mark-up on current account		114,680,669	48,978,856
Other service income		20,473,730	-
		135,154,399	48,978,856
		135,353,204	54,875,496
<b>Income from assets other than financial assets:</b>			
Gain on disposal of property, plant and equipment - net	5.2	344,817	3,034,752
Gain on cancellation / modification of lease		15,431,807	-
Amortisation of government grant		2,416,771	-
Exchange gain - net		639,152	-
Others		7,039,000	3,573,849
		25,871,546	6,608,601
		<b>161,224,750</b>	<b>61,484,097</b>
<b>42. TAXATION</b>			
Current		(51,776,067)	34,264,137
Prior		6,173,903	(1,763,330)
Deferred	11.1	56,586,399	2,324,840
		<b>10,984,235</b>	<b>34,825,647</b>

42.1 The returns of the total income of the Company have been filed for and upto tax year 2019 which are considered as deemed assessments.

# Notes to the Financial Statements

For the year ended June 30, 2020

	2020	2019
Note	Rupees	
<b>42.2 Relationship between accounting profit and tax expense</b>		
(Loss) / profit before taxation	(469,501,628)	70,688,589
Applicable tax rate	29%	29%
Tax at the above rate	-	20,499,691
Prior year tax	6,173,903	-
Tax effect of income subject to lower tax rate	4,810,332	14,325,956
Tax expense for the year	(10,984,235)	34,825,647
Effective tax rate	-	49.27%

## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining and appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Company is exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2020. The policies for managing each of these risks are summarised below:

### 43.1 Financial assets and liabilities by category and their respective maturities are as follows:

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
	----- (Rupees) -----						
<b>Financial assets</b>							
(at amortised cost)							
Long-term Investments	-	-	-	-	85,030,450	85,030,450	85,030,450
Loans	2,605,332	544,480	3,149,812	677,661	125,418	803,079	3,952,891
Long-term deposits	-	-	-	-	33,953,962	33,953,962	33,953,962
Trade debts	-	-	-	1,047,668,811	-	1,047,668,811	1,047,668,811
Trade deposits	-	-	-	39,749,391	-	39,749,391	39,749,391
Interest accrued	-	-	-	128,444,634	-	128,444,634	128,444,634
Other receivables	-	-	-	29,339,542	-	29,339,542	29,339,542
Due from related parties	1,071,684,058	-	1,071,684,058	-	-	-	1,071,684,058
Cash and bank balances	833	-	833	19,220,455	-	19,220,455	19,221,288
<b>2020</b>	<b>1,074,290,223</b>	<b>544,480</b>	<b>1,074,834,703</b>	<b>1,265,100,494</b>	<b>119,109,830</b>	<b>1,384,210,324</b>	<b>2,459,045,027</b>
<b>Financial liabilities</b>							
(at amortised cost)							
Long-term financings	104,186,803	393,263,634	497,450,437	-	-	-	497,450,437
Lease liabilities	56,682,850	26,419,021	83,101,871	-	-	-	83,101,871
Long-term loans	100,471,489	227,448,306	327,919,795	-	-	-	327,919,795
Trade and other payables	-	-	-	455,617,093	-	455,617,093	455,617,093
Accrued mark-up	-	-	-	140,061,771	-	140,061,771	140,061,771
Short term financing	1,394,169,173	-	1,394,169,173	-	-	-	1,394,169,173
Running finance under mark-up arrangements	1,105,194,287	-	1,105,194,287	-	-	-	1,105,194,287
Due to related parties	47,772,963	-	47,772,963	-	-	-	47,772,963
<b>2020</b>	<b>2,808,477,565</b>	<b>647,130,961</b>	<b>3,455,608,526</b>	<b>595,678,864</b>	<b>-</b>	<b>595,678,864</b>	<b>4,051,287,390</b>

# Notes to the Financial Statements

For the year ended June 30, 2020

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total	
	(Rupees )						
<b>Financial assets</b>							
(at amortised cost)							
Long-term Investments	-	-	-	-	85,030,450	85,030,450	85,030,450
Loans	1,736,652	637,436	2,374,088	-	-	-	2,374,088
Long term deposits	-	-	-	-	47,100,425	47,100,425	47,100,425
Trade debts	-	-	-	1,351,142,431	-	1,351,142,431	1,351,142,431
Trade deposits	-	-	-	22,955,249	-	22,955,249	22,955,249
Interest accrued	-	-	-	128,444,634	-	128,444,634	128,444,634
Other receivables	-	-	-	13,934,042	-	13,934,042	13,934,042
Due from related parties	576,290,498	-	576,290,498	-	-	-	576,290,498
Cash and bank balances	796	-	796	19,830,020	-	19,830,020	19,830,816
<b>2019</b>	<b>578,027,947</b>	<b>637,436</b>	<b>578,665,383</b>	<b>1,536,306,376</b>	<b>132,130,875</b>	<b>1,668,437,251</b>	<b>2,247,102,633</b>
<b>Financial liabilities</b>							
(at amortised cost)							
Long-term financings	344,642,833	300,000,000	644,642,833	-	-	-	644,642,833
Lease liabilities	20,932,496	52,145,571	73,078,067	-	-	-	73,078,067
Long-term loans	261,746,030	148,888,890	410,634,920	-	-	-	410,634,920
Trade and other payables	-	-	-	507,343,554	-	507,343,554	507,343,554
Accrued mark-up	-	-	-	68,100,451	-	68,100,451	68,100,451
Short term financing	12,737,305	-	12,737,305	-	-	-	12,737,305
Running finance under mark-up arrangements	988,025,014	-	988,025,014	-	-	-	988,025,014
Due to related parties	258,615,667	-	258,615,667	411,504,033	-	411,504,033	670,119,700
<b>2019</b>	<b>1,886,699,345</b>	<b>501,034,461</b>	<b>2,387,733,806</b>	<b>986,948,038</b>	<b>-</b>	<b>986,948,038</b>	<b>3,374,681,844</b>

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

## 43.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2020.

### 43.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

### 43.2.2 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's (loss) / profit before tax (through impact on floating rate borrowings). There is no direct impact on Company's equity. This analysis excludes the impact of movement in market variables on the carrying values of provisions and on non-financial assets and liabilities of the Company.

# Notes to the Financial Statements

For the year ended June 30, 2020

	(Increase) / decrease in basis points	Effect on (loss) / profit before tax (Rupees)
2020	+100	34,600,986
	-100	<u>(34,600,986)</u>
2019	+100	(23,430,910)
	-100	<u>23,430,910</u>

## 43.2.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates primarily relates to the Company's long-term financing arrangements and operating activities. The Company manages its currency risk by effective fund management and timely repayment of its current liabilities. The Company, however, has not hedged its foreign currency liabilities as the management has assessed that it will not be cost beneficial.

	2020	2019	2020	2019
	USD	USD	----- Equivalent Rupees -----	
<b>Assets</b>				
Advances	25,898	24,713	4,009,936	4,065,351
<b>Liabilities</b>				
Long-term financing	-	(278,282)	-	(45,777,389)
Trade creditors	(399,962)	(319,550)	(61,927,631)	(52,565,941)
	<u>(399,962)</u>	<u>(597,832)</u>	<u>(61,927,631)</u>	<u>(98,343,330)</u>
	<u>(374,064)</u>	<u>(573,118)</u>	<u>(57,917,695)</u>	<u>(94,277,979)</u>

The exchange rates applied during the year and at year end were as follows:

	Average rate		Spot rate	
	2020	2019	2020	2019
	-----Rupees-----		-----Rupees-----	
US Dollar	<u>150.06</u>	<u>156.95</u>	<u>154.83</u>	<u>164.50</u>

## Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase (loss) / profit before tax for the year by Rs 2.896 million (2019: Rs 4.714 million).

## 43.2.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the Company is not exposed to equity price risk other than its investment in associated company (note 8).

# Notes to the Financial Statements

For the year ended June 30, 2020

## 43.3 Credit risk

43.3.1 Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory assets and includes deposits, trade and other receivables, interest accrued, investments, due from related parties and cash and bank balances. Out of the total financial assets of Rs. 2,459.045 million (2019: 2,247.102 million), the financial assets which are subject to credit risk amounted to Rs. 2,458.869 million (2019: 2,246.924 million). The Company's credit risk is primarily attributable to its trade debts and bank balances. The Company has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debtors is limited. Further, the Company manages its credit risk by obtaining advance monitoring fee for device and service charges and effective implementation of credit policy for its customers.

The credit quality of financial assets that are past due but not impaired is disclosed in note 13.1 to these financial statements. As at the reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

43.3.2 The Company monitors the credit policy of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

		2020	2019
	Note	Rupees	
Long-term investments	8	85,030,450	85,030,450
Loans	9	3,952,891	2,374,088
Long-term deposits	10	33,953,962	47,100,425
Trade debts	13	269,997,344	579,628,968
Trade deposits	15	39,749,391	22,955,249
Interest accrued	16	128,444,634	73,054,250
Other receivables	17	29,339,542	13,934,042
Due from related parties	18	1,071,684,058	576,290,498
Bank balances	20	19,221,288	19,830,816
		<b>1,681,373,560</b>	<b>1,420,198,786</b>

43.3.3 The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

		2020	2019
Bank Balances by short-term rating category	Rating Agency	Rupees	
A-1+	JCR-VIS	14,746,985	6,545,766
A-1+	PACRA	4,298,162	10,820,967
A-1	PACRA	-	2,285,284
		<b>19,045,147</b>	<b>19,652,017</b>

# Notes to the Financial Statements

## For the year ended June 30, 2020

### 43.4 Liquidity risk

Liquidity risk represents the risk that a Company will encounter difficulties in meeting obligations with the financial liabilities. The financial liabilities excludes statutory liabilities and provisions and includes long-term and short-term financing, trade and other payables, accrued markup and due to related parties. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of various financing facilities. The table below summarises the maturity profile of the Company's financial liabilities at June 30, 2020 and 2019 based on contractual undiscounted payment dates and present market interest rates:

	On demand	Less than 3 months	3 to 12 months	More than 1 year	Total
	----- (Rupees) -----				
<b>2020</b>					
Long-term financing	-	-	104,186,803	393,263,634	497,450,437
Lease liabilities	-	-	56,682,850	26,419,021	83,101,871
Long-term loans	-	-	100,471,489	227,448,306	327,919,795
Trade and other payables	-	455,617,093	-	-	455,617,093
Accrued markup	140,061,771	-	-	-	140,061,771
Short-term financing	-	1,223,503,302	170,665,871	-	1,394,169,173
Running finance under markup arrangements	1,105,194,287	-	-	-	1,105,194,287
Due to related parties	47,772,963	-	-	-	47,772,963
	<b>1,293,029,021</b>	<b>1,679,120,395</b>	<b>432,007,013</b>	<b>647,130,961</b>	<b>4,051,287,390</b>
<b>2019</b>					
Long-term financing	44,642,833	-	300,000,000	300,000,000	644,642,833
Lease liabilities	348,400	4,958,470	15,625,626	52,145,571	73,078,066
Long-term loans	37,291,666	57,589,285	166,865,078	148,888,891	410,634,920
Trade and other payables	-	159,859,700	347,483,854	-	507,343,554
Accrued markup	68,100,451	-	-	-	68,100,451
Short-term financing	-	12,737,305	-	-	12,737,305
Running finance under markup arrangements	988,025,014	-	-	-	988,025,014
Due to related parties	670,119,700	-	-	-	670,119,700
	<b>1,808,528,064</b>	<b>235,144,760</b>	<b>829,974,558</b>	<b>501,034,462</b>	<b>3,374,681,844</b>

### 43.5 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2020. The parent company is committed to provide full support to the Company, as and when required.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2020 and 2019 are as follows:

# Notes to the Financial Statements

For the year ended June 30, 2020

		2020	2019
	Note	Rupees	
Long-term financing	23	497,450,437	644,642,833
Lease liabilities	24	83,101,871	73,078,067
Long-term loans	25	327,919,795	410,634,920
Accrued mark-up	28	140,061,771	68,100,451
Short-term financing	29	1,394,169,173	12,737,305
Running finance under mark-up arrangements	30	1,105,194,287	988,025,014
<b>Total debts</b>		<b>3,547,897,334</b>	<b>2,197,218,590</b>
Less: Cash and bank balances	20	19,221,288	19,830,816
<b>Net debt</b>		<b>3,528,676,046</b>	<b>2,177,387,774</b>
Share capital	21	1,204,425,930	929,262,520
Capital reserve		146,817,136	-
Revenue reserve		(82,063,384)	128,476,899
Surplus on revaluation of property, plant and equipment	22	284,432,213	555,272,027
<b>Total equity</b>		<b>1,553,611,895</b>	<b>1,613,011,446</b>
<b>Total capital</b>		<b>5,082,287,941</b>	<b>3,790,399,220</b>
<b>Gearing ratio</b>		<b>69.43%</b>	<b>57.44%</b>

## 43.6 Fair value of financial instruments

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non- market observables)

As of reporting date, the Company has no assets carried at fair value other than property, plant and equipment at revalued amount (note 5).

# Notes to the Financial Statements

## For the year ended June 30, 2020

#### 44. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for the year are as follows:

	Chief Executive		Directors		Executives	
	2020	2019	2020	2019	2020	2019
	-----Rupees-----					
Basic salary	11,574,888	11,574,888	-	-	48,316,500	65,360,028
House rent allowance	5,208,696	5,208,696	-	-	21,742,404	29,412,000
Utilities	1,156,416	1,156,416	-	-	4,827,060	6,529,932
Vehicle allowance	1,260,000	1,260,000	-	-	9,924,000	15,888,000
Retirement benefits	964,188	964,188	-	-	3,895,776	5,054,736
	<u>20,164,188</u>	<u>20,164,188</u>	<u>-</u>	<u>-</u>	<u>88,705,740</u>	<u>122,244,696</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>22</u>	<u>26</u>

44.1 No remuneration is paid / payable to Chief Executive and Executives of the Company on and before June 30, 2017. In addition, no remuneration is paid / payable to the directors of the Company.

44.2 The Chief Executive, Directors and certain executives of the Company have also been provided with Company's owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

#### 45. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of ultimate parent company, parent company, companies where directors hold common directorship, key management personnel and their close family members and staff retirement benefit funds. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

Note	2020	2019
	Rupees	
TPL Holdings (Private) Limited - (ultimate parent company)		
Amount received by the Company from TPLH	88,093,096	172,500,000
Expenditure incurred / paid by the Company on behalf of TPLH	2,766,100	1,490,460
Mark-up on current account	68,271,244	18,447,291
Expenditure paid by TPLH on behalf of the Company	2,799,000	-
Mark-up amount paid by the Company (net) to TPLH	-	16,555,806
Amount paid / repaid by the Company to TPLH	<u>623,579,904</u>	<u>129,245,794</u>

# Notes to the Financial Statements

For the year ended June 30, 2020

	2020	2019
Note	Rupees	
<b>TPL Corp Limited - (parent company)</b>		
Amount received by the Company from TPL Corp	1,133,312,773	809,661,902
Amount paid / repaid by the Company	2,098,144,846	286,436,804
Amount paid by the Company on behalf of TPL Corp	-	26,262,205
Mark-up on current account	32,713,172	-
Expenditure incurred by the Company on behalf of TPL Corp	70,747,551	71,856,900
Expenditure incurred for purchase of operating fixed assets on behalf of TPL Corp	-	1,186,500
Expenditure incurred for purchase of intangible asset on behalf of TPL Corp	-	440,000
Expenditure incurred for TPLL on behalf of TPL Corp	1,153,536	323,229
Expenditure incurred by the Company for TPLE on behalf of TPL Corp	13,378,030	21,813,967
Expenditure incurred on behalf of the Company	118,971,730	401,737
Settlement of amount payable by the Company to TPL Corp against the		
- amount receivable by the Company from TPLE under signed Memorandum of Arrangement	-	5,682,374
- amount receivable by the Company from TPLL under signed Memorandum of Arrangement	-	2,427,139
- amount receivable by the Company from TSS under signed Memorandum of Arrangement	-	50,000,000
<b>Associated companies</b>		
<b>TPL Security Services (Private) Limited</b>		
Expenditure incurred / paid by the Company on behalf of TSS	24,379,011	123,170,620
Services acquired by the Company from TSS	17,844,664	16,657,110
Amount received by the Company from TSS	418,500	91,999,973
Settlement of amount payable on behalf of the Company from TSS for services received from suppliers	16,043,344	16,496,386
Amount paid / repaid by the Company to TSS	9,300,000	-
Settlement of amount payable by the Company to TPL Corp against the amount receivable by the Company from TSS under signed memorandum of arrangement	-	50,000,000
<b>TPL Properties Limited</b>		
Expenditure incurred / paid by the Company on behalf of TPLP	36,846,510	19,550,912
Amount paid by the Company to TPLP	3,338,888	-
Amount received by the Company from TPLP	30,817,132	20,759,440
Expenditure incurred / paid by TPLP on behalf of the Company	7,955,821	-
Mark-up on current account	1,441,891	260,868
<b>TPL Insurance Limited</b>		
Sales made by the Company to TIL	179,653,398	227,627,822
Expenditure incurred / paid by the Company on behalf of TIL	113,033,549	95,350,282
Amount received by the Company from TIL	727,300,000	424,727,177
Mark-up on current account	50,119,949	43,152,008
Payment made by the Company to TIL	561,000,000	279,013,318
Expenditure incurred / paid by TIL on behalf of the Company	11,613,216	25,463,740

# Notes to the Financial Statements

For the year ended June 30, 2020

	2020	2019
Note	Rupees	
<b>Trakker Middle East LLC.</b>		
Expenses incurred / paid by the Company on behalf of TME	24,876,874	18,800,878
Mark-up on current Account	5,478,865	1,015,882
<b>Trakker Direct Finance (Private) Limited</b>		
Expenditure incurred / paid by the Company on behalf of TPLD	47,970	12,000
Mark-up on current account	132,760	104,767
<b>TPL Logistics (Private) Limited</b>		
Expenditure incurred / paid by the Company on behalf of TPLL	-	1,149,773
Mark-up on current account	-	79,873
Settlement of amount payable by the Company to TPL Corp against the amount receivable by the Company from TPLL under signed memorandum of arrangement (including mark-up)	-	2,427,139
<b>TPL Rupiya (Private) Limited</b>		
Amount received by the Company on behalf of TPLR	-	23,752,484
Mark-up on current account	-	4,665,706
Expenditure incurred by the Company on behalf of TPLR	-	39,225,500
<b>TPL Life Insurance Limited</b>		
Amount received by the Company from TPL Life	154,434,369	111,616,953
Expenditure incurred / paid by TPL Life on behalf of the Company	21,685,744	13,042,556
Mark-up on current account	4,255,307	1,874,848
Expenditure incurred by the Company on behalf of TPL Life	83,377,202	43,307,943
Payments made by the Company to TPL Life	74,719,578	85,907,260
<b>TPL Maps (Private) Limited</b>		
Amount received by the Company from TPLM	-	106,351,138
Payments made by the Company to TPLM	-	16,585,050
Expenditure incurred by the Company on behalf of TPLM	-	340,010,969
Mark-up on current account	-	38,808,302
<b>TRG Pakistan Limited</b>		
Expenditure incurred / paid by the Company on behalf of TRG	-	780,580
Mark-up on current account	1,245,536	943,318
<b>TPL Tech Pakistan (Private) Limited</b>		
Expenditure incurred / paid by the Company on behalf of TPL Tech	19,183,278	21,780,890
Mark-up on current account	5,397,198	1,225,293
<b>Staff retirement benefit</b>		
Provident fund employer contribution	30,762,275	25,139,433
<b>Key management personnel</b>		
Salaries and other benefits	39,894,000	35,789,880
Post employment benefits	1,963,524	1,578,976

# Notes to the Financial Statements

For the year ended June 30, 2020

45.1 All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The related parties status of outstanding receivables / payables as at June 30, 2020 and 2019 are disclosed in respective note to these financial statements.

45.2 Certain employees of the group companies provides services to the Company and accordingly, their cost are proportionately charged to the Company on agreed terms. In addition, certain common expenses (other than salaries and other benefits) are also allocated within the group companies on agreed basis and terms.

		2020	2019
	Note	Rupees	
<b>46. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	20	19,221,288	19,830,816
Running finance under mark-up arrangements	30	(1,105,194,287)	(988,025,014)
		(1,085,972,999)	(968,194,198)
<b>47. (LOSS) / EARNING PER SHARE</b>			
(Loss) / earning attributable to the ordinary shareholders		(458,517,393)	35,862,942
		----- Number of shares -----	Restated
Weighted average number of ordinary shares in issue		120,442,593	120,442,593
(Loss) / earning per share - basic and diluted		(3.81)	0.30

There is no dilutive effect on basic earnings per share of the Company.

## 47.1 GENERAL

47.1.1 Corresponding figures have been rearranged, wherever necessary, however, there are no material reclassifications to report.

47.1.2 Number of employees as at June 30, 2020 was 706 (2019: 988) and average number of employees during the year was 723 (2019: 977).

47.1.3 All figures have been rounded off to the nearest rupee, unless otherwise stated.

## 48. DATE OF AUTHORISATION OF ISSUE

These financial statements were authorised for issue on September 17, 2020 by the Board of Directors of the Company.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of TPL Trakker Limited ("Company") will be held on Monday, 26th October, 2020 at 12:15 p.m. to transact the following business:

(Members are requested to attend and participate in the AGM through video link facility as there will be no venue to prevent pandemic outbreak of COVID-19 (Corona Virus)).

## ORDINARY BUSINESS:

1. To approve the minutes of the Annual General Meeting held on October 28th, 2019.  
"RESOLVED THAT the minutes of Annual General Meeting of TPL Trakker Limited held on October 28, 2019 at 11:00 am be and are hereby approved."
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company together with the Directors' and Auditors' Report thereon for the year ended June 30, 2020.  
"RESOLVED THAT the Annual Audited Financial Statements of TPL Trakker Limited, the Directors' and Auditors' Report thereon for the year ended 30 June 2020 be and are hereby approved."
3. To appoint Auditors for the year ending June 30, 2021 and fix their remuneration. M/s. EY Ford Rhodes, Chartered Accountants retire and being eligible, have offered themselves for re-appointment.  
"RESOLVED THAT M/s EY Ford Rhodes, Chartered Accountants be and are hereby appointed as Auditors of M/s. TPL Trakker Limited on the basis of consent received from them, at a fee mutually agreed for the period ending June 30, 2021."

## SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company to make advance of Rs. 600 million to the parent company, TPL Corp Limited.  
"RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to make advance of Rs. 600 million to the parent company i.e TPL Corp Limited."
5. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company to make advance of Rs. 150 million to the associated company, Trakker Middle East L.L.C.  
"RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to make advance of Rs. 150 million to the associated company i.e Trakker Middle East L.L.C."
6. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company to make advance of Rs. 50 million to the associated company, TPL Security Services (Pvt.) Limited.  
"RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to make advance of Rs. 50 million to the associated company i.e TPL Security Services (Pvt.) Limited.."
7. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs. 20 million to the associated company, TPL Properties Limited.  
"RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs. 20 Million to TPL Properties Limited."
8. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs. 25 million to the associated company, TRG Pakistan Limited.

# Notice of Annual General Meeting

“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs. 25 Million to TRG Pakistan Limited.”

9. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs. 100 million to the associated company, TPL Tech Pakistan (Pvt.) Limited.

“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs. 100 Million to TPL Tech Pakistan (Pvt.) Limited.”

10. To consider and if thought fit, to pass with or without modification, special resolution for remuneration of non-executive directors, as determined by the Board of Directors of the Company, at PKR 100,000/- per meeting (including sub-committee meetings):

“RESOLVED THAT pursuant to Section 170 of the Companies Act 2017 read along with Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors of the Company, for the remuneration of non-executive directors at PKR 100,000/- per meeting (including sub-committee meetings).”

11. To consider and if thought fit to pass with or without modification(s), the following resolutions as special resolutions to create, offer, issue and allot shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the ESOP Scheme) under Companies (Further Issue of Capital) Regulations, 2020.

“RESOLVED THAT pursuant to section 83 of the Companies Act, 2017(the Act) read along with regulation 7 of the Companies (Further Issue of Capital) Regulations, 2020 and Memorandum and Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors of the Company, for setting aside of 10% of the shareholders Equity/Paid-Up Capital as Stock Options to be awarded to the Key Managerial Personnel and other key employees, from time to time, as a mechanism to attract, retain and motive them to realize the stated business goals.”

“RESOLVED FURTHER THAT pursuant to section 82 and 83 of the Companies Act, 2017(the Act) read along with regulation 7 of the Companies (Further Issue of Capital) Regulations, 2020 and Memorandum and Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors of the Company, subject to any amendments that may be required by the Securities and Exchange Commission of Pakistan (the SECP), to issue, offer and allot to eligible employees of the Company, options exercisable into equity shares of the Company of nominal value of Rs.10 each up to 8,000,000 shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the ESOP scheme), at discounted exercise price with retrospective effect from August 10, 2020.”

“RESOLVED FURTHER THAT pursuant to sub sec (1)(b) of sec 83 of the Act read along with regulation 5 of the Companies (Further Issue of Capital) Regulations, 2020, the Company be and is hereby authorized to raise further capital and allot and issue, up to 4.27% of the existing paid-up Capital, 8,000,000 further ordinary shares of PKR.10/- each, without issue of right shares, to its employees under the ESOP Scheme at the price mentioned in above resolution.”

“RESOLVED FURTHER THAT pursuant to provision under regulation 7 of the Companies (Further Issue of Capital) Regulations, 2020, the grant of options equal to or exceeding one percent of the issued or paid up capital of the company at the time of grant of options, within one year, to any employee be and is hereby approved.”

“RESOLVED FURTHER THAT pursuant to provision under regulation 7 of the Companies (Further Issue of Capital) Regulations, 2020, the grant of options to any employee of subsidiary or holding Company, subject to the approval of the members at the General Meeting, be and is hereby approved.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications in the Scheme including in any ancillary documents thereto, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the Memorandum of Association And Articles Of Association of the Company and any other applicable laws.”

## Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

Advance of PKR 600 Million to TPL Corp Limited:

The Company is desirous of making advances to TPL Corp Limited to meet working capital requirements. The advance of a maximum amount of PKR. 600 Million has been approved by the Board of Directors of the Company in their meeting held on September 17, 2020.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information																																
i.	Name of the associated company or associated undertaking	TPL Corp Limited																																
ii.	Basis of relationship	Parent																																
iii.	Earnings per share for the last three years of the Associated Company	2020: (1.57), 2019: (0.63), 2018: (0.48)																																
iv.	Break-up value per share, based on latest audited financial statements	PKR 10.59 per share																																
v.	Financial position of the associated company	<p>The extracts of the audited balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2020 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>4,708,691,539</td> </tr> <tr> <td>Other assets</td> <td>151,693,683</td> </tr> <tr> <td><b>Total Assets</b></td> <td><b>4,860,385,222</b></td> </tr> <tr> <td><b>Total Liabilities</b></td> <td><b>2,029,813,518</b></td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td>2,672,977,630</td> </tr> <tr> <td>Advance against right shares</td> <td>60,855,762</td> </tr> <tr> <td>Capital Reserve</td> <td>(300,342,044)</td> </tr> <tr> <td><b>Equity</b></td> <td><b>2,830,571,704</b></td> </tr> <tr> <td colspan="2"><b>Profit and Loss</b></td> </tr> <tr> <td>(Loss) before interest and taxation</td> <td>(94,858,321)</td> </tr> <tr> <td>Financial charges</td> <td>(325,434,131)</td> </tr> <tr> <td>(Loss) before taxation</td> <td>(420,292,452)</td> </tr> <tr> <td>Taxation</td> <td>-</td> </tr> <tr> <td><b>(Loss) after taxation</b></td> <td><b>(420,292,452)</b></td> </tr> </tbody> </table>	Balance Sheet	Rupees	Non-current assets	4,708,691,539	Other assets	151,693,683	<b>Total Assets</b>	<b>4,860,385,222</b>	<b>Total Liabilities</b>	<b>2,029,813,518</b>	<i>Represented by:</i>		Paid up capital	2,672,977,630	Advance against right shares	60,855,762	Capital Reserve	(300,342,044)	<b>Equity</b>	<b>2,830,571,704</b>	<b>Profit and Loss</b>		(Loss) before interest and taxation	(94,858,321)	Financial charges	(325,434,131)	(Loss) before taxation	(420,292,452)	Taxation	-	<b>(Loss) after taxation</b>	<b>(420,292,452)</b>
Balance Sheet	Rupees																																	
Non-current assets	4,708,691,539																																	
Other assets	151,693,683																																	
<b>Total Assets</b>	<b>4,860,385,222</b>																																	
<b>Total Liabilities</b>	<b>2,029,813,518</b>																																	
<i>Represented by:</i>																																		
Paid up capital	2,672,977,630																																	
Advance against right shares	60,855,762																																	
Capital Reserve	(300,342,044)																																	
<b>Equity</b>	<b>2,830,571,704</b>																																	
<b>Profit and Loss</b>																																		
(Loss) before interest and taxation	(94,858,321)																																	
Financial charges	(325,434,131)																																	
(Loss) before taxation	(420,292,452)																																	
Taxation	-																																	
<b>(Loss) after taxation</b>	<b>(420,292,452)</b>																																	

vi	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable
vii.	Maximum amount of investment /advance to be made	PKR 600,000,000
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Not applicable
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Not applicable
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	None
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Category-wise amount of investment;	None

xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	3 month KIBOR + 3%.
xvi	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	3 month KIBOR + 3%.
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayable on demand.
xx..	Sources of funds from where loans or advances will be given	Own source
xxi.	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable
xxii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort /The loan is unsecured.
xxiii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.

#### Advance of PKR 150 Million to Trakker Middle East LLC:

The Company is desirous of making advances to Trakker Middle East LLC to meet working capital requirements. The advance of a maximum amount of PKR. 150 Million has been approved by the Board of Directors of the Company in their meeting held on September 17, 2020.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information
i.	Name of the associated company or associated undertaking	Trakker Middle East LLC
ii.	Basis of relationship	Associated

iii.	Earnings per share for the last three years of the Associated Company	2020: (15,598.85) 2019: (5,174.71) 2018: (8447.85)																																										
iv.	Break-up value per share, based on latest audited financial statements	PKR 10,286.46 per Share																																										
v.	Financial position of the associated company	<p>The extracts of the <b>unaudited</b> balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2020 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>11,726,419</td> </tr> <tr> <td>Other assets</td> <td>361,898,201</td> </tr> <tr> <td><b>Total Assets</b></td> <td><b>373,624,620</b></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><b>Total Liabilities</b></td> <td><b>410,462,673</b></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><i>Represented by:</i></td> <td></td> </tr> <tr> <td>Paid up capital</td> <td>259,408,737</td> </tr> <tr> <td>Advance against right shares</td> <td></td> </tr> <tr> <td>Statutory Reserves</td> <td>51,885,270</td> </tr> <tr> <td>Subordinated Loan from Sponsor</td> <td>95,162,288</td> </tr> <tr> <td>Accumulated (loss)</td> <td>(348,132,061)</td> </tr> <tr> <td><b>Equity</b></td> <td><b>58,324,234</b></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><b>Profit and Loss</b></td> <td></td> </tr> <tr> <td>(Loss) before interest and taxation</td> <td>(88,011,578)</td> </tr> <tr> <td>Financial charges</td> <td>(433,925)</td> </tr> <tr> <td>(Loss) before taxation</td> <td>(88,445,459)</td> </tr> <tr> <td>Taxation</td> <td>-</td> </tr> <tr> <td><b>(Loss) after taxation</b></td> <td><b>(88,445,459)</b></td> </tr> </tbody> </table>	Balance Sheet	Rupees	Non-current assets	11,726,419	Other assets	361,898,201	<b>Total Assets</b>	<b>373,624,620</b>			<b>Total Liabilities</b>	<b>410,462,673</b>			<i>Represented by:</i>		Paid up capital	259,408,737	Advance against right shares		Statutory Reserves	51,885,270	Subordinated Loan from Sponsor	95,162,288	Accumulated (loss)	(348,132,061)	<b>Equity</b>	<b>58,324,234</b>			<b>Profit and Loss</b>		(Loss) before interest and taxation	(88,011,578)	Financial charges	(433,925)	(Loss) before taxation	(88,445,459)	Taxation	-	<b>(Loss) after taxation</b>	<b>(88,445,459)</b>
Balance Sheet	Rupees																																											
Non-current assets	11,726,419																																											
Other assets	361,898,201																																											
<b>Total Assets</b>	<b>373,624,620</b>																																											
<b>Total Liabilities</b>	<b>410,462,673</b>																																											
<i>Represented by:</i>																																												
Paid up capital	259,408,737																																											
Advance against right shares																																												
Statutory Reserves	51,885,270																																											
Subordinated Loan from Sponsor	95,162,288																																											
Accumulated (loss)	(348,132,061)																																											
<b>Equity</b>	<b>58,324,234</b>																																											
<b>Profit and Loss</b>																																												
(Loss) before interest and taxation	(88,011,578)																																											
Financial charges	(433,925)																																											
(Loss) before taxation	(88,445,459)																																											
Taxation	-																																											
<b>(Loss) after taxation</b>	<b>(88,445,459)</b>																																											
vi	<p>In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required:</p> <p>a) a description of the project and its history since conceptualization;</p> <p>b) starting date and expected date of completion; c) time by which such project shall become commercially operational;</p> <p>d) expected return on total capital employed in the project; and</p> <p>e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;</p>	Not applicable																																										

vii.	Maximum amount of investment/advance to be made	PKR 150,000,000
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Not applicable
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Not applicable
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	None
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Category-wise amount of investment;	None
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	6 month KIBOR+3%
xvi.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	6 month KIBOR+3%
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None

xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayable on demand.
xx..	Sources of funds from where loans or advances will be given	Own source
xxi.	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable
xxii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort /The loan is unsecured.
xxiii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.

**Advance of PKR 50 Million to TPL Security Services (Pvt.) Limited:**

The Company is desirous of making advances to TPL Security Services (Pvt.) Limited to meet working capital requirements. The advance of a maximum amount of PKR. 50 Million has been approved by the Board of Directors of the Company in their meeting held on September 17, 2020.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information
i.	Name of the associated company or associated undertaking	TPL Security Services (Pvt.) Ltd.
ii.	Basis of relationship	Associated
iii.	Earnings per share for the last three years of the Associated Company	2020: 5.37, 2019: (2.97), 2018: (1.66)
iv.	Break-up value per share, based on latest audited financial statements	PKR (11.35) per share

v.	Financial position of the associated company	<p>The extracts of the audited balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2020 is as follows:</p> <table border="1" data-bbox="817 362 1404 1304"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>7,616,691</td> </tr> <tr> <td>Other assets</td> <td>83,520,914</td> </tr> <tr> <td><b>Total Assets</b></td> <td><b>91,137,605</b></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><b>Total Liabilities</b></td> <td><b>114,978,948</b></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td>21,000,000</td> </tr> <tr> <td>Advance against right shares</td> <td></td> </tr> <tr> <td>Capital Reserve</td> <td></td> </tr> <tr> <td>Accumulated (loss)</td> <td>(44,841,343)</td> </tr> <tr> <td><b>Equity</b></td> <td><b>(23,841,343)</b></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td colspan="2"><b>Profit and Loss</b></td> </tr> <tr> <td>(Loss) before interest and taxation</td> <td>19,543,782</td> </tr> <tr> <td>Financial charges</td> <td>-</td> </tr> <tr> <td>(Loss) before taxation</td> <td>19,543,782</td> </tr> <tr> <td>Taxation</td> <td>8,275,605</td> </tr> <tr> <td><b>(Loss) after taxation</b></td> <td><b>11,268,177</b></td> </tr> </tbody> </table>	Balance Sheet	Rupees	Non-current assets	7,616,691	Other assets	83,520,914	<b>Total Assets</b>	<b>91,137,605</b>			<b>Total Liabilities</b>	<b>114,978,948</b>			<i>Represented by:</i>		Paid up capital	21,000,000	Advance against right shares		Capital Reserve		Accumulated (loss)	(44,841,343)	<b>Equity</b>	<b>(23,841,343)</b>			<b>Profit and Loss</b>		(Loss) before interest and taxation	19,543,782	Financial charges	-	(Loss) before taxation	19,543,782	Taxation	8,275,605	<b>(Loss) after taxation</b>	<b>11,268,177</b>
Balance Sheet	Rupees																																									
Non-current assets	7,616,691																																									
Other assets	83,520,914																																									
<b>Total Assets</b>	<b>91,137,605</b>																																									
<b>Total Liabilities</b>	<b>114,978,948</b>																																									
<i>Represented by:</i>																																										
Paid up capital	21,000,000																																									
Advance against right shares																																										
Capital Reserve																																										
Accumulated (loss)	(44,841,343)																																									
<b>Equity</b>	<b>(23,841,343)</b>																																									
<b>Profit and Loss</b>																																										
(Loss) before interest and taxation	19,543,782																																									
Financial charges	-																																									
(Loss) before taxation	19,543,782																																									
Taxation	8,275,605																																									
<b>(Loss) after taxation</b>	<b>11,268,177</b>																																									
vi.	<p>In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required:</p> <p>a) a description of the project and its history since conceptualization;</p> <p>b) starting date and expected date of completion; c) time by which such project shall become commercially operational;</p> <p>d) expected return on total capital employed in the project; and</p> <p>e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;</p>	Not applicable																																								
vii.	Maximum amount of investment/advance to be made	PKR 50,000,000																																								

viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Not applicable
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Not applicable
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	None
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Category-wise amount of investment;	None
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	6 month KIBOR+3%
xvi.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	6 month KIBOR+3%
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	None

xx.	Sources of funds from where loans or advances will be given	Own source
xxi.	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable
xxii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort / The loan is unsecured.
xxiii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.

**Advance of Rs. 20 Million to TPL Properties Limited:**

The Company is desirous of making advances to TPL Properties Limited to meet working capital requirements. The advance of a maximum amount of PKR. 20 Million has been approved by the Board of Directors of the Company in their meeting held on September 17, 2020.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information												
i.	Name of the associated company or associated undertaking	TPL Properties Limited												
ii.	Basis of relationship	Associated												
iii.	Earnings per share for the last three years of the Associated Company	2020: 0.85, 2019: 2.23, 2018: 3.77												
iv.	Break-up value per share, based on latest audited financial statements	PKR 19.67 per share												
v.	Financial position of the associated company	<p>The extracts of the audited balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2020 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>1,967,915,491</td> </tr> <tr> <td>Other assets</td> <td>8,129,642,030</td> </tr> <tr> <td><b>Total Assets</b></td> <td><b>10,097,557,521</b></td> </tr> <tr> <td><b>Total Liabilities</b></td> <td><b>3,659,289,149</b></td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> </tbody> </table>	Balance Sheet	Rupees	Non-current assets	1,967,915,491	Other assets	8,129,642,030	<b>Total Assets</b>	<b>10,097,557,521</b>	<b>Total Liabilities</b>	<b>3,659,289,149</b>	<i>Represented by:</i>	
Balance Sheet	Rupees													
Non-current assets	1,967,915,491													
Other assets	8,129,642,030													
<b>Total Assets</b>	<b>10,097,557,521</b>													
<b>Total Liabilities</b>	<b>3,659,289,149</b>													
<i>Represented by:</i>														

		<table border="1"> <tr> <td>Paid up capital</td> <td>3,273,931,063</td> </tr> <tr> <td>Share Premium</td> <td>(404,845,756)</td> </tr> <tr> <td>Accumulated Profit</td> <td>3,569,183,065</td> </tr> <tr> <td><b>Equity</b></td> <td><b>6,438,268,372</b></td> </tr> <tr> <td colspan="2"><b>Profit and Loss</b></td> </tr> <tr> <td>Profit/(Loss) before interest and taxation</td> <td>696,594,969</td> </tr> <tr> <td>Financial charges</td> <td>(419,071,628)</td> </tr> <tr> <td>Profit/(Loss) before taxation</td> <td>277,523,341</td> </tr> <tr> <td>Taxation</td> <td>(543,270)</td> </tr> <tr> <td><b>Profit/(Loss) after taxation</b></td> <td><b>276,980,071</b></td> </tr> </table>	Paid up capital	3,273,931,063	Share Premium	(404,845,756)	Accumulated Profit	3,569,183,065	<b>Equity</b>	<b>6,438,268,372</b>	<b>Profit and Loss</b>		Profit/(Loss) before interest and taxation	696,594,969	Financial charges	(419,071,628)	Profit/(Loss) before taxation	277,523,341	Taxation	(543,270)	<b>Profit/(Loss) after taxation</b>	<b>276,980,071</b>
Paid up capital	3,273,931,063																					
Share Premium	(404,845,756)																					
Accumulated Profit	3,569,183,065																					
<b>Equity</b>	<b>6,438,268,372</b>																					
<b>Profit and Loss</b>																						
Profit/(Loss) before interest and taxation	696,594,969																					
Financial charges	(419,071,628)																					
Profit/(Loss) before taxation	277,523,341																					
Taxation	(543,270)																					
<b>Profit/(Loss) after taxation</b>	<b>276,980,071</b>																					
vi.	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable																				
vii.	Maximum amount of investment /advance to be made	PKR 20,000,000																				
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Not applicable																				
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (III) justification for investment through borrowings; (IV) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Not applicable																				
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None																				

xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	None
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Category-wise amount of investment;	None
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	6 month KIBOR + 3%.
xvi.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	6 month KIBOR + 3%.
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayable on demand
xx.	Sources of funds from where loans or advances will be given	Own source
xxi.	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable
xxii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort / The loan is unsecured.

xxiii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.
--------	--	-----------------

**Advance of Rs. 25 Million to TRG Pakistan Limited:**

The Company is desirous of making advances to TRG Pakistan Limited to meet working capital requirements. The advance of a maximum amount of PKR. 25 Million has been approved by the Board of Directors of the Company in their meeting held on September 17, 2020.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information																										
i.	Name of the associated company or associated undertaking	TRG Pakistan Limited																										
ii.	Basis of relationship	Associated																										
iii.	Earnings per share for the last three years of the Associated Company	2020:0.002, 2019: 0.003, 2018: (0.399)																										
iv.	Break-up value per share, based on latest audited financial statements	PKR 27.785 per share																										
v.	Financial position of the associated company	<p>The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the period ended December 31, 2019 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>16,517,005</td> </tr> <tr> <td>Other assets</td> <td>1,603,664</td> </tr> <tr> <td><b>Total Assets</b></td> <td><b>18,120,669</b></td> </tr> <tr> <td><b>Total Liabilities</b></td> <td></td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td>5,453,907</td> </tr> <tr> <td>Advance against right shares</td> <td></td> </tr> <tr> <td>Foreign currency translation reserve</td> <td>7,768,712</td> </tr> <tr> <td>Fair value reserve - net of deferred tax</td> <td>2,554,208</td> </tr> <tr> <td>Accumulated (loss)</td> <td>(507,276)</td> </tr> <tr> <td><b>Equity</b></td> <td><b>15,269,551</b></td> </tr> <tr> <td><b>Profit and Loss</b></td> <td></td> </tr> </tbody> </table>	Balance Sheet	Rupees	Non-current assets	16,517,005	Other assets	1,603,664	<b>Total Assets</b>	<b>18,120,669</b>	<b>Total Liabilities</b>		<i>Represented by:</i>		Paid up capital	5,453,907	Advance against right shares		Foreign currency translation reserve	7,768,712	Fair value reserve - net of deferred tax	2,554,208	Accumulated (loss)	(507,276)	<b>Equity</b>	<b>15,269,551</b>	<b>Profit and Loss</b>	
Balance Sheet	Rupees																											
Non-current assets	16,517,005																											
Other assets	1,603,664																											
<b>Total Assets</b>	<b>18,120,669</b>																											
<b>Total Liabilities</b>																												
<i>Represented by:</i>																												
Paid up capital	5,453,907																											
Advance against right shares																												
Foreign currency translation reserve	7,768,712																											
Fair value reserve - net of deferred tax	2,554,208																											
Accumulated (loss)	(507,276)																											
<b>Equity</b>	<b>15,269,551</b>																											
<b>Profit and Loss</b>																												

		Profit before interest and taxation	1,296
		Financial charges	-
		(Loss) before taxation	1,296
		Taxation	(321)
		<b>(Loss) after taxation</b>	<b>975</b>
vi.	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable	
vii.	Maximum amount of investment /advance to be made	PKR 25,000,000	
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Not applicable	
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Not applicable	
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None	
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	None	
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None	

xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Category-wise amount of investment;	None
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	6 month KIBOR + 3%.
xvi	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	6 month KIBOR + 3%.
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayable on demand.
xx..	Sources of funds from where loans or advances will be given	Own source
xxi..	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable
xxii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort / The loan is unsecured.
xxiii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.

**Advance of Rs. 100 Million to TPL Tech Pakistan (Pvt.) Limited:**

The Company is desirous of making advances to TPL Tech Pakistan (Pvt.) Limited to meet working capital requirements. The advance of a maximum amount of PKR. 100 Million has been approved by the Board of Directors of the Company in their meeting held on September 17, 2020.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information																																								
i.	Name of the associated company or associated undertaking	TPL Tech Pakistan (Pvt.) Limited																																								
ii.	Basis of relationship	Associated																																								
iii.	Earnings per share for the last three years of the Associated Company	N.A																																								
iv.	Break-up value per share, based on latest audited financial statements	N.A																																								
v.	Financial position of the associated company	<p>The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2020 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>N.A</td> </tr> <tr> <td>Other assets</td> <td>N.A</td> </tr> <tr> <td><b>Total Assets</b></td> <td>N.A</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><b>Total Liabilities</b></td> <td>N.A</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><i>Represented by:</i></td> <td></td> </tr> <tr> <td>Paid up capital</td> <td>N.A</td> </tr> <tr> <td>Capital Reserve</td> <td>N.A</td> </tr> <tr> <td>Accumulated (loss)</td> <td>N.A</td> </tr> <tr> <td>Surplus on Revaluation of Fixed Assets</td> <td>N.A</td> </tr> <tr> <td><b>Equity</b></td> <td>N.A</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><b>Profit and Loss</b></td> <td></td> </tr> <tr> <td>Profit before interest and taxation</td> <td>N.A</td> </tr> <tr> <td>Financial charges</td> <td>N.A</td> </tr> <tr> <td>Profit/(Loss) before taxation</td> <td>N.A</td> </tr> <tr> <td>Taxation</td> <td>N.A</td> </tr> <tr> <td><b>Profit/(Loss) after taxation</b></td> <td>N.A</td> </tr> </tbody> </table>	Balance Sheet	Rupees	Non-current assets	N.A	Other assets	N.A	<b>Total Assets</b>	N.A			<b>Total Liabilities</b>	N.A			<i>Represented by:</i>		Paid up capital	N.A	Capital Reserve	N.A	Accumulated (loss)	N.A	Surplus on Revaluation of Fixed Assets	N.A	<b>Equity</b>	N.A			<b>Profit and Loss</b>		Profit before interest and taxation	N.A	Financial charges	N.A	Profit/(Loss) before taxation	N.A	Taxation	N.A	<b>Profit/(Loss) after taxation</b>	N.A
Balance Sheet	Rupees																																									
Non-current assets	N.A																																									
Other assets	N.A																																									
<b>Total Assets</b>	N.A																																									
<b>Total Liabilities</b>	N.A																																									
<i>Represented by:</i>																																										
Paid up capital	N.A																																									
Capital Reserve	N.A																																									
Accumulated (loss)	N.A																																									
Surplus on Revaluation of Fixed Assets	N.A																																									
<b>Equity</b>	N.A																																									
<b>Profit and Loss</b>																																										
Profit before interest and taxation	N.A																																									
Financial charges	N.A																																									
Profit/(Loss) before taxation	N.A																																									
Taxation	N.A																																									
<b>Profit/(Loss) after taxation</b>	N.A																																									
vi	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and	Not applicable																																								

	e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	
vii.	Maximum amount of investment to be made	PKR 100,000,000
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Not applicable
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Not applicable
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not applicable
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	None
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Category-wise amount of investment;	None
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	6 month KIBOR + 3%.
xvi.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	6 month KIBOR + 3%
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None

xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayable on demand.
xx.	Sources of funds from where loans or advances will be given	Own source
xxi.	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable
xxii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort /The loan is unsecured.
xxiii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.

To approve remuneration of non-executive directors at PKR 100,000/- per meeting (including sub-committee meetings):

The Board of Directors of the Company in its meeting held on September 17, 2020 has approved and recommended to shareholders the Directors' remuneration for attending Board and Committees' meeting at PKR 100,000/- per meeting (including sub-committee meetings) in pursuant to Section 170 of the Companies Act 2017.

To create, offer, issue and allot shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the Scheme) under Companies (Further Issue of Capital) Regulations, 2020.

With an objective to attract, retain and motivate the best talent, the Board of Directors (the Board) of the Company has proposed to reserve certain percentage of further issue, not exceeding 10% of the shareholders Equity/Paid-Up Capital of the Company, for its employees under Employee Stock Option Scheme. The Board also proposed to issue, offer, and allot options exercisable into equity shares of the Company of nominal value of Rs.10 each up to 8,000,000 shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the ESOP scheme), to the employees, duly determined by the Board and its Human Resource & Remuneration/Compensation Committee for the vesting period of 2 years at discounted exercise price within exercise period of 1 year.

#### ANY OTHER BUSINESS

12. To transact any other business with the permission of the Chairman.

By Order of the Board

Danish Qazi  
Company Secretary

Karachi, October 05, 2020

## Notes

### 1. Coronavirus Contingency Planning

In view of the pandemic outbreak of COVID-19 (Corona Virus) and directives of the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 05 of 2020 dated March 17, 2020, and extension of the applicability thereof vide Circular No. 25 of 2020 dated August 31, 2020, requiring listed companies to modify their usual planning for annual general meetings to protect the wellbeing of shareholders, the Company requests its members to attend and participate in the AGM through video link facility only to avoid large gathering at one place and prevent pandemic outbreak of COVID-19 (Corona Virus).

Therefore, to attend and participate in the AGM through video link facility, members are requested to register their particulars (Name, Folio/CDS Account Number, CNIC Number and Cell Phone Number) with the Company Secretary by emailing to [company.secretary@tplholdings.com](mailto:company.secretary@tplholdings.com) at least 24 hours before the time of AGM.

The members can also provide comments/suggestions for the proposed agenda items of the Annual General Meeting by emailing the same to [company.secretary@tplholdings.com](mailto:company.secretary@tplholdings.com).

### 2. Closure of Share Transfer Books:

The Share Transfer Book of the Company will remain closed from October 20th, 2020 to October 26th, 2020 (both days inclusive). Share Transfers received at M/s THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400 by the close of business hours (5:00 PM) on October 19th, 2020, will be treated as being in time for the purpose of above entitlement to the transferees.

### 3. Participation in the Meeting:

As per directives of Securities and Exchange Commission of Pakistan to convene the annual general meeting with minimum members ensuring quorum of the meeting, the members are requested to consolidate their attendance and voting at the Annual General Meeting through proxies.

All members of the Company are entitled to attend the meeting and vote there at through Proxy. A proxy duly appointed shall have such rights as respect to the speaking and voting at the meeting as are available to a member. Duly filled and signed Proxy Form must be received at the Registrar of the Company M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400, not less than 48 hours before the Meeting.

### 4. For Attending the Meeting:

- i. In case of individual, the Account holder and/or Sub-account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by providing copy of his/her valid CNIC or passport along with other particulars (Name, Folio/CDS Account Number, Cell Phone Number) via email to aforementioned id and in case of proxy must enclose copy of his/her CNIC or passport.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be provided via email to aforementioned id.

### 5. Change of Address:

Members are requested to immediately notify the change, if any, in their registered address to the Share Registrar M/s. THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400.

### 6. Accounts of the Company for the year ended June 30, 2020 have been placed on the website of the Company, <http://tpltrakker.com/>.

# Form of Proxy

## Annual General Meeting of TPL Trakker Limited

I/We \_\_\_\_\_ S/o / D/o / W/o \_\_\_\_\_  
resident of (full address) \_\_\_\_\_ being  
a member(s) of **TPL Trakker Limited**, holding \_\_\_\_\_ ordinary shares,  
hereby appoint \_\_\_\_\_ S/o / D/o / W/o \_\_\_\_\_  
resident of (full address) \_\_\_\_\_ or failing him / her  
\_\_\_\_\_ S/o / D/o / W/o \_\_\_\_\_  
resident of (full address) \_\_\_\_\_ as my /  
our proxy in my / our absence to attend and vote for me / us on my / our behalf at Annual General Meeting of the  
Company to be held on **Monday, 26th October, 2020** and/or adjournment thereof.

As witness my / our hand (s) seal this on the \_\_\_\_\_ day of \_\_\_\_\_ 2020.

In presence of:

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
CNIC or Passport No: \_\_\_\_\_
2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
CNIC or Passport No: \_\_\_\_\_

Signed by the said:

Folio No. / CDC Account No.

Signature on  
Revenue Stamp of  
Appropriate Value.

The signature should agree with the specimen registered with the Company.

**Important Instructions:**

1. The Proxy form, duly completed and signed, must be received at the Registrar's Office of the Company not less than forty eight (48) hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. In case of a proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner and along with the proxy is required to be furnished with the proxy form.
4. In case of a corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Company.

ہدایات:

- I- نیابت (پراکسی) صرف اسی صورت میں موثر سمجھی جائے گی جب یہ کمپنی کو مینٹنگ سے کم از کم 48 گھنٹے پہلے موصول ہو۔
- II- سی ڈی سی شیئر ہولڈرز اور ان کے نیابت کاروں کے لئے لازم ہے کہ وہ اس نیابت (پراکسی) کو کمپنی میں جمع کروانے سے پہلے اپنے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹوکاپی کو اس فارم کے ساتھ منسلک کر دیں۔
- III- نیابت کار کو مینٹنگ کے وقت اپنا اصل شناختی کارڈ یا اپنا اصل پاسپورٹ دکھانا ہوگا۔
- IV- کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ دستخطوں کے نمونے کے ساتھ نیابت (پراکسی) فارم کے ساتھ کمپنی میں جمع کروانے ہونگے (سوائے اس کے کہ وہ پہلے ہی فراہم کئے جا چکے ہوں)۔
- V- ان شرائط و ضوابط کی تشریح اور تفصیل کے لئے یا مبالغے کی صورت میں انگریزی میں لکھی ہوئی شرائط و ضوابط کو حتمی حیثیت حاصل ہوگی۔

## (نیابت) پراکسی فارم

میں/ہم \_\_\_\_\_ جس کا / جن کا مکمل پتہ \_\_\_\_\_

\_\_\_\_\_ ہے، ٹی بی ایل ٹریڈر لیڈنگ نمبر ہوں / ہیں۔

اور میرے/ہمارے پاس \_\_\_\_\_ نمبر کے آرڈری شیٹرز ہیں

\_\_\_\_\_ بذریعہ تقرر

\_\_\_\_\_ جس کا مکمل پتہ \_\_\_\_\_

\_\_\_\_\_ یا اسکی عدم موجودگی میں \_\_\_\_\_ مکمل پتہ \_\_\_\_\_

میری/ہماری جانب سے کمپنی کی سالانہ جنرل میٹنگ میں، جو کہ پیر ۲۶ اکتوبر ۲۰۲۰ کی میٹنگ، یا اس کے التواء کی صورت میں اس کے بعد جب بھی میٹنگ ہو، میری/ہماری نیابت (پراکسی) میں میری/ہماری طرف سے ووٹ دینے کا حق رکھتا/رکھتی ہے۔

زیر دستخطی \_\_\_\_\_ دن \_\_\_\_\_ ۲۰۲۰

دستخط کنندہ

فولیو نمبر / سی ڈی سی آکاؤنٹ نمبر

برائے مہربانی یہاں ریونیوسٹپ  
چسپاں کریں

(دستخط کمپنی کے پاس جمع کرائے گئے دستخط  
کے نمونے سے ملنا ضروری ہے)

1- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

2- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

## Corporate Office

12<sup>th</sup> & 13<sup>th</sup> Floor, Centrepoin, Off Shaheed-e-Millat Expressway,  
Adjacent KPT Interchange, Karachi-74900

 +92-21-34390300-5

 [info@trakker.com.pk](mailto:info@trakker.com.pk)

 [www.tpltrakker.com](http://www.tpltrakker.com)

 [trakker.ltd](https://www.facebook.com/trakker.ltd)  [tpl\\_trakker](https://twitter.com/tpl_trakker)  [tpl-trakker-ltd](https://www.linkedin.com/company/tpl-trakker-ltd)