



TPLTrakker

Annual Report 2020-21



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Trakking

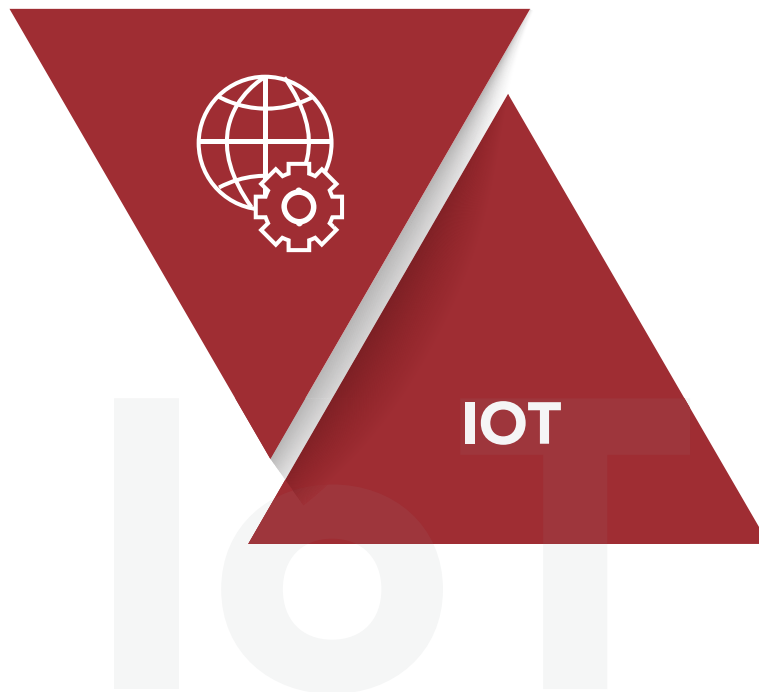
For two decades, we have been a pioneer in the GPS Tracking Industry, helping customers extract data about vehicles and turning their utilization into intelligence. This improves operations & safety while mitigating cost and risk.

As leaders of geospatial data in Pakistan via our mapping arm, TPL Maps, we provide services and solutions that are current, automated, consistent and scalable. Licensed by the Survey of Pakistan, TPL Trakker stands amongst the first companies to get a license for digital mapping in the country as a location data powerhouse covering over 400 cities, 5 million geo-coded addresses and POIs, and 600,000+ km of road network mapped across Pakistan.



Mapping

Mapping



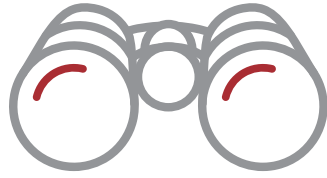
TPL Trakker's core business of Industrial Internet of Things (IIoT) puts analytics, people and machines to work, creating an advanced network of connected devices. We help businesses that are spread across a broad spectrum of industries to make smarter decisions that drive powerful outcomes.

Pioneers of the Telematics space in Pakistan, TPL Trakker connects mobile assets, people and businesses to help small businesses as well as large corporations optimize costs and operations with the power of Data.



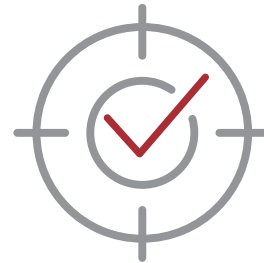
Telematics

Telematics



Vision

Disrupt. Innovate. Create Value.



Mission

To use disruptive technology to maximize stakeholder return and achieve sustainable growth for our portfolio companies.

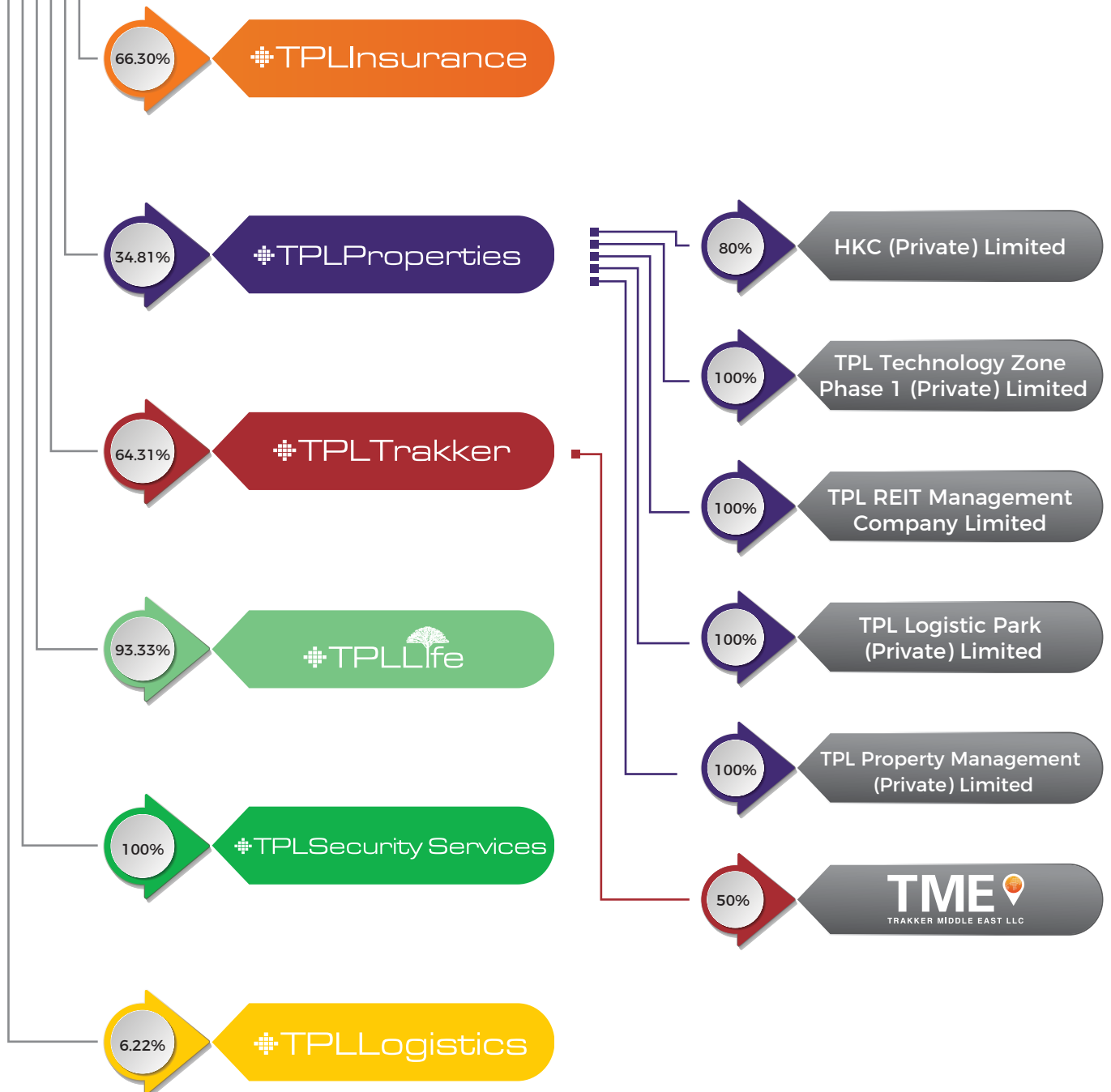


Core Values

Integrity | Entrepreneurial Spirit | Value Creation

Team Work | Diversity | Gender equality

TPL Corp



* As of June 30th, 2021

Company Information

Board of Directors

Jameel Yusuf S.St.
Sarwar Ali Khan
Nausheen Javaid Amjad
Mohammad Riaz
Brig (R) Muhammad Tahir Chaudhary
Omar Askari
Ahmad Zuberi
Ali Asgher

Director/Chairman
Director
Director
Director
Director
Director
Director
Director

Chief Executive Officer
Sarwar Ali Khan

Chief Financial Officer
Malik Ahmed Sheheryar

Company Secretary
Danish Qazi

Audit Committee
Ahmad Zuberi
Omar Askari
Mohammad Riaz
Muhammad Asif

Chairman
Member
Member
Secretary

Human Resources &
Remuneration Committee
Ahmad Zuberi
Mohammad Riaz
Sarwar Ali Khan
Nader Nawaz

Chairman
Member
Member
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

M/s THK Associates (Pvt.) Limited,
Plot No. 32-C, Jami Commercial
Street 2, D.H.A., Phase VII,
Karachi-75500. Pakistan
Phone: +92 (21) 34168270
UAN: 111-000-322
Fax: +92 (21) 34168271

Correspondence Address

12th Floor, Centrepont,
Off Shaheed-e-Millat Expressway,
Adjacent KPT Interchange,
Karachi - 74900

Registered Office

Plot No. 1-A, Sector #24,
near Shan Chowrangi,
Korangi Industrial Area,
Karachi - 74900

Web Presence

www.tpltrakker.com

Geographical Presence

Corporate Office & TPL Trakker Installation Centre

Plot # 1-A, Sector # 24, Korangi Industrial Area, Karachi.

Lahore Regional Office

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

Islamabad Regional Office

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

Islamabad Branch Office

Workpad Building, Plot 67, Street 35, I&T Center, Sector G-10/1, Islamabad.

Faisalabad Regional Office

Office No. 2, 4th 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, 3rd Floor, Jasmine Arcade, Fakhre-Alam Road, Peshawar Cantt.

Hyderabad Regional Office

2nd Floor Plot # 15/5, Railway Cooperative Housing Society, Main Auto Bahan Road Latifabad Hyderabad.



Chairman's Review

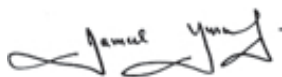
I have great pleasure in presenting the remarkable performance of the Board of Directors of TPL Trakker Limited ("Company") and providing an overview of the Company's key achievements for the year ended June 30, 2021. The Board actively contributed to the oversight of the Company and its businesses, strategy and human resource development. Despite the numerous challenges experienced during the year, the Company has achieved a great deal of success and the Board is pleased with the progress of the Company.

I am pleased to report that the Company recorded significant increase in its topline, due to the Management's efficient functioning, and achieved its business sales targets efficiently. The Company was awarded tenders in various public sector projects across Pakistan for tracking and monitoring segments and became the official tracking partner of reputable organizations. Despite a set back to the economy of Pakistan due to pandemic, the Company retained all its workforce and recorded growth at the same time.

Our Board composition is well balanced and diversified in term of skills, knowledge and experience, assisting the management to thrive consistently and to benefit the management from its expert engagement and regular support. The Board has a strong ongoing commitment to transparency and good corporate governance as a vital part of discharging its responsibilities and has always maintained a high level of corporate governance. The Board sub-committees met on an adequate basis during the year and continued to provide the Board with the necessary assurance that audit and remuneration structures and processes were being correctly implemented by management.

We stay committed to growing all Company's businesses over the longer term to build its value for our shareholder, by further strengthening its position in the market, increasing operational efficiency, boosting revenue and improving earnings. The Board appreciated the efforts of the Management of the Company and the Compensation Committee approved the Employee Stock Option Plan for the deserving employees for the services they have rendered for the Company.

Significantly, on behalf of the Board, I would like to express my gratitude to the valued shareholders, management and other stakeholder of the Company and pray that the Company continues to grow towards the profit trajectory in the years to come.



Jameel Yusuf S.St.
Chairman of the Board
As of June 30, 2021



CEO's Message

Last year tested everyone to the extreme. Families struggled with personal loss while businesses grappled with the decline in economic activity due to overall depression in sales and employment. Where these events gave rise to uncertainty and disruption, they also raised questions about the performance of businesses globally. It gave rise to questions such as how a big organization like ours can continue to deliver value to our stakeholders in uncertain times? What are some ways through which businesses can rebuild their position in the market and keep serving everyone they do business with?

The companies are still finding their way to respond appropriately to this dynamic shift in the world, but those who have managed to keep their focus on the environment and society have successfully emerged resilient and strong. We responded to the uncertainty of the times in the same manner and kept a keen focus on avenues that could pose as opportunities even in times of loss and disruption. Opportunities that can deliver our stakeholders with efficiency and ingenuity.

As TPL Trakker has continuously served its market with utmost diligence during such unpredictable times, I would like to share a quick snapshot of all the things we achieved in the past year.

In an attempt to ensure sustainability in an uncertain environment, we collaborated with Ra'ana Liaquat Craftsmen's Colony (RLCC) and GrabageCAN to donate the billboard panaflex skins that otherwise go to waste. Through this move, we not only aimed at ensuring a sustainable future, but we also provided financial support to the women who work at RLCC by buying back the bags they made out of donated panaflex skins.

With movement severely limited due to the pandemic, we saw the public gravitate towards online options – which resulted in a mushroom growth for rapid delivery services and last mile operations. TPL Trakker availed this unexpected opportunity and launched its Digital Maps through its Location Based Services (LBS) platform which enabled organizations across different industry verticals to capitalize with location enabled technology. Our localized mapping solutions provided a holistic navigational experience and took the center stage for e-commerce, fleet management, fintech, and advertising industry. Within the first year of operations we saw businesses, consumers and the government sector leverage the power of TPL maps to sustain and grow through these trying times.

With LBS sales surpassing our expectations, we brought on some big industry names as our clients: Foodpanda, Bykea and Pizza Hut are some of the top names along with a host of startups that opted for local solution providers over big international giants. This past year TPL Trakker also forayed into development of our own B2B SaaS products and successfully launched DART, designed to manage field sales forces, delivery services and field operational teams.

On the automotive front, growing our business lines further, we have now become a leading supplier of Infotainment Systems, a technology that is paving the way for autonomous driving in Pakistan. The key collaborations in this regard were with Proton and Hyundai, to whom we provided our innovative hardware and software solutions. By bringing such transformative solutions to the forefront, we have managed to maintain the business momentum in times when the automotive industry of Pakistan was already facing a downfall. However, the new policies that are currently being set up related to the automotive industry intend to make Pakistan a competitive manufacturing hub, creating more opportunities for our new business line that offers connected car solutions.

The changes brought upon by the pandemic have impacted our physical as well as mental health. Staying true to our corporate social responsibility, we made sure to incorporate such practices that can ensure mental and physical wellbeing. From conducting training sessions to ensuring the complete vaccination of 100% of our workforce, we have reflected our pledge of acting as a socially responsible organization in everything we do. Furthermore, as a next step for digital transformation across various touch points we implemented automated processes for optimization. This paved way for hassle-free experience for our customers and smoother operations for our staff.

Another major event that occurred this year that emboldened TPL Trakker as a brand, is the office relocation to Korangi Industrial Area. This enabled TPL Trakker to house sales, operations and product teams under one roof and also allowed us to setup our own assembly lines for our automotive hardware solutions.

Lastly, I would like to mention the strength and resilience our workforce has demonstrated during such testing times. It is because they were determined to do hard work even in the face of difficulty, that our business was able to emerge stronger, leading to big wins of two Brand Of The Year awards for Fleet Management Solutions and Vehicle Tracking & Security. The collaborations we achieved and the new avenues we embarked on are just the beginning of a promising future this organization holds for the digital transformation of our industry. Through constant data and product innovation, we will keep exploring new paths and areas that will serve our customers' needs and ultimately strengthen our presence in key markets.

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



Sarwar Ali Khan
CEO
TPL Trakker Limited

Board of Directors



Jameel Yusuf S. St. Chairman



Sarwar Ali Khan CEO



Nausheen Javaid Amjad Director



Omar Askari Director



Ahmad Zuberi Director



Mohammad Riaz Director

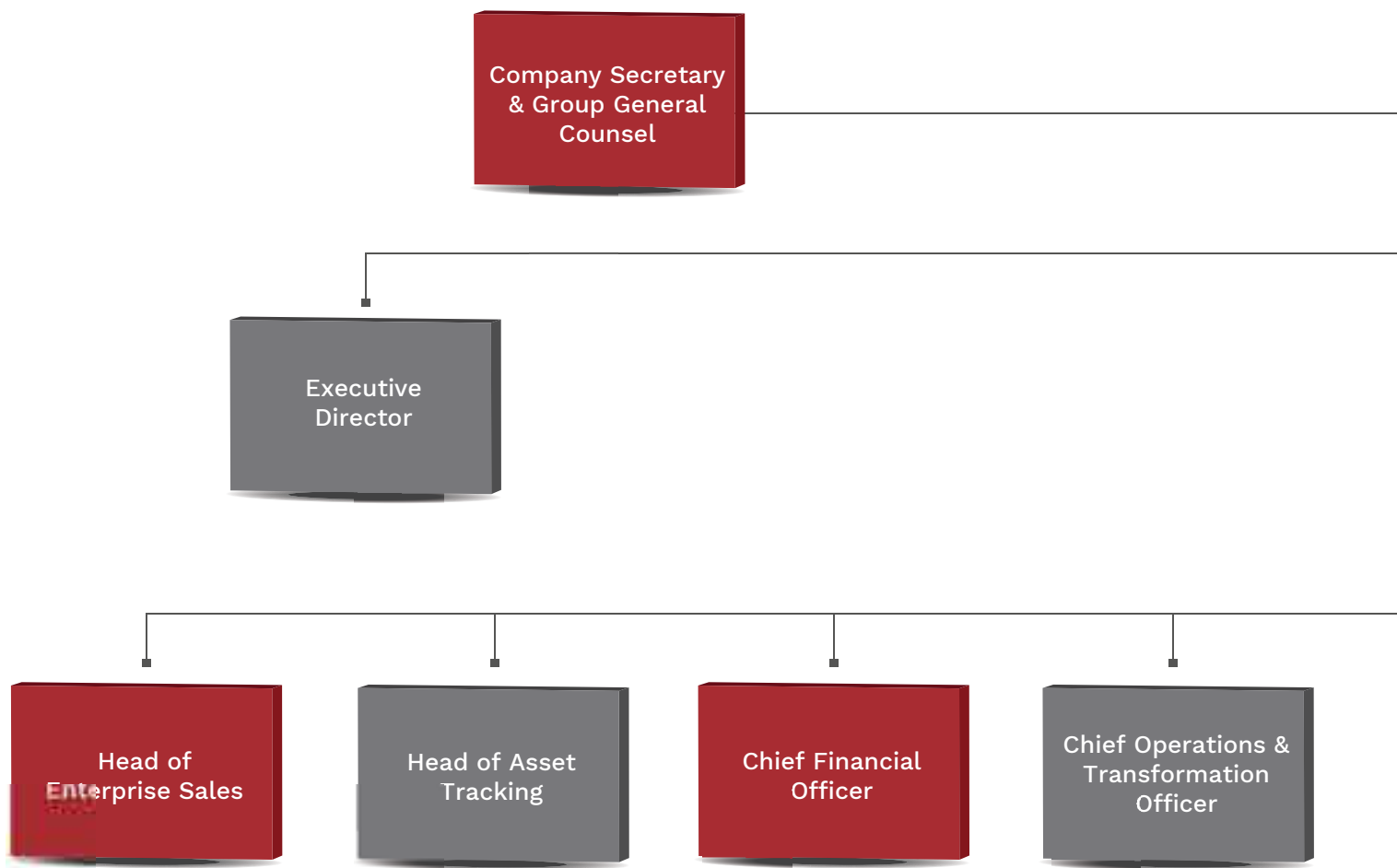


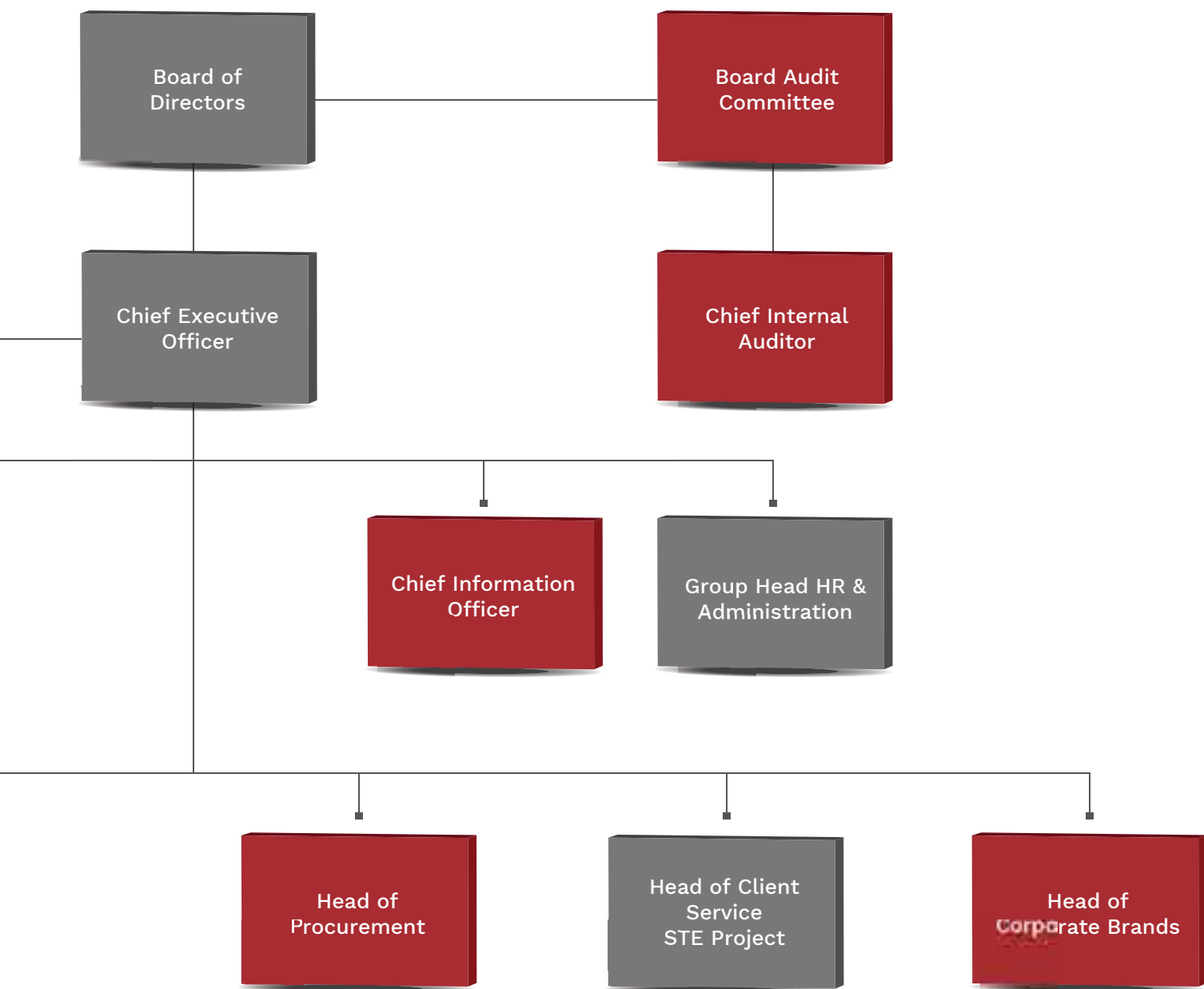
Ali Asgher Director



Brigadier (R) Muhammad Tahir Chaudhary Director

Organizational Structure





Sustainable Actions

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.

COVID -19 Response

From the beginning of the pandemic, TPL Trakker has been actively contributing to the fight against the challenges posed by COVID -19. From conducting training sessions to making financial donations last year, TPL has left no stone unturned to curb the declining effects of these trying times. We care about all our employees and stakeholders, which is why we ensure that 100% of our employees are fully vaccinated and firmly comply with all government SOPs. Our extensive efforts are in line with our motivation to ensure a safe and sustainable environment not only within our organization but also externally



Health

749,785



Education

7,647



Environment

38,935



Financial aid was provided to The Indus Hospital, supporting them in the areas of diagnostics and PCR COVID -19 tests.

In collaboration with PAF (Patients Aid Foundation), we were able to conduct awareness sessions for COVID -19 which covered the aspects of risk assessment, control measures, COVID -19 testing, and safe return to work.

We at TPL work towards building a safer and more sustainable environment every day. Our employees group-wide are now Vaccinated against COVID -19.

Health

Bait-ul-Sukoon

Located in Karachi, Bait-ul Sukoon is Pakistan's first and only Cancer Hospital with a Hospice that provides only free treatment. In order to facilitate the institution, TPL Corp, not only financially supported the cause, but also utilized its expert teams to develop IT Infrastructure, Software & Tech Support for better Hospital Management, deployed security guards to amplify security & revamped the building infrastructure. Additionally, TPL Corp helped in Fundraising through Marketing & Media support.



Blood Drive

Annual Blood donation Drive, in an effort to address the rising demand for blood donors, TPL collaborated with The Indus Hospital and successfully conducted a Blood Drive.



Rashaan Distribution TPL funded JDC foundation a NGO that began with the sole purpose of serving the humanity, to distribute rashaan bags in the crucial times of the world pandemic Corona, where people lost their source of income and their strength to cope with the dilemma that came with the unbearable hunger pangs.

500 families
provided
with Rashaan



ChildLife Foundation ChildLife Foundation manages and operates Children Emergency Rooms in Sindh & Balochistan. With a network of 10 ERs, the organization is saving 1 million children annually, free of cost. With TPL's contribution in 2020-21 the NPO was able to provide life-saving treatment to 250 children in Emergency Rooms.



life-saving treatment to
250 children



**Breast Cancer
Awareness Session**

TPL hosted an online session for all female employees in collaboration with Shaukat Khanum Memorial Cancer Hospital in an effort to spread awareness about Breast Cancer



Education

Online Education

TPL, distributed tablets with paid mobile data SIMs to facilitate the online education of our employees' children. With school closures due to the #COVID19 pandemic, TPL Corp aims to support its employees by providing their children with access to online schooling during these challenging times.



8 tablets with
paid data

FESF

Family Educational Services Foundation (FESF) is a non-profit educational organization dedicated to enhancing the quality of life for all members of the community, especially those who are disadvantaged. The financial assistance by TPL has enabled Deaf children to gain quality academic and vocational education in their native language, empowering them to become independent and inclusive members of society



Ida Rieu Welfare Association

Ida Rieu Welfare Association Since its inception has been imparting education and vocational training to the visually and hearing impaired students, With TPL's financial assistance Ida Rieu was able to provide education, vocational training, transportation and health care facilities to our the students.



27 deserving students covered

Children Education Policy

TPL, through its Children Education Benefit Policy, provides our low income employees' children with full academic scholarships every year.



82 children were provided with quality education



Environment

After a successful out-of-home campaign for Trakker Pro, TPL Trakker donated the Panaflex skins to Garbage Can and Ra'ana Liaquat Craftsmen's Colony (RLCC), an institute that aims to empower women through improved health, education, and economic independence. To show support, TPL Corp bought the Bags, Keychains and Bowls that the women had up-cycled from the donated skins, helping RLCC to fulfill the noble cause. These products were distributed to the female employees during Women's Day Celebrations within the company.



7,735 sqft of panaflex skins were donated

Social Performance

Fostering sustainable growth Integral to sustainable development TPL Trakker focuses on investing in its most valuable asset: its employees and ensuring that their work environment is productive. The employees thrive in an inclusive environment and are presented with multiple growth opportunities. Consistent recognition and rewards for outstanding performance ensures their financial, physical and emotional wellness.

Transport Allowance

Keeping in mind the transport needs of employees, specially after the Head Office Move, Transport allowance for senior executive employees was increased by 75%

CPR training workshop

A Cardiac Pulmonary Resuscitation (CPR) Training Session was arranged in collaboration with the Emergency Response Committee (ERC) of Indus Hospital for TPL's employees

Training and Development

1 Trainings on Diversity & Inclusion for Senior and Middle Management

2 Training conducted by NOW PDP on Sensitization

Diversity and Inclusion

Embedding diversity and inclusion in our business plans help us ensure that we remain an equal opportunity employer. TPL launched an Empowerment Program named Pehchaan, in line with our mission to create a more inclusive and diverse workplace. The aim is to reduce inequality and ensure that everyone gets a fair chance when competing for positions in the organization, regardless of their basis of ability, gender, race, color, age, religion or national origin. TPL firmly believes that a diverse working environment is key to building high performance teams.

Partnership with RLCC

TPL Trakker partnered with RLCC to support women in Pakistan. A print campaign was turned into a sustainable initiative by converting panaflex films to bags and key chains. These sustainable goods were then bought back from RLCC.



Awards

TPL Trakker won two prestigious awards from Brand Of The Year for 2020.

In the categories of:

- Fleet Management
- Vehicle Tracking and Security



Horizontal Analysis Balance Sheet

	2021		2020		2019	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Fixed Assets	1,118,248,281	6%	1,059,232,338	-34%	1,602,145,206	44%
Intangible Assets	2,131,271,500	0%	2,138,388,733	86%	1,151,299,734	0%
Right-of-use assets	107,974,195	100%	72,269,178	100%	-	0%
Long-term investments	194,552,732	129%	85,030,450	0%	85,030,450	100%
Long term loans	205,713	-69%	669,898	5%	637,436	46%
Long term deposits	26,194,868	-23%	33,953,962	-28%	47,100,425	-11%
Deferred tax assets - net	59,673,043	-6%	63,764,748	788%	7,178,349	431%
Stock-in-trade	420,445,073	71%	246,221,725	-8%	266,339,657	-18%
Trade debts	1,123,767,028	10%	1,022,872,997	-22%	1,309,502,023	1%
Loan and advances	63,023,917	-42%	107,834,467	173%	39,435,026	-1%
Trade deposits and prepayments	32,412,327	-47%	61,494,946	41%	43,674,281	-14%
Interest accrued	291,255,846	127%	128,444,634	76%	73,054,250	131%
Other receivables	17,607,533	-40%	29,339,542	111%	13,934,042	-26%
Short-term investments	-	0%	-	0%	-	-100%
Due from related parties	1,493,574,743	39%	1,071,684,058	86%	576,290,498	81%
Taxation - net	-	0%	-	-100%	42,478,304	220%
Cash and bank balances	132,203,982	588%	19,221,288	-3%	19,830,816	40%
TOTAL ASSETS	7,212,410,781		6,140,422,964		5,277,930,497	
Issued, subscribed and paid-up capital	1,872,630,930	55%	1,204,425,930	30%	929,262,520	54%
Capital reserve	232,690,046	100%	146,817,136	100%	-	0%
Revenue reserve	(189,432,169)	131%	(82,063,384)	-164%	128,476,899	-65%
Other components of equity	362,683,585	28%	284,432,213	-49%	555,272,027	143%
Long-term financing	1,049,650,530	167%	393,263,634	31%	300,000,000	-50%
Lease liabilities	81,889,252	210%	26,419,021	-49%	52,145,571	10246%
Long-term loans	68,367,855	-70%	227,448,306	53%	148,888,890	-52%
Government grant	797,103	100%	1,781,008	100%	-	0%
Trade and other payables	1,293,755,026	38%	935,825,506	25%	750,929,062	9%
Accrued mark-up	96,437,639	-31%	140,061,771	106%	68,100,451	11%
Short-term financing	235,953,736	-83%	1,394,169,173	10846%	12,737,305	-34%
Running finance under mark-up arrangements	1,062,507,117	-4%	1,105,194,287	12%	988,025,014	5%
Current portion of non-current liabilities	753,189,884	185%	264,050,183	-58%	627,321,359	86%
Due to related parties	224,422,893	370%	47,772,963	-93%	670,119,700	53%
Taxation - net	31,014,251	100%	13,685,055	100%	-	0%
Advance monitoring fees	35,853,103	-3%	37,140,162	-20%	46,651,699	25%
TOTAL EQUITY AND LIABILITIES	7,212,410,781		6,140,422,964		5,277,930,497	

Horizontal Analysis Profit and Loss Account

	2021		2020		2019	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Turnover - net	1,886,241,808	18%	1,605,235,951	-9%	1,771,864,595	7%
Cost of sales	(1,280,126,555)	5%	(1,222,154,752)	59%	(767,114,950)	16%
Gross profit	606,115,253	58%	383,081,199	-62%	1,004,749,645	1%
Distribution expenses	(97,174,335)	-7%	(105,041,628)	-63%	(286,453,301)	9%
Administrative expenses	(319,069,004)	-14%	(370,420,607)	1%	(368,309,884)	-11%
Operating profit	189,871,914	-306%	(92,381,036)	-126%	349,986,460	8%
Other expenses	-	0%	-	-100%	(30,822,802)	62%
Research and development	(77,725,874)	238%	(23,028,138)	100%	-	0%
Finance costs	(389,542,836)	-24%	(515,317,204)	66%	(309,959,166)	38%
Other Income	191,100,087	19%	161,224,750	162%	61,484,097	28%
(Loss) / Profit before taxation	(86,296,709)	-82%	(469,501,628)	-764%	70,688,589	-45%
Taxation	(33,905,584)	-409%	10,984,235	-132%	(34,825,647)	11%
(Loss) / Profit after taxation	(120,202,293)	-74%	(458,517,393)	-1379%	35,862,942	-63%
Other comprehensive income	77,760,820	-915%	(9,538,644)	-103%	327,456,882	100%
Total comprehensive income	(42,441,473)	-91%	(468,056,037)	-229%	363,319,824	273%

Vertical Analysis Balance Sheet

	2021		2020		2019	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Fixed Assets	1,118,248,281	15.50%	1,059,232,338	17.25%	1,602,145,206	30.36%
Intangible Assets	2,131,271,500	29.55%	2,138,388,733	34.82%	1,151,299,734	21.81%
Right-of-use assets	107,974,195	1.50%	72,269,178	1.18%	-	0.00%
Long-term investments	194,552,732	2.70%	85,030,450	1.38%	85,030,450	1.61%
Long term loans	205,713	0.00%	669,898	0.01%	637,436	0.01%
Long term deposits	26,194,868	0.36%	33,953,962	0.55%	47,100,425	0.89%
Deferred tax assets - net	59,673,043	0.83%	63,764,748	1.04%	7,178,349	0.14%
Stock-in-trade	420,445,073	5.83%	246,221,725	4.01%	266,339,657	5.05%
Trade debts	1,123,767,028	15.58%	1,022,872,997	16.66%	1,309,502,023	24.81%
Loan and advances	63,023,917	0.87%	107,834,467	1.76%	39,435,026	0.75%
Trade deposits and prepayments	32,412,327	0.45%	61,494,946	1.00%	43,674,281	0.83%
Interest accrued	291,255,846	4.04%	128,444,634	2.09%	73,054,250	1.38%
Other receivables	17,607,533	0.24%	29,339,542	0.48%	13,934,042	0.26%
Short-term investments	-	0.00%	-	0.00%	-	0.00%
Due from related parties	1,493,574,743	20.71%	1,071,684,058	17.45%	576,290,498	10.92%
Taxation - net	-	0.00%	-	0.00%	42,478,304	0.80%
Cash and bank balances	132,203,982	1.83%	19,221,288	0.31%	19,830,816	0.38%
TOTAL ASSETS	7,212,410,781	100%	6,140,422,964	100%	5,277,930,497	100%
Issued, subscribed and paid-up capital	1,872,630,930	25.96%	1,204,425,930	19.61%	929,262,520	17.61%
Capital reserve	232,690,046	3.23%	146,817,136	2.39%	-	0.00%
Revenue reserve	(189,432,169)	-2.63%	(82,063,384)	-1.34%	128,476,899	2.43%
Other components of equity	362,683,585	5.03%	284,432,213	4.63%	555,272,027	10.52%
Long-term financing	1,049,650,530	14.55%	393,263,634	6.40%	300,000,000	5.68%
Lease liabilities	81,889,252	1.14%	26,419,021	0.43%	52,145,571	0.99%
Long-term loans	68,367,855	0.95%	227,448,306	3.70%	148,888,890	2.82%
Government grant	797,103	0.01%	1,781,008	0.03%	-	0.00%
Trade and other payables	1,293,755,026	17.94%	935,825,506	15.24%	750,929,062	14.23%
Accrued mark-up	96,437,639	1.34%	140,061,771	2.28%	68,100,451	1.29%
Short-term financing	235,953,736	3.27%	1,394,169,173	22.70%	12,737,305	0.24%
Running finance under mark-up arrangements	1,062,507,117	14.73%	1,105,194,287	18.00%	988,025,014	18.72%
Current portion of non-current liabilities	753,189,884	10.44%	264,050,183	4.30%	627,321,359	11.89%
Due to related parties	224,422,893	3.11%	47,772,963	0.78%	670,119,700	12.70%
Taxation - net	31,014,251	0.43%	13,685,055	0.22%	-	0.00%
Advance monitoring fees	35,853,103	0.50%	37,140,162	0.60%	46,651,699	0.88%
TOTAL EQUITY AND LIABILITIES	7,212,410,781	100%	6,140,422,964	100%	5,277,930,497	100%

Vertical Analysis of Profit and Loss Account

	2021		2020		2019	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Turnover - net	1,886,241,808	100%	1,605,235,951	100%	1,771,864,595	100%
Cost of sales	(1,280,126,555)	-68%	(1,222,154,752)	-76%	(767,114,950)	-43%
Gross profit	606,115,253	32%	383,081,199	24%	1,004,749,645	57%
Distribution expenses	(97,174,335)	-5%	(105,041,628)	-7%	(286,453,301)	-16%
Administrative expenses	(319,069,004)	-17%	(370,420,607)	-23%	(368,309,884)	-21%
Operating profit	189,871,914	10%	(92,381,036)	-6%	349,986,460	20%
Other expenses	-	0%	-	0%	(30,822,802)	-2%
Research and development	(77,725,874)	-4%	(23,028,138)	-1%	-	0%
Finance costs	(389,542,836)	-21%	(515,317,204)	-32%	(309,959,166)	-17%
Other Income	191,100,087	10%	161,224,750	10%	61,484,097	3%
(Loss) / Profit before taxation	(86,296,709)	-5%	(469,501,628)	-29%	70,688,589	4%
Taxation	(33,905,584)	-2%	10,984,235	1%	(34,825,647)	-2%
(Loss) / Profit after taxation	(120,202,293)	-6%	(458,517,393)	-29%	35,862,942	2%
Other comprehensive income	77,760,820	4%	(9,538,644)	-1%	327,456,882	18%
Total comprehensive income	(42,441,473)	-2%	(468,056,037)	-29%	363,319,824	21%

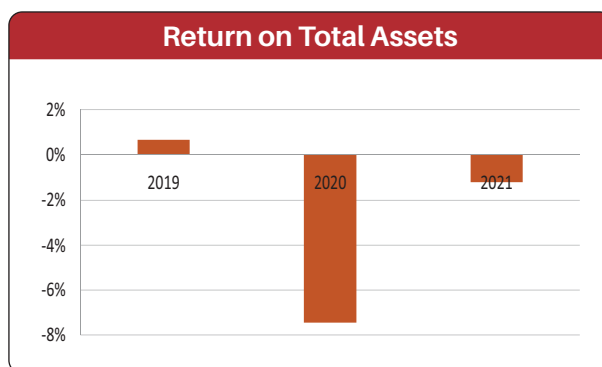
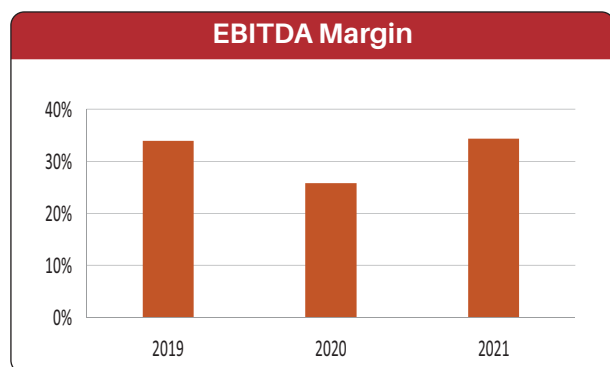
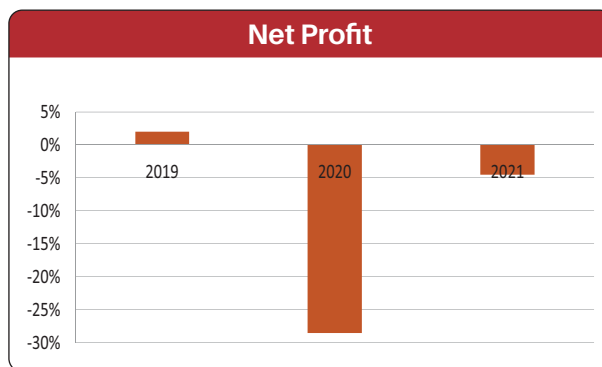
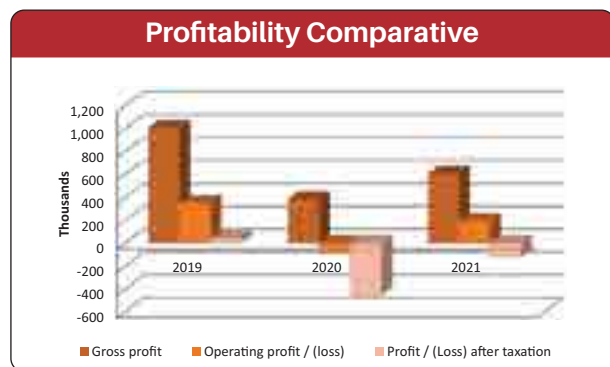
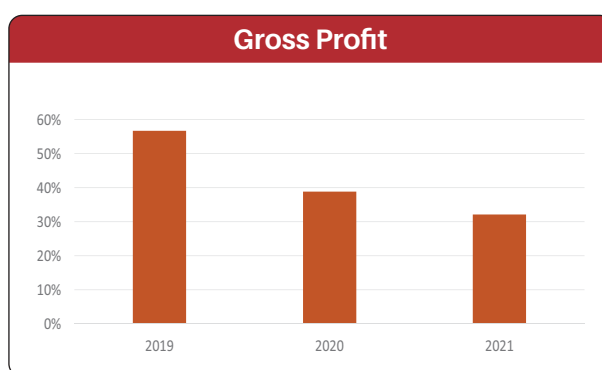
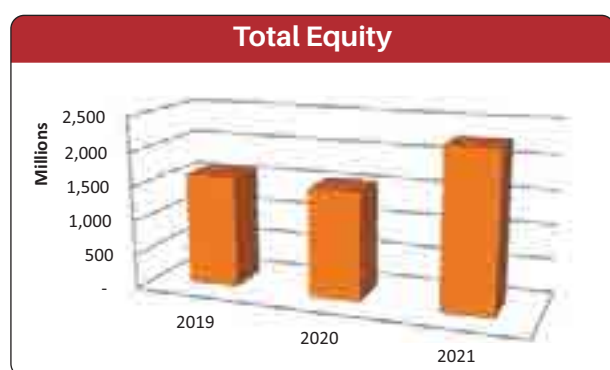
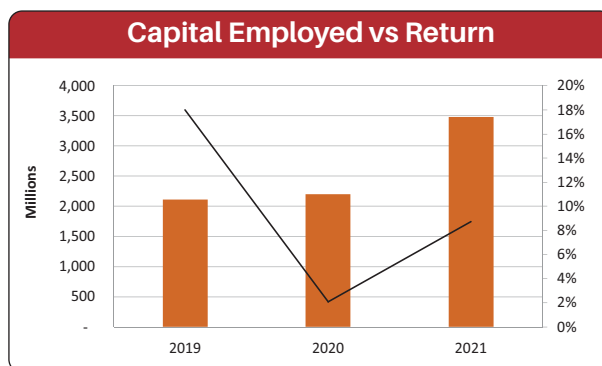
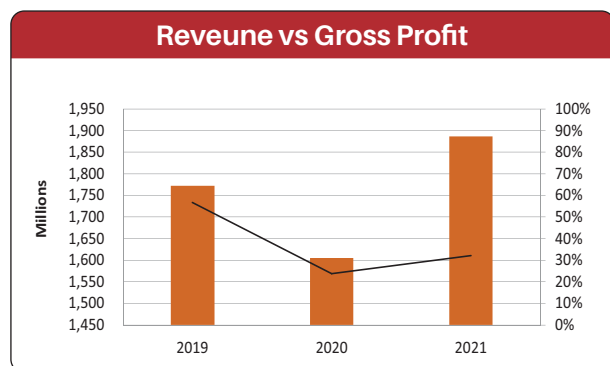
Cash Flow Analysis

	2021	2020	2019
	Rupees		
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation	(86,296,709)	(469,501,628)	70,688,589
Adjustment for non cash charges and other items:			
Depreciation on operating fixed assets	254,267,804	240,308,576	216,323,634
Depreciation on Right-of-use assets	66,938,503	82,131,716	-
(Reversal)/ Allowance for expected credit loss (ECL)	22,557,366	(21,406,034)	4,150,708
Amortisation of intangible assets	(4,814,014)	45,282,814	3,637,431
Finance cost	389,542,836	515,317,204	309,959,166
Gain on disposal of property, plant and equipment	(39,300)	(344,817)	(3,034,752)
Amortization of government grant	(10,472,666)	(2,416,771)	-
Exchange loss / (gain) - net	(3,173,759)	(639,152)	11,151,268
Share based payment	30,040,000	-	-
	744,846,770	858,233,536	542,187,455
Operating profit before working capital changes	658,550,061	388,731,908	612,876,044
(Increase) / decrease in current assets			
Stock-in-trade	(259,608,692)	20,117,932	(141,029,292)
Trade debts	(96,080,017)	278,242,209	(48,890,303)
Loans and advances	44,810,550	(68,399,441)	532,099
Trade deposits and prepayments	29,082,619	(15,588,899)	(4,319,719)
Other receivables	(162,811,212)	1,594,500	4,990,375
Interest Accrued	11,732,009	(108,680,690)	(41,419,482)
Due from related parties	(421,890,685)	(985,890,100)	(257,654,734)
	(854,765,428)	(878,604,489)	(487,791,056)
Increase / (decrease) in current liabilities			
Trade and other payables	354,755,761	169,508,573	63,471,387
Due to a related party	176,649,930	(623,577,070)	233,262,538
Advance monitoring fees	(1,287,059)	(9,511,537)	9,188,023
	530,118,632	(463,580,034)	305,921,948
Cash generated from operations	333,903,265	(953,452,615)	431,006,936
Receipts / (payments) for :			
Finance cost	(413,001,954)	(411,482,742)	(303,416,232)
Income taxes	(44,045,779)	9,753,822	(71,902,319)
	(457,047,733)	(401,728,920)	(375,318,551)
Net cash generated from operating activities	(123,144,468)	(1,355,181,535)	55,688,385
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of - property and equipment	(110,161,786)	(17,379,690)	(50,853,791)
- capital work-in-progress	(83,426,500)	-	(50,459,257)
- intangible	(15,440,133)	(87,974,492)	(2,929,530)
Sale proceed from fixed assets	334,965	323,464,876	3,427,814
Long-term deposits	464,185	18,146,463	5,868,076
Long-term loans	(26,846,688)	(32,462)	(200,859)
Sale proceed from encashment of term deposit receipts	-	-	200,000,000
Net cash (used in) / generated from investing activities	(235,075,957)	236,224,695	104,852,453
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities repaid	(70,205,689)	(90,639,000)	(9,176,330)
Proceeds from issuance of ordinary shares	801,846,000	-	-
Long-term loans - net	(122,331,194)	(90,639,000)	(152,252,399)
Long term financing - net	1,127,280,639	(205,807,641)	(35,157,167)
Share issuance cost	(64,484,030)	(13,324,060)	-
Short-term financing	(1,158,215,437)	1,381,431,868	(6,443,899)
Net cash generated (used in) / from financing activities	513,890,289	993,436,091	(203,029,795)
Net (decrease) / increase in cash and cash equivalents	155,669,864	(125,520,749)	(42,488,957)
Cash and cash equivalents at the beginning of the year	(1,085,972,999)	(968,194,198)	(925,705,241)
Cash and cash equivalents transferred under the scheme		7,741,948	-
Cash and cash equivalents at the end of the year	(930,303,135)	(1,085,972,999)	(968,194,198)

Ratio Analysis Profit and Loss Account

		2021	2020	2019
Profitability Ratios				
Gross Profit to Sales	percent	32%	24%	57%
Net Profit to Sales	percent	-6%	-29%	2%
EBITDA Margin to sales	percent	33%	26%	34%
Return on Equity	percent	-5%	-30%	2%
Return on Capital Employed	percent	9%	2%	18%
Liquidity Ratios				
Current Ratio	Ratio	0.96	0.68	0.75
Quick / Acid test ratio	Ratio	0.84	0.62	0.67
Cash to Current Liabilities	Ratio	0.035	0.005	0.006
Cashflow from Operations to Sales	Ratio	-0.07	-0.85	0.03
Activity/ Turnover Ratios				
Inventory turnover	Number of times	4	7	7
No of days in inventory (Days)	Number of days	81	56	55
Debtor turnover	Number of times	1.68	1.57	1.35
No of days in Receivables (Days)	Number of days	217	233	270
Credit turnover	Number of times	0.99	1.31	1.02
No of days in Payables	Number of days	369	279	357
Net Operating cycle	Number of days	-70	9	-33
Total asset turnover	percent	26%	26%	34%
Fixed assets turnover	percent	52%	46%	61%
Investment Valuation Ratios				
Loss / Earnings per Share	Ratio	-0.64	-3.81	0.39
Capital structure Ratios				
Financial leverage Ratio	Ratio	1.37	2.14	1.27
Debt Equity Ratio	Ratio	0.58	0.68	0.56
Interest cover Ratio	Ratio	0.78	0.09	1.23

Graphical Presentation of Key Financial Ratios



Statement of Value Addition and its Distribution

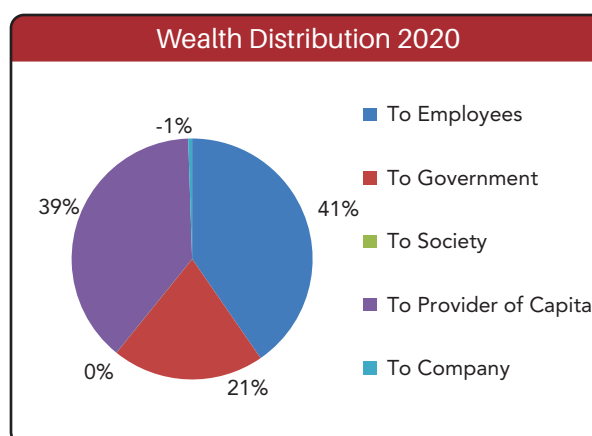
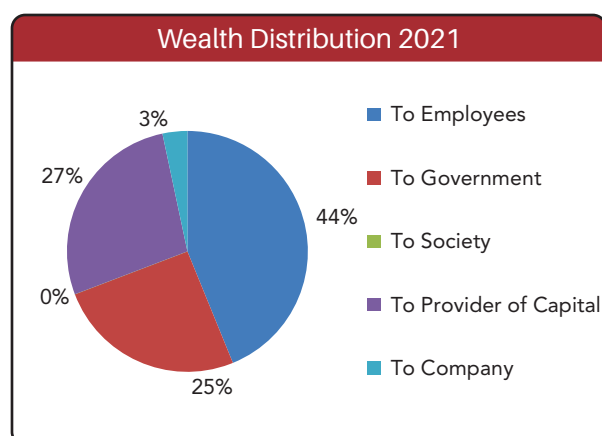
2021		2020	
Rupees	%	Rupees	%

WEALTH GENERATED

Total revenue inclusive of sales tax other income	2,375,714,524		1,993,243,281	
Cost of Sales and services (excluding salaries)	(957,646,456)		(942,956,381)	
	1,418,068,068	100%	1,050,286,900	100%

WEALTH DISTRIBUTION

To Employees				
Salaries, benefits and other costs	621,588,471	44%	538,161,956	51%
To Government				
Income tax, sales tax, excise duty and others	359,747,604	25%	272,384,744	26%
To Society				
Donation towards education, health and environment	-	0%	-	0%
To Provider of Capital				
Dividend to shareholders	-		-	0%
Markup / Interest expenses on borrowed funds	389,542,836	27%	515,317,204	49%
To Company				
Depreciation, amortization & accumulated profits / losses	47,189,157	3%	(275,577,004)	-26%
	1,418,068,068	100%	1,050,286,900	100%



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, 2021.

1. ECONOMIC OUTLOOK

The advent of COVID's 4th wave gave rise to mobility restriction measures to control the spread of the disease, which adversely affected the manufacturing industry. Moreover, the import of raw materials were also impacted due to supply chain disruptions especially in the US and China. The Government had already started adopting stabilization measures in the form of contractionary fiscal/monetary policies and a market-based exchange rate to curb the macro-economic imbalances in the country, at the start of the year. As a result, the economy witnessed a V-shaped recovery, despite these challenges the country faced due to the COVID-19 pandemic and grew by 3.94 percent for FY2021. It is expected to grow by 5 percent in FY2022 owing to its current performance. Inflation was measured at 8.6 percent in the year.

Specific to the automobile sector, a broad-based growth of 23.38 percent was witnessed against a contraction of 37.66 percent last year while production and sale of automobiles grew by 20.1 percent and 31.5 percent respectively. The monetary policy rate was maintained at 7% which augmented the drive towards auto-financing and demand for automobiles.

2. COMPANY PERFORMANCE

Business Performance

	Year Ended June 30, 2021	Year Ended June 30, 2020
	Rs. In "000" - Consolidated	
Turnover - net	2,111,257	1,605,236
Gross Profit	707,294	383,081
Operating Profit/(Loss)	86,732	(92,381)
Loss before Tax	(75,005)	(469,502)
Loss after Tax	(108,910)	(458,517)

On July 1, 2020, the Company acquired an additional 21% stake in TME, whereby management control was obtained. Ending the financial year 2020-2021, the Company achieved consolidated revenues of Rs. 2.11 billion representing a growth of 32% when compared with last year. The Company also witnessed an improvement in the financial results before taxation by 82% relative to the last year. The Connected Car segment contributed 53% to the topline of the Company, where 16% growth was observed from last year, whereas the Digital Mapping & Location services far exceeded expectations by achieving 297% over last year.

Future Outlook – Connected Car & IoT

As the world has experienced unprecedented challenges during the past two years on account of stabilization measures and the COVID-19 outbreak that has affected the businesses, TPL Trakker Limited has managed positive results by focusing on diversification and exploring new and untapped avenues, both product and geographical wise. Looking ahead, we are focusing on expanding our product line by bringing to market vertical specific solutions for industries such as healthcare, manufacturing, agriculture, telecommunication, pharmaceuticals, Oil & Gas and transportation. There is a renowned focus by clients on digitization and shifting to IOT solutions to bring about efficiencies and TPL is positioned well the take advantage of this opportunity through our capability to connect complex infrastructure & monitor its patterns.

The lower interest rates will result in increased volumes in the financial sector as the banks have started maintaining an average of 5000 to 6000 vehicles financed on a monthly basis. We also partnered with different business associations and banks for Below-The-Line advertising activities and this will remain one of our main focus in FY 2021-2022.

Directors' Report

The unexpected shortfall in microchip production which has ultimately hit the automobile production resulting in late and in some cases cancelled orders is expected to return to normalcy by October 2021. Subsequent to which, we expect a sharp increase in monthly volumes in our tracking and auto hardware business.

Future Outlook – Digital Mapping & Location Services

The upcoming focus of the Mapping & Location Services business unit is to introduce the Digital Maps Platform for Pakistan. Starting with the strategy to position the TPL Maps Flagship App as the Maps App of Pakistan. This endeavor is multi-tiered with a complete revamp of the existing App. A comprehensive user experience research was conducted and a roadmap for the new App was finalized.

The aim of this app will be to enable movers to have a wholesome travelling experience in Pakistan by providing companionship, assistance, planning, and facilitation through an integrated mapping platform. Heavily focusing on localization in terms of hyper local reach, connections, partnerships, this app will be a Pure Pakistani App bringing together the startup and entrepreneurial sector to service the end user and fulfilling all their traveling and mobility needs.

Carving out a differentiated space where international giants may be hesitant to compete given the local advantage that TPL Trakker has on ground, the new TPL Maps app will raise user expectations through additional benefits, continuous innovation and value additions via features that integrate themselves into the user's life.

The new TPL Maps App will be rolled out in three phases – capitalizing on Ease of Use, Personalization & Accuracy and Localization respectively. As a Pure Pakistani app, our focus will be to garner sustainable monetization and revenue generation from this platform through local partnerships specifically in the areas of tourism, hospitality, payment gateway engines, local merchants, local transport agencies, and advertisements.

For the existing LBS platform, we forecast a revenue growth of about fifty percent over last year. Focus is on high value client acquisitions from various industry verticals like Financial Institutions, Logistics, Telecommunication and E-commerce. Reseller partnership agreements will also lock in big names from the Telecom and IT industry. Steps are also underway to position TPL Maps LBS as the preferred LBS platform on the national level with an alignment with NITB and its associated applications and mobile apps.

FY 20-21 saw the commercial go to market of DART. DART was also enabled for international markets through integration with HERE maps. This B2B Software-As-A-Service (SAAS) product is completely configurable to cater to all industry verticals whether they be distribution, logistics, services, rapid delivery, e-com last mile or Financial Service Institutions. Prospective pipeline for the current fiscal year includes various notable institutions from the above mentioned verticals.

The current data points acquired stands at 5,153,235. TPL Trakker will be partnering with organizations with similar data collections for their customer addresses and locations, reinforcing our data collections with respect to entries and accuracy.

In conclusion, a diversified approach factoring direct business development, innovations, partnerships, and product development is anticipated to drive stable and sustainable growth for the rest of the financial year.

Trakker Middle East

Following the acquisition of Trakker Middle East LLC. by TPL, a new management team was put in place with the aim to grow the company and expand our market to the wider GCC region for our IoT and SaaS solutions.

In the past year, TME has added some valuable products to its list of offerings. Most notable among these is the AI-Based Driver Monitoring & ADAS system. With its safety and audit features, this product has huge potential in the market. TME has already been able to commercialize this solution and are seeing increasing

Directors' Report

demand from some major players such as Dubai Petroleum and DNATA. In order to diversify our product portfolio further we have also added GenSet Monitoring & Cold Chain Monitoring solutions.

TME has added DART, a SaaS based route planning solution, to its portfolio as well. DART is an existing system developed by TPL which has been customized for the UAE & Middle East market.

Despite the COVID situation, TME has been able to add new clients to its portfolio regularly in the past year. Top of the list is Gargash Mercedes UAE, with a fleet of around 3,000 vehicles. Another notable client is QER (Quality Equipment Rentals) which is among the top 3 equipment rental companies in UAE, with a fleet over 2,500.

Overall, the past year was one of transition, where old solutions were replaced with new more cost effective and efficient ones. New product lines were added to the portfolio. TME is also effectively managing government mandated transition from 2G to 4G telco services. After having successfully navigated these challenges, TME looks towards a promising year with great growth potential.

COMPOSITION OF THE BOARD AND THE BOARD COMMITTEES

The total number of Directors are eight (08) as per the following:

Male	Female
7	1

The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Omar Askari Ms. Nausheen Javaid Amjad Mr. Ahmad Zuberi
Executive Directors	Mr. Sarwar Ali Khan Brigadier (R) Muhammad Tahir Chaudhary
Non-Executive Directors	Mr. Jameel Yusuf Mr. Mohammad Riaz Mr. Ali Asgher

The Board has formed committees comprising of members given below:

Audit Committee	Mr. Ahmad Zuberi – Chairman Mr. Omar Askari – Member Mr. Mohammad Riaz - Member Mr. Muhammad Asif – Secretary
HR and Remuneration Committee	Mr. Ahmad Zuberi – Chairman Mr. Mohammad Riaz – Member Mr. Sarwar Ali Khan – Member Mr. Nader Nawaz – Secretary

Directors' Report

BOARD MEETINGS

The Board of Directors held 6 meetings during the financial year. Attendance of Directors is indicated below;

Name of Director	Meetings Attended
Mr. Jameel Yusuf S.St.	6
Mr. Sarwar Ali Khan	6
Mr. Omar Askari	2
Brigadier (R) Muhammad Tahir Chaudhary	6
Ms. Nausheen Javaid Amjad	2
Mr. Mohammad Riaz	6
Mr. Ahmad Zuberi	6
Ms. Ali Asgher	6
Ms. Sabiha Sultan *	4
Mr. Adnan Shahid *	1

*Mr. Adnan Shahid and Ms. Sabiha Sultan resigned with effect from February 24, 2021 and April 26, 2021 respectively. and the casual vacancy was filled by Mr. Omar Askari and Ms. Nausheen Javaid Amjad.

DIRECTORS' REMUNERATION

The Board of Directors has a formal policy, at group level, and transparent procedures for remuneration of directors in accordance with the Act and the Listed Companies Code of Corporate Regulations, 2019. As per the said policy, Directors are paid remuneration of PKR. 100,000 for attending each meeting of the Board and its sub-committees.

DIRECTOR'S TRAINING

Two of the Board members have completed their certification while the directors, who do not hold the certification, are well conversant with their duties and responsibilities as directors of a listed company. The Company, however, aims to encourage the remaining directors, to complete their certification.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is fully aware of its corporate responsibilities as envisaged under the Code of Corporate Governance, prescribed by the Securities and Exchange Commission of Pakistan and is pleased to certify that:

- The financial statements, prepared by the Company present its state of affairs fairly the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under Companies Act, 2017.
- The Company has followed consistently appropriate accounting policies in the preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standard, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure there from have been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Fundamentals of the Company are strong and there are no doubts about Company's ability to continue as a going concern.
- The Company has followed best practices of the Code of Corporate Governance as laid down in the listing regulation
- Key operating and financial data for the last three years in summarized form, is included in this annual report.
- Outstanding levies and taxes are given in the respective notes to the financial statements.

Directors' Report

PATTERN OF SHAREHOLDING

A statement of pattern of shareholding of the Company as at 30 June 2021 is as follows:

Particulars	No of Folio	Balance Share	Percentage
SPONSORS, DIRECTORS, CEO AND CHILDREN	5	5	0.0000
ASSOCIATED COMPANIES	2	120,692,588	64.4508
BANKS, DFI AND NBFI	2	8,365,000	4.4670
INSURANCE COMPANIES	2	2,600,000	1.3884
MODARABAS AND MUTUTAL FUNDS	13	20,353,500	10.8689
GENERAL PUBLIC (LOCAL)	1105	16,298,753	8.7037
GENERAL PUBLIC (FOREIGN)	102	998,747	0.5333
OTHERS	13	17,954,500	9.5878
Company Total	1244	187,263,093	100

Pattern of holding shares held by the shareholders of the Company as at June 30, 2021:

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
23	1	100	65	0
427	101	500	212,497	0.1135
258	501	1000	257,442	0.1375
322	1001	5000	927,001	0.4950
80	5001	10000	715,000	0.3818
17	10001	15000	233,000	0.1244
19	15001	20000	368,500	0.1968
20	20001	25000	484,000	0.2585
5	25001	30000	150,000	0.0801
3	30001	35000	97,500	0.0521
3	35001	40000	119,000	0.0635
1	40001	45000	41,000	0.0219
13	45001	50000	646,500	0.3452
2	50001	55000	107,000	0.0571
2	55001	60000	118,000	0.0630
2	60001	65000	124,500	0.0665
2	70001	75000	147,000	0.0785
1	75001	80000	78,000	0.0417
1	80001	85000	83,000	0.0443
1	90001	95000	93,000	0.0497
7	95001	100000	700,000	0.3738
2	100001	105000	205,500	0.1097
1	110001	115000	115,000	0.0614
2	120001	125000	250,000	0.1335
1	150001	155000	154,500	0.0825
2	245001	250000	499,500	0.2667
1	255001	260000	255,500	0.1364
1	295001	300000	300,000	0.1602
1	300001	305000	300,500	0.1605
1	315001	320000	320,000	0.1709
1	320001	325000	323,500	0.1728
1	350001	355000	355,000	0.1896
1	430001	435000	431,500	0.2304

Directors' Report

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
1	445001	450000	446,000	0.2382
1	495001	500000	500,000	0.2670
1	600001	605000	605,000	0.3231
1	890001	895000	891,000	0.4758
1	1295001	1300000	1,298,500	0.6934
1	1645001	1650000	1,650,000	0.8811
1	1665001	1670000	1,667,000	0.8902
1	2495001	2500000	2,500,000	1.3350
1	2840001	2845000	2,841,500	1.5174
1	3005001	3010000	3,005,500	1.6050
1	3110001	3115000	3,113,000	1.6624
1	3245001	3250000	3,250,000	1.7355
1	3950001	3955000	3,951,500	2.1101
1	4000001	4005000	4,002,000	2.1371
1	4200001	4205000	4,202,000	2.2439
1	4780001	4785000	4,781,500	2.5534
1	5110001	5115000	5,115,000	2.7315
1	5455001	5460000	5,455,500	2.9133
1	8330001	8335000	8,333,000	4.4499
1	120440001	120445000	120,442,588	64.3173
1244	Total	187263093	100	

ADDITIONAL INFORMATION

Associated Companies, Undertaking and Related Parties (name wise details)	No of shares held (June 30, 2021)
TPL CORP LIMITED	120442588
TPL DIRECT INSURANCE LIMITED EMPLOYEES PROVIDENT FUND	250000
Mutual Funds (name wise details)	
CDC - TRUSTEE PICIC INVESTMENT FUND	3005500
CDC - TRUSTEE PICIC GROWTH FUND	4002000
CDC - TRUSTEE AKD OPPORTUNITY FUND	1667000
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	72000
CDC - TRUSTEE MEEZAN ISLAMIC FUND	605000
CDC - TRUSTEE NBP BALANCED FUND	355000
CDC - TRUSTEE HBL - STOCK FUND	3113000
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	1298500
CDC - TRUSTEE HBL MULTI - ASSET FUND	154500
CDC - TRUSTEE NBP SARMAYA IZAFI FUND	323500
CDC - TRUSTEE HBL EQUITY FUND	5455500
CDC - TRUSTEE HBL PF EQUITY SUB FUND	255500
CDC - TRUSTEE FIRST HABIB ASSET ALLOCATION FUND	46500

Directors, CEO and their Spouse and Minor Children (name wise details)	
Following directors are the non-executive / nominee directors of the Company and have shares of the Company as of June 30, 2021.	
Mr. Jameel Yusuf	1
Mr. Muhammad Riaz	1
Mr. Ali Asgher	
Following directors are the independent directors of the Company and do not have any shares of the Company as of June 30, 2021.	
Mr. Omar Askari	
Ms. Nausheen Javaid Amjad	
Mr. Ahmad Zuberi	
Following director are the executive directors of the Company and have shares of the Company as of June 30, 2021.	
Mr. Sarwar Ali Khan	1
Brigadier (Retd) Muhammad Tahir Chaudhary	1
Details of trading in the shares by the directors, CEO, CFO, Company Secretary, and their spouses and minor Children	
Number of shares sold by the company secretary on 09/10/2020, 13/10/2020, 14/10/2020 and 23/12/2020	110,000
APART FROM ABOVE OFFICER, NONE OF DIRECTORS, CEO, COMPANY SECRETARY, AND THEIR SPOUSES AND MINOR CHILDREN HAS TRADED IN THE SHARES OF THE COMPANY DURING THE YEAR.	

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, the 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.



SARWAR ALI KHAN
CHIEF EXECUTIVE OFFICER



JAMEEL YUSUF (S.ST.)
DIRECTOR

ڈائریکٹر رپورٹ

TPL Trakker لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے، میں کمپنی کے سالانہ مالیاتی گوشوارے مع کارکردگی کا جائزہ برائے اختتام سال ۲۰۲۱، جون، ۲۰۲۱ پیش کرتے ہوئے انتہائی مسرت محسوس کر رہا ہوں۔

۱. معاشی منظر نامہ

COVID کی چوتھی لہر کے باعث بیماری کے پھیلاؤ کو روکنے کے لیے بڑے پیمانے پر نقل و حرکت پر پابندیاں لگائیں گئیں جس نے مینوفیکچرنگ انڈسٹری پر منفی اثرات مرتب کیے۔ علاوہ ازیں، خصوصاً امریکہ اور چین میں سپلائی چین کے خلل کی وجہ سے خام مال کی درآمد بھی متاثر ہوئی۔ حکومت اس سال کے آغاز میں، ملک میں کئی معاشی عدم توازن کو ختم کرنے کے لیے پہلے ہی تخفیفی مالی / زرعی پالیسیوں اور مارکیٹ پر مبنی شرح تبادلہ کی صورت میں استحکامی اقدامات کا آغاز کر چکی ہے۔ نتیجتاً، COVID-19 کے باعث ملک کو لاحق ان مسائل کے باوجود، معیشت میں V-تاریکی بھائی نظر آئی اور مالی سال ۲۰۲۱ میں اس میں ۹۴ فیصد سے اضافہ ہوا۔ موجودہ کارکردگی کو دیکھتے ہوئے مالی سال ۲۰۲۲ میں یہ اضافہ ۵ فیصد سے متوقع ہے۔ دوران سال افراط زر ۸.۶ فیصد رہا۔

خصوصاً آٹوموبائل کے شعبے میں، گزشتہ سال کی ۶۶.۳ فیصد تخفیف کے مقابلے میں ۳۸.۲۳ فیصد کی وسیع گروتھ دیکھی گئی جبکہ آٹوموبائلز کی پیداوار اور فروخت میں بالترتیب ۲۰ فیصد اور ۳۱ فیصد سے اضافہ ہوا۔ زرعی پالیسی کی شرح ۶ فیصد پر برقرار رہی جس نے آٹو فنانسنگ اور آٹوموبائلز کی طلب میں اضافہ کیا۔

۲. کمپنی کی کارکردگی

کاروباری کارکردگی

2020	2021
Rupees	
(383,081)	707,294
(92,381)	86,732
(469,502)	(75,005)
(458,517)	(108,910)

مجموعی منافع

(نقصان) / انتظامی نفع

(نقصان) / نفع قبل از محصول

(نقصان) / نفع بعد از محصول

یکم جولائی ۲۰۲۰ کو، کمپنی نے TME میں مزید ۲۱ فیصد اسٹیک لیا جس کے ذریعے مینجمنٹ کا کنٹرول حاصل کیا گیا۔ ۲۰۲۰-۲۰۲۱ کے اختتام پر، کمپنی نے ۲.۱۱ بلین روپے کے مجموعی ریوینوز حاصل کیے جو گزشتہ سال کے مقابلے میں ۳۱ فیصد گروتھ کی عکاسی کرتے ہیں۔ کمپنی نے گزشتہ سال کے مقابلے میں ٹیکس سے قبل کے مالیاتی نتائج میں ۸۲ فیصد کی بہتری حاصل کی۔ کمپنی کے سیلز اور ریوینوز میں کنسٹنڈ کار کے شعبے کا حصہ ۵۳ فیصد رہا جس کے تحت گزشتہ سال کے مقابلے میں ۱۶ فیصد کی گروتھ دیکھی گئی، جبکہ ڈیجیٹل نقشے اور لوکیشن سروسز نے گزشتہ سال کے مقابلے میں توقعات سے کہیں بڑھ کر ۲۹ فیصد کی شاندار گروتھ حاصل کی۔

مستقبل کا منظر نامہ

جیسا کہ پوری دنیا کو گزشتہ دو سال سے استحکامی اقدامات اور کاروباری اداروں کو متاثر کرنے والی COVID-19 کی وباء کے باعث بے پناہ مسائل کا سامنا رہا، تاہم TPL Trakker لمیٹڈ مصنوعاتی اور جغرافیائی دونوں قسم کے تنوع پر مکمل توجہ اور نئے مواقع کی تلاش کی بدولت مثبت نتائج کے حصول میں کامیاب رہا۔ آئندہ کے لیے بھی ہمارا مطمح نظر یہی ہے کہ مختلف انڈسٹریز جیسے کہ صحت عامہ، مینوفیکچرنگ، زراعت، ٹیلی کمیونیکیشن، فارماسیوٹیکلز، آئل اور گیس ٹرانسپورٹیشن کے لیے مارکیٹ میں عمودی

ڈائریکٹر رپورٹ

تخصیصی سہولیات متعارف کرواتے ہوئے اپنی پراڈکٹ لائن کو وسیع کیا جائے۔ مؤثر کارکردگی کے حصول کے لیے ڈیجیٹائزیشن اور IOT کی سہولیات کی جانب منتقلی پر بھی کلائنٹس کی بھرپور توجہ مبذول ہے اور TPL اپنی اہلیت کی بدولت پیچیدہ انفراسٹرکچر سے منسلک ہوتے ہوئے اور اس کی ساخت کی نگرانی کرتے ہوئے مذکورہ موقع سے استفادے کے لیے بالکل تیار ہے۔

سود کی نسبتاً پست شرح کا نتیجہ مالیاتی شعبے میں اضافی حجم کی صورت میں نکلے گا کیونکہ بینکوں نے ماہانہ بنیاد پر اوسطاً ۵۰۰ سے ۶۰۰ گاڑیوں کی سرمایہ کاری برقرار رکھنے کا آغاز کر دیا ہے۔ ہم نے BTL تشہیری سرگرمیوں کے لیے مختلف کاروباری ایسوسی ایشنز اور بینکوں کے ساتھ اشتراک بھی کیا ہے اور مالی سال ۲۰۲۱-۲۰۲۲ میں یہ شعبہ ہماری بنیادی توجہ کا حامل رہے گا۔

مانیکروپ کی پروڈکشن میں غیر متوقع کمی نے بالآخر آٹوموبائل کی پروڈکشن پر بھی منفی اثر مرتب کیا ہے جس کا نتیجہ آرڈرز کی تاخیر اور بعض صورتوں میں آرڈرز کی منسوخی کی صورت میں برآمد ہوا، تاہم امید ہے کہ اکتوبر ۲۰۲۱ تک یہ صورتحال معمول پر آجائے گی۔ اس کے بعد، ہمیں اپنے ٹریڈنگ اور آٹو پارٹس کے کاروبار کے ماہانہ حجم میں تیز رفتار اضافے کی توقع ہے۔

مستقبل کا منظر نامہ - ڈیجیٹل نقشے اور لوکیشن سروسز

نقشے اور لوکیشن سروسز کے کاروباری یونٹ کو مطمع نظر بنانے کا مقصد پاکستان کے لیے ڈیجیٹل نقشوں کا پلیٹ فارم متعارف کروانا ہے۔ اس کا آغاز پاکستان کی نقشوں کی ایپ کے طور پر TPL میپس فلگ شپ ایپ کی تشکیل حکمت عملی کے ساتھ کیا جا رہا ہے۔ یہ کام موجودہ ایپ کی مکمل اصلاح کے ساتھ مختلف درجاتی عمل پر مبنی ہے۔ نئی ایپ کی حتمی تشکیل کے لیے صارف کے استفادہ کار تجربے پر جامع تحقیق کی گئی اور ایک لائحہ عمل طے کیا گیا ہے۔

اس ایپ کا مقصد سفر کرنے والوں کو ایک مربوط نقشہ جاتی پلیٹ فارم کے ذریعے معاونت، منصوبہ بندی اور سہولت فراہم کر کے پاکستان میں ایک بھرپور سفری تجربے کے حصول کا اہل بنانا ہے۔ متحرک مقامی رسائی، رابطوں اور اشتراک کی بنیاد پر اسے مقامی خصوصیات کا حامل بنانے پر پوری توجہ مرکوز رکھی گئی ہے، لہذا یہ ایپ خالصتاً ایک پاکستانی ایپ ہوگی جو چھوٹے اور ابتدائی نوعیت کے کاروبار اور تجربہ کار کاروباری شعبوں کو یکجا کر کے حتمی صارفین کو سروس کی فراہمی عمل میں لائے گی اور ان کی سفری اور نقل و حرکت کی ضروریات کی تکمیل کرے گی۔

ایپ کی کامیابی کے لیے یہ ایک ایسا ممتاز خطہ ہے جہاں TPL کو حاصل مقامی سبقت کے باعث بین الاقوامی سطح کے بڑے ادارے مقابلہ آرائی کے لیے پوری طرح تیار نہیں ہو سکتے، چنانچہ یہاں TPL کی نقشہ جاتی ایپ صارف کی زندگی کے ساتھ باہم یکجا ہو جانے والے فیچرز کی بدولت اضافی فوائد، مسلسل اختراع اور اضافہ قدر کے ذریعے صارفین کی توقعات میں اضافہ کرے گی۔

نئے TPL نقشوں کا افتتاح بالترتیب تین مراحل میں ہوگا۔ آسان استعمال سے بھرپور استفادہ، نجی کاری و درستی اور مقامی خصوصیات کا حامل بنانا۔ خالصتاً ایک پاکستانی ایپ کے طور پر، ہمارا مطمع نظریہ ہوگا کہ مقامی شرکت داریوں خصوصاً سیاحت، مہمان نوازی، رقم کی آمد و رفت کے انجنز، مقامی تاجر، مقامی ٹرانسپورٹ ایجنسیوں اور اشتہارات کے شعبوں کی بدولت اس پلیٹ فارم سے مستحکم منافع اور ریونیو حاصل کیا جائے۔

موجودہ LBS پلیٹ فارم کے لیے، ہمیں گزشتہ سال کے مقابلے میں تقریباً پچاس فیصد کی ریونیو گروتھ کی توقع ہے۔ ہماری توجہ مختلف عمودی انڈسٹریز جیسے کہ مالیاتی ادارے، لاجسٹکس، ٹیلی کمیونیکیشن اور ای-کامرس سے کلائنٹ کی بلند مالیتی تحصیلات پر ہے۔ ٹیلی کام اور آئی ٹی انڈسٹری کے بڑے اداروں کے ساتھ مکرر فروخت کی پارٹنرشپ کے معاہدے بھی طے پائیں گے۔ اس حوالے سے بھی اقدامات کیے جا رہے ہیں کہ TPL نقشوں کے LBS کو NITB اور اس کی منسلک ایپلی کیشنز اور موبائل ایپس سے ہم آہنگی کے ساتھ قومی سطح پر ترجیحی LBS پلیٹ فارم کے طور پر مقرر کیا جائے۔

ڈائریکٹر رپورٹ

مالی سال ۲۰۲۱ میں DART کی کمرشل مارکیٹ تک رسائی بھی منظر عام پر آئی۔ DART کو بھی HERE نقشوں کے ساتھ یکجائی کے ذریعے بین الاقوامی مارکیٹس کے لیے فعال بنایا گیا۔ یہ B2B سافٹ ویئر بطور سروس (SAAS) تمام عمودی انڈسٹریز کی ضروریات کے مطابق کنٹینریشن کا مکمل اہل ہے خواہ ان انڈسٹریز کا تعلق ڈسٹری بیوشن، لاجسٹکس، سروسز، فوری ترسیل، ای-کام آخری میل یا مالیاتی سروس میں سے کسی بھی ادارے سے ہو۔ موجودہ مالی سال کے لیے متوقع اہداف میں مذکورہ بالا عمودی انڈسٹریز کے مختلف معروف ادارے شامل ہیں۔

موجودہ حاصل کردہ ڈیٹا پوائنٹس ۲۳۵، ۱۵۳، ۵ ہیں۔ TPL Trakker ایسے اداروں کے ساتھ شراکت داری کرے گا جو اپنے کسٹمر کے پتے اور لوکیشنز کا ایسا ہی ڈیٹا کلیکشن رکھتے ہوں، تاکہ اندراجات اور درستگی کے لحاظ سے اپنے ڈیٹا کلیکشنز کا نفاذ کیا جائے۔

مختصر یہ کہ، باقی ماندہ مالی سال میں مضبوط و مستحکم گروتھ کے لیے براہ راست کاروباری ترقی، اختراعات، شراکت داریوں اور پروڈکٹ کی تشکیل کے حامل ایک متنوع طرز عمل کو اختیار کیا جائے گا۔

Trakker مشرق وسطیٰ

TPL کی جانب سے Trakker مشرق وسطیٰ ایل ایل سی کی تحصیل کے بعد، کمپنی کی گروتھ اور ہماری IoT اور SaaS کی سہولیات کے لیے وسیع تر GCC خطے تک مارکیٹ کی توسیع کی غرض سے ایک نئی مینجمنٹ ٹیم تعینات کی گئی۔

گزشتہ سال کے دوران، TME نے اپنی مصنوعاتی فہرست میں کچھ بیش قیمت پروڈکٹس کا اضافہ کیا۔ ان میں سب سے اہم پروڈکٹ AI پر مبنی ڈرائیور مانیٹرنگ اور ADAS سسٹم ہے۔ اپنی تحفظ اور آڈٹ کی خصوصیات کے ساتھ، یہ پروڈکٹ مارکیٹ میں پوری طرح چھا جانے کی اہلیت رکھتی ہے۔ TME نے پہلے ہی اس سہولت کو کمرشل بنیادوں پر استوار کر دیا ہے اور بعض بڑے اداروں جیسے کہ دبئی پٹرولیم اور DNATA کی جانب سے اس کی بڑھتی ہوئی طلب دیکھی جا رہی ہے۔ اپنے پروڈکٹ پورٹ فولیو کو مزید متنوع بنانے کے لیے ہم نے GenSet مانیٹرنگ اور کولڈ چین مانیٹرنگ کی سہولیات بھی شامل کی ہیں۔

TME نے DART کو بھی اپنے پورٹ فولیو میں شامل کیا ہے، جو کہ SaaS پر مبنی راستوں کی منصوبہ بندی کی سہولت ہے۔ DART ایک موجودہ سسٹم ہے جسے TPL نے تخلیق کیا ہے اور اسے متحدہ عرب امارات اور مشرق وسطیٰ کی ضرورت کے مطابق ڈھالا گیا ہے۔

COVID کی صورتحال کے باوجود، TME گزشتہ سال اپنے پورٹ فولیو میں باقاعدگی کے ساتھ نئے کلائنٹس کو شامل کرنے میں کامیاب رہا ہے۔ کلائنٹس کی اس فہرست میں سب سے بڑا نام Gargash مرشدیز پوائے ای ہے جس کے دستے میں تقریباً ۳،۰۰۰ گاڑیاں ہیں۔ ایک اور بڑا کلائنٹ (QER) کو الٹی ایکونپمنٹ رینٹلز ہے جو کہ متحدہ عرب امارات میں صف اول کی ایکونپمنٹ رینٹل کمپنیوں میں سے ایک ہے اور اس کے پاس ۲،۵۰۰ گاڑیاں ہیں۔

مجموعی طور پر گزشتہ سال، نچلے سے اعلیٰ تر درجے میں منتقلی کا سال رہا، جس میں پرانی سہولیات کو نئی اور زیادہ موثر اور کم خرچ سہولیات سے بدلا گیا۔ پورٹ فولیو میں نئی پروڈکٹس کو شامل کیا گیا۔ TME سرکاری سرپرستی میں ۲ G سے ۴ G ٹیلیکوم سروسز میں ہونے والی منتقلی کو بھی موثر طور پر منظم کر رہا ہے۔ ان مسائل سے کامیابی کے ساتھ نمٹنے کے بعد، TME کو آئندہ سال گروتھ کے شاندار امکانات کے ساتھ ایک انتہائی کامیاب سال کی توقع ہے۔

ڈائریکٹر ز رپورٹ

بورڈ اور بورڈ کمیٹیوں کی تشکیل

ڈائریکٹر ز کی مجموعی تعداد آٹھ (۸) ہے جو کہ حسب ذیل ہے:

مرد	خواتین
۷	۱

بورڈ کی تشکیل درج ذیل ہے:

کنیگری	نام
خود مختار ڈائریکٹر	جناب عمر عسکری محترمہ نوشین جاوید امجد جناب احمد زبیری
ایگزیکٹو ڈائریکٹر ز	جناب سرور علی خان بریگیڈیئر (ریٹائرڈ) محمد طاہر چوہدری
ٹان ایگزیکٹو ڈائریکٹر ز	جناب جمیل یوسف جناب محمد ریاض جناب علی اصغر

بورڈ نے درج ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں:

آڈٹ کمیٹی	جناب احمد زبیری - چیئر مین جناب عمر عسکری - رکن جناب محمد ریاض - رکن جناب محمد آصف - سیکریٹری
ہیومن ریسورس اور مشاہرہ کمیٹی	جناب احمد زبیری - چیئر مین جناب محمد ریاض - رکن جناب سرور علی خان - رکن جناب نادر نواز - سیکریٹری

ڈائریکٹرز رپورٹ

بورڈ کے اجلاس

بورڈ آف ڈائریکٹرز نے مالی سال کے دوران ۱۶ اجلاس منعقد کیے جن میں ڈائریکٹرز کی شرکت کی تفصیل ذیل میں دی گئی ہے:

ڈائریکٹر کا نام	اجلاس میں شرکت
جناب جمیل یوسف S.St.	۶
جناب سرور علی خان	۶
جناب عمر عسکری	۲
بریگیڈیئر (ریٹائرڈ) محمد طاہر چوہدری	۶
محترمہ نوشین جاوید امجد	۲
جناب محمد ریاض	۶
جناب احمد زبیری	۶
جناب علی اصغر	۶
محترمہ صبیحہ سلطان *	۴
جناب عدنان شاہد *	۱

جناب عدنان شاہد اور محترمہ صبیحہ سلطان نے ۲۶ اپریل، ۲۰۲۱ سے نافذ العمل استعفی دے دیا تھا اور اس غیر مستقل اسامی کو جناب عمر عسکری اور محترمہ نوشین جاوید امجد نے پُر کیا۔

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز؛ ایکٹ اور لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ ریگولیشنز ۲۰۱۹ کے مطابق ڈائریکٹرز کے مشاہرے کے لیے شفاف دستور العمل اور گروپ کی سطح پر ایک باضابطہ پالیسی کا حامل ہے۔ مذکورہ پالیسی کے مطابق، ڈائریکٹرز کو بورڈ یا اس کی ذیلی کمیٹیوں کے ہر اجلاس میں شرکت پر ۱۰۰،۰۰۰ روپے کا مشاہرہ دیا جاتا ہے۔

ڈائریکٹرز کی تربیت

سرٹیفکیشن کے عدم حامل، بورڈ کے دو ارکان نے ڈائریکٹرز کے عہدے پر رہتے ہوئے اپنی سرٹیفکیشن مکمل کی، اور وہ لسٹڈ کمپنی کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے اچھی طرح واقف ہیں۔ تاہم، کمپنی باقی ماندہ ڈائریکٹرز کو بھی اپنی سرٹیفکیشن مکمل کرنے کی ترغیب دینے کا عزم رکھتی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیانیہ

بورڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے بیان کردہ کاروباری ضابطہ اخلاق کے تحت اپنی کارپوریٹ ذمہ داریوں سے پوری طرح آگاہ ہے اور انتہائی مسرت کے ساتھ حسب ذیل امور کی تصدیق کرتا ہے:

ڈائریکٹر رپورٹ

- کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے آپریشنز، کیش فلو اور ایکونٹ میں تبدیلیوں کی بالکل درست عکاسی کرتے ہیں
- کمپنی کی جانب سے کمپنیز ایکٹ ۲۰۱۷ کے تحت درکار درست بھی کھاتے برقرار رکھے گئے ہیں۔
- کمپنی نے مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کی مسلسل پیروی کی ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلہ سازی پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ کے معیار پر عمل کیا گیا ہے اور اس سے کسی بھی قسم کے انحراف کی موزوں نشاندہی اور وضاحت کر دی گئی ہے۔
- انٹرئل کنٹرول کا نظام اپنی ساخت میں مستحکم ہے اور اس کا موثر نفاذ اور نگرانی عمل میں لائی گئی ہے۔
- کمپنی کے بنیادی عناصر مضبوط ہیں اور کمپنی کی کاروباری حیثیت آئندہ بھی جاری رہنے پر کوئی شکوک و شبہات نہیں ہیں۔
- کمپنی نے سسٹم ضوابط میں درج کاروباری ضابطہ اخلاق کے بہترین دستور العمل کی پیروی کی ہے۔
- گزشتہ تین سال کا اہم آپریشن اور مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ میں شامل ہے۔
- واجب الادا محصولات اور ٹیکسز مالیاتی گوشواروں کے متعلقہ نوٹس میں دیے گئے ہیں۔

شیئر ہولڈنگ کی ساخت

۳۰ جون ۲۰۲۱ کو کمپنی کی شیئر ہولڈنگ کی ساخت کا ایک گوشوارہ حسب ذیل ہے:

تفصیلات	فولیو کی تعداد	بیلنس شیئر	فیصد
معاونین، ڈائریکٹرز، سی ای او اور بچے	۵	۵	۰.۰۰۰۰
ایسوسی ایٹڈ کمپنیاں	۲	۱۲۰،۶۹۲،۵۸۸	۶۳،۴۵۰،۸
بینکس، ڈی ایف آئی اور این بی ایف آئی	۲	۸،۳۶۵،۰۰۰	۴،۳۶۷،۰
بیمہ کمپنیاں	۲	۲،۶۰۰،۰۰۰	۱،۳۸۸،۲
مضاربے اور میوچوئل فنڈز	۱۳	۲۰،۳۵۳،۵۰۰	۱۰،۸۶۸،۹
عام لوگ (مقامی)	۱۱۰۵	۱۶،۲۹۸،۷۵۳	۸،۷۰۳،۷
عام لوگ (غیر ملکی)	۱۰۲	۹۹۷،۷۴۸	۰،۵۳۳،۳
دیگر	۱۳	۱۷،۹۵۴،۵۰۰	۹،۵۸۷،۸
کمپنی کا مجموعہ	۱۲۴۲	۱۸۷،۲۶۳،۰۹۳	۱۰۰

ڈائریکٹر رپورٹ

۳۰ جون ۲۰۲۱ کو کمپنی کے شیئر ہولڈرز کی تحویل میں موجود ہولڈنگ شیئرز کی ساخت:

شیئر ہولڈرز کی تعداد	ابتدائی تعداد	اختتامی تعداد	زیر تحویل شیئرز	فیصد
۲۳	۱	۱۰۰	۶۵	۰
۴۲۷	۱۰۱	۵۰۰	۲۱۲۴۹۷	۰.۱۱۳۵
۲۵۸	۵۰۱	۱۰۰۰	۲۵۷۴۴۲	۰.۱۳۷۵
۳۲۲	۱۰۰۱	۵۰۰۰	۹۲۷۰۰۱	۰.۴۹۵۰
۸۰	۵۰۰۱	۱۰۰۰۰	۷۱۵۰۰۰	۰.۳۸۱۸
۱۷	۱۰۰۰۱	۱۵۰۰۰	۲۳۳۰۰۰	۰.۱۲۴۴
۱۹	۱۵۰۰۱	۲۰۰۰۰	۳۶۸۵۰۰	۰.۱۹۶۸
۲۰	۲۰۰۰۱	۲۵۰۰۰	۴۸۴۰۰۰	۰.۲۵۸۵
۵	۲۵۰۰۱	۳۰۰۰۰	۱۵۰۰۰۰	۰.۰۸۰۱
۳	۳۰۰۰۱	۳۵۰۰۰	۹۷۵۰۰	۰.۰۵۲۱
۳	۳۵۰۰۱	۴۰۰۰۰	۱۱۹۰۰۰	۰.۰۶۳۵
۱	۴۰۰۰۱	۴۵۰۰۰	۴۱۰۰۰	۰.۰۲۱۹
۱۳	۴۵۰۰۱	۵۰۰۰۰	۶۴۶۵۰۰	۰.۳۴۵۲
۲	۵۰۰۰۱	۵۵۰۰۰	۱۰۷۰۰۰	۰.۰۵۷۱
۲	۵۵۰۰۱	۶۰۰۰۰	۱۱۸۰۰۰	۰.۰۶۳۰
۲	۶۰۰۰۱	۶۵۰۰۰	۱۲۴۵۰۰	۰.۰۶۶۵
۲	۷۰۰۰۱	۷۵۰۰۰	۱۴۷۰۰۰	۰.۰۷۸۵
۱	۷۵۰۰۱	۸۰۰۰۰	۷۸۰۰۰	۰.۰۴۱۷
۱	۸۰۰۰۱	۸۵۰۰۰	۸۳۰۰۰	۰.۰۴۴۳
۱	۹۰۰۰۱	۹۵۰۰۰	۹۳۰۰۰	۰.۰۴۹۷
۷	۹۵۰۰۱	۱۰۰۰۰۰	۷۰۰۰۰۰	۰.۳۷۳۸
۲	۱۰۰۰۰۱	۱۰۵۰۰۰	۲۰۵۵۰۰	۰.۱۰۹۷
۱	۱۱۰۰۰۱	۱۱۵۰۰۰	۱۱۵۰۰۰	۰.۰۶۱۴
۲	۱۲۰۰۰۱	۱۲۵۰۰۰	۲۵۰۰۰۰	۰.۱۳۳۵
۱	۱۵۰۰۰۱	۱۵۵۰۰۰	۱۵۴۵۰۰	۰.۰۸۲۵
۲	۲۴۵۰۰۱	۲۵۰۰۰۰	۴۹۹۵۰۰	۰.۲۶۶۷
۱	۲۵۵۰۰۱	۲۶۰۰۰۰	۲۵۵۵۰۰	۰.۱۳۶۴

ڈائریکٹر زرپورٹ

شیر ہولڈرز کی تعداد	ابتدائی تعداد	اختتامی تعداد	زیر تحویل شیرز	فیصد
۱	۲۹۵۰۰۱	۳۰۰۰۰۰	۳۰۰۰۰۰	۰.۱۶۰۲
۱	۳۰۰۰۰۱	۳۰۵۰۰۰	۳۰۰۵۰۰	۰.۱۶۰۵
۱	۳۱۵۰۰۱	۳۲۰۰۰۰	۳۲۰۰۰۰	۰.۱۷۰۹
۱	۳۲۰۰۰۱	۳۲۵۰۰۰	۳۲۳۵۰۰	۰.۱۷۲۸
۱	۳۵۰۰۰۱	۳۵۵۰۰۰	۳۵۵۰۰۰	۰.۱۸۹۶
۱	۴۳۰۰۰۱	۴۳۵۰۰۰	۴۳۱۵۰۰	۰.۲۳۰۴
۱	۴۴۵۰۰۱	۴۵۰۰۰۰	۴۴۶۰۰۰	۰.۲۳۸۲
۱	۴۹۵۰۰۱	۵۰۰۰۰۰	۵۰۰۰۰۰	۰.۲۶۷۰
۱	۶۰۰۰۰۱	۶۰۵۰۰۰	۶۰۵۰۰۰	۰.۳۲۳۱
۱	۸۹۰۰۰۱	۸۹۵۰۰۰	۸۹۱۰۰۰	۰.۴۷۵۸
۱	۱۲۹۵۰۰۱	۱۳۰۰۰۰۰	۱۲۹۸۵۰۰	۰.۶۹۳۴
۱	۱۶۴۵۰۰۱	۱۶۵۰۰۰۰	۱۶۵۰۰۰۰	۰.۸۸۱۱
۱	۱۶۶۵۰۰۱	۱۶۷۰۰۰۰	۱۶۶۷۰۰۰	۰.۸۹۰۲
۱	۲۴۹۵۰۰۱	۲۵۰۰۰۰۰	۲۵۰۰۰۰۰	۱.۳۳۵۰
۱	۲۸۴۰۰۰۱	۲۸۴۵۰۰۰	۲۸۴۱۵۰۰	۱.۵۱۷۴
۱	۳۰۰۵۰۰۱	۳۰۱۰۰۰۰	۳۰۰۵۵۰۰	۱.۶۰۵۰
۱	۳۱۱۰۰۰۱	۳۱۱۵۰۰۰	۳۱۱۳۰۰۰	۱.۶۶۲۴
۱	۳۲۴۵۰۰۱	۳۲۵۰۰۰۰	۳۲۵۰۰۰۰	۱.۷۳۵۵
۱	۳۹۵۰۰۰۱	۳۹۵۵۰۰۰	۳۹۵۱۵۰۰	۲.۱۱۰۱
۱	۴۰۰۰۰۰۱	۴۰۰۵۰۰۰	۴۰۰۲۰۰۰	۲.۱۳۷۱
۱	۴۲۰۰۰۰۱	۴۲۰۵۰۰۰	۴۲۰۲۰۰۰	۲.۲۳۳۹
۱	۴۷۸۰۰۰۱	۴۷۸۵۰۰۰	۴۷۸۱۵۰۰	۲.۵۵۳۴
۱	۵۱۱۰۰۰۱	۵۱۱۵۰۰۰	۵۱۱۵۰۰۰	۲.۷۳۱۵
۱	۵۴۵۵۰۰۱	۵۴۶۰۰۰۰	۵۴۵۵۵۰۰	۲.۹۱۳۳
۱	۸۳۳۰۰۰۱	۸۳۳۵۰۰۰	۸۳۳۳۰۰۰	۴.۴۴۹۹
۱	۱۲۰۴۳۰۰۰۱	۱۲۰۴۳۵۰۰۰	۱۲۰۴۳۵۸۸	۶۴.۳۱۷۳
۱۲۴۴	ٹوٹل	۱۸۷۲۶۳۰۹۳	۱۰۰	

ڈائریکٹر رپورٹ

اضافی معلومات

ایسوسی ایٹڈ کمپنیاں، ضامن اور متعلقہ فریقین (تفصیلات بلحاظ نام)	زیر تحویل شیئرز کی تعداد (۳۰ جون ۲۰۲۱)
TPL کارپوریٹ لمیٹڈ	۱۲۰۴۲۵۸۸
TPL ڈائریکٹ انشورنس لمیٹڈ کے ملازمین کا پروویڈنٹ فنڈ	۲۵۰۰۰۰
میوچوئل فنڈز (تفصیلات بلحاظ نام)	
- CDC ٹرسٹی PICIC انویسٹمنٹ فنڈ	۳۰۰۵۵۰۰
- CDC ٹرسٹی PICIC گرو تھ فنڈ	۴۰۰۲۰۰۰
- CDC ٹرسٹی AKD اپروچیوٹی فنڈ	۱۶۶۷۰۰۰
- CDC ٹرسٹی المیزان میوچوئل فنڈ	۷۲۰۰۰
- CDC ٹرسٹی میزان اسلامک فنڈ	۶۰۵۰۰۰
- CDC ٹرسٹی NBP متوازن فنڈ	۳۵۵۰۰۰
- CDC ٹرسٹی HBL اسٹاک فنڈ	۳۱۱۳۰۰۰
- CDC ٹرسٹی NBP اسلامی سرمایہ اضافہ فنڈ	۱۲۹۸۵۰۰
- CDC ٹرسٹی HBL کثیر اثاثہ جاتی فنڈ	۱۵۴۵۰۰
- CDC ٹرسٹی NBP سرمایہ اضافہ فنڈ	۳۲۳۵۰۰
- CDC ٹرسٹی HBL ایکویٹی فنڈ	۵۴۵۵۵۰۰
- CDC ٹرسٹی HBL پی ایف ایکویٹی ذیلی فنڈ	۲۵۵۵۰۰
- CDC ٹرسٹی پہلا حبیب اثاثہ جاتی تخصیصی فنڈ	۴۶۵۰۰
ڈائریکٹرز، سی ای او اور ان کے شریک حیات اور نابالغ بچے (تفصیلات بلحاظ نام)	
درج ذیل ڈائریکٹرز کمپنی کے نان ایگزیکٹو / نامزد ڈائریکٹرز ہیں اور ۳۰ جون ۲۰۲۱ کو کمپنی کے شیئرز رکھتے ہیں۔	
جناب جمیل یوسف	۱
جناب محمد ریاض	۱
جناب علی اصغر	

ڈائریکٹر رپورٹ

	درج ذیل ڈائریکٹر کمپنی کے خود مختار ڈائریکٹر ہیں اور ۳۰ جون ۲۰۲۱ کو کمپنی کے کوئی شیئرز نہیں رکھتے۔
	جناب عمر عسکری
	محترمہ نوشین جاوید امجد
	جناب احمد زبیری
	درج ذیل ڈائریکٹر کمپنی کے ایگزیکٹو ڈائریکٹر ہیں اور ۳۰ جون ۲۰۲۱ تک کمپنی کے شیئرز رکھتے ہیں۔
	جناب سرور علی خان
	بریگیڈیئر (ریٹائرڈ) محمد طاہر چوہدری
	ڈائریکٹر، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے شیئرز میں ٹریڈنگ کی تفصیلات
۱۱۰,۰۰۰	۲۰۲۰/۱۰/۰۹، ۲۰۲۰/۱۰/۱۳، ۲۰۲۰/۱۰/۱۴ اور ۲۰۲۰/۱۲/۲۳ کو کمپنی سیکریٹری کی جانب سے فروخت کردہ شیئرز کی تعداد
سوائے درج بالا افسر کے، کسی بھی ڈائریکٹر، سی ای او، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں نے دوران سال کمپنی کے شیئرز میں ٹریڈنگ نہیں کی۔	

ستائشی کلمات

کمپنی کے شیئرز ہولڈرز نے ہم پر جس اعتماد کا اظہار کیا اس پر ان کا تہہ دل سے شکریہ ادا کرتے ہیں۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، فیڈرل بورڈ آف ریونیو اور پاکستان اسٹاک ایکسچینج کی بیش قیمت معاونت اور رہنمائی کو بھی خراج تحسین پیش کرتے ہیں۔ ہم اپنے ملازمین، کاروباری پارٹنرز، ویئنڈرز، سپلائرز اور کسٹمرز کا بھی خلوص دل سے شکریہ ادا کرتے ہیں کہ انہوں نے ہمارے مقاصد کے حصول میں اپنا بھرپور کردار ادا کیا۔



جمیل یوسف (ایس۔ ایس۔ ٹی۔)
ڈائریکٹر



سرور علی خان
چیف ایگزیکٹو آفیسر

Independent Auditors' Review Report

To the members of TPL Trakker Limited

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of TPL Trakker Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon

recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.


Chartered Accountants

Place: Karachi

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company : TPL Trakker Limited

Year ended : June 30, 2021

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of Directors are eight (08) as per the following:

Male	Female
7	1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Omar Askari Mr. Ahmed Zuberi
Executive Directors	Mr. Sarwar Ali Khan Brigadier (Retd) Muhammad Tahir Chaudhary
Non-Executive Directors	Mr. Jameel Yusuf Mr. Muhammad Riaz Mr. Ali Asgher
Female Director	Ms. Nausheen Javaid Amjad (Independent Director)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updation has been maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("Act") and the Listed Companies (Code of Corporate Governance), 2019 ("Regulations").
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board is in the process of compliance with the Directors' Training Program as required under Regulation 19 of the Listed Companies Code of Corporate Governance, 2019. Two of the Board members have completed their certification while the directors, who do not hold the certification, are well conversant with their duties and responsibilities as directors of a listed company. The Company, however, aims to encourage the remaining directors, to complete their certification.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The Chief Financial Officer and Chief Execution Officer have duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Audit Committee	Mr. Ahmed Zuberi – Chairman Mr. Omar Askari – Member Mr. Muhammad Riaz - Member Mr. Muhammad Asif – Secretary
HR and Remuneration Committee	Mr. Ahmed Zuberi – Chairman Mr. Mohammad Riaz – Member Mr. Sarwar Ali Khan – Member Mr. Nader Nawaz – Secretary

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14. The frequency of meetings of the Committees was as follows:

Name of Committee	Frequency of Meeting
Audit Committee	4 meetings were held during the year. The meetings of the Audit Committee are held on a quarterly basis.
HR and Remuneration Committee	2 meetings were held during the year. The meeting of the HR and Remuneration Committee is held on a half-yearly basis.

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that all of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not close relative (spouse, parents, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



SARWAR ALI KHAN
CHIEF EXECUTIVE OFFICER



JAMEEL YUSUF (S.ST.)
DIRECTOR

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 2021, 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 2021 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Impairment of goodwill and intangible assets	
(Refer note 6 to the accompanying unconsolidated financial statements)	
The intangible assets includes goodwill, indefinite life and under development intangible assets having	Our audit procedures amongst others, included review of Company's intangible assets impairment process and evaluating the Company's assumptions used in assessing the recoverability of intangible assets, in particular, revenue and cash flow projections, useful economic lives and discount rates.

Key audit matter	How the matter was addressed in our audit
<p>carrying value of Rs. 2,060.90 million as of 30 June 2021, and tested for impairment at least on an annual basis.</p> <p>The determination of recoverable amount requires judgement in both identifying and then valuing the relevant CGUs, and the impairment assessment for such assets involves significant judgments and estimates about future business performance, with key assumptions including cash flows, inflation rates, the overall long-term growth rates, discount rates used and to the extent relevant, the fair value less costs to dispose. Changes in these assumptions might lead to a significant change in the carrying values of the related assets, for such reasons we considered this as a key audit matter.</p>	<p>We assessed the methodologies used by the management in the impairment analysis and determination of CGUs, to which it relates.</p> <p>We involved our specialist to:</p> <ul style="list-style-type: none"> - assessed the key assumptions and methodologies used in the impairment analysis, in particular growth rates, inflation rate and discount rate applied; - examined the business plans approved and assumptions used by management, including forecasted revenue base, profit from operations margin, working capital for terminal value calculations and cash flows necessary for the continuing use of the CGU's assets and allocated goodwill; and - evaluated the sensitivity analysis performed by management around the key assumptions for various CGU's as well as performing break-even analysis on key assumptions and challenged the outcomes of the assessment. <p>We also checked the relationship between the market capitalization for relevant CGU, using the Level 1 input of the fair value hierarchy i.e. quoted prices, and its book value, among other factors.</p> <p>We also assessed the adequacy of disclosures in the consolidated financial statements in accordance with the financial reporting standards.</p>
<p>2. Acquisition of Trakker Middle East LLC.</p>	
<p>(Refer notes 8 and 43.6 to the accompanying financial statements)</p> <p>The Company's has investment in subsidiary namely Trakker Middle East LLC. which is measured at fair value on the basis of observable market prices, where such prices are available, and by applying valuation techniques, where quoted prices are not available.</p> <p>We considered valuation of subsidiary as a key audit matter due to judgment involved in estimating future</p>	<p>Our audit procedures amongst others, comprised understanding the management process for valuation of investments, considered whether the application of methodologies are consistent with generally accepted valuation methodologies and prior periods, and that assumptions and inputs used are consistent, in all material respects, with the business' past performance and management business strategy.</p> <p>We involved our specialists to assess the appropriateness of the methodology and assumptions</p>

Key audit matter	How the matter was addressed in our audit
cashflows in relation to the subsidiary for the purpose of applying valuation techniques.	<p>used by the management to determine the fair value of investment in unquoted subsidiary. As part of these audit procedures, our specialists:</p> <ul style="list-style-type: none"> - assessed whether, for a selection of models, the model valuation methodology is appropriate; - checked the accuracy of key inputs used in the valuation such as the expected cash flows, discount and inflation rates used by benchmarking them with external data; and <p>We checked the allocation of investments to the correct level (1, 2 and 3) within the fair value hierarchy in line with the established policy, and that the policy classifications were appropriate.</p> <p>We also assessed the adequacy of the related disclosures in the financial statements in accordance with the financial reporting standards.</p>

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 Annual Report, 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 is 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Unconsolidated Statement Of Financial Position

As at June 30, 2021

		2021	2020
	Note	Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,118,248,281	1,059,232,338
Intangible assets	6	2,131,271,500	2,138,388,733
Right-of-use assets	7	107,974,195	72,269,178
Long-term investments	8	194,552,732	85,030,450
Long-term loans	9	205,713	669,898
Long-term deposits	10	26,194,868	33,953,962
Deferred tax assets - net	11	59,673,043	63,764,748
		3,638,120,332	3,453,309,307
CURRENT ASSETS			
Stock-in-trade	12	420,445,073	246,221,725
Trade debts	13	1,123,767,028	1,022,872,997
Loans and advances	14	63,023,917	107,834,467
Trade deposits and prepayments	15	32,412,327	61,494,946
Interest accrued	16	291,255,846	128,444,634
Other receivables	17	17,607,533	29,339,542
Due from related parties	18	1,493,574,743	1,071,684,058
Cash and bank balances	19	132,203,982	19,221,288
		3,574,290,449	2,687,113,657
TOTAL ASSETS		7,212,410,781	6,140,422,964
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorized capital			
285,000,000 (2020: 285,000,000) ordinary shares of Rs.10/- each		2,850,000,000	2,850,000,000
Issued, subscribed and paid-up capital	20	1,872,630,930	1,204,425,930
Capital reserves		232,690,046	146,817,136
Revenue reserve		(189,432,169)	(82,063,384)
Other components of equity		362,683,585	284,432,213
		2,278,572,392	1,553,611,895
NON-CURRENT LIABILITIES			
Long-term financings	22	1,049,650,530	393,263,634
Lease liabilities	23	81,889,252	26,419,021
Long-term loans	24	68,367,855	227,448,306
Government grant	25	797,103	1,781,008
		1,200,704,740	648,911,969
CURRENT LIABILITIES			
Trade and other payables	26	1,293,755,026	935,825,506
Accrued mark-up	27	96,437,639	140,061,771
Short-term financings	28	235,953,736	1,394,169,173
Running finance under mark-up arrangements	29	1,062,507,117	1,105,194,287
Current portion of non-current liabilities	30	753,189,884	264,050,183
Due to related parties	31	224,422,893	47,772,963
Taxation - net	32	31,014,251	13,685,055
Advance monitoring fees	33	35,853,103	37,140,162
		3,733,133,649	3,937,899,100
CONTINGENCIES AND COMMITMENTS	34		
TOTAL EQUITY AND LIABILITIES		7,212,410,781	6,140,422,964

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Unconsolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
Turnover – net	35	1,886,241,808	1,605,235,951
Cost of sales and services	36	(1,280,126,555)	(1,222,154,752)
Gross profit		606,115,253	383,081,199
Distribution expenses	37	(97,174,335)	(105,041,628)
Administrative expenses	38	(319,069,004)	(370,420,607)
Operating profit / (loss)		189,871,914	(92,381,036)
Research and development	39	(77,725,874)	(23,028,138)
Finance costs	40	(389,542,836)	(515,317,204)
Other income	41	191,100,087	161,224,750
Loss before taxation		(86,296,709)	(469,501,628)
Taxation	42	(33,905,584)	10,984,235
Loss for the year		(120,202,293)	(458,517,393)
Other comprehensive income / (loss)			
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods, net of tax:			
Fair value gain on equity instruments designated at fair value through other comprehensive income (FVTOCI), net of tax		77,760,820	-
(Deficit) / surplus on revaluation of property, plant and equipment, net of tax		-	(9,538,644)
Other comprehensive income / (loss) for the year, net of tax		77,760,820	(9,538,644)
Total comprehensive loss for the year		(42,441,473)	(468,056,037)
Loss per share – basic and diluted	47	(0.64)	(3.81)

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2021

	Capital reserves				Other components of equity					
	Issued, subscribed and paid-up capital	Reserves created under Scheme of Arrangement	Share premium	Other capital reserve (note 20.6)	Revenue reserve – accumulated profits / (losses)	Surplus on revaluation of property, plant and equipment	Fair value reserve of financial assets designated at FVTOCI	Total reserves	Total equity	
					Rupees					
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 20.4)	-	421,980,546	-	-	-	-	-	421,980,546	421,980,546	
Issuance of bonus shares @ 29.6% (i.e. 2.96 for every 10 share held)	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 1.2)	-	-	-	-	(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	
Issuance of ordinary shares (note 1.2)	668,205,000	-	-	-	-	-	-	-	668,205,000	
Share premium on issuance of ordinary shares (note 1.2)	-	-	133,641,000	-	-	-	-	133,641,000	133,641,000	
Loss for the year	-	-	-	-	(120,202,293)	-	-	(120,202,293)	(120,202,293)	
Other comprehensive loss for the year, net of tax	-	-	-	-	-	-	77,760,820	77,760,820	77,760,820	
Total comprehensive loss for the year	-	-	-	-	(120,202,293)	-	77,760,820	(42,441,473)	(42,441,473)	
Transaction cost on issuance of ordinary shares (note 1.2)	-	-	(77,808,090)	-	13,324,060	-	-	(64,484,030)	(64,484,030)	
Share based payment reserve	-	-	-	30,040,000	-	-	-	30,040,000	30,040,000	
Surplus on revaluation of property, plant and equipment realised on account of:								-		
- incremental depreciation charged on related assets - net of tax	-	-	-	-	(490,552)	490,552	-	-	-	
Balance as at June 30, 2021	1,872,630,930	146,817,136	55,832,910	30,040,000	(189,432,169)	284,922,765	77,760,820	405,941,462	2,278,572,392	

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(86,296,709)	(469,501,628)
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets	5.1.2	254,267,804	240,308,576
Depreciation on ROUA	7.4	66,938,503	82,131,716
Amortisation	6.1	22,557,366	45,282,814
Reversals for expected credit loss (ECL)	38	(4,814,014)	(21,406,034)
Finance costs	40	389,542,836	515,317,204
Gain on disposal of property, plant and equipment – net	41	(39,300)	(344,817)
Amortisation of government grant	41	(10,472,666)	(2,416,771)
Share based payment		30,040,000	-
Exchange gain – net	41	(3,173,759)	(639,152)
		744,846,770	858,233,536
Operating profit before working capital changes		658,550,061	388,731,908
(Increase) / decrease in current assets			
Stock-in-trade		(259,608,692)	20,117,932
Trade debts		(96,080,017)	278,242,209
Loans and advances		44,810,550	(68,399,441)
Trade deposits and prepayments		29,082,619	(15,588,899)
Interest accrued		(162,811,212)	(108,680,690)
Other receivables		11,732,009	1,594,500
Due from related parties		(421,890,685)	(985,890,100)
		(854,765,428)	(878,604,489)
Increase / (decrease) in current liabilities			
Trade and other payables		354,755,761	169,508,573
Due to related parties		176,649,930	(623,577,070)
Advance monitoring fees		(1,287,059)	(9,511,537)
		530,118,632	(463,580,034)
Cash flows from operations		333,903,265	(953,452,615)
Payments for:			
Finance costs		(413,001,954)	(411,482,742)
Income taxes	32	(44,045,779)	9,753,822
		(457,047,733)	(401,728,920)
Net cash flow used in operating activities		(123,144,468)	(1,355,181,535)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of - property, plant and equipment	5.1	(110,161,786)	(17,379,690)
- capital work-in-progress	5.3	(83,426,500)	-
- intangible assets	6.1 & 6.3	(15,440,133)	(87,974,492)
Sale proceeds from disposal of property, plant and equipment		334,965	323,464,876
Long-term loans		464,185	(32,462)
Long-term deposits		(26,846,688)	18,146,463
Net cash flows (used in) / generated from investing activities		(235,075,957)	236,224,695
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		801,846,000	-
Share issuance costs		(64,484,030)	(13,324,060)
Long-term financings – net		1,127,280,639	(205,807,641)
Lease liabilities repaid	23.1	(70,205,689)	(90,639,000)
Long-term loans – net		(122,331,194)	(78,225,076)
Short-term financings – net		(1,158,215,437)	1,381,431,868
Net cash flows generated from financing activities		513,890,289	993,436,091
Net increase / (decrease) in cash and cash equivalents		155,669,864	(125,520,749)
Cash and cash equivalents at the beginning of the year		(1,085,972,999)	(968,194,198)
Cash and cash equivalents transferred under the scheme	20.4	-	7,741,948
Cash and cash equivalents at the end of the year	46	(930,303,135)	(1,085,972,999)

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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. On August 10, 2020, the Company got listed on Pakistan Stock Exchange Limited. The Company is subsidiary of TPL Corp Limited and TPL Holdings (Private) Limited is the ultimate parent company.

The registered office of the Company is situated at Plot No. 1, Sector#24, near Shan Chowrangi, Korangi Industrial Area, Karachi. The principal activities of the Company include installation and sale of tracking devices, vehicle tracking, fleet management.

- 1.2 During the year the Company got listed on Pakistan Stock Exchange Limited by issuing 66,820,500 ordinary shares to general public having face value of Rs.10 each at a strike price of Rs.12 each (i.e. aggregated value of Rs.801.846 million having face value of Rs. 668.205 million and share premium of Rs. 133.641 million). The Company has incurred transaction cost of Rs.77.808 million that has been adjusted from share premium reserve.
- 1.3 These unconsolidated financial statements are the separate unconsolidated financial statements of the Company, in which investment in the subsidiaries are carried at fair value and associates are carried at cost less accumulated impairment losses, if any.

	Shareholding	
	2021	2020
Subsidiaries (note 8.1)		
Trakker Middle East LLC	50%	-
Associates (note 8.1)		
Trakker Middle East LLC	-	29%

1.4 Utilization of proceeds from initial public offering

As disclosed in note 1.2 to these condensed unconsolidated financial statements, the Company received Rs. 801.846 million by issuing 66.82 million ordinary shares under Initial Public Offering (IPO). Since, the IPO was bridged by issuance of a short-term commercial paper, the proceeds of IPO paid off the commercial paper, the funds of which has been utilised as follows:

Description	Disclosed in prospectus	Utilization till date
	-----Rupees-----	
Infrastructure cost: IT capital expenditure	94,782,420	109,790,990
Servicing cost: Commercial paper - Finance cost / discount on par	89,954,292	89,902,179
Payment due to related party: TPL Corp Limited	113,212,000	113,212,000
		<u>312,905,169</u>

1.5 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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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 PSEL, recovering economic situation and decline in COVID-19 cases in the country, the management believes that there is no material impact on the financial position, financial performance and recoverability of assets as of reporting date and for ensuing periods.

1.6 The geographical location and addresses of business units are as under:

Location	Address
Corporate office, Karachi	Plot No. 1, Sector #24, near Shan Chowrangi, Korangi Industrial Area, Karachi – 74900
<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, Liaquat Road, Faisalabad.
Multan office	House No. 2, Shalimar Colony, Haider Street, Bosan Road, near Northern Bypass, Multan
Peshawar office	C-7 & C-8, 3rd floor, Jasmine Arcade, Fakhre-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.

1.7 Details of related parties

Name of related party	Basis of relationship	Shareholding
TPL Holdings (Private) Limited	Ultimate Parent Company	-
TPL Corp Limited	Parent Company	-
Trakker Middle East LLC	Subsidiary company	50%
TPL Insurance Limited	Common Directorship	-
TPL Security Services (Pvt) Limited	Associated Company	-
TPL Properties Limited	Common Directorship	-
TPL Property Management (Private) Limited	Common Directorship	-
HKC (Pvt.) Ltd.	Common Directorship	-
TPL Technology Zone Phase - 1 (Private) Limited formerly known as G-18 (Private) Limited	Common Directorship	-
TPL Direct Finance (Pvt.) Limited	Common Directorship	-
The Resource Group Pakistan Limited	Common Directorship	-
TPL Logistic Park (Private) Limited	Common Directorship	-
TPL Logistics (Pvt) Limited	Common Directorship	-
TPL Life Insurance Company	Common Directorship	-
TPL E-Ventures (Private) Limited	Associated Company	-
TPL Mobile (Private) Limited	Common Directorship	-
TPL Tech Pakistan (Private) Limited	Common Directorship	-
Trakker Energy (Pvt.) Ltd.	Associated Company	-
Trakker (Private) Limited Staff Provident Fund	Retirement Benefit Fund	-

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These unconsolidated 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.

3. BASIS OF PREPARATION

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 New standards, amendments, interpretations and improvements to approved accounting standards and the framework for financial reporting that became effective during the year

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting which became effective for the current year:

IFRS 3 - Business Combinations - Definition of a Business (Amendments)
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)
IAS 1 / IAS 8 - Definition of Material (Amendments)
Conceptual Framework for Financial Reporting

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's unconsolidated 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 unconsolidated 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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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) Investment in subsidiaries

The Company values its investment in subsidiaries at fair value using fair value hierarchy; Level 1 - quoted prices (unadjusted) in active markets, Level 2 - valuations based on directly or indirectly observable market input and Level 3 - valuations based on unobservable market input. The determination of fair value of unquoted subsidiaries involves inherent subjectivity, key assumptions (such as future cash flow forecasts, discount and growth rates and volatility), and estimation relation to valuation inputs and techniques. Any change in these assumptions and estimates may have significant impact on the fair value of investments with corresponding impact in other comprehensive income.

c) 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.

d) 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 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.

e) 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.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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.

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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.

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.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

4.6 Leases

The Company assesses at contract inception whether a contract is, or contains 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 insubstance 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.

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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 Unconsolidated Financial Statements

For the year ended June 30, 2021

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 Unconsolidated Financial Statements

For the year ended June 30, 2021

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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 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.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

4.7.2.3 Derecognition

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

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For the year ended June 30, 2021

4.9 Investments in subsidiaries and associates

4.9.1 Investments in subsidiaries

Investment in subsidiaries are stated at fair value through other comprehensive income.

4.9.2 Investments 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.

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 bank 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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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 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.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- Revenue from rendering of e-ticketing services is recognised at a point in time i.e. 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).

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.

Notes to the Unconsolidated Financial Statements

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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 Employees share option plan

Eligible employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of share option transactions is determined using intrinsic value method. That cost is recognised in salaries and benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or Improvements		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	January 01, 2021
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	April 01, 2021
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
Improvements to accounting standards issued by the IASB (2018-2020 cycle)		
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022
IAS 41	Agriculture – Taxation in fair value measurements	January 01, 2022

Notes to the Unconsolidated Financial Statements

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard		IASB Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

	Note	2021	2020
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	956,556,642	980,967,199
Capital work-in-progress	5.3	161,691,639	78,265,139
		<u>1,118,248,281</u>	<u>1,059,232,338</u>

5.1 Operating fixed assets

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2020	Additions / (disposals) / transfers	As at June 30, 2021	As at July 01, 2020	Charge for the year / (disposals) / transfers	As at June 30, 2021	As at June 30, 2021	Depreciation Rate %
				(Rupees)				
<u>Owned</u>								
Leasehold land	411,000,000	**	411,000,000	-	-	-	411,000,000	-
Building on leasehold land	16,406,766	-	16,406,766	4,071,893	820,338	4,892,231	11,514,535	5
Computers and accessories	189,421,226	101,475,312 (331,000) ** (1,393,867)	289,171,671	146,968,807	79,804,665 (246,155) ** (1,393,867)	225,133,450	64,038,221	33.33
Generators	4,423,665	700,000	5,123,665	4,363,265	26,767	4,390,032	733,633	20
Electrical devices	1,048,008,449	2,360,675 * 117,678,857 *** (58,807,055)	1,109,240,926	579,187,949	147,106,704 - *** (26,513,542)	699,781,111	409,459,815	20
Furniture and fittings	177,223,156	4,380,141 ** (36,667)	181,566,630	140,647,078	16,800,424 ** (36,666)	157,410,836	24,155,794	20
Vehicles	9,863,338	- ** (41,500) **** 34,605,782	44,427,620	1,424,171	2,566,548 ** (41,500) **** 5,311,573	9,260,792	35,166,828	20
Construction of shed	6,048,277	-	6,048,277	6,048,277	-	6,048,277	-	20
Mobile phones	11,137,197	1,245,658 * (857,230) ** (3,065,648)	8,459,977	9,853,434	1,830,785 * (646,410) ** (3,065,648)	7,972,161	487,816	33.33
June 30, 2021	1,873,532,074	110,161,786 (1,188,230) * 117,678,857 ** (4,537,682) *** (58,807,055) **** 34,605,782	2,036,839,750	892,564,874	248,956,231 (892,565) ** (4,537,681) *** (26,513,542) **** 5,311,573	1,114,888,890	956,556,642	

* Represents transfers from stock-in-trade to owned assets
 ** Represents assets written off during the year
 *** Represents transfer from owned assets to stock-in-trade
 **** Represents assets transferred from ijarah lease

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For the year ended June 30, 2021

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	Depreciation Rate %
	As at July 01, 2019	Additions / (disposals) / transfers	As at June 30, 2020	As at July 01, 2019	Charge for the year / (disposals) / transfers	As at June 30, 2020	As at June 30, 2020	
				(Rupees)				
Owned								
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	***** (3,690,310)	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)						
Leased								
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 20.4)

** 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

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

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

5.1.1 Computers and accessories and vehicles includes assets costing Rs. 4.443 million (2020: Rs. 4.443 million) and Rs. 1.972 million (2020: 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.

	Note	2021	2020
		Rupees	Rupees
5.1.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales and services	36	213,610,381	201,883,235
Distribution expenses	37	6,890,658	6,512,362
Administrative expenses	38	12,057,415	10,203,629
Research and development	39	21,709,350	21,709,350
		254,267,804	240,308,576

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

5.1.3 During the year, the Company has transferred tracking devices from stock-in-trade at a cost of Rs. 117.679 million (2020: Rs. 72.098 million) to owned assets. As of the reporting date, assets costing Rs. 951.208 million (2020: Rs. 892.337 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. 542.001 million (2020: Rs.420.579 million).

5.1.5 During the year, the Company has written off fully depreciated assets costing Rs. 4.538 million.

5.1.6 The details of immovable assets (i.e. land and building) of the Company as at June 30, 2021 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 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. Had there been no revaluation, the cost of leasehold land and building on leasehold land would have been Rs. 136.37 million and Rs. 3.81 million, respectively. 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 3 of fair value hierarchy (i.e. non-market observables).

5.1.8 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
	<u>361,416,600</u>

5.1.9 The immovable assets of the Company are placed as security against various financing facility obtained from commercial banks as stated in notes 22, 24, 28 and 29 respectively to these financial statements.

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

Aggregate amount of assets disposed off not having WDV more than Rs. 5,000,000 each	Original / revalued cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on disposals	Mode of disposal	Particulars of buyers	Location
	(Rupees)							
Computers and accessories	331,000	246,155	84,845	-	(84,845)	Various	Various	Karachi
Furniture and fittings	-	-	-	-	-	Various	Various	Karachi
Mobile phones	857,230	646,410	210,820	334,965	124,145	Various	Various	Karachi
	1,188,230	892,565	295,665	334,965	39,300			
2021	1,188,230	892,565	295,665	334,965	39,300			
2020	368,505,619	28,385,560	340,120,059	340,464,876	344,817			

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
5.3 Capital work-in-progress			
Opening balance		78,265,139	78,265,139
Additions during the year		83,426,500	-
Closing balance	5.3.1	161,691,639	78,265,139

5.3.1 Represents expenditure in respect of leasehold improvements and restoration of office premises.

		2021	2020
	Note	Rupees	
6. INTANGIBLE ASSETS			
Intangible assets	6.1	1,216,412,133	1,235,769,699
Intangible assets under development	6.3	914,859,367	902,619,034
		2,131,271,500	2,138,388,733
6.1 Intangible assets			

	COST			ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE	
	As at July 01, 2020	Additions / transfers	As at June 30, 2021	As at July 01, 2020	Charge for the year / transfers	As at June 30, 2021	As at June 30, 2021	Amortisation rate %
				(Rupees)				
<u>Owned</u>								
Goodwill - note 6.2	403,380,571	-	403,380,571	-	-	-	403,380,571	-
Customers related intangible assets - note 6.2	453,635,249	-	453,635,249	-	-	-	453,635,249	-
Marketing related intangible assets - note 6.2	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	324,352,222	3,199,800	327,552,022	299,175,909	15,032,182	314,208,091	13,343,931	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	83,302,806	7,525,184	90,827,990	57,030,800	5
2021	1,667,973,609	3,199,800	1,671,173,409	432,203,910	22,557,366	454,761,276	1,216,412,133	

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

	COST			ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE	
	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	As at June 30, 2020	Amortis- ation rate %
				(Rupees)				
<u>Owned</u>								
Goodwill - note 6.2	403,380,571	-	403,380,571	-	-	-	403,380,571	-
Customers related intangible assets - note 6.2	453,635,249	-	453,635,249	-	-	-	453,635,249	-
Marketing related intangible assets - note 6.2	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	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 20.4)

** Represents additions during the year

6.2 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 annual impairment test as at June 30, 2021. The recoverable amount of the Company is determined based on 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 16.9 percent (2020: 14.1 percent). The growth rate used to extrapolate the cash flows beyond the five-year period is 5.6 percent (2020: 5 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 discounted cash flow calculations

The calculation of discounted cash flow 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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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.

- 6.2.1 The Company has also determined the recoverable amount based on fair value less cost to sell considering the relationship between its market capitalisation, using the Level 1 input of the fair value hierarchy - quoted prices of the Company, and its book value, among other factors. As a result of this analysis also, the management did not identify any impairment for the cash generating unit to which goodwill and intangible asset with indefinite useful lives are allocated.

		2021	2020
6.3	Intangible assets under development	Rupees	
	Opening balance	902,619,034	-
	Transfer under scheme of arrangement	-	824,133,020
	Additions during the year	12,240,333	78,486,014
	Closing balance	914,859,367	902,619,034

- 6.3.1 Represents expenditure incurred for development of map database including business intelligence and applications solutions, etc. which is expected to be completed earliest by the end of the 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. 914.859 million has been incurred by the Company as of the reporting date.

- 6.3.2 The management has carried out an annual impairment assessment for intangible assets under development based on the discounted cash flow calculations. The discount rate applied to the cashflow projections is 16.9 percent (2020: 14.1 percent and the growth rate used to extrapolate the cashflows beyond the five year period is 5.6 percent (2020: 5 percent). 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.

Notes to the Unconsolidated Financial Statements

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Key assumptions used in discounted cash flow calculations

The calculation of discounted cash flow 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.

- 6.3.3 The Company has also determined the recoverable amount based on fair value less cost to sell considering the relationship between its market capitalisation, using the Level 1 input of the fair value hierarchy - quoted prices of the Company, and its book value, among other factors. As a result of this analysis as well, the management did not identify any impairment for the cash generating unit to which goodwill and intangible asset with indefinite useful lives are allocated.

		2021	2020
6.4	Amortisation charge for the year has been allocated as follows: Note	Rupees	
	Cost of sales and services 36	18,950,443	38,042,092
	Distribution expenses 37	611,305	1,227,164
	Administrative expenses 38	2,995,618	6,013,558
		<u>22,557,366</u>	<u>45,282,814</u>

- 6.5 Including in intangibles assets are fully amortised assets having cost of Rs. 343.163 million (2020: Rs. 288.992 million)

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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 - 2021				
Opening net book value - July 01, 2020	1,590,762	42,048,972	28,629,444	72,269,178
Additions during the year	-	-	102,643,520	102,643,520
Less: Depreciation charge for the year	1,193,072	25,229,383	40,516,048	66,938,503
Closing net book value - June 30, 2021	397,690	16,819,589	90,756,916	107,974,195
Depreciation rate (%)	20%	33.33%	10%	
Net carrying value basis - 2020				
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	-	-	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 - June 30, 2020	1,590,762	42,048,972	28,629,444	72,269,178
Depreciation rate (%)	20%	33.33%	10%	

	Note	2021	2020
7.2 Gross carrying value basis - 2021			
Cost	7.3	320,651,303	406,359,942
Less: Accumulated depreciation		212,677,108	175,478,420
Less: Derecognised during the year		-	158,612,344
Net book value		107,974,195	72,269,178

7.3 Included herein fully depreciated electrical devices having cost of Rs. 3.571 million (2020: Rs. 3.571 million).

	Note	2021	2020
7.4 Depreciation charge for the year has been allocated as follows:			
Cost of sales and services	36	56,235,035	68,998,855
Distribution expenses	37	1,814,034	2,225,770
Administrative expenses	38	8,889,434	10,907,091
		66,938,503	82,131,716

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
8. LONG-TERM INVESTMENTS			
Designated at FVTOCI			
Investment in a subsidiary company (2020: associated company)			
Trakker Middle East LLC (TME)	8.1	194,552,732	85,030,450

8.1 On July 01, 2020, the Company has further acquired 21% shareholding in TME under the terms of the agreements by virtue of which the Company's holding in TME increased to 50%. The Company, obtained controlling interest in TME through an arrangement with the co-beneficial owner of TME. As of reporting date, has reassessed its defacto control over TME and based on such assessment, the management has concluded that the Company along with the co-beneficial owner of TME has a defacto control over TME having the majority shareholding i.e. 80 percent and majority representation on the board of directors of TME. Accordingly, as of June 30, 2021, the Company account for TME as it's subsidiary in these unconsolidated financial statements. As of reporting date, the Company holds 2,835 (2020: 1,644) ordinary shares of Rs. 10 each, representing 50 percent (2020: 29 percent) of the share capital of TME as of June 30, 2021.

8.2 The Company has calculated the fair value of its investment based on discounted cashflow calculations and, the discount rate applied to cashflow projections is 9.1 percent and the growth rate used to extrapolate the cashflows beyond the five-year period is 1.77 percent.

8.3 TME is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of the Company is at Dubai, 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.

8.4 The name of the Chief Executive is Asim Mushtaq and name/addresses of beneficial owners is as follows:

Name	Addresses
M.M.R International FZE.	M.M.R.P.O. Box 7073, Umm Al Quwain, UAE.

8.5 Investment in subsidiary company have been made in accordance with the requirement of Companies Act, 2017.

		2021	2020
	Note	Rupees	
9. LONG-TERM LOANS – secured, considered good			
Executives	9.1 & 9.2	482,270	1,601,108
Employees		1,000,554	2,351,783
	9.3	1,482,824	3,952,891
Less: Current portion of long-term loans	14	1,277,111	3,282,993
		205,713	669,898
9.1 Reconciliation of the carrying amount of loans to executives			
Opening balance		1,601,108	461,530
Disbursements		-	3,400,000
Less: Repayments		1,118,838	2,260,422
Closing balance		482,270	1,601,108

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

9.2 The maximum aggregate amount of loan due from the executives at the end of any month during the year was Rs. 1.375 million (2020: Rs. 2.281 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 (2020: 5 percent) per annum. Further, it also includes loans provided on interest free basis amounting to Rs. 0.680 million (2020: Rs. 0.803 million). All loans are repayable over a period of two years in equal monthly installments 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 consider the impact is immaterial to these financial statements taken as whole.

		2021	2020
	Note	Rupees	
10. LONG-TERM DEPOSITS			
Security deposits - leased and ijarah assets		10,120,921	44,726,703
Less: Current portion of security deposits	15	10,120,921	36,892,609
		-	7,834,094
Utilities		177,450	177,450
Rent deposits		4,377,756	4,302,756
Cash margin against guarantees	10.1	21,639,662	21,639,662
	10.2	26,194,868	33,953,962

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.

11. DEFERRED TAX ASSETS - net		2021	2020
Deferred tax liabilities on taxable temporary differences:		Rupees	
- accelerated tax depreciation on:			
- property, plant and equipment		42,138,071	13,068,135
- right-of-use assets		(31,312,517)	(20,958,062)
- intangible assets		(7,698,468)	(1,600,454)
- long-term investments		(31,761,462)	-
		(28,634,376)	(9,490,381)
Deferred tax assets on deductible temporary differences:			
- trade debts		5,794,722	7,190,786
- surplus on revaluation of property, plant and equipment		2,642,191	4,096,787
- lease liabilities		37,571,694	24,099,543
- share based payments		8,711,600	-
- tax losses		32,890,540	36,903,469
- minimum tax		696,672	964,544
		88,307,419	73,255,129
		59,673,043	63,764,748
11.1 The movement in deferred tax assets is as follows:			
- charge to other comprehensive income		(31,761,462)	-
- transfer to unappropriated on account of incremental depreciation for the year		200,366	305,758
- reversal (net) to profit or loss		27,469,391	56,280,641
		(4,091,705)	56,586,399

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- 11.2 As of reporting date, the Company has not recognised deferred tax assets of Rs. 79.621 million (2020: Rs. 79.621 million) on losses of Rs. 274.556 million (2020: Rs. 274.556 million) in line with accounting policies of the Company as stated in note 4.13 to these unconsolidated financial statements.

		2021	2020
	Note	Rupees	
12. STOCK-IN-TRADE			
Tracking devices	12.1	371,468,433	228,296,492
Spare parts	12.2	48,976,640	17,925,233
		<u>420,445,073</u>	<u>246,221,725</u>

12.1 Includes stock of Rs. 15.737 million (2020: Rs. 15.696 million) held with third parties.

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

		2021	2020
	Note	Rupees	
13. TRADE DEBTS - unsecured			
Related parties			
- TPL Insurance Limited	13.3 & 13.4	4,363,523	4,198,955
Others than related parties		1,139,385,305	1,043,469,856
	13.1	1,143,748,828	1,047,668,811
Less: Allowances for expected credit losses	13.5	19,981,800	24,795,814
	13.2	<u>1,123,767,028</u>	<u>1,022,872,997</u>

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

			Days past due		
	Total	Current	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
	----- (Rupees) -----				
<u>2021</u>					
Expected credit loss rate	1.75%	0.47%	0.34%	7.45%	8.80%
Estimated total gross carrying amount at default	1,143,748,828	332,597,191	611,639,932	91,171,964	108,339,741
Expected credit loss	19,981,800	1,574,262	2,083,218	6,788,724	9,535,596
<u>2020</u>					
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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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 (Rupees)	> 121 days upto 180 days	180 days and above
TPL Insurance Limited - 2021	4,363,523	1,149,266	1,501,841	1,474,687	237,729
TPL Insurance Limited - 2020	4,198,955	1,080,891	1,434,362	1,450,076	233,626

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

		2021	2020
	Note	Rupees	
TPL Insurance Limited		4,363,523	7,161,975
13.5 Allowance for expected credit losses			
Opening balance		24,795,814	41,640,408
Transferred under Scheme	20.4	-	4,561,440
Less: Reversal during the year	38	4,814,014	21,406,034
Closing balance		19,981,800	24,795,814

		2021	2020
	Note	Rupees	
14. LOANS AND ADVANCES			
Loans – secured, considered good			
Current portion of long-term loans	9	1,277,111	3,282,993
Advances – unsecured, considered good			
- suppliers		61,562,102	104,047,093
- others		184,704	504,381
	14.1	61,746,806	104,551,474
		63,023,917	107,834,467

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
15. TRADE DEPOSITS AND PREPAYMENTS			
Trade deposits			
- security deposits		1,967,720	1,767,720
- LC margin		3,772,346	377,546
- current portion of leased and ijarah deposits	10	10,120,921	36,892,609
- others		711,516	711,516
	15.1	16,572,503	39,749,391
Prepayments			
- insurance		6,872,493	3,889,737
- fees for services		1,027,926	10,497,893
- maintenance	15.2	4,808,824	7,357,925
- others		3,130,581	-
		15,839,824	21,745,555
		32,412,327	61,494,946

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. Nil (2020: Rs. 6.092 million) paid to TPL Properties Limited, a related party.

		2021	2020
	Note	Rupees	
16. INTEREST ACCRUED - unsecured, considered good			
Mark-up accrued on due from related parties			
Ultimate parent company			
- TPL Holdings (Private) Limited [TPLH]		139,088,282	66,313,202
Parent company			
- TPL Corp Limited [TPLC]		106,632,497	32,713,172
Subsidiary company			
- Trakker Middle East LLC [TME]		19,804,055	-
Associates			
- TPL Security Services (Private) Limited [TSS]		4,326,421	4,326,421
- Trakker Middle East LLC [TME]		-	9,218,594
- Trakker Direct Finance (Private) Limited [TPLD]		1,186,702	1,100,644
- TRG Pakistan Limited [TRG]		7,309,315	6,447,351
- TPL Tech Pakistan (Private) Limited [TPL Tech]		10,861,518	6,622,491
- TPL Properties Limited [TPLP]		2,047,056	1,702,759
		291,255,846	128,444,634
17. OTHER RECEIVABLES – unsecured, considered good			
Earnest money		11,444,235	7,715,044
Insurance claims		5,030,029	3,491,229
Others	17.1	1,133,269	18,133,269
		17,607,533	29,339,542

17.1 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 Unconsolidated Financial Statements

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		2021	2020
	Note	Rupees	
18. DUE FROM RELATED PARTIES – unsecured, considered good			
Ultimate parent company			
- TPL Holdings (Private) Limited [TPLH]	18.1	697,831,944	433,701,979
Parent company			
- TPL Corp Limited [TPLC]	18.3	597,793,456	519,635,427
Subsidiary company			
- Trakker Middle East LLC [TME]	18.3	132,185,451	-
Associates			
- TPL Security Services (Private) Limited [TSS]	18.2	-	16,500,068
- TPL Properties Limited [TPLP]	18.3	7,420,642	5,700,233
- TPL Life Insurance Limited [TPL Life]	18.3	5,118,741	-
- Trakker Middle East LLC [TME]	18.3	-	46,715,880
- Trakker Direct Finance (Private) Limited [TPLD]	18.3	850,070	850,070
- TRG Pakistan Limited [TRG]	18.3	9,380,446	7,616,233
- TPL Tech Pakistan (Private) Limited [TPL Tech]	18.3	42,993,993	40,964,168
		<u>1,493,574,743</u>	<u>1,071,684,058</u>

18.1 Represents current account balance carrying mark-up at the fixed rate of 18 percent and 3 months KIBOR plus 3 percent (2020: 18 percent) and is repayable on demand.

18.2 Represent interest free current account balances with related parties, which are repayable on demand.

18.3 Represents current account balances with related parties carrying mark-up at the variable rate of 3 months to 6 months KIBOR plus 3 percent (2020: 3 months to 6 months KIBOR plus 3 percent) per annum and are repayable on demand.

18.4 These are neither past due nor impaired.

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

	2021	2020
	Rupees	
Ultimate parent company		
- TPL Holdings (Private) Limited [TPLH]	697,831,944	515,803,554
Parent company		
- TPL Corp Limited [TPLC]	827,542,334	589,529,961
Subsidiary company		
- Trakker Middle East LLC [TME]	133,505,613	-
Associates		
- TPL Security Services (Private) Limited [TSS]	-	25,409,701
- TPL Properties Limited [TPLP]	7,821,947	16,506,311
- TPL Life Insurance Limited [TPL Life]	6,232,538	-
- Trakker Middle East LLC [TME]	-	46,715,880
- Trakker Direct Finance (Private) Limited [TPLD]	850,070	850,070
- TRG Pakistan Limited [TRG]	9,380,446	7,616,233
- TPL Tech Pakistan (Private) Limited [TPL Tech]	42,993,993	40,964,168

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
19. CASH AND BANK BALANCES			
Cash in hand		359,746	176,141
At banks in local currency:			
- current accounts	19.1	13,335,255	19,044,314
- saving accounts		118,508,981	833
		131,844,236	19,045,147
		132,203,982	19,221,288

19.1 These carry mark-up at the rate of 2.95 percent to 7.65 percent (2020: 7.65 percent) per annum.

20. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021	2020		2021	2020
Number of shares			Rupees	
		Ordinary shares of Rs.10/- each		
10	10	- issued as cash	100	100
66,820,500	-	- opening balance	668,205,000	-
66,820,510	10	- issued during the year	668,205,100	100
68,680,171	68,680,171	- issued as other than cash	686,801,710	686,801,710
		- issued as bonus share		
51,762,412	24,246,071	- opening balance	517,624,120	242,460,710
	27,516,341	- issued during the year	-	275,163,410
51,762,412	51,762,412		517,624,120	517,624,120
187,263,093	120,442,593		1,872,630,930	1,204,425,930

20.1 On August 10, 2020, the Company got listed on Pakistan Stock Exchange Limited by issuing 66,820,500 ordinary shares to general public having face value of Rs.10 each at a strike price of Rs.12 each (i.e. aggregated value of Rs. 801.846 million having face value of Rs. 668.205 million and share premium of Rs. 133.641 million).

20.2 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 60,177,126 ordinary shares of the Company.

20.3 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.

20.4 During the year ended June 30, 2020, pursuant to the Scheme duly approved by the Board of Directors of the Company, whereby TPL Maps (Pvt.) Limited [TPLM] and TPL Rupiya (Private) Limited [TPLR] were amalgamated into the Company by way of transferred 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.

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- 20.6 During the year, the Company has introduced Employee Share Option Scheme (the Scheme) to employees meeting certain criteria. The exercise price of the shares is Rs. 10/- and the share options vests after a period of 2 years from the date of grant and the concerned employee remains employee on such date.

After the vesting period; the options are exercisable in whole or in equal fifty percent parts of the entitlement within 6 months (exercise period). The share options can be exercised upto 6 months after two years vesting period (in whole or 50% equal part), and therefore the contractual form of each option is two years. There are no cash settlement alternatives. The Company accounts for the Scheme as an equity-settled plan.

The expense recognized during the year related to equity settled share based payments amounts to Rs. 30.04 million (2020: Rs. Nil).

During the year, the Company has granted eight million share options at a weighted average exercise price of Rs. 10/-. Other than this, there is no movement during the year.

Weighted average remaining contractual life of options outstanding at 30 June 2021 was one year (2020: Nil).

		2021	2020
	Note	Rupees	
21. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance:			
Leasehold land		274,630,291	541,225,035
Building on leasehold land		13,898,709	19,713,333
		288,529,000	560,938,368
(Deficit) / surplus on revaluation recognised / (reversed on disposal) during the year:			
Leasehold land		-	(266,594,744)
Building on leasehold land		-	(4,357,916)
		-	(270,952,660)
Transfer to unappropriated profit on account of incremental depreciation charged for the year		(690,918)	(1,456,708)
Deferred tax:			
- on account of surplus on revaluation of building on leasehold land - net		(3,115,683)	(4,402,545)
- impact of deferred tax on incremental depreciation charged for the year		200,366	305,758
		(2,915,317)	(4,096,787)
		284,922,765	284,432,213

		2021	2020
	Note	Rupees	
22. LONG-TERM FINANCINGS – secured			
Sukuk financing I	22.1	350,000,000	450,000,000
Sukuk financing II	22.2	1,231,467,442	-
Diminishing musharaka	22.3	43,263,634	47,450,437
		1,624,731,076	497,450,437
Less: Current portion shown under current liabilities	30	575,080,546	104,186,803
		1,049,650,530	393,263,634

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- 22.1 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 June 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 (2020: 1 year KIBOR plus 3 percent). These certificates are secured against ordinary shares of TPL Properties Limited (inclusive of 35% margin) 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.
- 22.2 Represents amount received in lieu of Sukuk certificates issued of Rs. 1,250 million divided into 1,250 certificates of Rs 1 million each for a period of 5 years under an agreement dated December 22, 2020. The said certificates are redeemable in periodic installments by December 2021 and the rate for rental payment is 3 months KIBOR plus 3% per annum. These certificates are secured against first pari passu charge of Rs. 70 million on present and future moveable fixed assets of the Company inclusive of 25% margin, first pari passu hypothecation charge of Rs. 340 million on present and future current assets of the Company inclusive of 25% margin; and first pari passu charge of upto Rs.1,500 million on present and future long-term investments of TPL Corp Limited (the parent company) inclusive of 25% margin and first charge over lien and set off against facility payment account and facility service reserve account upto the extent of Rs. 1,855 million.
- 22.3 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) (2020: 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).

		2021	2020
22.4	The movement in long-term financings is as follows:	Rupees	
	Opening balance	497,450,437	644,642,833
	Transfer under scheme of arrangement	-	58,615,245
	Financings obtained during the year	1,231,467,442	-
	Financings repaid during the year	(104,186,803)	(205,807,641)
	Closing balance	1,624,731,076	497,450,437
23.	LEASE LIABILITIES		
	Current maturity of lease liabilities	47,668,312	56,682,850
	Non current maturity of lease liabilities	81,889,252	26,419,021
		129,557,564	83,101,871
23.1	Reconciliation of total lease liabilities:		
	Opening balance	83,101,871	73,078,067
	Lease liabilities due to initial application of IFRS 16 - note 4.6	-	241,031,868
	Additions for the year	102,643,520	-
	Interest expense for the year	14,017,862	33,675,087
	Payments made during the year	(70,205,689)	(90,639,000)
	Cancellation	-	(174,044,151)
	Closing balance	129,557,564	83,101,871

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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

		2021	2020
	Note	Rupees	
Depreciation expense on right-of-use assets	7.4	66,938,503	82,131,716
Interest expense on lease liabilities	40	14,017,862	33,675,087
Total amount recognised in profit or loss		80,956,365	115,806,803

23.2 The maturity analysis of lease liabilities is presented in note 43.1 to these financial statements.

23.3 The Company had total cash outflows for leases of Rs. 70.206 million (2020: Rs. 90.639 million) as of reporting date. The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 102.644 million (2020: Rs. 241.031 million). The Company do not have any future cashflows relating to leases other than as disclosed in these financial statements.

		2021	2020
	Note	Rupees	
24. LONG-TERM LOANS			
Term finance I	24.1	25,000,002	33,333,337
Term finance II	24.2	-	16,250,000
Term finance III	24.3	-	16,769,782
Term finance IV	24.4	-	166,666,667
Term finance V	24.5	28,777,780	37,000,000
Term finance VI	24.6	69,416,504	57,900,009
Term finance VII	24.7	69,663,995	-
		192,858,281	327,919,795
Less: Current portion shown under current liabilities	30	124,490,426	100,471,489
		68,367,855	227,448,306

24.1 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 installments 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 pari passu charge over stocks and book debts for Rs. 144 million duly insured in bank's favour covering all risks with 25% margin and first pari passu charge over book debts and receivables with 25% margin amounting to Rs. 183 million in bank's favour.

24.2 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 parri passu hypothecation charge over the Company's book debts of Rs. 100 million, first parri passu hypothecation charge over current assets of the Company of Rs. 70 million and first parri passu hypothecation charge over the fixed assets of the Company of Rs. 70 million. During the year, the Company has repaid outstanding balance in full and the charge on this facility is released.

24.3 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 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. During the year, the Company has repaid outstanding balance in full and the charge on this facility is released.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- 24.4 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 5.50 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. 39.375 million duly registered with 50 percent margin. During the year, the Company has repaid outstanding balance in full and the charge on this facility is released.
- 24.5 The term finance facility of Rs. 37 million for a period of five years from a commercial bank through an agreement dated April 29, 2020. 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. 385 million over land and building of the Company and personal guarantees of directors / sponsors of the Company.
- 24.6 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. 96.7 million was availed by the Company and Rs. 51.7 million 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 9.72 to 11.31 percent per annum. The differential mark-up has been recognised as government grant (see note 25 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 and TPL Properties Limited. As of reporting date, Rs. 1.63 million remain unutilised.
- 24.7 During the year, the Company has obtained long-term financing from a commercial bank of Rs. 98 million under Refinance Scheme for payment of Wages & Salaries by State Bank of Pakistan. Out of total facility limit, Rs. 97.8 million was availed by the 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 10.25 to 10.26 percent per annum. The differential mark-up has been recognised as government grant (see note 25 to these financial statements) which will be amortised to interest income over the period of the facility. The facility is secured against ranking charge over current assets of the company and pledge of shares of TPL Corp Limited & TPL Properties of Rs. 163.333 million with 40 percent margin.

	Note	2021	2020
		Rupees	
24.8 The movement in long-term loans is as follows:			
Opening balance		327,919,795	410,634,920
Loans obtained during the year		81,180,490	94,900,009
Loans repaid during the year		(216,242,004)	(177,615,134)
Closing balance		192,858,281	327,919,795

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
25. GOVERNMENT GRANT			
Opening balance		4,490,049	-
Recognised during the year		12,730,320	6,906,820
Released to profit or loss during the year	41	(10,472,666)	(2,416,771)
As at June 30, 2021		6,747,703	4,490,049
Current portion	30	5,950,600	2,709,041
Non-current portion		797,103	1,781,008
		6,747,703	4,490,049
26. TRADE AND OTHER PAYABLES			
Creditors	26.1	322,151,458	323,830,051
Accrued liabilities		169,547,726	144,069,477
Unearned equipment rentals	26.2	108,580,014	95,741,350
Book overdraft		413,000,000	115,000,000
Other liabilities			
Sales commission		23,747,196	4,055,767
Sales tax		12,832,128	46,282,751
Withholding tax		184,914,230	142,560,908
Workers' Welfare Fund		2,638,267	2,638,267
Provident fund		54,682,209	59,985,137
Others	26.3	1,661,798	1,661,798
		280,475,828	257,184,628
	26.4	1,293,755,026	935,825,506
26.1	Included herein Rs. 57.978 million (2020: Rs. 22.768 million) and Rs. 27.696 million (2020: Rs. Nil) payable to TPL Properties Limited and Property Management (Private) Limited (the related parties) respectively, on account of rental, maintenance and other services.		
26.2	Equipment rentals transferred to revenue during the year amounts to Rs. 910.296 million (2020: Rs. 909.183 million).		
26.3	Includes stale cheques amounting to Rs. 1.647 million (2020: Rs.1.647 million).		
26.4	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.		
		2021	2020
	Note	Rupees	
27. ACCRUED MARK-UP			
Long-term financings		21,256,181	12,669,002
Long-term loans		14,897,660	26,845,199
Running finance under mark-up arrangement		26,036,109	37,657,843
Short-term financings		3,739,838	12,556,580
Due to related parties		30,507,851	50,333,147
		96,437,639	140,061,771
28. SHORT-TERM FINANCINGS			
Payable against LCs	28.1	235,953,736	170,665,871
Commercial Papers (ICP)	28.2	-	1,223,503,302
		235,953,736	1,394,169,173

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- 28.1 Represents LCs facilities obtained by the Company from various commercial banks having an aggregate limit of Rs. 325 million (2020: Rs. 210 million). It carries mark-up ranging from 3 months KIBOR plus 2 percent to 3.5 percent and is secured against first pari passu hypothecation charge of Rs. 826 million (2020: 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 nil to 15 percent. As of the reporting date, Rs. 89 million (2020: Rs. 197.26 million) remains unutilized.
- 28.2 Represents subscription money received from various investors against 1,230 units of privately placed Commercial Paper 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. During the year, the Company has repaid the same in full.

	2021	2020
Note	Rupees	
28.3 The movement in short-term financings is as follows:		
Opening balance	1,394,169,173	12,737,305
Financings obtained during the year	235,953,736	1,394,169,173
Financings repaid during the year	(1,394,169,173)	(12,737,305)
Closing balance	235,953,736	1,394,169,173

29. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

These facilities are obtained from various commercial banks having an aggregate limit of Rs. 1,097.5 million (2020: Rs. 1,112.5 million) out of which Rs. 59.9 million (2020: Rs. 7.31 million) was un-utilised as of the reporting date. The facilities carry mark-up ranging between 1 month KIBOR plus 2 percent and 3 months KIBOR plus 1.5 percent to 3 percent (2020: 1 month KIBOR plus 2 percent to 3 percent and 3 months KIBOR plus 1.5 percent to 3 percent) per annum. These are secured by way of:

- registered hypothecation over stocks and book debts aggregating to Rs. 1,186 million (2020: Rs. 1,356 million) and pledge of the shares of TPL Insurance Limited, TPL Properties Limited and TPL Corp Limited having market value of Rs. 300 million.
- personal guarantees of sponsors/directors of the company, 100% liquid security in shape of lien over company/related company account/ lien over Term Deposit receipt on account of TPL Life Insurance Limited, 100% cash collateral under lien in the form of Term Deposit receipt or-depository participants account (to be marked in group companies) / minimum 60% cash in shape of lien over Term Deposit receipt or-depository participants account (to be marked lien in group Associate Company i.e. TPL Life Insurance Limited) & maximum 40% to be placed in investor portfolio securities account of TPL Life Insurance Limited with 10% margin.
- cash collateral in the form of lien over deposits held under Emaan Islamic Bank Limited for PKR 100M in the name of TPL Insurance Limited (TIL), Cross Corporate Guarantee of TPL Insurance Limited (TIL) and equitable first pari passu charge over property to the extent of Rs. 385 million (2020: Rs. 385 million).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
30. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long-term financings	22	575,080,546	104,186,803
Lease liabilities	23	47,668,312	56,682,850
Long-term loans	24	124,490,426	100,471,489
Government grant	25	5,950,600	2,709,041
		<u>753,189,884</u>	<u>264,050,183</u>
31. DUE TO RELATED PARTIES - unsecured			
Associates			
- TPL Insurance Limited [TIL]	31.1	213,925,468	42,090,007
- TPL Security Services (Private) Limited [TSS]	31.2	10,497,425	-
- TPL Life Insurance Limited [TPL Life]	31.3	-	5,682,956
		<u>224,422,893</u>	<u>47,772,963</u>

31.1 Included herein current account balance of Rs.61.07 million (2020: Rs. 17.09 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. 275 million having facility limit of Rs. 300 million (2020: Rs. 200 million) carrying mark-up at the rate of 1 year KIBOR plus 3.5 percent per annum and is repayable on demand.

31.2 Represent interest free current account balances with related parties, which are repayable on demand.

		2021	2020
	Note	Rupees	
32. TAXATION - net			
Opening balance - (payable) / refundable		(13,685,055)	42,478,304
Less: Income tax payable under the Scheme	20.2	-	(807,373)
Less: Provision for current and prior taxation	42	(61,374,975)	(45,602,164)
Add: Income tax paid and deducted at source		44,045,779	36,081,204
Less: Refund received during the year		-	(45,835,026)
Closing balance - (payable) / refundable		<u>(31,014,251)</u>	<u>(13,685,055)</u>
33. ADVANCE MONITORING FEES			
Opening balance		37,140,162	46,651,699
Billed during the year		440,750,688	405,472,734
Less: Transferred to revenue during the year		442,037,747	414,984,271
Closing balance	33.1	<u>35,853,103</u>	<u>37,140,162</u>

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

		2021	2020
	Note	Rupees	
34. CONTINGENCIES AND COMMITMENTS			
34.1 Contingencies			
34.1.1 Guarantees issued by banks on behalf of the Company		<u>21,639,662</u>	<u>21,639,662</u>

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- 34.1.2 The Company is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs. 13.279 (2020: 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:

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	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

	2021	2020
Note	Rupees	
34.2 Commitments		
34.2.1 Letter of credits	235,953,736	170,665,871
34.2.2 Ijarah agreements		

The Company has 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. Nil (2020: Rs.2.077 million). 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 (2020: Rs.1.77 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	2021	2020
Note	Rupees	
Not later than one year	-	2,076,870
35. TURNOVER - net		
Tracking and other digital business		
Equipment installation and sales	393,817,267	259,429,013
Monitoring fees	528,235,108	495,906,204
Rentals from tracking devices	1,032,048,583	1,007,465,630
Navigation revenue	190,936,999	45,586,868
E- ticketing services	-	4,606,154
Other services	39,576,480	19,024,662
	2,184,614,437	1,832,018,531
Less: Sales tax	298,372,629	226,782,580
35.1	1,886,241,808	1,605,235,951

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- 35.1 Included herein revenue recognized during the year of Rs. 208.10 million (2020: Rs. 240.18 million) made to related parties.

		2021	2020
36. COST OF SALES AND SERVICES	Note	Rupees	
Cost of equipment sold			
Opening stock		246,221,725	266,339,657
Purchases during the year		491,626,099	157,620,662
		737,847,824	423,960,319
Less: Units transferred to operating fixed assets given under rental arrangements	5.1	(117,678,857)	(72,097,985)
Less: Closing stock	12	(420,445,073)	(246,221,725)
		199,723,894	105,640,609
Salaries, wages and other benefits	36.1	322,480,099	279,198,371
Activation and connection charges		207,868,215	187,932,165
Insurance		10,938,552	12,789,684
Vehicle running and maintenance		42,039,440	50,791,475
Depreciation	5.1.2	213,610,381	201,883,235
Depreciation on ROUA	7.4	56,235,035	68,998,855
Amortisation	6.4	18,950,443	38,042,092
License renewal fee		2,518,857	4,257,192
Communication		5,850,435	4,658,625
Travelling and conveyance		19,458,723	44,603,818
Utilities		14,738,220	21,614,331
Rent, rates and taxes		22,599,423	30,337,253
Entertainment		6,643,437	13,975,148
Commission		83,110,034	63,579,649
Ijarah rentals		1,086,811	4,076,324
Outsourcing expenses		7,650,500	24,444,134
Postage and courier		17,617,516	20,676,701
Printing and stationery		299,041	1,600,992
Repairs and maintenance		13,440,857	14,442,636
Training		900,399	612,137
Computer expenses		7,623,915	20,739,349
Others		4,742,328	7,259,977
		1,080,402,661	1,116,514,143
		1,280,126,555	1,222,154,752

- 36.1 These include Rs. 8.342 million (2020: Rs. 17.559 million) in respect of staff retirement benefits (provident fund contribution).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
37. DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	37.1	64,893,837	56,184,098
Vehicle running and maintenance		1,921,094	2,321,039
Depreciation	5.1.2	6,890,658	6,512,362
Depreciation on ROUA	7.4	1,814,034	2,225,770
Amortisation	6.4	611,305	1,227,164
Sales promotion and publicity		10,948,435	20,824,711
Utilities		1,354,502	1,986,445
Rent, rates and taxes		2,663,426	3,575,358
Entertainment		758,230	1,595,014
Printing and stationery		47,082	252,067
Communication		1,403,530	1,117,613
Repairs and maintenance		956,177	1,027,443
Insurance		1,182,686	1,382,832
Newspapers and periodicals		-	529,200
Computer expenses		1,373,020	3,735,029
Others		356,319	545,483
		97,174,335	105,041,628

37.1 These include Rs. 1.679 million (2020: Rs. 5.631 million) in respect of staff retirement benefits (provident fund contribution).

		2021	2020
	Note	Rupees	
38. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	38.1	179,906,396	202,779,388
Legal and professional		15,627,840	19,628,704
Depreciation	5.1.2	12,057,415	10,203,629
Depreciation on ROUA	7.4	8,889,434	10,907,091
Amortisation	6.4	2,995,618	6,013,558
Reversals of allowance for expected credit losses		(4,814,014)	(21,406,034)
Utilities		6,003,560	8,804,518
Rent, rates and taxes		9,118,550	13,215,188
Travelling and conveyance		3,180,862	7,291,258
Repairs and maintenance		8,261,188	8,876,913
Security service		18,627,518	18,012,639
Vehicle running and maintenance		15,150,040	18,304,071
Computer expenses		5,910,994	16,079,687
Communication		3,788,759	3,016,939
Late payment surcharge (net)		12,324,129	20,391,430
Training		674,827	458,782
Auditors' remuneration	38.2	7,400,000	4,466,110
Insurance		5,093,984	5,956,039
Entertainment		3,100,131	6,521,441
Printing and stationery		278,310	1,490,003
Ijarah rentals		1,086,811	4,076,324
Subscription		1,462,000	825,000
Others		2,944,652	4,507,929
		319,069,004	370,420,607

38.1 These include Rs. 6.058 million (2020: Rs. 7.571 million) in respect of staff retirement benefits (provident fund contribution).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
		Rupees	
38.2	Auditors' remuneration		
	Review fee – standalone	750,000	738,400
	Audit fee – standalone	2,300,000	2,075,000
	Audit fee – Consolidation	500,000	-
	Code of corporate governance and other assurance services	3,700,000	1,500,000
	Out of pocket expenses	150,000	152,710
		<u>7,400,000</u>	<u>4,466,110</u>
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.		
		2021	2020
		Rupees	
39.	RESEARCH AND DEVELOPMENT EXPENSES	Note	
	Salaries, wages and other benefits		
	Depreciation	5.1.2	
	Rent, rates and taxes		
		<u>54,308,139</u>	<u>-</u>
		<u>21,709,350</u>	<u>21,709,350</u>
		<u>1,708,385</u>	<u>1,318,788</u>
		<u>77,725,874</u>	<u>23,028,138</u>
40.	FINANCE COSTS		
	Mark-up on:		
	- long-term financings		
	- lease liabilities	23.1	
	- long-term loans		
	- short-term financings		
	- running finance under mark-up arrangements		
	- due to related parties		
	Bank and other charges		
		<u>106,545,770</u>	<u>77,011,640</u>
		<u>14,017,862</u>	<u>33,675,088</u>
		<u>42,099,560</u>	<u>83,607,181</u>
		<u>59,101,063</u>	<u>99,367,589</u>
		<u>105,243,350</u>	<u>164,285,989</u>
		<u>58,504,501</u>	<u>54,375,256</u>
		<u>4,030,730</u>	<u>2,994,461</u>
		<u>389,542,836</u>	<u>515,317,204</u>
41.	OTHER INCOME		
	Income from financial assets:		
	Interest income on loan given to employees		
	Mark-up on saving accounts		
		<u>89,302</u>	<u>198,805</u>
		<u>711,400</u>	<u>-</u>
		<u>800,702</u>	<u>198,805</u>
	Income from related parties:		
	Mark-up on current account		
	Other service income		
		<u>162,811,208</u>	<u>114,680,669</u>
		<u>10,672,983</u>	<u>20,473,730</u>
		<u>173,484,191</u>	<u>135,154,399</u>
		<u>174,284,893</u>	<u>135,353,204</u>
	Income from assets other than financial assets:		
	Gain on disposal of property, plant and equipment - net	5.2	
	Gain on cancellation / modification of lease		
	Amortisation of government grant	25	
	Exchange gain - net		
	Others		
		<u>39,300</u>	<u>344,817</u>
		<u>-</u>	<u>15,431,807</u>
		<u>10,472,666</u>	<u>2,416,771</u>
		<u>3,173,759</u>	<u>639,152</u>
		<u>3,129,469</u>	<u>7,039,000</u>
		<u>16,815,194</u>	<u>25,871,546</u>
		<u>191,100,087</u>	<u>161,224,750</u>

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
42. TAXATION	Note	Rupees	
Current		(65,249,589)	(51,776,067)
Prior		3,874,614	6,173,903
Deferred	11.1	27,469,391	56,586,399
		<u>(33,905,584)</u>	<u>10,984,235</u>

42.1 The returns of the total income of the Company have been filed for and upto tax year 2020 which are considered as deemed assessments.

	2021	2020
42.2 Relationship between accounting profit and tax expense	Rupees	
Loss before taxation	(86,296,709)	(469,501,628)
Applicable tax rate	29%	29%
Tax at the above rate	-	-
Prior year tax	3,874,614	6,173,903
Tax effect of income subject to lower tax rate	(37,780,198)	4,810,332
Tax expense for the year	<u>(33,905,584)</u>	<u>10,984,235</u>

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, 2021. 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			
	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	Total
2021	(Rupees)						
Financial assets (designated at FVTOCI)							
Long-term Investments (at amortised cost)	-	-	-	-	194,552,732	194,552,732	194,552,732
Loans	746,962	55,487	802,449	530,150	150,225	680,375	1,482,824
Long-term deposits	-	-	-	-	26,194,868	26,194,868	26,194,868
Trade debts	-	-	-	1,143,748,828	-	1,143,748,828	1,143,748,828
Trade deposits	-	-	-	16,572,503	-	16,572,503	16,572,503
Interest accrued	-	-	-	291,255,846	-	291,255,846	291,255,846
Other receivables	-	-	-	17,607,533	-	17,607,533	17,607,533
Due from related parties	1,493,574,743	-	1,493,574,743	-	-	-	1,493,574,743
Cash and bank balances	118,508,981	-	118,508,981	13,695,001	-	13,695,001	132,203,982
	<u>1,612,830,686</u>	<u>55,487</u>	<u>1,612,886,173</u>	<u>1,483,409,861</u>	<u>220,897,825</u>	<u>1,704,307,686</u>	<u>3,317,193,859</u>
Financial liabilities (at amortised cost)							
Long-term financings	575,080,546	1,049,650,530	1,624,731,076	-	-	-	1,624,731,076
Lease liabilities	47,668,312	81,889,252	129,557,564	-	-	-	129,557,564
Long-term loans	124,490,426	68,367,855	192,858,281	-	-	-	192,858,281
Trade and other payables	-	-	-	815,130,164	-	815,130,164	815,130,164
Accrued mark-up	-	-	-	96,437,639	-	96,437,639	96,437,639
Short term financings	235,953,736	-	235,953,736	-	-	-	235,953,736
Running finance under mark-up arrangements	1,062,507,117	-	1,062,507,117	-	-	-	1,062,507,117
Due to related parties	224,422,893	-	224,422,893	-	-	-	224,422,893
	<u>2,270,123,030</u>	<u>1,199,907,637</u>	<u>3,470,030,667</u>	<u>911,567,803</u>	<u>-</u>	<u>911,567,803</u>	<u>4,381,598,470</u>

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

	Interest bearing			Non-Interest bearing			
	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	Total
2020	(Rupees)						
Financial assets							
(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
	1,074,290,223	544,480	1,074,834,703	1,265,100,494	119,109,830	1,384,210,324	2,459,045,027
Financial liabilities							
(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 financings	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
	2,808,477,565	647,130,961	3,455,608,526	595,678,864	-	595,678,864	4,051,287,390

43.1.1 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, 2021.

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 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 Unconsolidated Financial Statements

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	(Increase) / decrease in basis points	Effect on (loss) / profit before tax (Rupees)
2021	+100	19,659,585
	-100	<u>(19,659,585)</u>
2020	+100	34,600,986
	-100	<u>(34,600,986)</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.

	2021 USD	2020 USD	2021 ----- Equivalent Rupees -----	2020
Assets				
Advances	-	25,898	-	4,009,936
Liabilities				
Trade creditors	(185,469)	(399,962)	(29,378,292)	(61,927,631)
	<u>(185,469)</u>	<u>(374,064)</u>	<u>(29,378,292)</u>	<u>(57,917,695)</u>

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

	Average rate		Spot rate	
	2021	2020	2021	2020
	-----Rupees-----		-----Rupees-----	
US Dollar	<u>163.30</u>	<u>150.06</u>	<u>158.40</u>	<u>154.83</u>

Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase loss before tax for the year by Rs 1.469 million (2020: Rs 2.896 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 subsidiary company (note 8).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

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. 3,317.194 million (2020: Rs. 2,459.045 million), the financial assets which are subject to credit risk amounted to Rs. 3,315.711 million (2020: Rs. 2,458.869 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:

		2021	2020
	Note	Rupees	
Long-term investments	8	194,552,732	85,030,450
Loans	9	1,482,824	3,952,891
Long-term deposits	10	26,194,868	33,953,962
Trade debts	13.1	332,597,191	269,997,344
Trade deposits	15	16,572,503	39,749,391
Interest accrued	16	291,255,846	128,444,634
Other receivables	17	17,607,533	29,339,542
Due from related parties	18	1,493,574,743	1,071,684,058
Bank balances	19	131,844,236	19,221,288
		<u>2,505,682,476</u>	<u>1,681,373,560</u>

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

Bank Balances by short-term rating category	Rating Agency	2021	2020
		Rupees	
A-1+	JCR-VIS	1,336,861	14,746,985
A-1+	PACRA	122,064,060	4,298,162
A-1	PACRA	8,443,315	-
		<u>131,844,236</u>	<u>19,045,147</u>

Notes to the Unconsolidated Financial Statements

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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 mark-up 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, 2021 and 2020 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) -----				
2021					
Long-term financings	-	-	575,080,546	1,049,650,530	1,624,731,076
Lease liabilities	-	-	47,668,312	81,889,252	129,557,564
Long-term loans	-	-	124,490,426	68,367,855	192,858,281
Trade and other payables	-	815,130,164	-	-	815,130,164
Accrued mark-up	96,437,639	-	-	-	96,437,639
Short-term financings	-	-	235,953,736	-	235,953,736
Running finance under mark-up arrangements	1,062,507,117	-	-	-	1,062,507,117
Due to related parties	224,422,893	-	-	-	224,422,893
	<u>1,383,367,649</u>	<u>815,130,164</u>	<u>983,193,020</u>	<u>1,199,907,637</u>	<u>4,381,598,470</u>
	On demand	Less than 3 months	3 to 12 months	More than 1 year	Total
	----- (Rupees) -----				
2020					
Long-term financings	-	-	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 mark-up	140,061,771	-	-	-	140,061,771
Short-term financings	-	1,223,503,302	170,665,871	-	1,394,169,173
Running finance under mark-up arrangements	1,105,194,287	-	-	-	1,105,194,287
Due to related parties	47,772,963	-	-	-	47,772,963
	<u>1,293,029,021</u>	<u>1,679,120,395</u>	<u>432,007,013</u>	<u>647,130,961</u>	<u>4,051,287,390</u>

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, 2021. 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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2021 and 2020 are as follows:

		2021	2020
	Note	Rupees	
Long-term financings	22	1,624,731,076	497,450,437
Lease liabilities	23	129,557,564	83,101,871
Long-term loans	24	192,858,281	327,919,795
Accrued mark-up	27	96,437,639	140,061,771
Short-term financings	28	235,953,736	1,394,169,173
Running finance under mark-up arrangements	29	1,062,507,117	1,105,194,287
Total debts		3,342,045,413	3,547,897,334
Less: Cash and bank balances	19	132,203,982	19,221,288
Net debt		3,209,841,431	3,528,676,046
Share capital	20	1,872,630,930	1,204,425,930
Capital reserves		232,690,046	146,817,136
Revenue reserve		(189,432,169)	(82,063,384)
Other components of equity		362,683,585	284,432,213
Total equity		2,278,572,392	1,553,611,895
Total capital		5,488,413,823	5,082,287,941
Gearing ratio		58.48%	69.43%

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)

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

The Company had the following financial instruments measured at fair value:

	Total	Level 1	Level 2	Level 3
	Rupees			
Financial assets - Designated at FVTOCI				
2021	194,552,732	-	-	194,552,732
2020	-	-	-	-

No transfers made during the year within the fair value hierarchy.

As of reporting date, the Company has no assets carried at fair value other than long-term investments in a subsidiary as stated above and property, plant and equipment at revalued amount (note 5).

43.6.1 Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, as at 30 June 2021 are shown below:

	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Non-listed equity investments - tracking service	Discount rate	8.6% - 9.1% (8.9%)	1% increase in the discount rate could result in decrease in fair value by Rs. 3.026 million. 1% decrease in the discount rate could result in increase in fair value by Rs. 4.031 million.
	Terminal growth rate	1.77%	1% increase in the growth rate could result in increase in fair value by Rs. 3.197 million. 1% decrease in the growth rate could result in decrease in fair value by Rs. 2.432 million.

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	
	2021	2020	2021	2020	2021	2020
	Rupees					
Basic salary	15,484,800	11,574,888	-	-	60,054,036	48,316,500
House rent allowance	6,968,160	5,208,696	-	-	27,024,264	21,742,404
Utilities	1,547,040	1,156,416	-	-	5,999,580	4,827,060
Vehicle allowance	-	1,260,000	-	-	12,468,000	9,924,000
Retirement benefits	1,289,880	964,188	-	-	4,873,512	3,895,776
	25,289,880	20,164,188	-	-	110,419,392	88,705,740
Number of person(s)	1	1	-	-	25	26

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

- 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, subsidiary 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:

	2021	2020
	Rupees	
TPL Holdings (Private) Limited – (ultimate parent company) [TPLH]		
Amount received by the Company from TPLH	-	88,093,096
Expenditure incurred / paid by the Company on behalf of TPLH	9,979,955	2,766,100
Mark-up on current account	72,775,079	68,271,244
Expenditure paid by TPLH on behalf of the Company	-	2,799,000
Amount paid / repaid by the Company to TPLH	254,150,010	623,579,904
TPL Corp Limited – (parent company) [TPLC]		
Amount received by the Company from TPL Corp	1,125,520,000	1,133,312,773
Amount paid by the Company on behalf of TPL Corp	1,373,638,537	-
Mark-up on current account	73,919,325	32,713,172
Settlement of amount receivable by the Company with TPL Life	59,421,786	-
Expenditure incurred by the Company on behalf of TPL Corp	11,915,394	70,747,551
Expenditure incurred for TPLL on behalf of TPL Corp	-	1,153,536
Expenditure incurred by the Company for TPLE on behalf of TPL Corp	-	13,378,030
Expenditure incurred on behalf of the Company	122,454,115	118,971,730
Trakker Middle East LLC – (subsidiary company) [TME]		
Expenses incurred / paid by the Company on behalf of TME	88,832,541	-
Expenditure incurred / paid by TME on behalf of the Company	3,362,970	-
Mark-up on current account	10,585,457	-
<u>Associated companies</u>		
TPL Security Services (Private) Limited [TSS]		
Expenditure incurred / paid by the Company on behalf of TSS	13,843,057	24,379,011
Expenditure incurred / paid by TSS on behalf of the Company	1,679,412	-
Services acquired by the Company from TSS	16,470,746	17,844,664
Amount received by the Company from TSS	20,179,425	418,500
Settlement of amount payable on behalf of the Company from TSS for services received from suppliers	9,352,030	16,043,344
Amount paid / repaid by the Company to TSS	6,841,063	9,300,000
TPL Properties Limited [TPLP]		
Expenditure incurred / paid by the Company on behalf of TPLP	22,080,546	36,846,510
Amount paid by the Company to TPLP	-	3,338,888
Amount received by the Company from TPLP	19,118,983	30,817,132
Expenditure incurred / paid by TPLP on behalf of the Company	1,241,154	7,955,821
Mark-up on current account	344,295	1,441,891

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

	2021	2020
	Rupees	
TPL Insurance Limited [TIL]		
Sales made by the Company to TIL	208,098,133	179,653,398
Expenditure incurred / paid by the Company on behalf of TIL	61,686,535	113,033,549
Amount received by the Company from TIL	1,379,000,000	727,300,000
Mark-up on current account	53,593,084	50,119,949
Payment made by the Company to TIL	996,670,203	561,000,000
Expenditure incurred / paid by TIL on behalf of the Company	41,476,059	11,613,216
Trakker Middle East LLC [TME]		
Expenses incurred / paid by the Company on behalf of TME	-	24,876,874
Mark-up on current Account	-	5,478,865
Trakker Direct Finance (Private) Limited [TPLD]		
Expenditure incurred / paid by the Company on behalf of TPLD	-	47,970
Mark-up on current account	86,057	132,760
TPL Life Insurance Limited [TPL Life]		
Amount received by the Company from TPL Life	264,300,240	154,434,369
Expenditure incurred / paid by TPL Life on behalf of the Company	12,163,843	21,685,744
Mark-up on current account	4,911,418	4,255,307
Settlement of amount payable by the Company with TPL C	59,421,786	-
Expenditure incurred by the Company on behalf of TPL Life	45,043,994	83,377,202
Payments made by the Company to TPL Life	182,800,000	74,719,578
TRG Pakistan Limited [TRG]		
Expenditure incurred / paid by the Company on behalf of TRG	1,764,213	-
Mark-up on current account	861,965	1,245,536
TPL Tech Pakistan (Private) Limited [TPL Tech]		
Expenditure incurred / paid by the Company on behalf of TPL Tech	2,029,825	19,183,278
Mark-up on current account	4,239,028	5,397,198
Staff retirement benefit		
Provident fund employer contribution	16,078,616	30,762,275
Key management personnel		
Salaries and other benefits	39,923,976	39,894,000
Post employment benefits	2,061,876	1,963,524

- 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, 2021 and 2020 are disclosed in the 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.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
		Rupees	
46.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	19 132,203,982	19,221,288
	Running finance under mark-up arrangements	29 (1,062,507,117)	(1,105,194,287)
		(930,303,135)	(1,085,972,999)
47.	LOSS PER SHARE – basic and diluted		
	Loss attributable to the ordinary shareholders	(120,202,293)	(458,517,393)
		Number of shares	
		Restated	
	Weighted average number of ordinary shares in issue	187,263,093	120,442,593
	Loss per share – basic	(0.64)	(3.81)

There is no dilutive effect on basis earnings per share of the Company. Share based payment has anti dilutive effect.

48. SEGMENT REPORTING

For management purposes, the activities of the Company are organised into one operating segment i.e. tracking and other digital business. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. The operating interests of the Company are confined to Pakistan in terms of its business operations. Accordingly, the information and figures reported in these financial statements are related to the Company's only reportable segment in Pakistan.

The Company sales represents revenue earned from the customer base in Pakistan only.

The revenue information is based on the location of the customer i.e. in Pakistan only. The details of customers with whom the revenue from sales transactions amount to 10% or more of the Company's overall revenue is as follows:

	2021	2020
	Rupees	
TPL Insurance Limited	208,098,133	179,653,398

Non-current assets of the Company are confined within Pakistan and consist of property, plant and equipment, intangibles assets, right-of-use assets, long-term loans and deposits, except for long-term investment in a foreign subsidiary.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

49. GENERAL

49.1 Corresponding figures have been rearranged for better presentation, key details are as follows:

	Reclassified from	Reclassified to	Note	Rupees
Statement of profit or loss and other comprehensive income	Salaries, wages and other benefits			
	Cost of sales and services	Administrative expenses	38	27,997,285
	Distribution expenses	Administrative expenses	38	42,326,877
	Depreciation			
	Distribution expenses	Cost of sales and services	36	37,476,323
	Administrative expenses	Cost of sales and services	36	27,233,031
	Administrative expenses	Research and development	39	21,709,350
	Travelling and conveyance			
	Distribution expenses	Cost of sales and services	36	6,599,091
	Administrative expenses	Cost of sales and services	36	17,426,185
	Commission			
	Distribution expenses	Cost of sales and services	36	63,579,649
	Outsourcing expenses			
	Distribution expenses	Cost of sales and services	36	24,444,134

49.2 Number of employees as at June 30, 2021 were 809 (2020: 706) and average number of employees during the year were 757 (2020: 723).

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

50. DATE OF AUTHORISATION OF ISSUE

These financial statements were authorised for issue on September 18, 2021 by the Board of Directors of the Company.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Independent Auditors' Report

To the members of TPL Trakker Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed consolidated financial statements of TPL Trakker Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Impairment of goodwill and intangible assets (Refer note 6 to the accompanying consolidated financial statements) The intangible assets includes goodwill, indefinite life and under development intangible assets having	Our audit procedures amongst others, included review of Group's intangible assets impairment process and evaluating the Group's assumptions used in assessing the recoverability of intangible assets, in particular, revenue and cash flow projections, useful economic lives and discount rates.

Key audit matter	How the matter was addressed in our audit
<p>carrying value of Rs. 2,348.25 million as of 30 June 2021, and tested for impairment at least on an annual basis.</p> <p>The determination of recoverable amount requires judgement in both identifying and then valuing the relevant CGUs, and the impairment assessment for such assets involves significant judgments and estimates about future business performance, with key assumptions including cash flows, inflation rates, the overall long-term growth rates, discount rates used and to the extent relevant, the fair value less costs to dispose. Changes in these assumptions might lead to a significant change in the carrying values of the related assets, for such reasons we considered this as a key audit matter.</p>	<p>We assessed the methodologies used by the management in the impairment analysis and determination of CGUs, to which it relates.</p> <p>We involved our specialist to:</p> <ul style="list-style-type: none"> - assessed the key assumptions and methodologies used in the impairment analysis, in particular growth rates, inflation rate and discount rate applied; - examined the business plans approved and assumptions used by management, including forecasted revenue base, profit from operations margin, working capital for terminal value calculations and cash flows necessary for the continuing use of the CGU's assets and allocated goodwill; and - evaluated the sensitivity analysis performed by management around the key assumptions for various CGU's as well as performing break-even analysis on key assumptions and challenged the outcomes of the assessment. <p>We also checked the relationship between the market capitalization for relevant CGU, using the Level 1 input of the fair value hierarchy i.e. quoted prices, and its book value, among other factors.</p> <p>We also assessed the adequacy of disclosures in the consolidated financial statements in accordance with the financial reporting standards.</p>
2. Acquisition of Trakker Middle East LLC.	
<p>(Refer note 1.6 to the accompanying consolidated financial statements)</p> <p>The Group has purchased additional 21% percent shareholding in Trakker Middle East LLC. (TME) under the terms of the agreements. Resultantly, the Group shareholding in TME increased from 29 percent to 50 percent at the acquisition date i.e. 01 July 2020.</p> <p>The said acquisition have been accounted for as a business combination under International Financial Reporting Standard (IFRS) 3 'Business Combinations'</p>	<p>With respect to the accounting for the acquisition of the subject transaction, we have, amongst others:</p> <ul style="list-style-type: none"> - analysed the transaction and the acquisition of control and discussed this with the management and those charged with governance; - reviewed relevant underlying documents, including the minutes of meetings and agreements for related terms and conditions including consideration transferred for acquired assets and liabilities assumed; and

Key audit matter	How the matter was addressed in our audit
<p>and as a result, the Group has recognized a bargain purchase gain of Rs. 89.49 million.</p> <p>As this acquisition represents a significant transaction for the year due to which the Group has prepared its consolidated financial statements for the first time in the current year, accordingly, we considered this as a key audit matter.</p>	<p>- assessed whether the accounting treatment complies with the requirements of IFRS 3 for identification, valuation and accounting of acquired assets and liabilities assumed against the consideration transferred, and the recognition of provisional goodwill at acquisition date, and identification of related intangible assets from goodwill and resultant bargain purchase gain.</p> <p>We also reviewed the adequacy of disclosures in the consolidated financial statements in accordance with the financial reporting standards.</p>

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 Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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


Chartered Accountants
Place: Karachi

Consolidated Statement Of Financial Position


As at June 30, 2021

		2021	2020
	Note	Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,155,057,762	1,059,232,338
Intangible assets	6	2,418,624,168	2,138,388,733
Right-of-use assets	7	107,974,195	72,269,178
Long-term investments	8	-	85,030,450
Long-term loans	9	205,713	669,898
Long-term deposits	10	26,194,868	33,953,962
Deferred tax assets - net	11	91,434,505	63,764,748
		3,799,491,211	3,453,309,307
CURRENT ASSETS			
Stock-in-trade	12	445,649,520	246,221,725
Trade debts	13	1,278,014,782	1,022,872,997
Loans and advances	14	66,296,222	107,834,467
Trade deposits and prepayments	15	35,284,625	61,494,946
Interest accrued	16	275,393,211	128,444,634
Other receivables	17	18,026,784	29,339,542
Due from related parties	18	1,361,389,292	1,071,684,058
Cash and bank balances	19	139,713,606	19,221,288
		3,619,768,042	2,687,113,657
TOTAL ASSETS		7,419,259,253	6,140,422,964
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital			
285,000,000 (2020: 285,000,000) ordinary shares of Rs.10/- each		2,850,000,000	2,850,000,000
Issued, subscribed and paid-up capital	20	1,872,630,930	1,204,425,930
Capital reserve		232,690,046	146,817,136
Revenue reserve		(127,575,912)	(82,063,384)
Other components of equity		291,140,941	284,432,213
Equity attributable to owners of the Company		2,268,886,005	1,553,611,895
Non-controlling interest		(123,854,250)	-
		2,145,031,755	1,553,611,895
NON-CURRENT LIABILITIES			
Long-term financings	22	1,152,897,019	393,263,634
Deferred liability - gratuity	23	13,182,747	-
Lease liabilities	24	81,889,252	26,419,021
Long-term loans	25	68,367,855	227,448,306
Government grant	26	797,103	1,781,008
		1,317,133,976	648,911,969
CURRENT LIABILITIES			
Trade and other payables	27	1,517,714,899	935,825,506
Accrued mark-up	28	96,437,639	140,061,771
Short-term financings	29	235,953,736	1,394,169,173
Running finance under mark-up arrangements	30	1,062,507,117	1,105,194,287
Current portion of non-current liabilities	31	753,189,884	264,050,183
Due to related parties	32	224,422,893	47,772,963
Taxation - net	33	31,014,251	13,685,055
Advance monitoring fees	34	35,853,103	37,140,162
		3,957,093,522	3,937,899,100
CONTINGENCIES AND COMMITMENTS	35		
TOTAL EQUITY AND LIABILITIES		7,419,259,253	6,140,422,964

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
Turnover – net	36	2,111,257,155	1,605,235,951
Cost of sales and services	37	(1,403,962,878)	(1,222,154,752)
Gross profit		707,294,277	383,081,199
Distribution expenses	38	(97,174,335)	(105,041,628)
Administrative expenses	39	(523,388,310)	(370,420,607)
Operating profit / (loss)		86,731,632	(92,381,036)
Research and development	40	(77,725,874)	(23,028,138)
Finance costs	41	(389,684,205)	(515,317,204)
Other income	42	305,673,837	161,224,750
Loss before taxation		(75,004,610)	(469,501,628)
Taxation	43	(33,905,584)	10,984,235
Loss for the year		(108,910,194)	(458,517,393)
Other comprehensive income / (loss)			
Items that are or may be reclassified subsequently to profit or loss account:			
Exchange differences on translation of foreign subsidiary		12,436,352	-
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods, net of tax:			
(Deficit) / surplus on revaluation of property, plant and equipment, net of tax		-	(9,538,644)
Total comprehensive loss for the year		(96,473,842)	(468,056,037)
Loss attributable to:			
Owners of the Parent Company		(58,346,036)	(458,517,393)
Non-controlling interest		(50,564,158)	-
		(108,910,194)	(458,517,393)
Total comprehensive loss attributable to:			
Owners of the Parent Company		(52,127,860)	(468,056,037)
Non-controlling interest		(44,345,982)	-
		(96,473,842)	(468,056,037)
Loss per share – basic and diluted	49	(0.31)	(3.81)

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended June 30, 2021

	Capital reserves				Other components of equity					
	Issued, subscribed and paid-up capital	Reserve created under Scheme of Arrangement	Share premium	Other capital reserve	Revenue reserve – accumulated profits / (losses)	Surplus on revaluation of property, plant and equipment	Foreign currency translation reserve	Total reserves	Non-controlling interest	Total Equity
	Rupees									
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 2.4)	-	421,980,546	-	-	-	-	-	421,980,546	-	421,980,546
Issuance of bonus shares @ 29.6% (i.e. 2.96 for every 10 share held)	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 1.2)	-	-	-	-	(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
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	(79,508,268)	(79,508,268)
Issuance of ordinary shares (note 1.2)	668,205,000	-	-	-	-	-	-	-	-	668,205,000
Share premium on issuance of ordinary shares (note 1.2)	-	-	133,641,000	-	-	-	-	133,641,000	-	133,641,000
Loss for the year	-	-	-	-	(58,346,036)	-	-	(58,346,036)	(50,564,158)	(108,910,194)
Other comprehensive loss for the year, net of tax	-	-	-	-	-	-	6,218,176	6,218,176	6,218,176	12,436,352
Total comprehensive loss for the year	-	-	-	-	(58,346,036)	-	6,218,176	(52,127,860)	(44,345,982)	(96,473,842)
Transaction cost on issuance of ordinary shares (note 1.2)	-	-	(77,808,090)	-	13,324,060	-	-	(64,484,030)	-	(64,484,030)
Share based payment reserve	-	-	-	30,040,000	-	-	-	30,040,000	-	30,040,000
Surplus on revaluation of property, plant and equipment realised on account of:										
- incremental depreciation charged on related assets - net of tax	-	-	-	-	(490,552)	490,552	-	-	-	-
Balance as at June 30, 2021	1,872,630,930	146,817,136	55,832,910	30,040,000	(127,575,912)	284,922,765	6,218,176	396,255,075	(123,854,250)	2,145,031,755

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Statement of Cash Flows

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(75,004,610)	(469,501,628)
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets	5.1.2	262,277,307	240,308,576
Depreciation on ROUA	7.4	66,938,503	82,131,716
Amortisation	6.1	22,557,366	45,282,814
Reversals of allowance for expected credit loss (ECL)	39	(2,479,076)	(21,406,034)
Finance costs	41	389,684,205	515,317,204
Gain on disposal of property, plant and equipment – net	42	(39,300)	(344,817)
Amortisation of government grant	42	(10,472,666)	(2,416,771)
Provision for gratuity	23	2,676,950	-
Gain on bargain purchase option	42	(89,486,545)	-
Fair value gain on investment in TME	42	(33,327,406)	-
Share based payment		30,040,000	-
Exchange gain – net	42	(3,173,759)	(639,152)
		635,195,579	858,233,536
Operating profit before working capital changes		560,190,969	388,731,908
(Increase) / decrease in current assets			
Stock-in-trade		(262,929,196)	20,117,932
Trade debts		(59,589,347)	278,242,209
Loans and advances		46,416,854	(68,399,441)
Trade deposits and prepayments		27,853,330	(15,588,899)
Interest accrued		(143,007,157)	(108,680,690)
Other receivables		11,066,707	1,594,500
Due from related parties		(289,705,234)	(985,890,100)
		(669,894,043)	(878,604,489)
Increase / (decrease) in current liabilities			
Trade and other payables		323,377,937	169,508,573
Due to related parties		142,763,479	(623,577,070)
Advance monitoring fees		(1,287,059)	(9,511,537)
		464,854,357	(463,580,034)
Cash flows from operations		355,151,283	(953,452,615)
Payments for:			
Finance costs		(434,403,768)	(411,482,742)
Gratuity paid	23	(2,563,850)	-
Income taxes	33	(44,045,779)	9,753,822
		(481,013,397)	(401,728,920)
Net cash flows used in operating activities		(125,862,114)	(1,355,181,535)
CASH FLOWS FROM INVESTING ACTIVITIES*			
Purchase of - property, plant and equipment	5.1	(151,520,378)	(17,379,690)
- capital work-in-progress	5.3	(83,426,500)	-
- intangible assets	6.1 & 6.3	(15,440,133)	(87,974,492)
Sale proceeds from disposal of property, plant and equipment	5.2	334,965	323,464,876
Long-term loans		464,185	(32,462)
Long-term deposits		(26,846,688)	18,146,463
Acquisition of a subsidiary, net of cash acquired	1.6	3,335,756	-
Net cash flows (used in) / generated from investing activities		(273,098,793)	236,224,695
CASH FLOWS FROM FINANCING ACTIVITIES*			
Proceeds from issuance of ordinary shares		801,846,000	-
Share issuance costs		(64,484,030)	(13,324,060)
Long-term financings – net		1,175,855,345	(205,807,641)
Lease liabilities repaid	24.1	(70,205,689)	(90,639,000)
Long-term loans – net		(122,331,194)	(78,225,076)
Short-term financings – net		(1,158,215,437)	1,381,431,868
Net cash flows generated from financing activities		562,464,995	993,436,091
Net increase / (decrease) in cash and cash equivalents		163,504,088	(125,520,749)
Cash and cash equivalents at the beginning of the year		(1,085,972,999)	(968,194,198)
Net foreign exchange differences		(324,600)	-
Cash and cash equivalents transferred under the scheme	20.4	-	7,741,948
Cash and cash equivalents at the end of the year	48	(922,793,511)	(1,085,972,999)

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

1. LEGAL STATUS AND OPERATIONS

1.1 The Group consists of TPL Trakker Limited (the Holding Company) and its subsidiary company, Trakker Middle East LLC that has been consolidated in these consolidated financial statements.

1.2 The Holding Company

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 Holding Company has been changed to TPL Trakker (Private) Limited. The Holding Company was later converted into a public company on January 17, 2018 and accordingly, the name was changed to TPL Trakker Limited. On August 10, 2020, the Holding Company got listed on Pakistan Stock Exchange Limited. The Holding Company is subsidiary of TPL Corp Limited and TPL Holdings (Private) Limited is the ultimate parent company.

The registered office of the Holding Company is situated at Plot No. 1, Sector#24, near Shan Chowrangi, Korangi Industrial Area, Karachi. The principal activities of the Company include installation and sale of tracking devices, vehicle tracking, fleet management.

During the year, the Holding Company got listed on Pakistan Stock Exchange Limited by issuing 66,820,500 ordinary shares to general public having face value of Rs.10 each at a strike price of Rs.12 each (i.e. aggregated value of Rs.801.846 million having face value of Rs. 668.205 million and share premium of Rs. 133.641 million). The Company has incurred transaction cost of Rs.77.808 million that has been adjusted from share premium reserve.

1.3 As of reporting date, the Holding Company has the following subsidiaries and associates:

	Shareholding	
	2021	2020
Subsidiaries (note 8.1)		
Trakker Middle East LLC	50%	-
Associates (note 8.1)		
Trakker Middle East LLC	-	29%

1.4 Utilization of proceeds from initial public offering

As disclosed in note 1.2 to these consolidated financial statements, the Holding Company received Rs. 801.846 million by issuing 66.82 million ordinary shares under Initial Public Offering (IPO). Since, the IPO was bridged by issuance of a short-term commercial paper, the proceeds of IPO paid off the commercial paper, the funds of which has been utilised as follows:

	Disclosed in prospectus	Utilization till date
Description	Rupees	
Infrastructure cost: IT capital expenditure	94,782,420	109,790,990
Servicing cost: Commercial paper - Finance cost / discount on par	89,954,292	89,902,179
Payment due to related party: TPL Corp Limited	113,212,000	113,212,000
		<u>312,905,169</u>

1.5 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 Holding 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.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

The Holding 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 Holding Company's initial public offering and listing on PSEL, recovering economic situation and decline in COVID-19 cases in the country, the management believes that there is no material impact on the financial position, financial performance and recoverability of assets as of reporting date and for ensuing periods.

1.6 Business combination

During the year ended June 30, 2021, the Group has further acquired 21 percent shareholding in Trakker Middle East LLC (TME) under the terms of agreements to enhance its digital business. Resultantly, the shareholding of the Group increased to 50 percent at the acquisition date and TME becomes the subsidiary company. The acquisition accounting of assets acquired and liabilities assumed as required by IFRS 3 'Business Combination' was based on a provisional fair values and the same was used for computation of goodwill at the acquisition date i.e. July 01, 2020.

The Group has elected to measure non-controlling interest in TME at the proportionate share in acquiree net identifiable assets. The fair value of the identifiable assets acquired and liabilities assumed of TME as at the date of acquisition were:

	Fair value recognised on acquisition
	Rupees
Assets:	
Property and equipment	4,717,377
Inventories	23,321,625
Trade and other receivables	214,469,187
Cash and bank balances	3,335,756
Total assets	245,843,945
Liabilities:	
Long-term financings	59,527,000
Deferred gratuity	13,869,608
Trade and other payables	269,912,681
Due to related parties	61,551,192
Total liabilities	404,860,481
Total identifiable net assets at estimated fair value	(159,016,536)
Purchase consideration transferred Nil valued at acquisition date fair value	85,705,413
Fair value of previously held equity interest at the acquisition date	118,357,855
Fair value of non-controlling interest at the acquisition date	(79,508,268)
	124,555,000
Provisional goodwill at acquisition date	283,571,536
Identified intangible asset from provisional goodwill as of June 30, 2021	287,352,668
Bargain purchase gain - June 30, 2021	89,486,545
Net cash outflow on acquisition is as follows:	
Cash paid on acquisition	-
Cash acquired in subsidiary	3,335,756
Net cash inflow	3,335,756

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Under International Financial Reporting Standard 3, Business Combinations (IFRS 3) adjustments to these provisional values consequent to completion of the initial accounting of the acquisition is required to be incorporated in the financial statements within a period of twelve months from the acquisition date. In this connection, the management has carried out a detailed exercise to re-assessed the provisional fair values of assets acquired and liabilities assumed and completed the said exercise as of June 30, 2021. As allowed under IFRS 3, these adjustments to the provisional balances have been made and accounted for as if these adjustments had been accounted for at the date of acquisition with a corresponding adjustment to provisional goodwill. Resultantly, the Holding Company has identified customer related intangible assets of Rs. 287.353 million and bargain purchase gain of Rs. 89.486 million. Bargain gain purchase gain arises due to fair value of Nil consideration transferred at the acquisition date of Rs. 85.705 million to acquire additional stake in TME and fair value of intangible assets of Rs. 3.779 million.

1.7 The geographical location and addresses of business units are as under:

a) Holding Company

Location	Address
Corporate office, Karachi	Plot No. 1, Sector #24, near Shan Chowrangi, Korangi Industrial Area, Karachi – 74900
<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, Liaquat Road, Faisalabad.
Multan office	House No. 2, Shalimar Colony, Haider Street, Bosan Road, near Northern Bypass, Multan
Peshawar office	C-7 & C-8, 3rd floor, Jasmine Arcade, Fakhre-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.

b) Subsidiary Company

Location	Address
Corporate office, UAE	1805 Sidra Tower, Al Sofouh 1, Sheikh Zayed Road, Dubai, United Arab Emirates.

1.8 Details of related parties

Name of related party	Basis of relationship	Shareholding
TPL Holdings (Private) Limited	Ultimate Parent Company	-
TPL Corp Limited	Parent Company	-
Trakker Middle East LLC	Subsidiary company	50%
TPL Insurance Limited	Common Directorship	-
TPL Security Services (Pvt) Limited	Associated Company	-
TPL Properties Limited	Common Directorship	-
TPL Property Management (Private) Limited	Common Directorship	-
HKC (Pvt.) Ltd.	Common Directorship	-
TPL Technology Zone Phase - 1 (Private) Limited formerly known as G-18 (Private) Limited	Common Directorship	-
TPL Direct Finance (Pvt.) Limited	Common Directorship	-
The Resource Group Pakistan Limited	Common Directorship	-
TPL Logistic Park (Private) Limited	Common Directorship	-
TPL Logistics (Pvt) Limited	Common Directorship	-
TPL Life Insurance Company	Common Directorship	-
TPL E-Ventures (Private) Limited	Associated Company	-
TPL Mobile (Private) Limited	Common Directorship	-
TPL Tech Pakistan (Private) Limited	Common Directorship	-
Trakker Energy (Pvt.) Ltd.	Associated Company	-
Trakker (Private) Limited Staff Provident Fund	Retirement Benefit Fund	-

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

1.8.1 Trakker Middle East LLC

TME is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of the Company is at Dubai, 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.

As fully explained in note 1.7 to these consolidated financial statements, the Holding Company has further acquired 21% shareholding in TME by virtue of which the Holding Company's stake in TME increased to 50%. The Holding Company, as of reporting date, has reassessed its defacto control over TME and based on such assessment, the management has concluded that the Holding Company along with the co-beneficial owner of TME has a defacto control over TME having the majority shareholding i.e. 80 percent and majority representation on the board of directors of TME. Accordingly, the Holding Company account for TME as it's subsidiary in these consolidated financial statements. The Holding Company holds 2,835 (2020: 1,644) ordinary shares of Rs. 10 each, representing 50 percent (2020: 29 percent) of the share capital of TME as of June 30, 2021.

2. STATEMENT OF COMPLIANCE

These consolidated 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.

3. BASIS OF PREPARATION AND BASIS OF CONSOLIDATION

3.1 Basis of preparation

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

3.2 Basis of consolidation

These consolidated financial statements comprises the financial statements of the Holding Company and its subsidiaries as at June 30, 2021, here-in-after referred to as 'the Group'.

Subsidiaries

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

The subsidiaries has same reporting period as that of the Holding Company. The accounting policies of subsidiaries have been changed to confirm with accounting policies of the Group, wherever needed.

When the ownership of a subsidiary is less than 100 percent and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated on its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in the profit or loss, and reclassifies the Holding Company share of component previously recognised in other comprehensive income to profit or loss, or retained earnings, as appropriate.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Associates

An associate is an entity over which the Group 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.

The Group's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment.

The Group's share of its associate's post-acquisition profits and losses is recognised in the profit or loss, and its share of profit of post-acquisition movements in reserve is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the investment. When the Group's share of losses in the associate equals or exceeds its interest in associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 New standards, amendments, interpretations and improvements to approved accounting standards and the framework for financial reporting that became effective during the year

The Group has adopted the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting which became effective for the current year:

IFRS 3 - Business Combinations - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

"IAS 1 / IAS 8 - Definition of Material (Amendments)"

Conceptual Framework for Financial Reporting

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Group's consolidated financial statements.

4.2 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated 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 Group'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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

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 Group's accounting policies, management has made the following judgments, estimates and assumptions which are significant to these consolidated financial statements:

a) Operating fixed assets and intangible assets

The Group 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 Group 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 Group 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 Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. The Group 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 Group'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 Group after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Group's view differs from the view taken by the tax authorities at the assessment stage and where the Group 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.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

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

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 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.

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

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.

4.5 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.

4.5.1 Intangible assets under development

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.

4.5.2 Business combinations and Goodwill

The Group 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 Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group 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.

4.6 Leases

The Group 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.

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For the year ended June 30, 2021

4.6.1 Group as a lessee

The Group 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 Group 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 Group 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 Group 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 consolidated financial statements. ROU assets are subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Group 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 insubstance 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group 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 Group 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 Group 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.

The Group has the option, under its lease arrangements to lease the assets for additional term under the contract. The Group 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 Group 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.

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For the year ended June 30, 2021

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

The Group 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 Group as a lessor

Leases in which the Group 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 Group'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 Group'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 Group commits to purchase or sell the asset.

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 Group. The Group measures financial assets at

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

- 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

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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 Group 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 Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

4.7.1.4 Impairment

The Group 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 Group 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 terms. For trade and other receivables (if any), the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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

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including deposits, accrued interest and bank balances that are held with reputational banks and other third parties, the Group applies low credit risk simplifications. At each reporting date, the Group 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 Group considers a financial asset in default when contractual payments are past due over the agreed credit terms. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. 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 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.

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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 Group 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 Group 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 Group 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 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.

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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.

4.10 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 bank overdraft, if any.

4.11 Staff retirement benefits

4.11.1 Defined contribution plan

The Holding 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 Holding Company and the employees at the rate of 8.33 percent of the basic salary. The contribution from the Holding Company is charged to the profit or loss for the year.

4.11.2 Defined benefit plan

The subsidiary Company operates an unfunded gratuity scheme covering all its employees in United Arab Emirates on the basis prescribed in the United Arab Emirates labour law, for the accumulated period of service at the date of statement of financial position.

4.12 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 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.

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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.

4.13 Provisions

Provisions are recognised when the Group 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.

4.14 Ijarah arrangements

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

4.15 Revenue recognition

4.15.1 Revenue from contracts with customers

The Group 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 Group expects to be entitled in exchange for those goods and services. The Holding 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 / delivered.
- 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 i.e. 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 Group 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 Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

4.15.2 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.

4.16 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the

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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.

On consolidation, the assets and liabilities of foreign operations are translated into Pakistani Rupee at the rate of exchange prevailing at the reporting date and their statement of profit or loss and other comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

4.17 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.

4.18 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 consolidated financial statements.

4.19 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.

4.20 Segment reporting

The Group has identified the single reportable segments considering similar businesses and economic characteristics such as nature of the products and services; type or class of customer for their products and services, methods used to distribute their products or provide their services, etc.

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 Group 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.

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4.21 Employees share option plan

Eligible employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of share option transactions is determined using intrinsic value method. That cost is recognised in salaries and benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or Improvements		Effective date (annual periods beginning on or after)
IFRS 3 IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 10 / IAS 28	Interest Rate Benchmark Reform - Phase 2 (Amendment)	January 01, 2021
IFRS 16	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IAS 1	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	April 01, 2021
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
IAS 8	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 12	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 16	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023
IAS 37	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
Improvements to accounting standards issued by the IASB (2018-2020 cycle)		
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022
IAS 41	Agriculture – Taxation in fair value measurements	January 01, 2022

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

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Standard		IASB Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

	Note	2021	2020
Rupees			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	993,366,123	980,967,199
Capital work-in-progress	5.3	161,691,639	78,265,139
		<u>1,155,057,762</u>	<u>1,059,232,338</u>

5.1 Operating fixed assets

	COST / REVALUED AMOUNT					ACCUMULATED DEPRECIATION					WRITTEN DOWN VALUE	
	As at July 01, 2020	Acquired under business combination (note 1.6)	Additions / (disposals) / transfers	Foreign currency translation reserve	As at June 30, 2021	As at July 01, 2020	Acquired under business combination (note 1.6)	Charge for the year / (disposals) / transfers	Foreign currency translation reserve	As at June 30, 2021	As at June 30, 2021	Depreciation Rate %
						(Rupees)						
<u>Owned</u>												
Leasehold land	411,000,000	-	-		411,000,000	-	-	-	-	-	411,000,000	-
Building on leasehold land	16,406,766	-	-		16,406,766	4,071,893	-	820,338	-	4,892,231	11,514,535	5
Computers and accessories	189,421,226	112,203,221	101,475,312 (331,000) ** (1,393,867)	(6,444,518)	394,930,374	146,968,807	112,036,133	79,966,954 (246,155) ** (1,393,867)	(6,439,719)	330,892,153	64,038,221	25-50
Generators	4,423,665	-	700,000		5,123,665	4,363,265	-	26,767	-	4,390,032	733,633	20
Electrical devices	1,048,008,449	11,915,886	9,724,400 * 117,678,857 *** (58,807,055)	(902,126)	1,127,618,411	579,187,949	7,365,596	152,121,038 (26,513,542) ***	(571,311)	711,589,730	416,028,681	20-33.3
Furniture and fittings	177,223,156	25,247,553	4,380,141 ** (36,667)	(1,450,122)	205,364,061	140,647,078	25,247,554	16,800,424 ** (36,666)	(1,450,123)	181,208,267	24,155,794	20-50
Vehicles	9,863,338	13,737,000	33,994,867 ** (41,500) **** 34,605,782	(1,794,133)	90,365,354	1,424,171	13,737,000	5,399,428 ** (41,500) **** 5,311,573	(872,761)	24,957,911	65,407,443	20-25
Construction of shed	6,048,277	-	-		6,048,277	6,048,277	-	-	-	6,048,277	-	20
Mobile phones	11,137,197	-	1,245,658 (857,230) ** (3,065,648)		8,459,977	9,853,434	-	1,830,785 (646,410) ** (3,065,648)	-	7,972,161	487,816	33.33
	1,873,532,074	163,103,660	151,520,378 (1,188,230) * 117,678,857 ** (4,537,682) *** (58,807,055) **** 34,605,782	(10,590,899)	2,265,316,885	892,564,874	158,386,283	256,965,734 (892,565) ** (4,537,681) *** (26,513,542) **** 5,311,573	(9,333,914)	1,271,950,762	993,366,123	

* Represents transfers from stock-in-trade and spares to owned assets

** Represents assets written off during the year

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

**** Represents assets transferred under ijarah arrangement

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2019	Additions / (disposals) / transfers	As at June 30, 2020	As at July 01, 2019	Charge for the year / (disposals) / transfers	As at June 30, 2020	As at June 30, 2020	Depreciation Rate
	(Rupees)							
Owned								%
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)			(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)						
Leased								
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 20.4)

** 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

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

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

5.1.1 Computers and accessories and vehicles includes assets costing Rs. 4.443 million (2020: Rs. 4.443 million) and Rs. 1.972 million (2020: Rs. 1.972 million) respectively purchased on maturity of ijarah agreements. However, as of the reporting date, the Group is in the process of obtaining no objection certificates and transferring the ownership of these assets in the name of the Group.

5.1.2 Depreciation charge for the year has been allocated as follows:

	Note	2021	2020
Cost of sales and services	37	213,610,381	201,883,235
Distribution expenses	38	6,890,658	6,512,362
Administrative expenses	39	20,066,918	10,203,629
Research and development	40	21,709,350	21,709,350
		262,277,307	240,308,576

Notes to the Consolidated Financial Statements

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5.1.3 During the year, the Group has transferred tracking devices from stock-in-trade at a cost of Rs. 117.679 million (2020: Rs. 72.098 million) to owned assets. As of the reporting date, assets costing Rs. 951.209 million (2020: Rs. 892.337 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. 693.822 million (2020: Rs.420.579 million).

5.1.5 During the year, the Group has written off fully depreciated assets costing Rs. 4.538 million.

5.1.6 The details of immovable assets (i.e. land and building) of the Group as at June 30, 2021 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 Group had carried out last revaluation exercise through an independent valuer as of June 30, 2019 for its leasehold land and building on leasehold land. Had there been no revaluation, the cost of leasehold land and building on leasehold land would have been Rs. 136.37 million and Rs. 3.81 million, respectively. 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 3 of fair value hierarchy (i.e. non-market observables).

5.1.8 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
	<u>361,416,600</u>

5.1.8 The immovable assets of the Group are placed as security against various financing facility obtained from commercial banks as stated in notes 22, 25, 29 and 30 respectively to these consolidated financial statements.

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

Aggregate amount of assets disposed off not having WDV more than Rs. 5,000,000 each	Original / revalued cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on disposals	Mode of disposal	Particulars of buyers	Location
	----- (Rupees) -----							
Computers and accessories	331,000	246,155	84,845	-	(84,845)	Various	Various	Karachi
Mobile phones	857,230	646,410	210,820	334,965	124,145	Various	Various	Karachi
	1,188,230	892,565	295,665	334,965	39,300			
2021	1,188,230	892,565	295,665	334,965	39,300			
2020	368,505,619	28,385,560	340,120,059	340,464,876	344,817			

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
5.3 Capital work-in-progress			
Opening balance		78,265,139	78,265,139
Additions during the year		83,426,500	-
Closing balance	5.3.1	161,691,639	78,265,139

5.3.1 Represents expenditure in respect of leasehold improvements and renovation of office premises.

		2021	2020
	Note	Rupees	
6. INTANGIBLE ASSETS			
Intangible assets	6.1	1,503,764,801	1,235,769,699
Intangible assets under development	6.3	914,859,367	902,619,034
		2,418,624,168	2,138,388,733

6.1 Intangible assets

	COST			ACCUMULATED AMORTISATIONS			WRITTEN DOWN VALUE	
	As at July 01, 2020	Acquired under business combination	Additions / transfers	As at June 30, 2021	As at July 01, 2020	Charge for the year / transfers	As at June 30, 2021	Amortisation rate %
	(Rupees)							
<u>Owned</u>								
Goodwill - note 6.2	403,380,571	-	-	403,380,571	-	-	403,380,571	-
Customers related intangible assets - note 6.2	453,635,249	287,352,668	-	740,987,917	-	-	740,987,917	-
Marketing related intangible assets - note 6.2	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	324,352,222	-	3,199,800	327,552,022	299,175,909	15,032,182	314,208,091	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	83,302,806	7,525,184	90,827,990	5
2021	1,667,973,609	287,352,668	3,199,800	1,958,526,077	432,203,910	22,557,366	454,761,276	

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

	COST			ACCUMULATED AMORTISATIONS			WRITTEN DOWN VALUE	
	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	As at June 30, 2020	Amortis- ation rate %
	----- (Rupees) -----							
<u>Owned</u>								
Goodwill - note 6.2	403,380,571	-	403,380,571	-	-	-	403,380,571	-
Customers related intangible assets - note 6.2	453,635,249	-	453,635,249	-	-	-	453,635,249	-
Marketing related intangible assets - note 6.2	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	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 20.4)

** Represents additions during the year

6.2 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 Group level (tracking business and other digital business - excluding non-operating assets). Intangible assets with indefinite useful lives include customer and marketing related intangibles assets. The Group has performed its annual impairment test as at June 30, 2021. The recoverable amount of the Group is determined based on 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 16.9 percent (2020: 14.1 percent). The growth rate used to extrapolate the cash flows beyond the five-year period is 5.6 percent (2020: 5 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 discounted cashflow calculations

The calculation of discounted cashflow is most sensitive to the following assumptions:

- Discount rates
- Key business assumptions

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

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 Group.

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.

6.2.1 The Group has also determined the recoverable amount based on fair value less cost to sell considering the relationship between its market capitalisation, using the Level 1 input of the fair value hierarchy - quoted prices of the Group, and its book value, among other factors. As a result of this analysis also, the management did not identify any impairment for the cash generating unit to which goodwill and intangible asset with indefinite useful lives are allocated.

		2021	2020
	Note	Rupees	
6.3 Intangible assets under development			
Opening balance		902,619,034	-
Transfer under scheme of arrangement	20.4	-	824,133,020
Additions during the year		12,240,333	78,486,014
Closing balance	6.3.1 & 6.3.2	914,859,367	902,619,034

6.3.1 Represents expenditure incurred for development of map database including business intelligence and applications solutions, etc. which is expected to be completed earliest by the end of the year 2021. The Group 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. 914.859 million has been incurred by the Group as of the reporting date.

6.3.2 The management has carried out an annual impairment assessment for intangible assets under development based on the discounted cashflow calculations. The discount rate applied to the cashflow projections is 16.9 percent (2020: 14.1 percent and the growth rate used to extrapolate the cashflows beyond the five year period is 5.6 percent (2020: 5 percent). 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 discounted cashflow calculations

The calculation of discounted cashflow is most sensitive to the following assumptions:

- Discount rates
- Key business assumptions

Notes to the Consolidated Financial Statements

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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.

- 6.3.3 The Group has also determined the recoverable amount based on fair value less cost to sell considering the relationship between its market capitalisation, using the Level 1 input of the fair value hierarchy - quoted prices of the Group, and its book value, among other factors. As a result of this analysis also, the management did not identify any impairment for the cash generating unit to which intangible asset under developments are allocated.

		2021	2020
6.4	Amortisation charge for the year has been allocated as follows:	Rupees	
	Cost of sales and services	18,950,443	38,042,092
	Distribution expenses	611,305	1,227,164
	Administrative expenses	2,995,618	6,013,558
		<u>22,557,366</u>	<u>45,282,814</u>

- 6.5 Included in intangibles assets are fully amortised assets having cost of Rs. 343.163 million (2020: Rs. 288.992 million).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

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 - 2021				
Opening net book value - July 01, 2020	1,590,762	42,048,972	28,629,444	72,269,178
Additions during the year	-	-	102,643,520	102,643,520
Less: Depreciation charge for the year	1,193,072	25,229,383	40,516,048	66,938,503
Closing net book value - June 30, 2021	<u>397,690</u>	<u>16,819,589</u>	<u>90,756,916</u>	<u>107,974,195</u>
Depreciation rate (%)	<u>20%</u>	<u>33.33%</u>	<u>10%</u>	
Net carrying value basis - 2020				
Reclassified from operating fixed assets on initial application of IFRS 16	5,841,494	66,076,956	-	71,918,450
Right-of-use assets recognised on initial application of IFRS 16	-	-	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 - June 30, 2020	<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>	

		2021	2020
7.2 Gross carrying value basis - 2021	Note	Rupees	
Cost	7.3	320,651,303	406,359,942
Less: Accumulated depreciation		212,677,108	175,478,420
Less: Derecognised during the year		-	158,612,344
Net book value		<u>107,974,195</u>	<u>72,269,178</u>

7.3 Included herein fully depreciated electrical devices having cost of Rs. 3.571 million (2020: Rs. 3.571 million).

		2021	2020
7.4 Depreciation charge for the year has been allocated as follows:	Note	Rupees	
Cost of sales and services	37	56,235,035	68,998,855
Distribution expenses	38	1,814,034	2,225,770
Administrative expenses	39	8,889,434	10,907,091
		<u>66,938,503</u>	<u>82,131,716</u>

Notes to the Consolidated Financial Statements

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		2021	2020
	Note	Rupees	
8. LONG-TERM INVESTMENTS			
Designated at FVTOCI			
Investment in a subsidiary company			
(2020: associated company)			
Trakker Middle East LLC (TME)	8.1	-	85,030,450

8.1 On July 01, 2020, the Group has further acquired 21% shareholding in TME under the terms of the agreements by virtue of which the Group's holding in TME increased to 50%. Accordingly, the same is derecognised at acquisition date.

8.2 TME is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of the Company is at Dubai, 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. The name of Chief Executive is Asim Mushtaq and name/addresses of beneficial owners is as follows:

Name	Addresses
M.M.R International FZE.	M.M.R P.O. Box 7073, Umm Al Quwain, UAE

8.3 The summarised financial information of an associate based on the financial statements for the year ended June 30, 2020, is as follows:

	2020 Rupees
Current assets	241,126,568
Non-current assets	4,717,377
Current liabilities	331,463,873
Non-current liabilities	73,396,608
Revenue	257,739,825
Loss for the year	(102,414,162)
Total comprehensive loss for the year	(102,414,162)

8.4 Included in the consolidated statement of profit or loss and other comprehensive income of Trakker Middle East LLC since the acquisition date during the year ended June 30, 2021, is as follows:

		2021	2020
	Note	Rupees	
Revenue		225,015,347	-
Profit or loss		(100,936,395)	-
9. LONG-TERM LOANS – secured, considered good			
Executives	9.1 & 9.2	482,270	1,601,108
Employees	9.3	1,000,554	2,351,783
		1,482,824	3,952,891
Less: Current portion of long-term loans	14	1,277,111	3,282,993
		205,713	669,898

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
9.1	Reconciliation of the carrying amount of loans to executives	Rupees	
	Opening balance	1,601,108	461,530
	Disbursements	-	3,400,000
	Less: Repayments	1,118,838	2,260,422
	Closing balance	482,270	1,601,108

9.2 The maximum aggregate amount of loan due from the executives at the end of any month during the year was Rs. 1.375 million (2020: Rs. 2.281 million).

9.3 The loans are provided to employees of the Group 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 (2020: 5 percent) per annum. Further, it also includes loans provided on interest free basis amounting to Rs. 0.680 million (2020: Rs. 0.803 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 Group has not discounted these loans to their present value, as they considers the impact is immaterial to these financial statements taken as whole.

		2021	2020
10.	LONG-TERM DEPOSITS	Rupees	
	Security deposits - leased and ijarah assets	10,120,921	44,726,703
	Less: Current portion of security deposits	10,120,921	36,892,609
		-	7,834,094
	Utilities	177,450	177,450
	Rent deposits	4,377,756	4,302,756
	Cash margin against guarantees	21,639,662	21,639,662
		26,194,868	33,953,962

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

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

		2021	2020
11.	DEFERRED TAX ASSETS - net	Rupees	
	Deferred tax liabilities on taxable temporary differences:		
	- accelerated tax depreciation on:		
	- property, plant and equipment	42,138,071	13,068,135
	- right of use assets	(31,312,517)	(20,958,062)
	- intangible assets	(7,698,468)	(1,600,454)
		3,127,086	(9,490,381)
	Deferred tax assets on deductible temporary differences:		
	- trade debts	5,794,722	7,190,786
	- surplus on revaluation of property, plant and equipment	2,642,191	4,096,787
	- lease liabilities	37,571,694	24,099,543
	- share based payments	8,711,600	-
	- tax losses	32,890,540	36,903,469
	- minimum tax	696,672	964,544
		88,307,419	73,255,129
		91,434,505	63,764,748

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

	2021	2020
	Rupees	
11.1 The movement in deferred tax assets is as follows:		
- transfer to unappropriated profit on account of incremental depreciation for the year	200,366	305,758
- reversal (net) to profit or loss	27,469,391	56,280,641
	<u>27,669,757</u>	<u>56,586,399</u>

11.2 As of reporting date, the Company has not recognised deferred tax assets of Rs. 79.621 million (2020: Rs. 79.621 million) on losses of Rs. 274.556 million (2020: Rs. 274.556 million) in line with accounting policies of the Company as stated in note 4.13 to these financial statements.

		2021	2020
		Rupees	
12. STOCK-IN-TRADE	Note		
Tracking devices	12.1	396,672,880	228,296,492
Spare parts	12.2	48,976,640	17,925,233
		<u>445,649,520</u>	<u>246,221,725</u>

12.1 Includes stock of Rs. 15.737 million (2020: Rs. 15.696 million) held with third parties.

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

		2021	2020
		Rupees	
13. TRADE DEBTS - unsecured	Note		
Related parties			
- TPL Insurance Limited	13.3 & 13.4	4,363,523	4,198,955
Others than related parties		1,304,735,279	1,043,469,856
		<u>1,309,098,802</u>	<u>1,047,668,811</u>
Less: Allowances for expected credit losses	13.1	31,084,020	24,795,814
	13.2	<u>1,278,014,782</u>	<u>1,022,872,997</u>

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

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

			Days past due		
	Total	Current	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
	----- (Rupees) -----				
<u>2021</u>					
Expected credit loss rate	2.37%	0.64%	0.46%	10.12%	11.96%
Estimated total gross carrying amount at default	1,309,098,802	380,680,237	700,063,766	104,352,553	124,002,246
Expected credit loss	31,084,020	2,448,943	3,240,683	10,560,649	14,833,745
<u>2020</u>					
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

13.2 Represent amount receivable from various customers on account of sale and installation of tracking devices and vehicle tracking services provided by the Group. 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	> 121 days upto	180 days and
			120 days	180 days	above
			(Rupees)		
TPL Insurance Limited - 2021	4,363,523	1,149,266	1,501,841	1,474,687	237,729
TPL Insurance Limited - 2020	4,198,955	1,080,891	1,434,362	1,450,076	233,626

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

	2021	2020
	Rupees	
TPL Insurance Limited	4,363,523	7,161,975

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
13.5 Allowance for expected credit losses			
Opening balance		24,795,814	41,640,408
Transferred under Scheme	20.4	-	4,561,440
Acquired under business combination	1.6	10,405,045	-
Add: Charge during the year	39	2,334,938	-
Less: Reversal during the year	39	4,814,014	21,406,034
Less: Write off during the year		1,000,688	-
Foreign currency translation reserve		(637,075)	-
Closing balance		31,084,020	24,795,814
14. LOANS AND ADVANCES			
Loans – secured, considered good			
Current portion of long-term loans	9	1,277,111	3,282,993
Advances – unsecured, considered good			
- suppliers		61,562,102	104,047,093
- employees for expenses		3,272,305	-
- others		184,704	504,381
	14.1	65,019,111	104,551,474
		66,296,222	107,834,467

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

		2021	2020
	Note	Rupees	
15. TRADE DEPOSITS AND PREPAYMENTS			
Trade deposits			
- security deposits		1,967,720	1,767,720
- LC margin		3,772,346	377,546
- current portion of leased and ijarah deposits	10	10,120,921	36,892,609
- others		711,516	711,516
	15.1	16,572,503	39,749,391
Prepayments			
- insurance		6,872,493	3,889,737
- maintenance	15.2	4,808,824	7,357,925
- others		7,030,805	10,497,893
		18,712,122	21,745,555
		35,284,625	61,494,946

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. Nil (2020: Rs. 6.092 million) paid to TPL Properties Limited, a related party.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
16.	INTEREST ACCRUED - unsecured, considered good		
	Mark-up accrued on due from related parties		
	Ultimate parent company		
	- TPL Holdings (Private) Limited [TPLH]	139,088,282	66,313,202
	Parent company		
	- TPL Corp Limited [TPLC]	106,632,497	32,713,172
	Associates		
	- TPL Security Services (Private) Limited [TSS]	4,326,421	4,326,421
	- Trakker Middle East LLC [TME]	-	9,218,594
	- Trakker Direct Finance (Private) Limited [TPLD]	1,186,702	1,100,644
	- TRG Pakistan Limited [TRG]	7,309,315	6,447,351
	- TPL Tech Pakistan (Private) Limited [TPL Tech]	14,802,938	6,622,491
	- TPL Properties Limited [TPLP]	2,047,056	1,702,759
		<u>275,393,211</u>	<u>128,444,634</u>
17.	OTHER RECEIVABLES – unsecured, considered good		
	Earnest money	11,444,235	7,715,044
	Insurance claims	5,030,029	3,491,229
	Others	1,552,520	18,133,269
		<u>18,026,784</u>	<u>29,339,542</u>

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

		2021	2020
	Note	Rupees	
18.	DUE FROM RELATED PARTIES – unsecured, considered good		
	Ultimate parent company		
	- TPL Holdings (Private) Limited [TPLH]	697,831,944	433,701,979
	Parent company		
	- TPL Corp Limited [TPLC]	597,793,456	519,635,427
	Associates		
	- TPL Security Services (Private) Limited [TSS]	-	16,500,068
	- TPL Properties Limited [TPLP]	7,420,642	5,700,233
	- TPL Life Insurance Limited [TPL Life]	5,118,741	-
	- Trakker Middle East LLC [TME]	-	46,715,880
	- Trakker Direct Finance (Private) Limited [TPLD]	850,070	850,070
	- TRG Pakistan Limited [TRG]	9,380,446	7,616,233
	- TPL Tech Pakistan (Private) Limited [TPL Tech]	42,993,993	40,964,168
		<u>1,361,389,292</u>	<u>1,071,684,058</u>

18.1 Represents current account balance carrying mark-up at the fixed rate of 18 percent and 3 months KIBOR plus 3 percent (2020: 18 percent) and is repayable on demand.

18.2 Represent interest free current account balances with related parties, which are repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

- 18.3 Represents current account balances with related parties carrying mark-up at the variable rate of 3 months to 6 months KIBOR plus 3 percent (2020: 3 months to 6 months KIBOR plus 3 percent) per annum and are repayable on demand.
- 18.4 These are neither past due nor impaired.
- 18.5 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:

		2021	2020
	Note	Rupees	
Ultimate parent company			
- TPL Holdings (Private) Limited [TPLH]		697,831,944	515,803,554
Parent company			
- TPL Corp Limited [TPLC]		827,542,334	589,529,961
Associates			
- TPL Security Services (Private) Limited [TSS]		-	25,409,701
- TPL Properties Limited [TPLP]		7,821,947	16,506,311
- TPL Life Insurance Limited [TPL Life]		6,232,538	-
- Trakker Middle East LLC [TME]		-	46,715,880
- Trakker Direct Finance (Private) Limited [TPLD]		850,070	850,070
- TRG Pakistan Limited [TRG]		9,380,446	7,616,233
- TPL Tech Pakistan (Private) Limited [TPL Tech]		42,993,993	40,964,168
19. CASH AND BANK BALANCES			
Cash in hand		761,091	176,141
At banks in local currency:			
- current accounts		20,443,534	19,044,314
- saving accounts	19.1	118,508,981	833
		138,952,515	19,045,147
		139,713,606	19,221,288

- 19.1 These carry mark-up at the rate of 2.95 percent to 7.65 percent (2020: 7.65 percent) per annum.

20. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021	2020		Note	2021	2020
Number of shares				Rupees	Rupees
		Ordinary shares of Rs.10/- each			
		- issued as cash			
10	10	- opening balance		100	100
66,820,500	-	- issued during the year		668,205,000	-
66,820,510	10			668,205,100	100
68,680,171	68,680,171	- issued as other than cash	20.2 & 20.3	686,801,710	686,801,710
		- issued as bonus share			
51,762,412	24,246,070	- opening balance		517,624,120	242,460,700
-	27,516,341	- issued during the year		-	275,163,410
51,762,412	51,762,411			517,624,120	517,624,110
187,263,093	120,442,592			1,872,630,930	1,204,425,920

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

- 20.1 On August 10, 2020, the Holding Company got listed on Pakistan Stock Exchange Limited by issuing 66,820,500 ordinary shares to general public having face value of Rs.10 each at a strike price of Rs.12 each (i.e. aggregated value of Rs. 801.846 million having face value of Rs. 668.205 million and share premium of Rs. 133.641 million).
- 20.2 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 Holding 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 60,177,126 ordinary shares of the Company.
- 20.3 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.
- 20.4 During the year ended June 30, 2020, pursuant to the Scheme duly approved by the Board of Directors of the Company, whereby TPL Maps (Pvt.) Limited [TPLM] and TPL Rupiya (Private) Limited [TPLR] were amalgamated into the Company by way of transferred 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.
- 20.5 These are ordinary shares carry one vote per share and right to dividend.
- 20.6 During the year, the Holding Company has introduced Employee Share Option Scheme (the Scheme) to employees of the Holding Company meeting certain criteria. The exercise price of the shares is Rs. 10/- and the share options vests after a period of 2 years from the date of grant and the concerned employee remains employee on such date.

After the vesting period; the options are exercisable in whole or in equal fifty percent parts of the entitlement within 6 months (exercise period). The share options can be exercised upto 6 months after two years vesting period (in whole or 50% equal part), and therefore the contractual form of each option is two years. There are no cash settlement alternatives. The Holding Company accounts for the Scheme as an equity-settled plan.

The expense recognized during the year related to equity settled share based payments amounts to Rs. 30.04 million (2020: Rs. Nil).

During the year, the Holding Company has granted eight million share options at a weighted average exercise price of Rs. 10/-. Other than this, there is no movement during the year.

Weighted average remaining contractual life of options outstanding at 30 June 2021 was one year (2020: Nil).

21. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	Note	2021	2020
		Rupees	
Opening balance:			
Leasehold land		274,630,291	541,225,035
Building on leasehold land		13,898,709	19,713,333
		288,529,000	560,938,368
(Deficit) / surplus on revaluation recognised / (reversed on disposal) during the year:			
Leasehold land		-	(266,594,744)
Building on leasehold land		-	(4,357,916)
		-	(270,952,660)
Transfer to unappropriated profit on account of incremental depreciation charged for the year		(690,918)	(1,456,708)
Deferred tax:			
- on account of surplus on revaluation of building on leasehold land - net		(3,115,683)	(4,402,545)
- impact of deferred tax on incremental depreciation charged for the year		200,366	305,758
		(2,915,317)	(4,096,787)
		284,922,765	284,432,213

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
22. LONG-TERM FINANCINGS – secured	Note	Rupees	
Sukuk financing I	22.1	350,000,000	450,000,000
Sukuk financing II	22.2	1,231,467,442	-
Diminishing musharaka	22.3	43,263,634	47,450,437
Loan from director	22.4	103,246,489	-
		1,727,977,565	497,450,437
Less: Current portion shown under current liabilities	31	575,080,546	104,186,803
		1,152,897,019	393,263,634

- 22.1 Represents Sukuk certificates issued by the Holding Company 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 June 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 (2020: 1 year KIBOR plus 3 percent). These certificates are secured against ordinary shares of TPL Properties Limited (inclusive of 35% margin) 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.
- 22.2 Represents amount received in lieu of Sukuk certificates issued by the Holding Company of Rs. 1,250 million divided into 1,250 certificates of Rs 1 million each for a period of 5 years under an agreement dated December 22, 2020. The said certificates are redeemable in periodic installments by December 2021 and the rate for rental payment is 3 months KIBOR plus 3% per annum. These certificates are secured against first pari passu charge of Rs. 70 million on present and future moveable fixed assets of the Holding Company inclusive of 25% margin, first pari passu hypothecation charge of Rs. 340 million on present and future current assets of the Holding Company inclusive of 25% margin; and first pari passu charge of upto Rs.1,500 million on present and future long-term investments of TPL Corp Limited (the parent company) inclusive of 25% margin and first charge over lien and set off against facility payment and facility service reserve accounts to the extent of Rs. 1,855 million.
- 22.3 Represents diminishing musharaka facility obtained by the Holding Company 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) (2020: 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 Holding Company and corporate guarantee of TPL Corp Limited (the parent company).
- 22.4 Represents loan obtained from director of a subsidiary company by a subsidiary company which is interest free and repayable on demand.

		2021	2020
22.5 The movement in long-term financings is as follows:	Note	Rupees	
Opening balance		497,450,437	644,642,833
Transfer under scheme of arrangement	20.4	-	58,615,245
Acquired under business combination	1.6	59,527,000	-
Financings obtained during the year		1,280,042,148	-
Financings repaid during the year		(109,042,020)	(205,807,641)
Closing balance		1,727,977,565	497,450,437
23. DEFERRED LIABILITY - GRATUITY			
Balance as at July 01		-	-
Acquired under business combination	1.6	13,869,608	-
Charge for the year		2,676,950	-
Paid during the year		(2,563,850)	-
Foreign currency translation reserve		(799,961)	-
Balance as at June 30		13,182,747	-

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

- 23.1 As of reporting date, no actuarial valuation of gratuity has been carried out since the management believes that the effect of actuarial valuation would not be materially different. Further, provision of gratuity has been made at the year end.

		2021	2020
	Note	Rupees	
24. LEASE LIABILITIES			
Current maturity of lease liabilities	31	47,668,312	56,682,850
Non current maturity of lease liabilities		81,889,252	26,419,021
	24.1	<u>129,557,564</u>	<u>83,101,871</u>
24.1 Reconciliation of total lease liabilities:			
Opening balance		83,101,871	73,078,067
Lease liabilities due to initial application of IFRS 16		-	241,031,868
Additions for the year		102,643,520	-
Interest expense for the year	41	14,017,862	33,675,087
Payments made during the year		(70,205,689)	(90,639,000)
Cancellation		-	(174,044,151)
Closing balance		<u>129,557,564</u>	<u>83,101,871</u>

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

		2021	2020
	Note	Rupees	
Depreciation expense on right-of-use assets	7.4	66,938,503	82,131,716
Interest expense on lease liabilities	41	14,017,862	33,675,087
Total amount recognised in profit or loss		<u>80,956,365</u>	<u>115,806,803</u>

- 24.2 The maturity analysis of lease liabilities is presented in note 44.1 to these financial statements.
- 24.3 The Group had total cash outflows for leases of Rs. 70.206 million (2020: Rs. 90.639 million) as of reporting date. The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs. 102.644 million (2020: Rs. 241.031 million). The Group do not have any future cashflows relating to leases other than as disclosed in these consolidated financial statements.

		2021	2020
	Note	Rupees	
25. LONG-TERM LOANS			
Term finance I	25.1	25,000,002	33,333,337
Term finance II	25.2	-	16,250,000
Term finance III	25.3	-	16,769,782
Term finance IV	25.4	-	166,666,667
Term finance V	25.5	28,777,780	37,000,000
Term finance VI	25.6	69,416,504	57,900,009
Term finance VII	25.7	69,663,995	-
		<u>192,858,281</u>	<u>327,919,795</u>
Less: Current portion shown under current liabilities	31	<u>124,490,426</u>	<u>100,471,489</u>
		<u>68,367,855</u>	<u>227,448,306</u>

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

- 25.1 The term finance facility of Rs. 100 million was obtained by the Holding Company 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 pari passu charge over stocks and book debts for Rs. 144 million duly insured in bank's favour covering all risks with 25% margin and first pari passu charge over book debts and receivables with 25% margin amounting to Rs. 183 million in bank's favour.
- 25.2 The term finance facility of Rs. 65 million was obtained by the Holding Company 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 and first pari passu hypothecation charge over the fixed assets of the Holding Company of Rs. 70 million. During the year, the Holding Company has repaid outstanding balance in full and the charge on this facility is released.
- 25.3 The term finance facility of Rs. 200 million was obtained by the Holding Company 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 per annum. The facility is secured against specific charge of Rs. 300 million over tracking devices owned by the Holding Company and assignment of receivables from customers and personal guarantee of directors of the parent company. During the year, the Holding Company has repaid outstanding balance in full and the charge on this facility is released.
- 25.4 The term finance facility of Rs. 250 million was obtained by the Holding Company 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 5.50 percent per annum. The facility is secured against first pari passu charge over current assets (receivables only) of the Holding Company to the extent of Rs. 266 million and first pari passu charge over the fixed assets of the Holding 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. 39.375 million duly registered with 50 percent margin. During the year, the Holding Company has repaid outstanding balance in full and the charge on this facility is released.
- 25.5 The term finance facility of Rs. 37 million was obtained by the Holding Company for a period of five years from a commercial bank through an agreement dated April 29, 2020. 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. 385 million over land and building of the Holding Company and personal guarantees of directors / sponsors of the Holding Company.
- 25.6 The Holding 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. 96.7 million was availed by the Holding Company and Rs. 51.7 million 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 9.72 to 11.31 percent per annum. The differential mark-up has been recognised as government grant (see note 26 to these consolidated 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 and TPL Properties Limited. As of reporting date, Rs. 1.63 million remain unutilised.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

- 25.7 During the year, the Holding Company has obtained long-term financing from a commercial bank of Rs. 98 million under Refinance Scheme for payment of Wages & Salaries by State Bank of Pakistan. Out of total facility limit, Rs. 97.8 million was availed by the Holding 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 10.25 to 10.26 percent per annum. The differential mark-up has been recognised as government grant (see note 26 to these consolidated financial statements) which will be amortised to interest income over the period of the facility. The facility is secured against ranking charge over current assets of the company and pledge of shares of TPL Corp Limited and TPL Properties of Rs. 163.333 million with 40 percent margin.

		2021	2020
	Note	Rupees	
25.8 The movement in long-term loans is as follows:			
Opening balance		327,919,795	410,634,920
Loans obtained during the year		69,663,995	94,900,009
Loans repaid during the year		(204,725,509)	(177,615,134)
Closing balance		192,858,281	327,919,795
26. GOVERNMENT GRANT			
Opening balance		4,490,049	-
Recognised during the year		12,730,320	6,906,820
Released to profit or loss during the year	42	(10,472,666)	(2,416,771)
As at June 30, 2021		6,747,703	4,490,049
Current portion	31	5,950,600	2,709,041
Non-current portion		797,103	1,781,008
		6,747,703	4,490,049
27. TRADE AND OTHER PAYABLES			
Creditors	27.1	512,122,313	323,830,051
Accrued liabilities		208,534,420	144,069,477
Unearned equipment rentals	27.2	108,580,014	95,741,350
Book overdraft		413,000,000	115,000,000
Other liabilities			
Sales commission		23,747,196	4,055,767
Contract liabilities - advance from customers		7,326,453	-
Sales tax		12,832,128	46,282,751
Withholding tax		172,590,101	142,560,908
Workers' Welfare Fund		2,638,267	2,638,267
Provident fund		54,682,209	59,985,137
Others	27.3	1,661,798	1,661,798
		275,478,152	257,184,628
	27.4	1,517,714,899	935,825,506

- 27.1 Included herein Rs. 57.978 million (2020: Rs. 22.768 million) and Rs. 27.696 million (2020: Rs. Nil) payable to TPL Properties Limited and Property Management (Private) Limited (the related parties) respectively, on account of rental, maintenance and other services.

- 27.2 Equipment rentals transferred to revenue during the year amounts to Rs. 910.296 million (2020: Rs. 909.183 million).

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For the year ended June 30, 2021

27.3 Includes stale cheques amounting to Rs. 1.647 million (2020: Rs.1.647 million).

27.4 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.

		2021	2020
	Note	Rupees	
28. ACCRUED MARK-UP			
Long-term financings		21,256,181	12,669,002
Long-term loans		14,897,660	26,845,199
Running finance under mark-up arrangement		26,036,109	37,657,843
Short-term financings		3,739,838	12,556,580
Due to related parties		30,507,851	50,333,147
		<u>96,437,639</u>	<u>140,061,771</u>
29. SHORT-TERM FINANCINGS			
Payable against LCs	29.1	235,953,736	170,665,871
Commercial Papers (ICP)	29.2	-	1,223,503,302
		<u>235,953,736</u>	<u>1,394,169,173</u>

29.1 Represents LCs facilities obtained by the Holding Company from various commercial banks having an aggregate limit of Rs. 325 million (2020: Rs. 210 million). It carries mark-up ranging from 3 months KIBOR plus 2 percent to 3.5 percent and is secured against first pari passu hypothecation charge of Rs. 826 million (2020: Rs.866 million) over all present and future stocks, book debts and fixed assets excluding land and buildings of the Holding Company with cash margins ranging from nil to 15 percent. As of the reporting date, Rs. 89 million (2020: Rs. 197.26 million) remains unutilized.

29.2 Represents subscription money received by the Holding Company from various investors against 1,230 units of privately placed Commercial Paper 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. During the year, the Holding Company has repaid the same in full.

	2021	2020
	Rupees	
29.3 The movement in short-term financings is as follows:		
Opening balance	1,394,169,173	12,737,305
Financings obtained during the year	235,953,736	1,394,169,173
Financings repaid during the year	(1,394,169,173)	(12,737,305)
Closing balance	<u>235,953,736</u>	<u>1,394,169,173</u>

30. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

These facilities are obtained from various commercial banks having an aggregate limit of Rs. 1,097.5 million (2020: Rs. 1,112.5 million) out of which Rs. 59.9 million (2020: Rs. 7.31 million) was un-utilised as of the reporting date. The facilities carry mark-up ranging between 1 month KIBOR plus 2 percent and 3 months KIBOR plus 1.5 percent to 3 percent (2020: 1 month KIBOR plus 2 percent to 3 percent and 3 months KIBOR plus 1.5 percent to 3 percent) per annum. These are secured by way of:

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- registered hypothecation over stocks and book debts aggregating to Rs. 1,186 million (2020: Rs. 1,356 million) and pledge of the shares of TPL Insurance Limited, TPL Properties Limited and TPL Corp Limited having market value of Rs. 300 million.
- personal guarantees of sponsors/directors of the Holding Company, 100% liquid security in shape of lien over company/related company account/ lien over term deposit account on account of TPL Life Insurance Limited, 100% cash collateral under lien in the form of term deposit receipt or depository participants account (to be marked in group companies) / minimum 60% cash in shape of lien over term deposit receipt or depository participants account (to be marked lien in group associate company i.e. TPL Life Insurance Limited) and maximum 40% to be placed in investor portfolio securities account of TPL Life Insurance Limited with 10% margin.
- cash collateral in the form of lien over deposits held under islamic bank of Rs. 100 million in the name of TPL Insurance Limited [TIL], cross corporate guarantee of TPL Insurance Limited [TIL] and equitable first pari passu charge over property to the extent of Rs. 385 million (2020: Rs. 385 million).

		2021	2020
31.	CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	Rupees
	Long-term financings	22	575,080,546
	Lease liabilities	24	47,668,312
	Long-term loans	25	124,490,426
	Government grant	26	5,950,600
			<u>753,189,884</u>
32.	DUE TO RELATED PARTIES - unsecured		
	Associates		
	- TPL Insurance Limited [TIL]	31.1	213,925,468
	- TPL Security Services (Private) Limited [TSS]	31.2	10,497,425
	- TPL Life Insurance Limited [TPL Life]	31.3	-
			<u>224,422,893</u>

32.1 Included herein current account balance of Rs.61.07 million (2020: Rs. 17.09 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. 275 million having facility limit of Rs. 300 million (2020: Rs. 200 million) carrying mark-up at the rate of 1 year KIBOR plus 3.5 percent per annum and is repayable on demand.

32.2 Represent interest free current account balances with related parties, which are repayable on demand.

32.3 Represents current account balance with a related party carrying mark-up at the variable rate of 6 months KIBOR plus 3 percent (2020: 6 months KIBOR plus 3 percent) per annum and is repayable on demand.

		2021	2020
33.	TAXATION - net	Note	Rupees
	Opening balance - (payable) / refundable		(13,685,055)
	Less: Income tax payable under the Scheme	1.5	-
	Less: Provision for current and prior taxation		(61,374,975)
	Add: Income tax paid and deducted at source		44,045,779
	Less: Refund received during the year		-
	Closing balance - (payable) / refundable		<u>(31,014,251)</u>

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		2021	2020
	Note	Rupees	
34. ADVANCE MONITORING FEES			
Opening balance		37,140,162	46,651,699
Billed during the year		440,750,688	405,472,734
Less: Transferred to revenue during the year		442,037,747	414,984,271
Closing balance	34.1	35,853,103	37,140,162

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

		2021	2020
	Note	Rupees	
35. CONTINGENCIES AND COMMITMENTS			
35.1 Contingencies			
35.1.1 Guarantees issued by banks on behalf of the Holding Company		21,639,662	21,639,662

35.1.2 The Holding Company is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs. 13.279 (2020: 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 Holding Company and, accordingly, no provision has been made for any liability against these law suits in these consolidated financial statements. Details of these legal cases are given below:

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

		2021	2020
		Rupees	
35.2 Commitments			
35.2.1 Letter of credits		235,953,736	170,665,871
35.1.2 Ijarah agreements			

The Holding Company has 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. Nil (2020: Rs.2.077 million). Taxes and repairs are to be borne by the Holding 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 (2020: Rs.1.77 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

		2021	2020
	Note	Rupees	
Not later than one year		-	2,076,870
36. TURNOVER - net			
Tracking and other digital business			
Equipment installation and sales		423,006,476	259,429,013
Monitoring fees		684,072,928	495,906,204
Rentals from tracking devices		1,054,806,707	1,007,465,630
Navigation revenue	20.4	190,936,999	45,586,868
E- ticketing services	20.4	-	4,606,154
Other services		56,806,674	19,024,662
		2,409,629,784	1,832,018,531
Less: Sales tax		298,372,629	226,782,580
	35.1	2,111,257,155	1,605,235,951

36.1 Included herein revenue recognized during the year of Rs. 208.10 million (2020: Rs. 240.18 million) made to related parties.

		2021	2020
37. COST OF SALES AND SERVICES	Note	Rupees	
Cost of equipment sold			
Opening stock		246,221,725	266,339,657
Purchases during the year		520,867,430	157,620,662
		767,089,155	423,960,319
Less: Units transferred to operating fixed assets given under rental arrangements	5.1	(117,678,857)	(72,097,985)
Less: Closing stock	12	(445,649,520)	(246,221,725)
		203,760,778	105,640,609
Salaries, wages and other benefits	37.1	338,519,897	279,198,371
Activation and connection charges		297,016,151	187,932,165
Insurance		10,938,552	12,789,684
Vehicle running and maintenance		42,039,440	50,791,475
Depreciation	5.1.2	213,610,381	201,883,235
Depreciation on ROUA	7.4	56,235,035	68,998,855
Amortisation	6.4	18,950,443	38,042,092
License renewal fee		17,130,562	4,257,192
Communication		5,850,435	4,658,625
Travelling and conveyance		19,458,723	44,603,818
Utilities		14,738,220	21,614,331
Rent, rates and taxes		22,599,423	30,337,253
Entertainment		6,643,437	13,975,148
Commission		83,110,034	63,579,649
Ijarah rentals		1,086,811	4,076,324
Outsourcing expenses		7,650,500	24,444,134
Postage and courier		17,617,516	20,676,701
Printing and stationery		299,041	1,600,992
Repairs and maintenance		13,440,857	14,442,636
Training		900,399	612,137
Computer expenses		7,623,915	20,739,349
Others		4,742,328	7,259,977
		1,200,202,100	1,116,514,143
		1,403,962,878	1,222,154,752

Notes to the Consolidated Financial Statements

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37.1 These include Rs. 8.342 million (2020: Rs. 17.559 million) in respect of staff retirement benefits (provident fund contribution).

		2021	2020
	Note	Rupees	
38. DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	38.1	64,893,837	56,184,098
Vehicle running and maintenance		1,921,094	2,321,039
Depreciation	5.1.2	6,890,658	6,512,362
Depreciation on ROUA	7.4	1,814,034	2,225,770
Amortisation	6.4	611,305	1,227,164
Sales promotion and publicity		10,948,435	20,824,711
Utilities		1,354,502	1,986,445
Rent, rates and taxes		2,663,426	3,575,358
Entertainment		758,230	1,595,014
Printing and stationery		47,082	252,067
Communication		1,403,530	1,117,613
Repairs and maintenance		956,177	1,027,443
Insurance		1,182,686	1,382,832
Newspapers and periodicals		-	529,200
Computer expenses		356,319	3,735,029
Others		1,373,020	545,483
		97,174,335	105,041,628

38.1 These include Rs. 1.679 million (2020: Rs. 5.631 million) in respect of staff retirement benefits (provident fund contribution).

		2021	2020
	Note	Rupees	
39. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	39.1	313,583,703	202,779,388
Legal and professional		23,523,309	19,628,704
Depreciation	5.1.2	20,066,918	10,203,629
Depreciation on ROUA	7.4	8,889,434	10,907,091
Amortisation	6.4	2,995,618	6,013,558
Reversals of allowance for expected credit losses	13.5	(2,479,076)	(21,406,034)
Utilities		7,317,752	8,804,518
Rent, rates and taxes		19,322,716	13,215,188
Travelling and conveyance		5,015,901	7,291,258
Repairs and maintenance		8,261,188	8,876,913
Security services		18,627,518	18,012,639
Vehicle running and maintenance		33,293,172	18,304,071
Computer expenses		7,421,543	16,079,687
Communication		3,788,759	3,016,939
Late payment surcharge (net)		12,324,129	20,391,430
Training		674,827	458,782
Auditors' remuneration	39.2	7,400,000	4,466,110
Insurance		12,397,802	5,956,039
Entertainment		3,100,131	6,521,441
Printing and stationery		844,966	1,490,003
Ijarah rentals		1,086,811	4,076,324
Subscription		1,462,000	825,000
Others		14,469,189	4,507,929
		523,388,310	370,420,607

39.1 These include Rs. 8.735 million (2020: Rs. 7.571 million) in respect of staff retirement benefits (provident fund contribution and deferred gratuity).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

	2021	2020
39.2 Auditors' remuneration	Rupees	
Audit fee – standalone	2,300,000	2,075,000
Audit fee – consolidation	500,000	-
Review fee – standalone	750,000	738,400
Code of corporate governance and other assurance services	3,700,000	1,500,000
Out of pocket expenses	150,000	152,710
	<u>7,400,000</u>	<u>4,466,110</u>

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

39.4 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.

		2021	2020
40. RESEARCH AND DEVELOPMENT EXPENSES	Note	Rupees	
Salaries, wages and other benefits		54,308,139	-
Depreciation	5.1.2	21,709,350	21,709,350
Rent, rates and taxes		1,708,385	1,318,788
		<u>77,725,874</u>	<u>23,028,138</u>
41. FINANCE COSTS			
Mark-up on:			
- long-term financings		106,545,770	77,011,640
- lease liabilities	24.1	14,017,862	33,675,088
- long-term loans		42,099,560	83,607,181
- short-term financings		59,101,063	99,367,589
- running finance under mark-up arrangements		105,243,350	164,285,989
- due to related parties		58,504,501	54,375,256
Bank and other charges		4,172,099	2,994,461
		<u>389,684,205</u>	<u>515,317,204</u>
42. OTHER INCOME			
Income from financial assets:			
Interest income on loan given to employees		89,302	198,805
Mark-up on saving accounts		711,400	-
Fair value gain on investment in TME		33,327,406	-
Gain on bargain purchase option	1.6	89,486,545	-
		<u>123,614,653</u>	<u>198,805</u>
Income from related parties:			
Mark-up on current account		152,225,751	114,680,669
Other service income		10,672,983	20,473,730
		<u>162,898,734</u>	<u>135,154,399</u>
		<u>286,513,387</u>	<u>135,353,204</u>
Income from assets other than financial assets:			
Gain on disposal of property, plant and equipment - net	5.2	39,300	344,817
Gain on cancellation / modification of lease		-	15,431,807
Amortisation of government grant	26	10,472,666	2,416,771
Exchange gain - net		3,173,759	639,152
Others		5,474,725	7,039,000
		<u>19,160,450</u>	<u>25,871,546</u>
		<u>305,673,837</u>	<u>161,224,750</u>

Notes to the Consolidated Financial Statements

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		2021	2020
	Note	Rupees	
43. TAXATION			
Current		(65,249,589)	(51,776,067)
Prior		3,874,614	6,173,903
Deferred	11.1	27,469,391	56,586,399
		<u>(33,905,584)</u>	<u>10,984,235</u>

- 43.1 The returns of the total income of the Holding Company have been filed for and upto tax year 2020 which are considered as deemed assessments.

	2021	2020
	Rupees	
43.2 Relationship between accounting profit and tax expense		
Loss before taxation	(75,004,610)	(469,501,628)
Applicable tax rate	29%	29%
Tax at the above rate	-	-
Prior year tax	3,874,614	6,173,903
Tax effect of income subject to lower tax rate	(37,780,198)	4,810,332
Tax expense for the year	<u>(33,905,584)</u>	<u>10,984,235</u>

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group 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 Group 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, 2021. The policies for managing each of these risks are summarised below:

Notes to the Consolidated Financial Statements

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44.1 Financial assets and liabilities (excluding statutory assets and liabilities) by categories 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	
2021	(Rupees)						
Financial assets							
(designated at FVTOCI)							
(at amortised cost)	-	-	-	-	-	-	-
Long-term investments							
Loans	746,962	55,487	802,449	530,150	150,225	680,375	1,482,824
Long-term deposits	-	-	-	-	26,194,868	26,194,868	26,194,868
Trade debts	-	-	-	1,309,098,802	-	1,309,098,802	1,309,098,802
Trade deposits	-	-	-	16,572,503	-	16,572,503	16,572,503
Interest accrued	-	-	-	275,393,211	-	275,393,211	275,393,211
Other receivables	-	-	-	18,026,784	-	18,026,784	18,026,784
Due from related parties	1,361,389,292	-	1,361,389,292	-	-	-	1,361,389,292
Cash and bank balances	118,508,981	-	118,508,981	21,204,625	-	21,204,625	139,713,606
	<u>1,480,645,235</u>	<u>55,487</u>	<u>1,480,700,722</u>	<u>1,640,826,075</u>	<u>26,345,073</u>	<u>1,667,171,172</u>	<u>3,147,871,890</u>
Financial liabilities							
(at amortised cost)							
Long-term financings	678,327,035	1,049,650,530	1,727,977,565	-	-	-	1,727,977,565
Lease liabilities	47,668,312	81,889,252	129,557,564	-	-	-	129,557,564
Long-term loans	124,490,426	68,367,855	192,858,281	-	-	-	192,858,281
Trade and other payables	-	-	-	1,005,101,019	-	1,005,101,019	1,005,101,019
Accrued mark-up	-	-	-	96,437,639	-	96,437,639	96,437,639
Short term financings	235,953,736	-	235,953,736	-	-	-	235,953,736
Running finance under mark-up arrangements	1,062,507,117	-	1,062,507,117	-	-	-	1,062,507,117
Due to related parties	224,422,893	-	224,422,893	-	-	-	224,422,893
	<u>2,373,369,519</u>	<u>1,199,907,637</u>	<u>3,573,277,156</u>	<u>1,101,538,658</u>	<u>-</u>	<u>1,101,538,658</u>	<u>4,674,815,814</u>
2020	(Rupees)						
Financial assets							
(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
	<u>1,074,290,223</u>	<u>544,480</u>	<u>1,074,834,703</u>	<u>1,265,100,494</u>	<u>119,109,830</u>	<u>1,384,210,324</u>	<u>2,459,045,027</u>
Financial liabilities							
(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 financings	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
	<u>2,808,477,565</u>	<u>647,130,961</u>	<u>3,455,608,526</u>	<u>595,678,864</u>	<u>-</u>	<u>595,678,864</u>	<u>4,051,287,390</u>

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

Notes to the Consolidated Financial Statements

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44.2 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, 2021.

44.2.1 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

44.2.2 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 Group's loss before tax (through impact on floating rate borrowings). There is no direct impact on Group'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 Group.

	(Increase) / decrease in basis points	Effect on (loss) / profit before tax (Rupees)
2021	+100	35,864,599
	-100	<u>(35,864,599)</u>
2020	+100	34,600,986
	-100	<u>(34,600,986)</u>

44.2.3 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 Group's exposure to the risk of changes in foreign currency exchange rates primarily relates to the group's supplier payments and other operating activities. The Group manages its currency risk by effective fund management and timely repayment of its current liabilities. The Group, however, has not hedged its foreign currency liabilities as the management has assessed that it will not be cost beneficial.

	2021	2020	2021	2020
	USD	USD	----- Equivalent Rupees -----	
Assets				
Advances	-	25,898	-	4,009,936
Liabilities				
Trade creditors	(185,469)	(399,962)	(29,378,292)	(61,927,631)
	<u>(185,469)</u>	<u>(374,064)</u>	<u>(29,378,292)</u>	<u>(57,917,695)</u>

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

	Average rate		Spot rate	
	2021	2020	2021	2020
	-----Rupees-----		-----Rupees-----	
US Dollar	<u>163.30</u>	<u>150.06</u>	<u>158.40</u>	<u>154.83</u>

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase loss before tax for the year by Rs 1.469 million (2020: Rs 2.896 million).

44.2.4 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.

44.3 Credit risk

44.3.1 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. 3,147.872 million (2020: Rs. 2,459.045 million), the financial assets which are subject to credit risk amounted to Rs. 3,146.389 million (2020: Rs. 2,458.869 million). The Group's credit risk is primarily attributable to its trade debts and bank balances. The Group 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 Group 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.

44.3.2 The Group 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:

		2021	2020
	Note	Rupees	
Long-term investments	8	-	85,030,450
Loans	9	1,482,828	3,952,891
Long-term deposits	10	26,194,868	33,953,962
Trade debts	13.1	380,680,237	269,997,344
Trade deposits	15	16,572,503	39,749,391
Interest accrued	16	275,393,211	128,444,634
Other receivables	17	18,026,784	29,339,542
Due from related parties	18	1,361,389,292	1,071,684,058
Bank balances	19	138,952,515	19,045,147
		<u>2,218,692,238</u>	<u>1,681,197,419</u>

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

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

		2021	2020
Bank Balances by short-term rating category	Rating Agency	Rupees	
A-1+	JCR-VIS	1,336,861	14,746,985
A-1+	PACRA	122,064,060	4,298,162
A-1	PACRA	15,551,594	-
		<u>138,952,515</u>	<u>19,045,147</u>

44.4 Liquidity risk

Liquidity risk represents the risk that a Group 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 Group'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 Group's financial liabilities (excluding statutory liabilities) at June 30, 2021 and 2020 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)				
2021					
Long-term financings	103,246,489	-	575,080,546	1,049,650,530	1,727,977,565
Lease liabilities	-	-	47,668,312	81,889,252	129,557,564
Long-term loans	-	-	124,490,426	68,367,855	192,858,281
Trade and other payables	-	1,005,101,019	-	-	1,005,101,019
Accrued markup	96,437,639	-	-	-	96,437,639
Short-term financings	-	-	235,953,736	-	235,953,736
Running finance under markup arrangements	1,062,507,117	-	-	-	1,062,507,117
Due to related parties	224,422,893	-	-	-	224,422,893
	<u>1,486,614,138</u>	<u>1,005,101,019</u>	<u>983,193,020</u>	<u>1,199,907,637</u>	<u>4,674,815,814</u>
2020					
Long-term financings	-	-	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 financings	-	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
	<u>1,293,029,021</u>	<u>1,679,120,395</u>	<u>432,007,013</u>	<u>647,130,961</u>	<u>4,051,287,390</u>

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

44.5 Capital management

The primary objective of the Group'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, 2021. The parent company is committed to provide full support to the Group, as and when required.

The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Group 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, 2021 and 2020 are as follows:

		2021	2020
	Note	Rupees	
Long-term financings	22	1,727,977,565	497,450,437
Lease liabilities	24	129,557,564	83,101,871
Long-term loans	25	192,858,281	327,919,795
Accrued mark-up	28	96,437,639	140,061,771
Short-term financings	29	235,953,736	1,394,169,173
Running finance under mark-up arrangements	30	1,062,507,117	1,105,194,287
Total debts		3,445,291,902	3,547,897,334
Less: Cash and bank balances	19	139,713,606	19,221,288
Net debt		3,305,578,296	3,528,676,046
Share capital	20	1,872,630,930	1,204,425,930
Capital reserve		232,690,046	146,817,136
Revenue reserve		(127,575,912)	(82,063,384)
Other components of equity		291,140,941	284,432,213
Equity attributable to owners of the Company		2,268,886,005	1,553,611,895
Total capital		5,574,464,301	5,082,287,941
Gearing ratio		59.30%	69.43%

44.6 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 Group.

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.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

The Group 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 Group has no assets carried at fair value other than property, plant and equipment at revalued amount (note 5).

45. SEGMENT REPORTING

For management purposes, the activities of the Group are organised into one operating segment i.e. tracking and other digital business. The Group operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. The operating interests of the Group are confined to Pakistan and UAE in terms of its business operations. Accordingly, the information and figures reported in these consolidated financial statements are related to the Group's reportable segment in Pakistan and UAE.

The details of customers with whom the revenue from sales transactions amount to 10% or more of the Group's overall revenue is as follows:

Note	2021	2020
	Rupees	
TPL Insurance Limited	208,098,133	179,653,398
45.1 Geographical information		
45.1.1 Revenues		
Pakistan	1,886,241,808	1,605,235,951
United Arab Emirates	225,015,347	-
	2,111,257,155	1,605,235,951
45.1.2 The revenue information is based on the location of customers.		
45.1.3 Non-current assets		
Pakistan	3,671,247,225	3,389,544,599
United Arab Emirates	36,809,481	-
	3,708,056,706	3,389,544,599

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

45.1.4 Non-current assets of the Group are confined within Pakistan and UAE, and consist of property, plant and equipment, intangibles assets, right-of-use assets, long-term loans and deposits.

46. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2021	2020	2021	2020	2021	J 2020
	----- Rupees -----					
Basic salary	15,484,800	11,574,888	-	-	61,877,511	48,316,500
House rent allowance	6,968,160	5,208,696	-	-	28,091,664	21,742,404
Utilities	1,547,040	1,156,416	-	-	6,573,307	4,827,060
Vehicle allowance	-	1,260,000	-	-	12,668,138	9,924,000
Retirement benefits	1,289,880	964,188	-	-	4,873,512	3,895,776
	<u>25,289,880</u>	<u>20,164,188</u>	<u>-</u>	<u>-</u>	<u>114,084,132</u>	<u>88,705,740</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>26</u>

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

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

47. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of ultimate parent company, parent company, subsidiary 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 consolidated financial statements are as follows:

	2021	2020
	Rupees	
TPL Holdings (Private) Limited – (ultimate parent company) [TPLH]		
Amount received by the Holding Company from TPLH	-	88,093,096
Expenditure incurred / paid by the Holding Company on behalf of TPLH	9,979,955	2,766,100
Mark-up on current account	72,775,079	68,271,244
Expenditure paid by TPLH on behalf of the Holding Company	-	2,799,000
Amount paid / repaid by the Holding Company to TPLH	<u>254,150,010</u>	<u>623,579,904</u>

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

	2021	2020
	Rupees	
TPL Corp Limited – (parent company) [TPLC]		
Amount received by the Holding Company from TPL Corp	1,125,520,000	1,133,312,773
Amount paid / repaid by the Holding Company	2,098,144,846	2,098,144,846
Amount paid by the Holding Company on behalf of TPL Corp	1,373,638,537	-
Mark-up on current account	73,919,325	32,713,172
Settlement of amount receivable by the Holding Company with TPL Life	59,421,786	-
Expenditure incurred by the Holding Company on behalf of TPL Corp	11,915,394	70,747,551
Expenditure incurred for TPLL on behalf of TPL Corp	-	1,153,536
Expenditure incurred by the Holding Company for TPLe on behalf of TPL Corp	-	13,378,030
Expenditure incurred on behalf of the Holding Company	122,454,115	118,971,730
<u>Associated companies</u>		
TPL Security Services (Private) Limited [TSS]		
Expenditure incurred / paid by the Holding Company on behalf of TSS	13,843,057	24,379,011
Expenditure incurred / paid by TSS on behalf of the Holding Company	1,679,412	-
Services acquired by the Holding Company from TSS	16,470,746	17,844,664
Amount received by the Holding Company from TSS	20,179,425	418,500
Settlement of amount payable on behalf of the Holding Company from TSS for services received from suppliers	9,352,030	16,043,344
Amount paid / repaid by the Holding Company to TSS	6,841,063	9,300,000
TPL Properties Limited [TPLP]		
Expenditure incurred / paid by the Holding Company on behalf of TPLP	22,080,546	36,846,510
Amount paid by the Holding Company to TPLP	-	3,338,888
Amount received by the Holding Company from TPLP	19,118,983	30,817,132
Expenditure incurred / paid by TPLP on behalf of the Holding Company	1,241,154	7,955,821
Mark-up on current account	344,295	1,441,891
TPL Insurance Limited [TIL]		
Sales made by the Holding Company to TIL	208,098,133	179,653,398
Expenditure incurred / paid by the Holding Company on behalf of TIL	61,686,535	113,033,549
Amount received by the Holding Company from TIL	1,379,000,000	727,300,000
Mark-up on current account	53,593,084	50,119,949
Payment made by the Holding Company to TIL	996,670,203	561,000,000
Expenditure incurred / paid by TIL on behalf of the Holding Company	41,476,059	11,613,216
Trakker Middle East LLC [TME]		
Expenses incurred / paid by the Holding Company on behalf of TME	-	24,876,874
Mark-up on current Account	-	5,478,865
Trakker Direct Finance (Private) Limited [TPLD]		
Expenditure incurred / paid by the Holding Company on behalf of TPLD	-	47,970
Mark-up on current account	86,057	132,760
TPL Life Insurance Limited [TPL Life]		
Amount received by the Holding Company from TPL Life	264,300,240	154,434,369
Expenditure incurred / paid by TPL Life on behalf of the Holding Company	12,163,843	21,685,744
Mark-up on current account	4,911,418	4,255,307
Settlement of amount payable by the Holding Company with TPL C	59,421,786	-
Expenditure incurred by the Holding Company on behalf of TPL Life	45,043,994	83,377,202
Payments made by the Holding Company to TPL Life	182,800,000	74,719,578

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

	2021	2020
	Rupees	
TRG Pakistan Limited [TRG]		
Expenditure incurred / paid by the Holding Company on behalf of TRG	1,764,213	-
Mark-up on current account	861,965	1,245,536
TPL Tech Pakistan (Private) Limited [TPL Tech]		
Expenditure incurred / paid by the Holding Company on behalf of TPL Tech	2,029,825	19,183,278
Mark-up on current account	4,239,028	5,397,198
Staff retirement benefits funds		
Provident fund employer contribution	16,078,616	30,762,275
Gratuity contribution paid during the year	2,563,850	-
Key management personnel		
Salaries and other benefits	48,588,151	39,894,000
Post employment benefits	4,738,826	1,963,524
Loan received by TME from a Director	48,574,706	-

- 47.1 All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group. The related parties status of outstanding receivables / payables as at June 30, 2021 and 2020 are disclosed in respective note to these consolidated financial statements.
- 47.2 Certain employees of the group companies provides services to the Group and accordingly, their cost are proportionately charged to the Group 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.

		2021	2020
		Rupees	
48. CASH AND CASH EQUIVALENTS	Note		
Cash and bank balances	19	139,713,606	19,221,288
Running finance under mark-up arrangements	30	(1,062,507,117)	(1,105,194,287)
		(922,793,511)	(1,085,972,999)
49. LOSS PER SHARE – basic and diluted			
Loss attributable to the ordinary shareholders		(58,346,036)	(458,517,393)
		----- Number of shares -----	
		Restated	
Weighted average number of ordinary shares in issue		187,263,093	120,442,592
Loss per share – basic		(0.31)	(3.81)

There is no dilutive effect on basic earnings per share of the Group. Share based payment has anti dilutive effect.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

50. CORRESPONDING FIGURES

Corresponding figures have been rearranged, for better presentation, details are as follow:

	Reclassified from	Reclassified to	Note	Rupees
Consolidated statement of profit or loss and other comprehensive income	Salaries, wages and other benefits			
	Cost of sales and services	Administrative expenses	39	27,997,285
	Distribution expenses	Administrative expenses	39	42,326,877
	Depreciation			
	Distribution expenses	Cost of sales and services	37	37,476,323
	Administrative expenses	Cost of sales and services	37	27,233,031
	Administrative expenses	Research and development	40	21,709,350
	Travelling and conveyance			
	Distribution expenses	Cost of sales and services	37	6,599,091
	Administrative expenses	Cost of sales and services	37	17,426,185
Commission				
	Distribution expenses	Cost of sales and services	37	63,579,649
Outsourcing expenses				
	Distribution expenses	Cost of sales and services	37	24,444,134

51. GENERAL

51.1 Number of employees as at June 30, 2021 were 827 (2020: 706) and average number of employees during the year were 741 (2020: 723).

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

52. DATE OF AUTHORISATION OF ISSUE

These consolidated financial statements were authorised for issue on September 18, 2021 by the Board of Directors of the Holding 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 Thursday, 21 October, 2021 at 03:00 p.m. through electronic mode, to transact the following business:

ORDINARY BUSINESS:

1. To approve the minutes of the Annual General Meeting held on October 26, 2020.

"RESOLVED THAT the minutes of Annual General Meeting of TPL Trakker Limited held on October 26, 2020 at 12:15 pm be and are hereby approved."

2. To receive, consider and adopt the Annual Standalone and Consolidated Audited Financial Statements of the Company together with the Directors', Auditors' and Chairman's Review Report thereon for the year ended June 30, 2021.

"RESOLVED THAT the Annual Standalone and Consolidated Audited Financial Statements of TPL Trakker Limited together with the Directors', Auditors' and Chairman's Review Report thereon for the year ended 30 June 2021 be and are hereby approved."

3. To appoint Auditors for the year ending June 30, 2022 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, 2022."

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 for renewal of 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 renew 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 for renewal of advance of enhanced amount up to Rs. 250 million to the subsidiary 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 renew advance of enhanced amount up to Rs. 250 million to the subsidiary 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 for renewal of 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 renew advance of Rs. 50 million to the associated company i.e TPL Security Services (Pvt.) Limited."

Notice of Annual General Meeting

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.

“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, 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. 700 million to the associated company, TPL Holdings (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. 700 Million to TPL Holdings (Pvt.) Limited.”

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

Renewal of advance of PKR 600 Million to TPL Corp Limited:

The Company is desirous to renew advances made to TPL Corp Limited. The advance of maximum amount of PKR. 600 Million was initially approved by members, upon recommendation of the Board of Directors of the Company, on October 26, 2020. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 18, 2021.

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	2021:(1.02) 2020: (1.57), 2019: (0.63)																																								
iv.	Break-up value per share, based on latest audited financial statements	PKR 26.33 per share																																								
v.	Financial position of the associated company	<div>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, 2021 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>10,253,048,462</td></tr><tr><td>Other assets</td><td>167,018,860</td></tr><tr><td>Total Assets</td><td>10,420,067,322</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>3,381,524,433</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>2,672,977,630</td></tr><tr><td>Advance against right shares</td><td></td></tr><tr><td>Capital Reserve</td><td>118,155,762</td></tr><tr><td>Accumulated (loss)</td><td>(572,057,159)</td></tr><tr><td>Other component of equity</td><td>4,819,466,656</td></tr><tr><td>Equity</td><td>7,038,542,889</td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>(Loss) before interest and taxation</td><td>(47,933,910)</td></tr><tr><td>Financial charges</td><td>(206,686,938)</td></tr><tr><td>(Loss) before taxation</td><td>(254,620,848)</td></tr><tr><td>Taxation</td><td>-</td></tr><tr><td>(Loss) after taxation</td><td>(271,715,116)</td></tr></table>	Balance Sheet	Rupees	Non-current assets	10,253,048,462	Other assets	167,018,860	Total Assets	10,420,067,322			Total Liabilities	3,381,524,433			<i>Represented by:</i>		Paid up capital	2,672,977,630	Advance against right shares		Capital Reserve	118,155,762	Accumulated (loss)	(572,057,159)	Other component of equity	4,819,466,656	Equity	7,038,542,889	Profit and Loss		(Loss) before interest and taxation	(47,933,910)	Financial charges	(206,686,938)	(Loss) before taxation	(254,620,848)	Taxation	-	(Loss) after taxation	(271,715,116)
Balance Sheet	Rupees																																									
Non-current assets	10,253,048,462																																									
Other assets	167,018,860																																									
Total Assets	10,420,067,322																																									
Total Liabilities	3,381,524,433																																									
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Equity	7,038,542,889																																									
Profit and Loss																																										
(Loss) before interest and taxation	(47,933,910)																																									
Financial charges	(206,686,938)																																									
(Loss) before taxation	(254,620,848)																																									
Taxation	-																																									
(Loss) after taxation	(271,715,116)																																									

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

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

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

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.

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

Renewal of advance of PKR 250 Million to Trakker Middle East LLC:

The Company is desirous to renew advances made to Trakker Middle East LLC. The advance maximum amount of PKR. 150 Million was initially approved by members, upon recommendation of the Board of Directors of the Company, on October 26, 2020. The renewal of advance of enhanced amount up to PKR 250 Million has been recommended by the Board of Directors of the Company in its meeting held on September 18, 2021.

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	Subsidiary																																		
iii.	Earnings per share for the last three years of the Associated Company	2021: (19,702.61) 2020: (15,598.85) 2019: (5,174.71)																																		
iv.	Break-up value per share, based on latest audited financial statements	PKR 45,554.49 per Share																																		
v.	Financial position of the associated company	<div>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, 2021 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>36,809,481</td></tr><tr><td>Other assets</td><td>197,467,099</td></tr><tr><td>Total Assets</td><td>234,276,580</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>492,570,535</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>244,717,200</td></tr><tr><td>Advance against right shares</td><td></td></tr><tr><td>Statutory Reserves</td><td>48,946,763</td></tr><tr><td>Subordinated Loan from Sponsor</td><td>-</td></tr><tr><td>Accumulated (loss)</td><td>(551,957,918)</td></tr><tr><td>Equity</td><td>(258,293,955)</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>(Loss) before interest and taxation</td><td>(100,795,026)</td></tr></table>	Balance Sheet	Rupees	Non-current assets	36,809,481	Other assets	197,467,099	Total Assets	234,276,580			Total Liabilities	492,570,535			<i>Represented by:</i>		Paid up capital	244,717,200	Advance against right shares		Statutory Reserves	48,946,763	Subordinated Loan from Sponsor	-	Accumulated (loss)	(551,957,918)	Equity	(258,293,955)			Profit and Loss		(Loss) before interest and taxation	(100,795,026)
Balance Sheet	Rupees																																			
Non-current assets	36,809,481																																			
Other assets	197,467,099																																			
Total Assets	234,276,580																																			
Total Liabilities	492,570,535																																			
<i>Represented by:</i>																																				
Paid up capital	244,717,200																																			
Advance against right shares																																				
Statutory Reserves	48,946,763																																			
Subordinated Loan from Sponsor	-																																			
Accumulated (loss)	(551,957,918)																																			
Equity	(258,293,955)																																			
Profit and Loss																																				
(Loss) before interest and taxation	(100,795,026)																																			

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

		Financial charges	(10,918,746)	
		(Loss) before taxation	(111,713,772)	
		Taxation	-	
		(Loss) after taxation	(111,713,772)	
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 250,000,000		
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	None		

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

	undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	
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.

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

Renewal of advance of PKR 50 Million to TPL Security Services (Pvt.) Limited:

The Company is desirous to renew advances made to TPL Security Services (Pvt.) Limited. The advance of maximum amount of PKR. 50 Million was initially approved by members, upon recommendation of the Board of Directors of the Company, on October 26, 2020. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 18, 2021.

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	FY-2021 (Rs. 6.01)	FY-2020 Rs. 5.37	FY-2019 (Rs. 2.97)
iv.	Break-up value per share, based on latest audited financial statements	PKR (16.81) per share		
v.	Financial position of the associated company	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, 2021 is as follows:		
		Balance Sheet		Rupees
		Non-current assets		12,958,698
		Other assets		80,186,945
		Total Assets		93,145,643
		Total Liabilities		128,309,124
		Represented by:		
		Paid up capital Advance against right shares		21,000,000
		Capital Reserve		
		Accumulated (loss)		(56,291,817)
		Equity		(35,291,817)
		Profit and Loss		
(Loss) before interest and taxation		(8,712,303)		

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

		Financial charges	(5,875)	
		(Loss) before taxation	(8,718,178)	
		Taxation	(3,912,981)	
		(Loss) after taxation	(12,631,159)	
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 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	None		

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

	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	
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.

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

Renewal of advance of Rs. 20 Million to TPL Properties Limited:

The Company is desirous to renew advances made to TPL Properties Limited. The advance of maximum amount of PKR. 20 Million was initially approved by members, upon recommendation of the Board of Directors of the Company, on October 26, 2020. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 18, 2021.

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	2021: (1.72); 2020: 0.85; 2019: 2.23																																				
iv.	Break-up value per share, based on latest audited financial statements	PKR 14.07 per share																																				
v.	Financial position of the associated company	<div>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, 2021 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>3,222,157,785</td></tr><tr><td>Other assets</td><td>4,278,983,422</td></tr><tr><td>Total Assets</td><td>7,501,141,207</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>1,874,222,831</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>3,273,931,063</td></tr><tr><td>Advance against right shares</td><td></td></tr><tr><td>Capital Reserve</td><td>(324,405,756)</td></tr><tr><td>Accumulated (loss)</td><td>2,677,393,069</td></tr><tr><td>Surplus on Revaluation of Fixed Assets</td><td>-</td></tr><tr><td>Equity</td><td>5,626,918,376</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>Profit/(Loss) before interest and taxation</td><td>(156,380,583)</td></tr><tr><td>Financial charges</td><td>(424,646,747)</td></tr></table>	Balance Sheet	Rupees	Non-current assets	3,222,157,785	Other assets	4,278,983,422	Total Assets	7,501,141,207			Total Liabilities	1,874,222,831			<i>Represented by:</i>		Paid up capital	3,273,931,063	Advance against right shares		Capital Reserve	(324,405,756)	Accumulated (loss)	2,677,393,069	Surplus on Revaluation of Fixed Assets	-	Equity	5,626,918,376			Profit and Loss		Profit/(Loss) before interest and taxation	(156,380,583)	Financial charges	(424,646,747)
Balance Sheet	Rupees																																					
Non-current assets	3,222,157,785																																					
Other assets	4,278,983,422																																					
Total Assets	7,501,141,207																																					
Total Liabilities	1,874,222,831																																					
<i>Represented by:</i>																																						
Paid up capital	3,273,931,063																																					
Advance against right shares																																						
Capital Reserve	(324,405,756)																																					
Accumulated (loss)	2,677,393,069																																					
Surplus on Revaluation of Fixed Assets	-																																					
Equity	5,626,918,376																																					
Profit and Loss																																						
Profit/(Loss) before interest and taxation	(156,380,583)																																					
Financial charges	(424,646,747)																																					

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

		Profit/(Loss) before taxation	(581,027,330)	
		Taxation	16,630,440	
		Profit/(Loss) after taxation	(564,396,890)	
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	None		

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

	undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	
xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Category-wise amount of investment;	-
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.

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

Renewal of advance of Rs. 25 Million to TRG Pakistan Limited:

The Company is desirous to renew advances made to TRG Pakistan Limited. The advance of maximum amount of PKR. 25 Million was initially approved by members, upon recommendation of the Board of Directors of the Company, on October 26, 2020. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 18, 2021.

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	2021: 8.113 2020: 0.140, 2019: 0.003																																		
iv.	Break-up value per share, based on latest audited financial statements	PKR 91.41 per share – (31Dec2020 PSX)																																		
v.	Financial position of the associated company	<div>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, 2020 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>25,746,063</td></tr><tr><td>Other assets</td><td>1,653,445</td></tr><tr><td>Total Assets</td><td>27,399,508</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>4,582,436</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>5,453,907</td></tr><tr><td>Advance against right shares</td><td></td></tr><tr><td>Foreign currency translation reserve</td><td>(478,775)</td></tr><tr><td>Fair value reserve - net of deferred tax</td><td>-</td></tr><tr><td>Accumulated (loss)</td><td>17,841,940</td></tr><tr><td>Equity</td><td>22,817,072</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>Profit before interest and taxation</td><td>1,664</td></tr></table>	Balance Sheet	Rupees	Non-current assets	25,746,063	Other assets	1,653,445	Total Assets	27,399,508			Total Liabilities	4,582,436			<i>Represented by:</i>		Paid up capital	5,453,907	Advance against right shares		Foreign currency translation reserve	(478,775)	Fair value reserve - net of deferred tax	-	Accumulated (loss)	17,841,940	Equity	22,817,072			Profit and Loss		Profit before interest and taxation	1,664
Balance Sheet	Rupees																																			
Non-current assets	25,746,063																																			
Other assets	1,653,445																																			
Total Assets	27,399,508																																			
Total Liabilities	4,582,436																																			
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Paid up capital	5,453,907																																			
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Fair value reserve - net of deferred tax	-																																			
Accumulated (loss)	17,841,940																																			
Equity	22,817,072																																			
Profit and Loss																																				
Profit before interest and taxation	1,664																																			

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

		Financial charges	-
		(Loss) before taxation	4,242,648
		Taxation	(634,261)
		(Loss) after taxation	3,608,387
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	None	

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

	undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	
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
	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
xxi.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort / The loan is unsecured.
xxii.	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.

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

Renewal of advance of Rs. 100 Million to TPL Tech Pakistan (Pvt.) Limited:

The Company is desirous to renew advances made to TPL Tech Pakistan (Pvt.) Limited. The advance of maximum amount of PKR. 100 Million was initially approved by members, upon recommendation of the Board of Directors of the Company, on October 26, 2020. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 18, 2021.

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	<div>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:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>N.A</td></tr><tr><td>Other assets</td><td>N.A</td></tr><tr><td>Total Assets</td><td>N.A</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</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>Equity</td><td>N.A</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</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></table>	Balance Sheet	Rupees	Non-current assets	N.A	Other assets	N.A	Total Assets	N.A			Total Liabilities	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	Equity	N.A			Profit and Loss		Profit before interest and taxation	N.A	Financial charges	N.A
Balance Sheet	Rupees																																			
Non-current assets	N.A																																			
Other assets	N.A																																			
Total Assets	N.A																																			
Total Liabilities	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																																			
Equity	N.A																																			
Profit and Loss																																				
Profit before interest and taxation	N.A																																			
Financial charges	N.A																																			

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

		Profit/(Loss) before taxation	N.A	
		Taxation	N.A	
		Profit/(Loss) after taxation	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 e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable		
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	None		

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

	information/justification for any impairment or write offs; and	
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
	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
xxi.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort /The loan is unsecured.
xxii.	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.

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

Renewal of advance of PKR 700 Million to TPL Holdings (Pvt.) Limited:

The Company is desirous to renew advances made to TPL Holdings (Pvt.) Limited. The advance of maximum amount of PKR. 700 Million was initially approved by members, upon recommendation of the Board of Directors of the Company. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 18, 2021.

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 Holdings (Pvt.) Ltd.																																								
ii.	Basis of relationship	Associated																																								
iii.	Earnings per share for the last three years of the Associated Company	FY-2021 (Rs. 29.27)	FY-2020 (Rs. 41.45)	FY-2019 (Rs. 25.55)																																						
iv.	Break-up value per share, based on latest audited financial statements	PKR 243.86 per share																																								
v.	Financial position of the associated company	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, 2021 is as follows:																																								
		<table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>1,802,475,590</td></tr><tr><td>Other assets</td><td>1,290,810,109</td></tr><tr><td>Total Assets</td><td>3,093,285,699</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>2,172,852,406</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>37,744,000</td></tr><tr><td>Advance against right shares</td><td></td></tr><tr><td>Capital Reserve</td><td>15,733,263</td></tr><tr><td>Accumulated (loss)</td><td>866,956,030</td></tr><tr><td>Equity</td><td>920,433,293</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>(Loss) before interest and taxation</td><td>115,386,039</td></tr><tr><td>Financial charges</td><td>(225,782,921)</td></tr><tr><td>(Loss) before taxation</td><td>(110,396,881)</td></tr><tr><td>Taxation</td><td>(62,863)</td></tr></table>			Balance Sheet	Rupees	Non-current assets	1,802,475,590	Other assets	1,290,810,109	Total Assets	3,093,285,699			Total Liabilities	2,172,852,406			<i>Represented by:</i>		Paid up capital	37,744,000	Advance against right shares		Capital Reserve	15,733,263	Accumulated (loss)	866,956,030	Equity	920,433,293			Profit and Loss		(Loss) before interest and taxation	115,386,039	Financial charges	(225,782,921)	(Loss) before taxation	(110,396,881)	Taxation	(62,863)
		Balance Sheet	Rupees																																							
		Non-current assets	1,802,475,590																																							
		Other assets	1,290,810,109																																							
		Total Assets	3,093,285,699																																							
		Total Liabilities	2,172,852,406																																							
		<i>Represented by:</i>																																								
		Paid up capital	37,744,000																																							
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		Accumulated (loss)	866,956,030																																							
		Equity	920,433,293																																							
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		(Loss) before interest and taxation	115,386,039																																							
		Financial charges	(225,782,921)																																							
		(Loss) before taxation	(110,396,881)																																							
Taxation	(62,863)																																									

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

		(Loss) after taxation	(110,459,745)
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 700,000,000	
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in associated company.	
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;	Own Source.	
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	Mr. Jameel Yusuf is the director of the Company, and TPL Holdings (Pvt.) Limited.	
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	

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

xiii.	Any other important details necessary for the members to understand the transaction;	Not applicable
xiv.	Category-wise amount of investment;	Loan repayable on demand
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	The average estimated borrowing cost of the Company is KIBOR + 3%.
xvi.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Markup to be charged equivalent to the borrowing cost
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort
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;	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.

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

ANY OTHER BUSINESS

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

By Order of the Board

Danish Qazi
Company Secretary

Karachi, September 30, 2021

Notes

1. Reason for holding AGM through electronic mode i.e. Coronavirus Contingency Planning

In view of the threat of pandemic outbreak of COVID-19 (Corona Virus) and directives of the Securities and Exchange Commission of Pakistan (SECP) vide its Circulars requiring listed companies to modify their usual planning for general meetings to protect the wellbeing of shareholders, the Company requests its members to attend and participate in the general meeting 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 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.

2. Closure of Share Transfer Books:

The Share Transfer Book of the Company will remain closed from October 15, 2021 to October 21, 2021 (both days inclusive). Share Transfers received at M/s THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan by the close of business hours (5:00 PM) on October 14, 2021, 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 general meeting with minimum members ensuring quorum of the meeting, the members are requested to consolidate their attendance and voting at 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, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan, not less than 48 hours before the Meeting.

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

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, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan.

6. Accounts of the Company for the year ended June 30, 2021 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 **Thursday, 21 October, 2021** and/or adjournment thereof.

As witness my / our hand (s) seal this on the _____ day of _____ 2021.

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.

(نیابت) پراکسی فارم

میں/ہم _____ جس کا / جن کا مکمل پتہ _____

_____ ہے، ٹی پی ایل ٹریڈر لمیٹڈ کا ممبر 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 جمعرات ۲۱ اکتوبر ۲۰۲۱ 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 _____ ۲۰۲۱

دستخط کنندہ

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر

برائے مہربانی یہاں ریونیوسٹمپ
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 _____

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 شیئرز 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 فوٹو کاپی 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۔

Corporate Office

Plot No. 1-A, Sector # 24, near Shan Chowrangi,
Korangi Industrial Area, Karachi - 74900

☎ Phone: (+92)-21-111-000-300

✉ info@tpltrakker.com

🌐 www.tpltrakker.com

📘 [/trakker.ltd](https://www.facebook.com/trakker.ltd) 🐦 [/tpl_trakker](https://twitter.com/tpl_trakker)

