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01. COMPANY PROFILE

ANNUAL REPORT/2013



VISION AND MISSION

We are committed to make a positive contribution to create and deliver innovative concepts, utilizing cutting edge technologies backed by value added customer services. We seek to be the best in the asset tracking businesses focusing on delivering unparalleled services to all our customers across Pakistan and the MENA region.

CORE VALUES



INTEGRITY

SERVICES BEYOND EXCELLENCE

STAKEHOLDER SATISFACTION

PASSION TO ACHIEVE MORE

MAINTAINING HIGH STANDARD OF ETHICS

DEMONSTRATE SOCIAL RESPONSIBILITY TOWARDS THE SOCIETY

PROFESSIONALISM

TO HIRE THE BEST WORKFORCE WITH A BELIEF IN EQUALITY AND

NON-DISCRIMINATION

COMPANY INFORMATION

BOARD OF DIRECTORS

Jameel Yusuf	Chairman
Murtaza Ali Bhai	Director
Hussein Ali Bhai	Director
Mark Rousseu	Director
Stuart Robin Aberdein	Director
Saad Nissar	Director
Mustafa Ali	Director

CHIEF EXECUTIVE OFFICER

Ali Jameel

CHIEF FINANCIAL OFFICER

Yousuf Zohaib Ali

COMPANY SECRETARY

Yousuf Zohaib Ali

AUDIT COMMITTEE

Murtaza Ali Bhai	Chairman
Saad Nissar	Member
Mustafa Ali	Member
Muhammad Abbas	Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Hussein Ali Bhai	Chairman
Ali Jameel	Member
Mustafa Ali	Member & Secretary

AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

LEGAL ADVISOR

Mohsin Tayebaly & Co.

BANKERS

Habib Metropolitan Bank Limited
Standard Chartered Bank Limited
National Bank of Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
JS Bank Limited
Bank Al Habib Limited
Citi Bank N.A.
KASB Bank Limited

SHARE REGISTRAR

THK Associates
Ground Floor, State Life Building-3
Dr. Ziauddin Ahmed Road,
Karachi-75530, Pakistan.
Tel: (021) 35689021, 35686658
UAN: 111-000-322
FAX: (021) 35655595

REGISTERED OFFICE

39-K, BLOCK 6, P.E.C.H.S.,
Karachi, Pakistan.
Phone +92-21-34390300
UAN +92-21-111-000-300
FAX +92-21-34529429

WEB PRESENCE

www.tpltrakker.com

GEOGRAPHICAL PRESENCE

CORPORATE OFFICE

39-K, Block-6,
P.E.C.H.S., Karachi.
Phone +92-21-34390300
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SALES & MARKETING OFFICE

172-B/2, 3rd Floor,
Najeeb Centre,
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Phone +92-21-34322555
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INSTALLATION CENTER

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P.E.C.H.S., Karachi.
Phone +92-21-34324011-13
FAX +92-21-34324014

BRANCH OFFICES

LAHORE OFFICE

51-M, Denim Road,
Quaid-e-Azam Industrial
Estate (Kot Lakhpat),
Lahore.
UAN +92-42-111-000-300
FAX +92-42-35157233

ISLAMABAD OFFICE

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I-9/2 Industrial Area,
Islamabad.
UAN +92-51-111-000-300
FAX +92-51-4102453

FAISALABAD OFFICE

P-6161, West Canal Road,
Adjacent to Toyota
Faisalabad Motors and
behind HBL Canal Road
Branch.
UAN +92-41-111-000-300
Phone +92-41-8501471-3,
Fax + 92-41-8501470

GUJRANWALA OFFICE

Chanda Qilla By Pass, G.T.
Road, Gujranwala.
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Phone +92-55-4290044
FAX +92-55-4290066

MULTAN OFFICE

House No. 5, Suraj Miani
Road, Opp. Ashraf Cardiac
Clinic, Chungi No.1, Multan.
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FAX +92-61-4519391

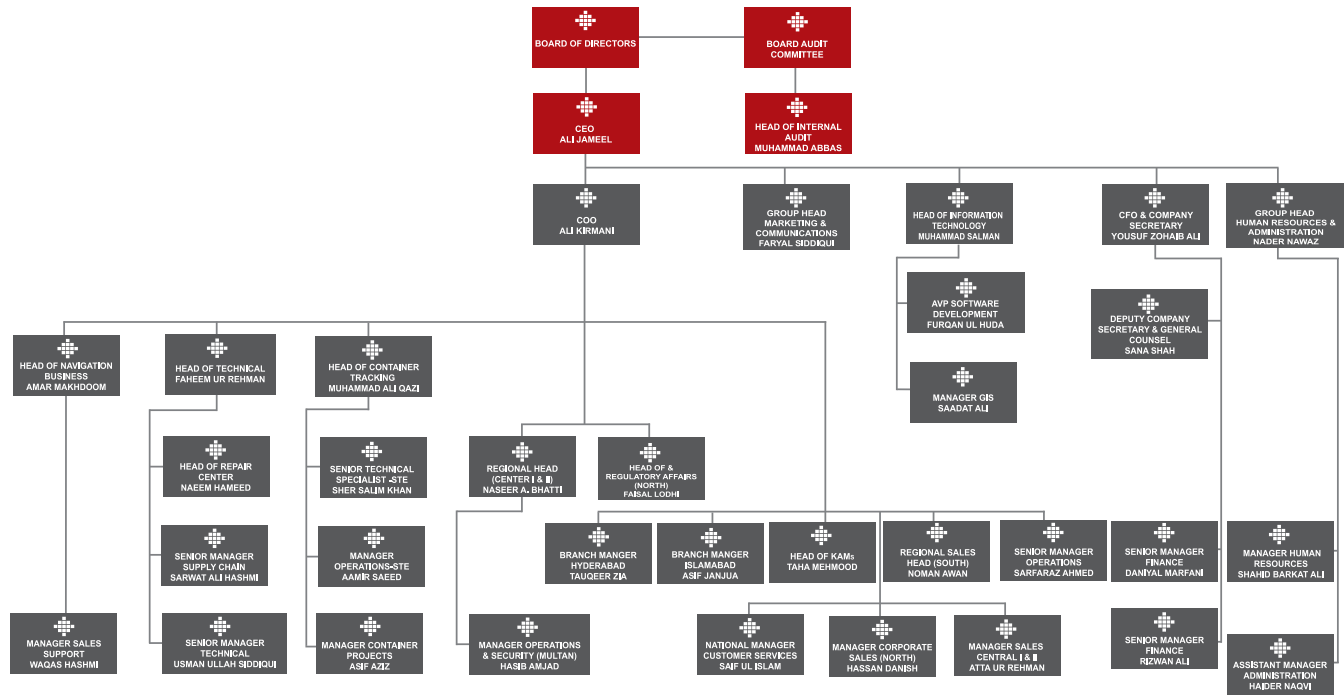
HYDERABAD OFFICE

New Memon Motors,
A-8-9, District Council
Complex, Hyderabad.
UAN +92-22-111-000-300
Phone +92-22-2728676
FAX +92-22-2783154

SIALKOT OFFICE

Hilbro Park, Daska Road,
Sialkot.
UAN +92-52-111-000-300
Phone +92-52-6527415
FAX +92-52-6526256

ORGANIZATION STRUCTURE





02. STAKEHOLDERS' INFORMATION

ANNUAL REPORT/2013

HORIZONTAL ANALYSIS

2013 2012 2011 2010 2009* 2008*

← (Rupees) →

BALANCE SHEET

Fixed Assets	1,740,325,959	1,695,005,517	1,718,888,834	1,699,260,036	1,715,832,197	358,309,751
Long-term investments	769,362,990	769,362,990	758,362,990	750,362,990	738,362,990	282,166,990
Long term loans	1,238,244	1,450,585	1,475,732	1,546,316	3,368,442	5,487,026
Long term deposits	17,541,876	15,558,430	10,198,990	8,491,103	12,785,212	9,002,834
Deferred tax	-	-	2,470,796	-	-	3,298,092
Stock-in-trade	135,846,316	66,257,079	32,139,224	20,422,439	20,884,617	50,553,228
Trade debts	508,641,088	437,596,330	348,066,888	383,928,555	365,318,895	286,645,360
Short-term investments	439,000,000	439,000,000	450,000,000	450,000,000	-	-
Advance against property	-	-	-	-	382,824,057	273,769,473
Loan and advances	7,320,012	18,389,856	17,496,620	7,856,149	9,548,551	11,448,818
Trade deposits and prepayments	31,304,048	9,338,723	12,072,880	9,475,259	8,241,430	12,032,310
Accrued mark-up	58,441,218	48,581,110	28,241,210	15,940,632	7,843,786	3,655,633
Other receivables	4,700,657	4,234,890	4,668,856	3,530,548	2,355,615	1,424,856
Due from related parties	61,861,117	136,402,468	206,024,514	45,229,659	26,791,142	21,751,781
Taxation- net	4,027,914	-	-	-	-	35,966,045
Cash and bank balances	2,087,853	3,105,357	1,722,914	3,415,417	3,598,221	13,609,548
TOTAL ASSETS	3,781,699,292	3,644,283,335	3,591,830,448	3,399,459,103	3,297,755,155	1,369,121,745
Issued, subscribed and paid-up capital	2,172,489,630	1,872,489,630	1,872,489,630	1,872,489,630	1,872,489,630	37,744,000
Revenue Reserve - unappropriated profit	282,353,186	240,349,839	178,554,969	86,286,116	27,480,953	34,678,320
Advance against sale of shares	-	300,000,000	-	790,000	1,290,000	10,150,000
Surplus on revaluation of Property and equipment	-	-	-	-	-	47,001,465
Long term loan	16,666,668	50,000,000	-	-	16,666,667	50,000,000
Long term Liabilities	-	-	-	12,500,000	62,500,000	112,500,000
Deferred Liabilities	13,300,486	26,645,672	19,648,065	15,589,769	12,046,665	-
Liabilities against assets subject to finance lease	4,223,100	5,798,479	24,398,006	13,267,304	28,075,678	31,952,625
Trade and other payables	310,450,741	252,536,512	386,044,453	487,505,554	406,587,082	267,803,282
Accrued mark-up	110,189,226	73,637,615	37,815,240	16,525,561	8,505,066	9,419,188
Running finance under mark-up arrangements	471,537,574	358,830,662	377,543,314	358,703,068	157,136,857	157,832,546
Short-term financing	35,000,000	43,000,000	137,998,000	87,998,846	158,000,000	140,000,000
Due to related parties	215,900,016	168,869,202	191,812,657	80,722,346	79,004,276	36,795,798
Taxation - net	-	14,140,909	28,976,851	12,603,723	22,739,504	-
Current portion of non-current liabilities	61,778,654	55,136,410	72,785,547	82,922,611	107,636,647	110,258,008
Advance monitoring fees	87,810,011	182,848,405	263,763,716	271,554,575	337,596,130	322,986,513
TOTAL EQUITY AND LIABILITIES	3,781,699,292	3,644,283,335	3,591,830,448	3,399,459,103	3,297,755,155	1,369,121,745

*The numbers prior to FY2009 pertain to Trakker (Pvt.) Limited in pursuance to the scheme of arrangement

HORIZONTAL ANALYSIS

2013 2012 2011 2010 2009* 2008*

← (Rupees) →

PROFIT AND LOSS ACCOUNT

Turnover - net	1,035,378,633	965,636,316	846,756,055	834,403,173	723,869,734	950,697,857
Cost of sales	(487,816,706)	(455,685,676)	(369,793,494)	(404,221,868)	(322,750,006)	(590,869,127)
Gross profit	547,561,927	509,950,640	476,962,561	430,181,305	401,119,728	359,828,730
Distribution expenses	(170,712,752)	(103,544,133)	(87,867,586)	(76,730,812)	(72,138,733)	(127,149,757)
Administrative expenses	(245,394,969)	(205,560,324)	(192,474,639)	(181,736,954)	(177,194,186)	(139,947,093)
Other operating expenses	-	(3,981,380)	(1,663,396)	(6,607,073)	(19,509,994)	(11,457,388)
Operating profit	131,454,206	196,864,803	194,956,940	165,106,466	132,276,815	81,274,492
Finance costs	(111,986,659)	(127,672,332)	(108,342,040)	(93,773,947)	(99,097,534)	(60,593,172)
Other Income	44,750,896	56,512,919	41,551,494	20,433,071	15,039,241	11,627,392
Worker's welfare fund	(1,248,369)	(2,514,108)	(2,699,672)	(1,911,890)	-	-
Profit before taxation	62,970,074	123,191,282	125,466,722	89,853,700	48,218,522	32,308,712
Taxation	(13,484,569)	(40,693,539)	(33,197,869)	(31,048,537)	(56,945,908)	(12,740,425)
Profit / (Loss) after taxation	49,485,505	82,497,743	92,268,853	58,805,163	(8,727,386)	19,568,287

*The numbers prior to FY2009 pertain to Trakker (Pvt.) Limited in pursuance to the scheme of arrangement

VERTICAL ANALYSIS

2013 2012 2011 2010 2009* 2008*



BALANCE SHEET

Fixed Assets	46.02%	46.51%	47.86%	50.0%	52.0%	26.2%
Long-term investments	20.34%	21.11%	21.11%	22.1%	22.4%	20.6%
Long term loans	0.03%	0.04%	0.04%	0.0%	0.1%	0.4%
Long term deposits	0.46%	0.43%	0.28%	0.2%	0.4%	0.7%
Deferred tax	0.00%	0.00%	0.07%	0.0%	0.0%	0.2%
Stock-in-trade	3.59%	1.82%	0.89%	0.6%	0.6%	3.7%
Trade debts	13.45%	12.01%	9.69%	11.3%	11.1%	20.9%
Short-term investments	11.61%	12.05%	12.53%	13.2%	0.0%	0.0%
Advance against property	0.00%	0.00%	0.00%	0.0%	11.6%	20.0%
Loan and advances	0.19%	0.50%	0.49%	0.2%	0.3%	0.8%
Trade deposits and prepayments	0.83%	0.26%	0.34%	0.3%	0.2%	0.9%
Accrued mark-up	1.55%	1.33%	0.79%	0.5%	0.2%	0.3%
Other receivables	0.12%	0.12%	0.13%	0.1%	0.1%	0.1%
Due from related parties	1.64%	3.74%	5.74%	1.3%	0.8%	1.6%
Taxation- net	0.11%	0.00%	0.00%	0.0%	0.0%	2.6%
Cash and bank balances	0.06%	0.09%	0.05%	0.1%	0.1%	1.0%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
Issued, subscribed and paid-up capital	57.4%	51.4%	52.1%	55.1%	57%	3%
Revenue Reserve - unappropriated profit	7.5%	6.6%	5.0%	2.5%	1%	3%
Surplus on revaluation of Property and equipment	0.0%	0.0%	0.0%	0.0%	0%	3%
Long term loan	0.4%	1.4%	0.0%	0.0%	0%	4%
Long term Liabilities	0.0%	0.0%	0.0%	0.4%	1%	8%
Deferred Liabilities	0.4%	0.7%	0.5%	0.5%	2%	0%
Liabilities against assets subject to finance lease	0.1%	0.2%	0.7%	0.4%	0%	2%
Trade and other payables	8.2%	6.9%	10.7%	14.0%	1%	20%
Accrued mark-up	2.9%	2.0%	1.1%	0.2%	12%	1%
Running finance under mark-up arrangements	12.5%	9.8%	10.5%	10.6%	0%	12%
Short-term financing	0.9%	1.2%	3.8%	2.6%	5%	10%
Due to related parties	5.7%	4.6%	5.3%	2.7%	5%	3%
Taxation - net	0.0%	0.4%	0.8%	0.4%	2%	0%
Current portion of non-current liabilities	1.6%	1.5%	2.0%	2.4%	1%	8%
Advance monitoring fees	2.3%	5.0%	7.3%	8.3%	3%	24%
Advance against sale of shares	0.0%	8.2%	0.0%	0.0%	10%	1%
TOTAL EQUITY AND LIABILITIES	100%	100%	100%	100%	100%	100%

*The numbers prior to FY2009 pertain to Trakker (Pvt.) Limited in pursuance to the scheme of arrangement

CASH FLOW ANALYSIS

2013 2012 2011 2010 2009* 2008*

← (Rupees) →

CASH FLOWS FROM OPERATING ACTIVITIES

Net profit before taxation	62,970,074	123,191,282	125,466,722	89,853,700	48,218,522	32,308,912
Adjustment for non cash charges and other items:						
Depreciation	71,374,160	64,034,609	64,890,353	55,229,561	48,850,340	41,292,520
Provision for Obsolete stock	-	-	-	-	15,501,169	1,500,000
Amortisation of intangible assets	34,037,853	18,758,989	16,703,173	16,204,362	5,963,987	3,641,735
Finance cost	111,986,659	127,672,332	108,342,040	93,773,947	99,097,534	59,803,812
Gain on sale of property and equipment	(5,621,713)	(1,466,301)	(9,318,873)	(1,420,865)	(1,911,173)	(1,252,901)
Rental income	(2,796,826)	(2,701,430)	(3,753,510)	(4,026,793)	(2,749,074)	(330,000)
Gain on disposal of discontinued operations	-	-	-	-	-	(307,200)
Exchange loss	(2,312,316)	3,981,380	1,663,396	6,607,073	18,936,232	-
Bad debts written off	-	-	7,589,502	-	-	-
Provision for bad debts	22,125,230	20,918,373	8,252,987	-	-	-
Asset written off	8,667,569	-	-	-	-	-
Deferred income	(14,326,682)	(8,156,412)	(3,655,894)	(1,036,356)	(86,363)	-
	223,133,934	223,041,540	190,713,174	165,330,929	183,602,652	104,347,966
Operating profit before working capital changes (Increase) / decrease in current assets	286,104,008	346,232,822	316,179,896	255,184,629	231,821,174	136,656,878
Stock-in-trade	(69,589,237)	(34,117,855)	(11,716,785)	462,178	29,668,611	31,756,265
Trade debts – unsecured	(71,044,758)	(110,447,815)	27,608,680	(18,609,660)	(78,673,535)	(64,907,168)
Advance against property	-	-	-	382,824,057	(109,054,584)	(273,769,473)
Loans and advances	11,069,844	(893,236)	(9,640,471)	1,692,402	1,900,267	(1,504,408)
Trade deposits and prepayments	(21,965,325)	2,734,157	(2,597,621)	(1,233,829)	3,790,880	(3,477,177)
Other receivables	(465,766)	433,965	(1,138,308)	(9,271,781)	(930,759)	(670,695)
Accrued markup	(9,860,107)	(20,339,900)	(12,300,578)	-	(3,016,399)	(3,655,633)
Due from related parties	74,541,351	69,622,046	(169,174,357)	(18,438,516)	(5,039,361)	51,239,091
	(87,313,998)	(93,008,638)	(178,959,440)	337,424,851	(161,354,880)	(264,989,198)
Increase / (decrease) in current liabilities						
Trade and other payables	59,575,248	(137,489,320)	(103,124,496)	63,888,637	138,783,799	54,905,276
Due to a related party – unsecured	47,030,814	(22,943,455)	101,593,671	11,214,713	25,510,156	36,795,798
Advance monitoring fees	(95,038,394)	(80,915,311)	(7,790,859)	(56,118,824)	14,609,617	91,810,573
	210,357,678	11,876,098	127,898,772	611,594,006	249,369,866	55,179,327
Cash generated from operations	210,357,678	11,876,098	127,898,772	611,594,006	249,369,866	55,179,327
Receipts / (payments) for :						
Finance cost	(75,435,048)	(91,849,957)	(77,555,721)	(95,250,100)	(100,011,657)	(50,384,624)
Deposits for utilities and premises	-	-	-	-	-	(3,414,032)
Loans	-	-	-	-	-	(2,826,018)
Deferred Taxes	-	-	-	-	23,711,342	-
Income taxes	(39,648,560)	(37,904,666)	(32,909,747)	(36,604,854)	(17,763,152)	(33,972,922)
	(115,083,608)	(129,754,623)	(110,465,468)	(131,854,954)	(94,063,467)	(90,597,596)
Net cash (used in) /generated from operating activities	95,274,070	(117,878,525)	17,433,304	479,739,052	155,306,399	(35,418,269)

CASH FLOW ANALYSIS

2013
2012
2011
2010
2009*
2008*

← (Rupees) →

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of - property and equipment	(97,436,235)	(47,204,060)	(56,496,133)	(55,782,530)	(58,492,926)	(69,776,720)
- capital work-in-progress	(17,589,541)	(6,350,000)	(2,514,862)	(217,383)	(13,555,538)	-
- intangible	(32,565,835)	(6,092,720)	(5,566,798)	(250,826)	(11,505,115)	(5,599,855)
Sale proceed from fixed assets	10,138,343	2,202,800	10,862,250	2,809,877	20,667,306	1,265,566
Long-term deposits	(1,983,446)	(5,359,440)	(1,707,887)	4,294,108	(3,782,378)	-
Long-term loans	212,341	25,147	70,584	1,822,125	2,118,585	-
Investments	-	-	(8,000,000)	(462,000,000)	-	(202,037,169)
payments against dividend	-	-	-	-	-	(10,000,000)
Rental income	2,796,826	2,701,430	3,753,510	4,026,793	2,749,074	330,000
Net cash (used in) investing activities	(136,427,547)	(60,076,843)	(59,599,336)	(505,297,836)	(61,800,992)	(285,818,178)

CASH FLOWS FROM FINANCING ACTIVITIES

Obligation under finance lease repaid	(23,755,448)	(44,581,990)	13,300,787	(18,689,077)	(28,621,212)	(19,818,791)
Receipt of long term loan	-	100,000,000	(41,666,658)	-	-	-
Payment of long term loan	(33,333,333)	(20,833,333)	-	-	-	-
Payment of long term financing	-	(20,833,341)	-	-	-	-
Advance against sale of shares	-	300,000,000	-	-	(8,860,000)	10,150,000
Long-term loans – net	-	-	-	(87,500,000)	(45,839,833)	86,833,333
Deposits for finance lease	(7,482,158)	(20,702,873)	-	-	-	(5,285,159)
Share Issue cost paid	-	-	-	-	(37,500,000)	-
Long term Financing	(8,000,000)	(94,998,000)	49,999,154	(70,001,154)	18,000,000	140,000,000
Short-term financing	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(72,570,939)	198,050,463	21,633,283	(176,190,231)	(102,821,045)	211,879,383
Net increase /(decrease) in cash and cash equivalents	(113,724,416)	20,095,095	(20,532,749)	(201,749,015)	(9,315,638)	(109,357,064)
Cash and cash equivalents at the beginning of the year	(355,725,305)	(375,820,400)	(355,287,651)	(153,538,636)	(144,222,998)	(34,865,934)
Cash and cash equivalents at the end of the year	(469,449,721)	(355,725,305)	(375,820,400)	(355,287,651)	(153,538,636)	(144,222,998)

*The numbers prior to FY2009 pertain to Trakker (Pvt.) Limited in pursuance to the scheme of arrangement

RATIO ANALYSIS

PROFIT AND LOSS ACCOUNT

		2013	2012	2011	2010	2009*	2008*
Profitability Ratios							
Gross Profit to Sales	percent	53%	53%	56%	52%	55%	38%
Net Profit to Sales	percent	5%	9%	11%	7%	(1%)	2%
EBITDA Margin to sales	percent	27%	35%	37%	31%	28%	14%
Return on Equity	percent	2%	4%	4%	3%	0%	16%
Return on Capital Employed	percent	2%	3%	4%	3%	0%	6%
Liquidity Ratios							
Current Ratio	Ratio	0.97	1.01	0.74	0.67	0.65	0.68
Quick / Acid test ratio	Ratio	0.86	0.95	0.71	0.66	0.63	0.63
Cash to Current Liabilities	Ratio	0.00	0.00	0.00	0.00	0.00	0.01
Cashflow from Operations to sales	Ratio	0.09	(0.12)	0.02	0.57	0.22	(0.04)
Activity/ Turnover Ratios							
Inventory turnover	Number of times	5	9	14	20	9	9
No of days in inventory (Days)	Number of days	76	39	26	19	40	42
Debtor turnover	Number of times	2	2	2	2	2	4
No of days in Receivables (Days)	Number of days	167	148	158	164	164	98
Credit turnover	Number of times	2	1	1	1	1	2
No of days in Payables	Number of days	211	256	431	404	381	148
Operating cycle	Number of days	32	(68)	(247)	(221)	(177)	(9)
Total asset turnover	percent	27%	26%	24%	25%	22%	69%
Fixed assets turnover	percent	59%	57%	49%	49%	42%	265%
Investment Valuation Ratios							
Earning per Share	Ratio	0.23	0.44	0.49	0.31	(0.05)	5.18
Capital structure Ratios							
Financial leverage Ratio	Ratio	0.37	0.36	0.41	0.33	0.33	5.43
Debt Equity Ratio	Ratio	0.01	0.03	0.01	0.01	0.06	1.63
Interest cover Ratio	Ratio	1.56	1.96	2.16	1.96	1.49	1.53

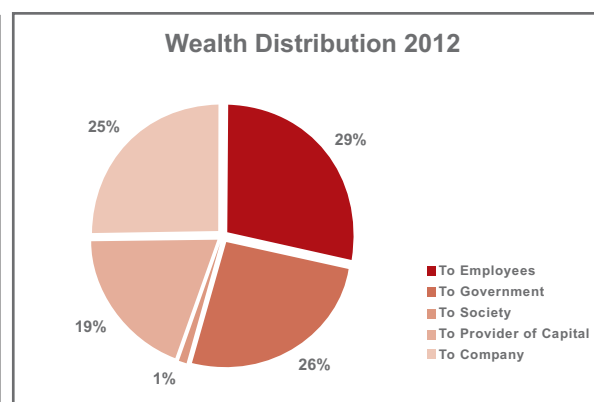
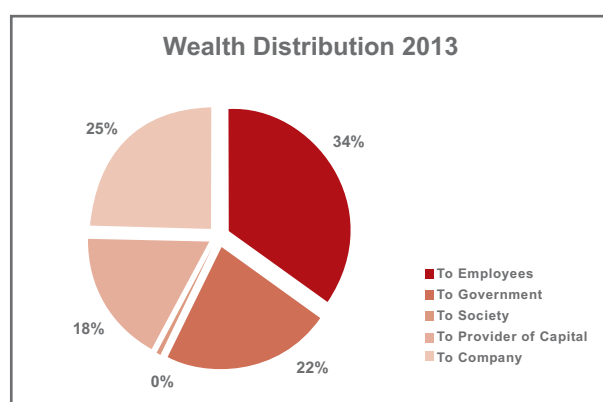
*The numbers prior to FY2009 pertain to Trakker (Pvt.) Limited in pursuance to the scheme of arrangement

STATEMENT OF VALUE ADDITION

WEALTH GENERATED

Total revenue inclusive of sales tax other income
Cost of Sales and services

	2013 Amount in Rs	%	2012 Amount in Rs	%
	1,207,387,444		1,150,241,403	
	(577,441,051)		(495,160,427)	
	629,946,393	100%	655,081,076	100%
WEALTH DISTRIBUTION				
To Employees Salaries, benefits and other costs	220,049,361	34%	187,327,185	29%
To Government Income tax, sales tax, excise duty and others	140,742,484	22%	168,785,807	26%
To Society Donation towards education, health and environment	3,410,103	1%	6,850,000	1%
To Provider of Capital Markup / Interest expenses on borrowed funds	110,846,927	18%	126,826,743	19%
To Company Depreciation, amortization & retained profit	154,897,518	25%	165,291,341	25%
	629,946,393	100%	655,081,076	100%







03. CORPORATE GOVERNANCE

ANNUAL REPORT/2013



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PROFILE OF DIRECTORS

1. Mr. Jameel Yusuf - Chairman

Mr. Jameel Yusuf is a businessman by profession and is the chairman of TPL Holdings. He was the founder Chairman of Citizen-Police Liaison Committee (CPLC), and remained its Chairman from 1st September 1989 to 22nd March 2003. The CPLC was established by the Sindh Government after amending the Police Rules. It is a non-political statutory institution, operationally independent and managed by dedicated and concerned citizens offering their honorary services, invested with powers of Magistrate (Honorary) of the first class. Since its inception in 1989 it has made credible strides with enviable achievements in assisting the victims of crime in the provision of justice and combating / detecting criminal cases successfully with the help of the community and access to modern scientific techniques.

He is also the Director of Asia Crime Prevention Foundation (ACPF), Japan since 1997 and is the founding trustee of "PANAH" a shelter home established for women in distress within the Ida-Rieu premises, Karachi. Mr. Yusuf is a member, Advisory council Fellowship Fund For Pakistan (FFFP), Woodrow Wilson International Centre for Scholars (WWC) since 2004.

Mr. Yusuf was awarded Presidential Award "Sitar-e-Shujaat" for gallantry services on 14th August, 1992. He was nominated for the First United Nations Vienna Civil Society Award in 1999.

2. Mr. Ali Jameel - CEO & Deemed Director

Mr. Ali Jameel is the CEO of TPL Trakker Ltd., Pakistan's first vehicle tracking Company. Formerly, Mr. Jameel was the Chief Executive of Jahangir Siddiqui Investment Bank. He is also a member of Executive Committee, Board of Investment, Economic Advisory Council (EAC) and Genco Holding Company. He has also held several advisory posts in the Pakistan's information technology and telecommunication sectors, including appointments on the Task

Force on Telecom Deregulation, the Fiscal Incentives group on the IT Commission and the Task Force on Venture Capital.

Mr. Jameel received his B.Sc. degree in Economics from the London School of Economics. He is also an Associate Member of the Institute of Chartered Accountants in England & Wales and qualified in 1994 at KPMG Peat Marwick in London.

3. Mr. Murtaza Ali Bhai - Director

Mr. Murtaza Ali Bhai is a Cost and Management Accountant from UK and Canada. He is a businessman by profession and has valuable experience for trading and transportation business since 1970. Mr. Ali Bhai was born in Africa and then migrated to Pakistan, associated with various types of businesses which include imports and industrial commodities, he is also the Director of Razzaque Limited and Razzaque Razno Trading (Pvt.) Limited.

4. Mr. Hussein Ali Bhai - Director

Mr. Hussein Ali Bhai, a businessman by profession since 1969, born in Africa and then migrated to Pakistan. Mr. Ali Bhai is associated with various types of businesses which include imports and industrial commodities, he is also the Director of Razzaque Limited and Razzaque Razno Trading (Pvt.) Limited.

5. Mr. Mark Rousseau - Director

Mr. Mark Rousseau is responsible for overseeing the company's operations on six continents and has focused on putting optimal structures and group strategy in place to meet the changing needs of both consumer and fleet customers. Wholly owned and third party distribution models are used to drive overall service and delivery to new levels.

6. Mr. Stuart Robin Aberdein - Director

Mr. Stuart is Bachelor in Business Science. After completing his studies at the University of Cape Town, Stuart served articles with Spencer Steward in Cape Town. He then worked for 10 months as an audit senior for Binder Hamlyn in London in 1984 and 1985. He joined Kivtronics as Managing Director in 1986 and was appointed a director of DigiCore Holdings after Kivtronics was bought by that company prior to its listing on the JSE in 1998.

He is currently working as Managing Director of DigiCore Electronics (Pty) Ltd. and an Executive Director of DigiCore Holdings Ltd.

7. Mr. Saad Nissar - Director

Mr. Saad Nissar is an experienced marketing professional. He joined TPL Trakker Limited in the year 2000 as National Sales Manager. Mr. Nissar has been instrumental in the setting up and executing retail network nationwide, successful packaging and promoting of fleet management and portfolio management services in the corporate sector and Financial Institution Group (FIG) of Pakistan respectively. Mr. Nissar was appointed as Director of TPL Direct Insurance Limited effective July 2005 and assumed the position of CEO of TPL Direct Insurance Limited. Mr. Nissar holds MBA degree in Marketing from Institute of Business Administration.

8. Mr. Mustafa Ali - Director

Mr. Mustafa Ali is a qualified Cost and Management Accountant with over 10 years of experience in construction and automobile sector. He started his career in 1991 as Manager Finance & Administration in Baltistan Trading & Contracting Co. (Pvt.) Ltd. In 2000, he joined, Ghandhara Nissan Diesel Ltd. as Manager Finance before joining Trakker Group in 2001 as Finance Manager. Under his supervision, Trakker has maintained a sound financial position despite the multifaceted nature of its services. Currently he is serving as Vice President Finance in TPL Holdings.



MANAGEMENT TEAM

MOHAMMAD
ABBAS

HEAD OF
INTERNAL AUDIT

YOUSUF
ZOHAB ALI

CHIEF FINANCIAL
OFFICER & COMPANY
SECRETARY

TAHA
MEHMOOD

HEAD OF ACCOUNT
MANAGEMENT

FAHEEM UR
REHMAN

HEAD OF
TECHNICAL

FARYAL
FASIH UDDIN
SIDDIQUI

HEAD OF
MARKETING &
COMMUNICATIONS



**ALI
KIRMANI**

**AMAR
MAKHOOM**

**NADER
NAWAZ**

**MOHAMMAD
SALMAN**

**CHIEF OPERATING
OFFICER**

**HEAD OF
NAVIGATION
BUSINESS**

**GROUP HEAD HUMAN
RESOURCES &
ADMINISTRATION**

**HEAD OF
INFORMATION
TECHNOLOGY**







04. DIRECTORS' REPORT

On behalf of the Board of Directors of TPL Trakker Limited, I am pleased to present the annual report of the Company for the year ended 30 June 2013.

ANNUAL REPORT/2013



ECONOMIC OUTLOOK*

The fiscal year 2012-13 started with continuous problems of power and gas shortages along with other internal and external challenges. The adverse impact of these economic difficulties was further compounded by the ongoing war against extremism which continued unabated and impacted business.

On the positive side the growth in industrial sector increased on the back of recovery in large scale manufacturing, construction and mining and quarrying. However, services sector remained subdued due to a decline in growth rates of transport, storage and communication. Therefore recent growth of GDP (at new base 2005-06) registered at 3.6 percent in FY13 as compared to 4.4 percent in FY12. The inflationary trend in the economy reduced during 2012-13 to 7.5 percent as against 10.9 percent recorded in the same period of last year.

During July-March 2012-13, jeeps and tractors managed a growth at 67.1 percent and 34.5 percent respectively as compared to same period last year. Other parts of automobile sector such as buses, cars and LCVs registered a negative growth of 8.8 percent, 23.2 percent and 30.2 percent respectively. The growth in cars suffered on account of amnesty scheme as well as second hand imported cars. The growth prospect of automobile sector is unlikely to improve in the backdrop of inconsistent governmental policies.

BUSINESS REVIEW

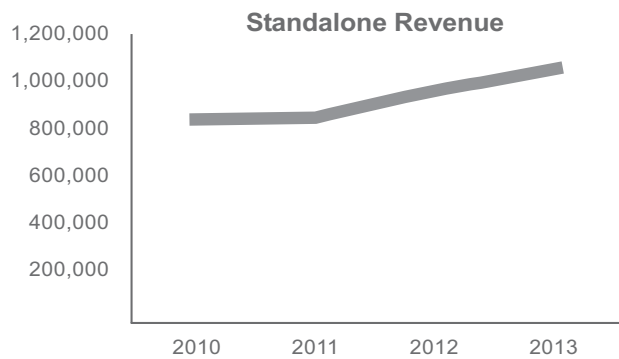
During the last year almost 50,000 used vehicles were imported, amounting to 25 per cent of the total market demand for automobiles in the country. Due to this new car production our main stay reduced from 175,000 units to approximately 100,000 units. Despite the challenges being faced in the automobile sector and the economy during the year 2012-2013 contributed a revenue growth of 7 percent from Rs. 965.6 million to Rs 1,035.4 million.

* Source: Pakistan Economic Survey 2012-13

BUSINESS REVIEW

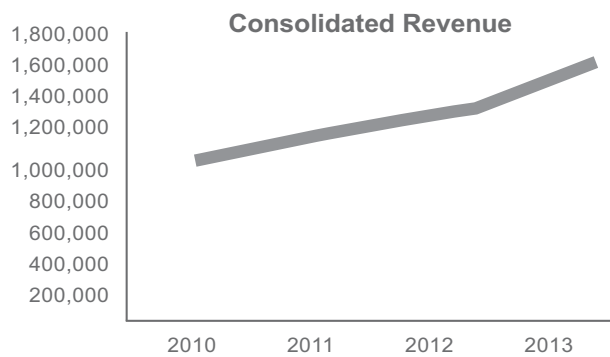
REVENUE ANALYSIS

The Company has shown sustained growth in revenue over the years which is apparent from the graphical illustration below:



Year	Standalone Revenue	Growth
2010	834,402	15%
2011	846,756	1%
2012	965,636	14%
2013	1,035,379	7%

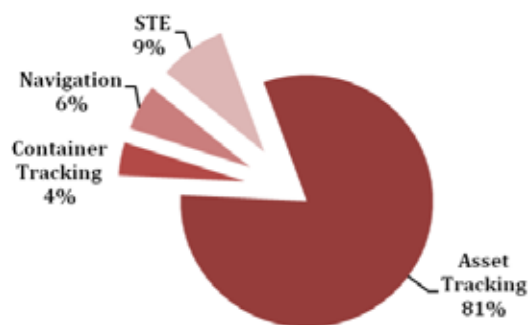
(Rupees in thousands)



Year	Consolidated Revenue	Growth
2010	1,031,526	-
2011	1,201,870	17%
2012	1,346,296	12%
2013	1,625,549	21%

(Rupees in thousands)

During the year 2012-2013, the Company was finally able to start its fourth major segment Safe Transportation Environment "STE" which contributed 9 percent to the total revenue of the Company. The performance of all the segments is illustrated below:

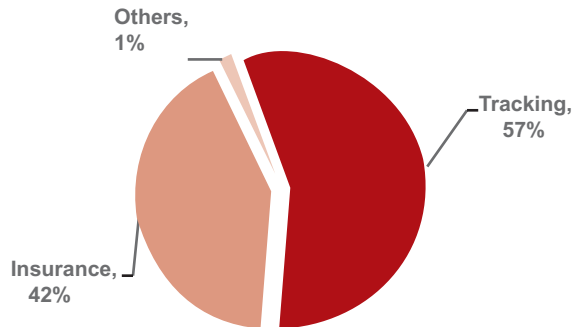


Segments	Standalone Revenue
Asset Tracking	842,155
Container Tracking	43,439
Navigation	60,700
STE	89,084
Total	1,035,379

(Rupees in thousands)

BUSINESS REVIEW

The three major components of revenue for the group as a whole also performed well achieving revenue growth of 21%. The break down by revenue is illustrated below:



Company	Consolidated Revenue
TPL Trakker	921,755
TPL Direct Insurance	678,799
Others	24,995
Total	1,625,549

(Rupees in thousands)

Asset Tracking Solutions

Asset tracking solutions that includes vehicle tracking services and power generators monitoring is pioneered by the Company in Pakistan. With its unparalleled customer base and IT infrastructure, the Company is the largest satellite/GSM tracking company in the region in terms of market share.

The Company experienced sustained revenue in asset tracking segment which stood at Rs.842 million and contributed 81 percent of total revenue as compared to last year's 87 percent.

Location and Navigation Solutions

The Company, staying true to its market innovator reputation, further advanced its TrakkerNAV software suite with support for Urdu Language operations menu and Urdu address data. Location and navigation solutions that use TrakkerNav include personal navigation devices, vehicle in-dash navigation and finally mobile navigation. The Company's navigation app for iPhone as well as Android users has become successful and is on the top 5 paid applications list on both platforms.

Due to extensive mapping over several years the coverage now includes all major highways and road/street (150,000 KMs) network and covers over 360 cities in Pakistan. The Points of Interest ("POI's") data is currently over 300,000 and by end of the year 2013, it is expected to increase to 1 million POI's for customers to search and locate. Housing data is around 700,000 and business listing is 100,000 all across the country. Currently, the navigation software has 1,500 3D landmarks and this will increase to over 3,000 by the end of the year. Our mapping data is more exclusive and detailed as compared to any other mapping data available in Pakistan.

Navigation Solutions contributed 6% to the total revenue of the Company. The Company has further enhanced its partnership with Indus Motors Pakistan and is the exclusive supplier of in-dash navigation software with approximately 10,000 navigation installations during the year. Suzuki Motors also provides our mapping solution as an option and demand through the Retail channel is also increasing.

Container Tracking Solution

The company is tracking containers in two segments:

- I. EITV (Enhanced In-transit visibility). For all NATO / ISAF containers imported or exported to and from Afghanistan
- II. STEP (Safe Transport Environment Project). For any container leaving Pakistan ports

I. Enhanced In-transit Visibility “EITV”

The Company covers cargo tracking requirements of commercial and military transporters throughout Pakistan. It includes tracking and protecting transit, transshipment or any high value cargo against intrusion or pilferage. Opening of routes for NATO supplies to Afghanistan, which were closed after the tragic incident at Salala check post, has resulted in an increase in the Container Tracking Solutions being offered to clients for cross border movements to and from Afghanistan.

The Company's Container Tracking Expertise also helped win the license issued by FBR to monitor container traffic. We have done more than twelve thousand tagging of EITV containers in past 12 months. The Company has penetrated into the niche segment of Local Container movements within Pakistan, providing them custom made solutions and thus creating the need for Assets Safety and Security through active monitoring. Proactive Initiatives taken include:

1. 24/7 Active Monitoring of Assets
2. Timely Replacements of Assets to ensure 100% visibility
3. Penetration into the Local Market
4. TPL's Representation in Afghanistan

II. Safe Transportation Environment Project “STE”

Project Introduction

Safe Transportation Environment (STE) Project was initiated by FBR in 2010 to manage risk of cargo pilferages in Customs transit and transshipment movements and to meet requirements of bilateral Afghan Transit Trade Agreement. TPL Trakker became the first licensee of FBR in May 2012 under Tracking and Monitoring Cargo Rules 2012.

Initiatives

In May 2013, the project was started and by the end of June 2013 more than three thousand trips were completed. We also installed more than three thousand prime mover devices in bonded carrier trucks to carry transit goods. We are forecasting an exponential growth in this project in next twelve months. This is mainly because we are observing a continuous traffic increase mainly because of the closure of Bander Abbas (Iran) port.

We are also looking to expanding and replicating this model in other countries.

FINANCIAL REVIEW

Profitability and Growth – Standalone

Despite the challenging conditions in the economy the Company has managed to secure its existing customers base by expanding its product base and constantly searching for lucrative opportunities. The Company achieved an increase in gross profit by Rs. 37.6 million, 7.4% increase as compared to corresponding period and sustained gross profit margin at 52.9 percent in comparison to 52.8 percent of last year. This helped the Company to record a pretax profit of Rs. 62.97 million which fell in comparison with the previous year's profit before tax of Rs. 123.19 million. However, the main reason for the fall in net profit is an increase in expenses due to legal costs and initial start-up costs of the STE project which resulted in an approximate expense of Rs. 100 million since project commencement in July 2012; despite posting a 7 percent growth in the revenue, the increase in cost and expenses resulted in decline of profit after tax by almost 40 percent.

However, the Company is confident that the downfall is temporary and the situation will become favorable as the STE segment will pick up pace and margins will improve in the years to come. The pre-tax and post-tax basic earnings per share are Re.0.29 and Re. 0.23 respectively.



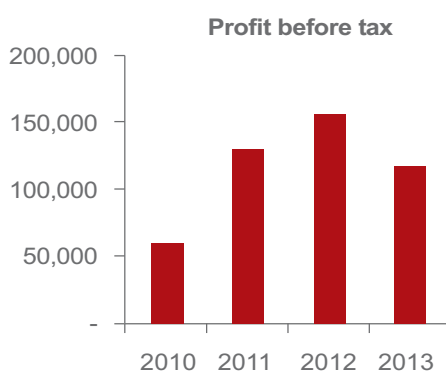
Year	Profit before tax	Growth
2008	32,309	36%
2009	48,219	49%
2010	89,854	86%
2011	125,467	40%
2012	123,191	-2%
2013	62,970	-49%

(Rupees in thousands)

Profitability and Growth – Consolidated

The group posted revenue growth of 21% an increase amounting to Rs. 279 million as compared to last year. On the other hand the Group's cost of sales also increased by 30% amounting to Rs. 221 million. The group improved its gross profit margin from 37% to 40%, however, net profit increased by 3% percent due to an increase in group expenses by 25% percent. The consolidated post-tax earnings per share amounted to Re 0.32 as compared to Re 0.40 of corresponding year.

FINANCIAL REVIEW



Year	Profit before tax	Growth
2010	60,950	-
2011	131,669	116%
2012	153,509	17%
2013	117,974	-23%

(Rupees in thousands)

Investments in group companies

The Company has an investment portfolio of Rs. 1,208 million which constitutes investments in group companies; TPL Direct Insurance Limited, TPL Security Services (Pvt.) Limited, Trakker Middle East LLC and TPL Properties (Pvt.) Limited. A valuation analysis was conducted as at 30 June 2013 for all group companies and it was determined that the value of these investments exceed their carrying amount.

TPL Direct Insurance Limited

TPL Direct Insurance Ltd (TDI), a subsidiary of TPL Trakker Ltd was launched in 2005 as Pakistan's first Direct Insurance Company operating round the clock. TDI provides equitable rates based on risk profiling with fastest claim processing and settlement time. TDI's core purpose is to provide customers with friendly and affordable policies for their comfort and peace of mind.

TPL Direct Insurance Limited performed significantly well achieving a growth of 37% in net premium from approximately Rs. 453 million to Rs 619 million for the year ended December 2012 posting profit after tax of Rs. 42.7 million. The company's strong growth objective is eminent from its continuing improved performance and as a result the company posted profit after tax of Rs. 33 million for the half year ended June 2013.

TPL Properties (Private) Limited

The Company succeeded in completing "Centrepoint", a project of its associated company TPL Properties (Private) Limited. Centrepoint is TPL Properties (Pvt.) Ltd's first project and designed as a state-of-the-art office complex that adheres to the highest international standards of design and technology and is unique to Karachi's skyline. The building is now complete for occupancy.

The Building is designed by a leading architectural firm of international repute, in complete adherence to the relevant international and local building and safety codes. Aesthetics and sensibility have both been maintained, with high-quality and low maintenance finishing throughout the environmental friendly building.

FINANCIAL REVIEW

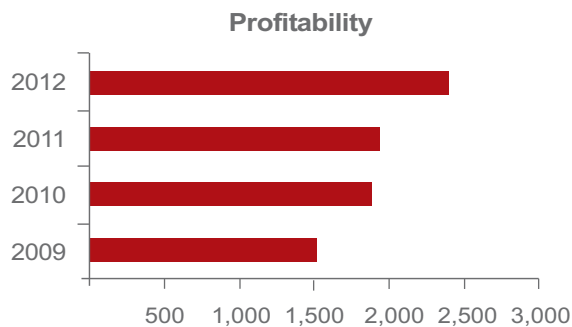
TPL Security Services (Private) Limited

TPL Security Services (Pvt.) Limited performs all snatched / stolen vehicle recovery tasks with over 200 staff deployed at Karachi, Lahore, Islamabad, Faisalabad, Gujranwala, Multan, Hyderabad, Sukkur, Peshawar and Quetta. TPL Security Services also maintains liaison with Law Enforcement Agencies to perform recovery activities across the country. Since 2000, TPL Security Services have not only successfully recovered over 8,000 snatched / stolen vehicles installed with tracker but has also helped in apprehension of a large number of vehicle snatching gangs and spontaneous recovery of stolen goods and material worth millions of rupees. Many kidnapping for ransom attempts have also been foiled by the company.

TPL Security Services (Private) Limited performed considerably well as compared to its last year performance with revenue growth of 19 percent and its loss for the year reduced by 68 percent from Rs. 10.076 million to Rs. 3.254 million. The increase in revenue is due to expansion of customer base and the company's constant efforts to explore new business opportunities.

Trakker Middle East LLC

Trakker Middle East LLC, an associated company with 29% shareholding of the Company, has also registered growth in revenue which in turn has resulted in rising profits. The associated company paid dividend of Rs. 9.47 million as disclosed in note 38 to the accompanying financial statements. The profitability as per the audited financial statements for the year ended 31 December of last four years is as below:



Year	Profit
2009	1,532
2010	1,879
2011	1,942
2012	2,391

(AED in thousands)

Dividends

The Board of Directors has recommended holding the profit for the year as retained earnings to meet the working capital requirements and for investment in structural improvements and potential projects to enhance future profitability of the Company.

INFORMATION TECHNOLOGY

The Company, a pioneer in vehicle tracking, fleet management, container tracking and vehicle theft recovering services is equipped with most advanced technological solutions to support its 24x7 business operations proficiently. The Information Technology division operates with highly experienced professionals ensuring service delivery standards to meet customer satisfaction. A Tier III data center with high end computing servers and storage backed by redundant fiber optic connectivity to support GSM and GPS connectivity from multiple telecoms

INFORMATION TECHNOLOGY

empowered the company to achieve the uptime of 99.5%. Furthermore, to safe-guard the customer's information and company's knowledge base, IT division has implemented information security framework followed by policies, procedures and technological solutions. To keep pace with the growth and technological advancement in the industry, following prominent IT assignments have been undertaken by the Company during the year;

• CISCO Call Center Express:

Company's business relies heavily on greater customer satisfaction. Keeping the vision in view, the organization has implemented the Cisco Call Centre Services to serve customers better and facilitating them with high standards of automated services. The Company has invested on CISCO Call Center Up-gradation which results in improved customer feedback and timely responses from control room and service departments. We are the only company besides Telecom using a highly advanced CISCO in our Call Center solution which provides state of the art IVR and automated services where a customer can enjoy variety of services.

• Data Loss Prevention:

To manage and maintain the customers' and critical business information, the Company has implemented the Data Loss Prevention solution to safe guard the confidential information. This solution enables the organization to monitor the confidential data and provide visibility into broken business process and high-risk users. Especially the mapping business has highly sensitive information and with the implementation of DLP the security part has improved tremendously.

• ERP:

With the introduction of enterprise resource planning, company's efficiency has gone up tremendously. It gives an integrated real-time view of our core business processes such as order processing and inventory management, tied together by ERP applications software and a common database maintained by a database management system. ERP tracks business resources (such as cash, raw materials, and capacity management). ERP facilitates information flow between all business functions inside the organization, and manages connections to outside stakeholders.

CREDIT RATING

The Pakistan Credit Rating Agency Ltd (PACRA) has given its rating at "A-" for the Long Term and "A2" for the Short Term and has improved its outlook from 'negative' to 'stable'.

KEY FINANCIAL DATA FOR THE LAST SIX YEARS

Balance Sheet	2013	2012	2011	2010	2009	2008
Paid up share capital	2,172,490	1,872,490	1,872,490	1,872,490	1,872,490	37,744
Accumulated Profits	282,353	240,350	178,555	86,286	30,191	34,678
Surplus on revaluation	-	-	-	-	-	47,001
Total Equity	2,454,843	2,112,839	2,051,045	1,958,776	1,902,680	119,424
Investments	1,208,363	1,208,363	1,208,363	1,200,363	738,363	282,167
Fixed assets	1,740,326	1,695,006	1,718,889	1,699,260	1,718,542	358,310
Other non current assets	34,340	29,660	14,146	10,037	16,154	17,788
Trade debts	508,641	437,596	348,067	383,929	365,319	286,645
Stock in trade	135,846	66,257	32,139	20,422	20,885	50,553
Other current assets	152,095	204,296	268,504	82,032	437,605	360,049
Cash and bank deposits	2,088	3,105	1,723	3,415	3,598	13,610
Total Assets	3,781,699	3,644,283	3,591,830	3,399,459	3,300,465	1,369,122
Long term and short term finance	564,871	493,497	612,725	555,392	530,016	602,543
Due to related parties	215,900	168,869	191,813	90,219	79,004	36,796
Other liabilities	546,086	869,077	736,248	795,072	788,765	610,359
Total Liabilities	1,326,856	1,531,444	1,540,786	1,440,683	1,397,785	1,249,698

Profit and Loss	2013	2012	2011	2010	2009	2008
Revenue	1,035,379	965,636	846,756	834,403	723,870	950,698
Cost of Sales	(487,817)	(455,686)	(369,793)	(404,222)	(322,750)	(590,869)
Gross Profit	547,562	509,951	476,963	430,181	401,120	359,829
Administrative and other expenses	(417,356)	(315,600)	(284,706)	(266,987)	(268,843)	(278,554)
Financial Charges	(111,987)	(127,672)	(108,342)	(93,774)	(99,098)	(60,593)
Other income	44,751	56,513	41,551	20,433	15,040	11,627
Profit / (Loss) before tax	62,970	123,191	125,467	89,854	48,219	32,309
Profit / (Loss) after tax	49,486	82,498	92,269	58,805	(8,727)	19,568

*The numbers prior to FY2009 pertain to Trakker (Pvt) Limited in pursuance to the scheme of arrangement

AUDITORS

M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants retire and offer themselves for reappointment. The Board of Directors has recommended their appointment as auditors for the year ending 30 June 2014, at a fee to be mutually agreed.

CORPORATE SOCIAL RESPONSIBILITY

TPL Trakker Limited is committed to a sustainable and responsible business. We believe that Corporate Social Responsibility (CSR) is critical to our long-term success, therefore through our Corporate Responsibility programme; we have continued our “children education program” and “livelihood support program” along with donations and noteworthy contributions made at various forums. The company in that last year has made various contributions to institutions working for the betterment of Pakistan.

We have donated Rs. 1 million to Jinnah Institute, a non-profit public policy organization based in Pakistan that seeks to promote knowledge-based policy making for strengthening democratic institutions and building public stakes in human and national security discourse.

Along with our company’s “children education program” a donation of Rs. 300,000 was made to “The Citizens Foundation” to support quality education and a better future for the underprivileged children of Pakistan.

TPL Trakker Limited also donated about Rs. 600,000 at “The Pakpur Foundation” which is a uniquely structured forum of known Pakistani leaders and development experts who develop and implement integrative, innovative and sustainable solutions to an array of social problems the country faces today, with a vision to build a more equitable, prosperous, compassionate and integrated Pakistan.

A further donation of Rs. 350,000 was made at “The Kidney Centre”, an institute made by the people to help the people, treat kidney diseases and cancer. The Kidney Centre aims at providing treatment to poor patients by the zakat and charity collected throughout the year.

In conjunction with the above mentioned TPL Trakker Limited has made donations throughout the year at other forums and organizations amounting to Rupees two million. Being a responsible organization we believe in giving back to the environment we operate in and will make sure that we keep doing so in the future.

DIRECTORS’ TRAINING

During the year one of the directors of the Company, Mr. Saad Nissar, attended directors training program conducted by Pakistan Institute of Corporate Governance thereby complying with the requirement of training a minimum of one director every year.

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 fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under Companies Ordinance, 1984.
- 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 has been followed in the preparation of the financial statements and any departure there from have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There 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 the best practices of the Corporate Governance as laid down in the Listing Regulations of the stock exchanges and there has been no material departure there from.
- Key operating and financial data for the last six years in summarized form, is included in this annual report.
- The value of investments out of provident fund on the basis of unaudited accounts as on June 30, 2013 is Rs. 51.98 million.

PATTERN OF SHAREHOLDING

A statement of pattern of shareholding of the Company as at 30 June 2013 is as follows:

Shareholder's Category	Number of shares	Percentage of Shareholding
Associated Companies	170,748,963	79%
Banks, DFI, NBFIs	16,042,597	7%
Modarabas & Mutual Funds	20,114,958	9%
General Public (Local)	7,041,611	3%
General Public (Foreign)	388,070	0%
Others	2,912,764	1%
Total	217,248,963	100%

PATTERN OF SHAREHOLDING

Pattern of holding of shares held by the shareholders of the Company as at June 30, 2013:

Number of Shareholders	From	To	Total Shares Held
54	1	100	1,058
176	101	500	86,156
76	501	1,000	75,219
152	1,001	5,000	490,949
51	5,001	10,000	454,204
15	10,001	15,000	209,385
14	15,001	20,000	270,044
14	20,001	25,000	345,382
7	25,001	30,000	191,475
3	30,001	35,000	96,000
4	35,001	40,000	155,000
5	40,001	45,000	219,238
11	45,001	50,000	545,700
2	50,001	55,000	108,000
2	55,001	60,000	114,500
2	60,001	65,000	127,000
1	65,001	70,000	67,366
4	85,001	90,000	345,696
9	95,001	100,000	895,877
1	105,001	110,000	110,000
1	115,001	120,000	116,000
1	120,001	125,000	125,000
2	125,001	130,000	259,204
1	135,001	140,000	135,780
2	145,001	150,000	300,000
2	170,001	175,000	345,560
1	185,001	190,000	186,000
1	190,001	195,000	193,000
2	195,001	200,000	400,000
1	215,001	220,000	215,958
2	245,001	250,000	500,000
1	295,001	300,000	300,000
1	370,001	375,000	375,000
1	375,001	380,000	376,000
2	430,001	435,000	863,694
1	595,001	600,000	598,000
1	695,001	700,000	700,000
1	1,035,001	1,040,000	1,040,000
1	1,125,001	1,130,000	1,128,000
1	1,695,001	1,700,000	1,700,000
1	3,295,001	3,300,000	3,300,000
1	4,940,001	4,945,000	4,940,958
1	8,045,001	8,050,000	8,049,000
1	15,440,001	15,445,000	15,444,597
1	37,070,001	37,075,000	37,074,274
1	56,170,001	56,175,000	56,174,689
1	77,495,001	77,500,000	77,500,000
736			217,248,963

ADDITIONAL INFORMATION

Shareholder's Category

Associated Companies, undertakings and related parties (name wise details)	No of sharehelds
TPL Holdings (Pvt) Limited	114,950,274
Digicore International Pty Limited	56,174,689
TPL Direct Insurance Limited – Employees Provident Fund	431,847
Mutual Funds (name wise details)	
Golden Arrow Selected Stocks Fund Limited	8,049,000
Picic Investment Fund	1,700,000
Picic Growth Fund	3,300,000
Faysal Balanced Growth Fund	1,040,000
AKD Index Tracker Fund	10,000
AKD Opportunity Fund	4,940,958
Faysal Asset Allocation Fund	700,000
Picic Stock Fund	375,000
Directors, CEO and their spouse and minor children (name wise details)	
<i>Following directors are nominee directors of TPL Holdings (Pvt) Limited and do not hold any shares of the Company.</i>	
Mr. Jameel Yusuf	
Mr. Ali Jameel	
Mr. Saad Nissar	
Mr. Hussein Ali Bhai	
Mr. Murtaza Ali Bhai	
Mr. Mustafa Ali	
<i>Following directors are nominee directors of Digicore International Pty Limited and do not hold any shares of the Company.</i>	
Mr. Stuart Aberdein	
Mr. Mark Dean Rousseu	

ADDITIONAL INFORMATION

Executive	None
Public Sector Companies and Corporations	1,621,593
Shareholders holding five percent or more voting interest (name wise details)	
TPL Holdings (Pvt) Limited	114,950,274
Digicore International Pty Limited	56,174,689
National Bank Of Pakistan	15,444,597
Details of trading in the shares by the Directors, CEO, CFO, Company Secretary and their spouses and minor children	
<i>None of the Directors, CEO, CFO, Company Secretary and their spouses and minor Children has traded in the shares of the Company during the year.</i>	

BOARD MEETINGS

The Board of Directors held 4 meetings during the financial year. Attendance of Directors is indicated below:

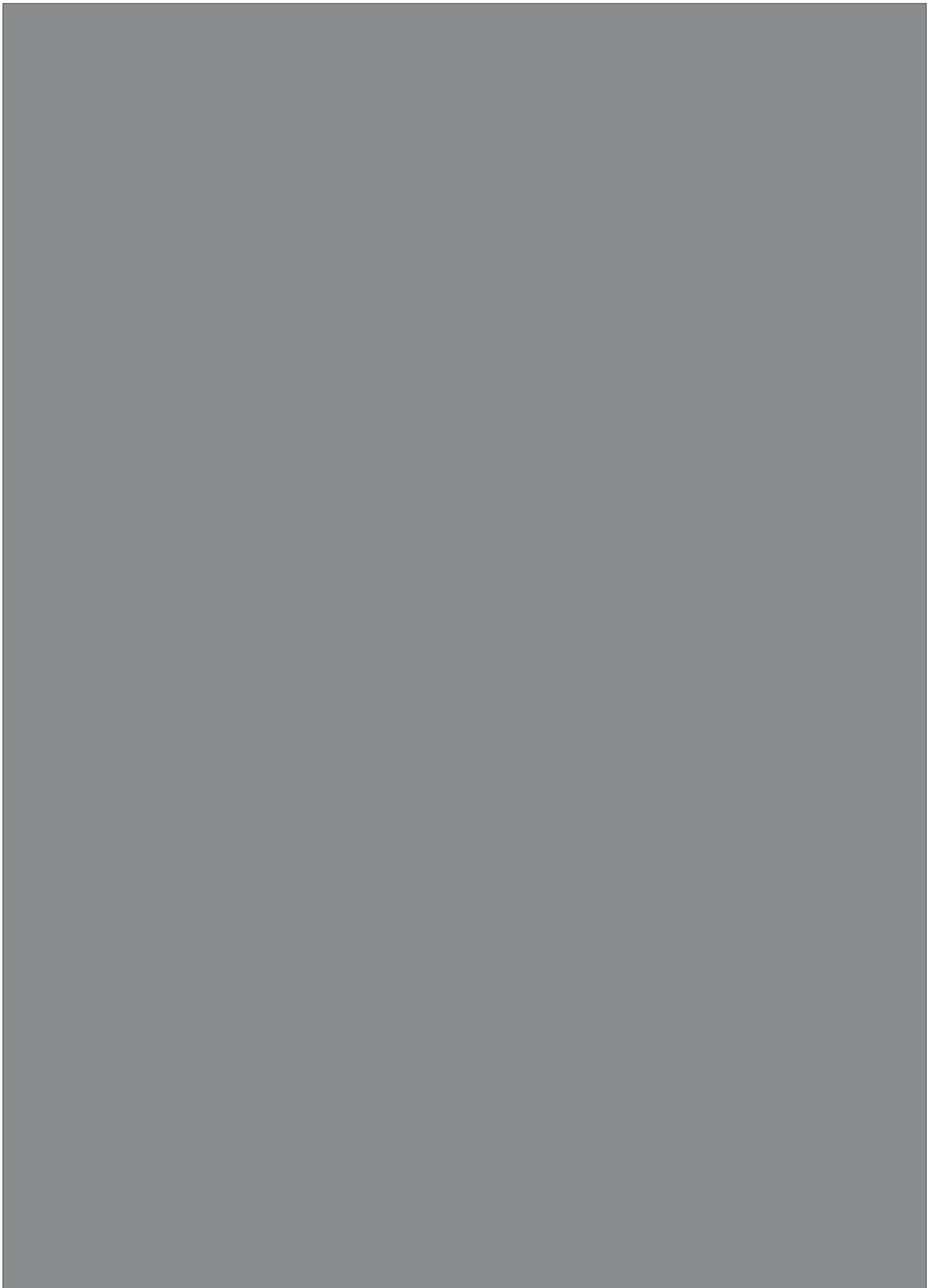
Name of Director	Meetings Attended
Mr. Jameel Yusuf	3
Mr. Ali Jameel (CEO)	4
Mr. Hussain Ali Bhai	2
Mr. Murtaza Ali Bhai	-
Mr. Mustafa Ali	4
Mr. Stuart Aberdein	4
Mr. BannedChristoffel	2
Mr. Mark Dean Rousseau	1
Mr. Saad Nissar	4

ACKNOWLEDGEMENT

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



Jameel Yusuf (S.St.)
Chairman





05. FINANCIAL STATEMENTS

ANNUAL REPORT/2013

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of Company: **TPL Trakker Limited**
Year ended: **30 June 2013**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Karachi Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the Best Practices of Corporate Governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present, the Board includes:

Category	Names
Independent directors	None
Executive directors	1. Jameel Yusuf
Non-executive directors	1. Mustafa Ali 2. Saad Nisaar 3. Murtaza Ali Bhai 4. Hussein Ali Bhai 5. Stuart Aberdein 6. Mark Dean

The Company is required to have an independent director on its Board, however currently there are no independent directors as stated above. Subsequent to the balance sheet date, this matter has been discussed in the Board meeting and accordingly, the necessary actions will be taken to ensure compliance of aforementioned requirement of CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred in the Board on 21 February 2013 and was filled up by the directors on the same date.
5. 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.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board. No new appointment of CEO has been made during the year.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated. The Chairman of Board is required to be a non-executive director, however, currently the Chairman is an executive director. Subsequent to the balance sheet date, in the Board meeting, the Chairman has agreed to become a non-executive director to comply with the requirement of CCG.
9. During the year, the Pakistan Institute of Corporate Governance (PICG) training programs were arranged for one director.
10. During the year, the CFO and Company Secretary resigned and accordingly, the Board has approved the appointment of new CFO and Company Secretary alongwith the Head of Internal Audit including his remuneration and terms and conditions of employment. The Board has appointed existing qualified (Chartered Accountant) employee as CFO having working experience of 8 years including 4 years pre-qualification experience with an audit firm and 04 years experience with the Company, and Head of Internal Audit having relevant experience of 7.5 years including 3.5 years pre-qualification experience in an audit firm.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all three are non-executive directors including the Chairman. The Chairman of the Audit Committee is required to be an independent director for which the Company is taking necessary action to ensure compliance of the CCG as stated in point 1 above.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG, except in the first quarter ended 30 September 2012 because the Audit Committee was formed on 26 September 2012. The terms of reference of the committee have been formed and advised to committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors including the chairman of the committee, and CEO is also the member of the committee.
18. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any 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.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period" prior to the announcement of interim/ final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange (s).
22. Material/ price sensitive information has been disseminated among all market participants at once through stock exchange (s).
23. We confirm that all other material principles enshrined in the CCG have been complied with except for the matters as stated in points 1, 8, 10 and 15 above toward which reasonable progress is being made by the Company to seek compliance by the end of next accounting year.



Jameel Yusuf, Chairman



Ali Jameel, Chief Executive

16 September 2013

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) for the year ended 30 June 2013 prepared by the Board of Directors of TPL Trakker Limited (the Company) to comply with the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

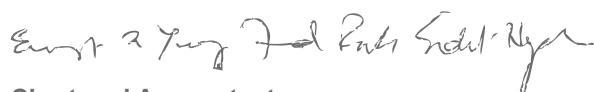
As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks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

Further, the Listing Regulation of the Karachi Stock Exchange require the Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

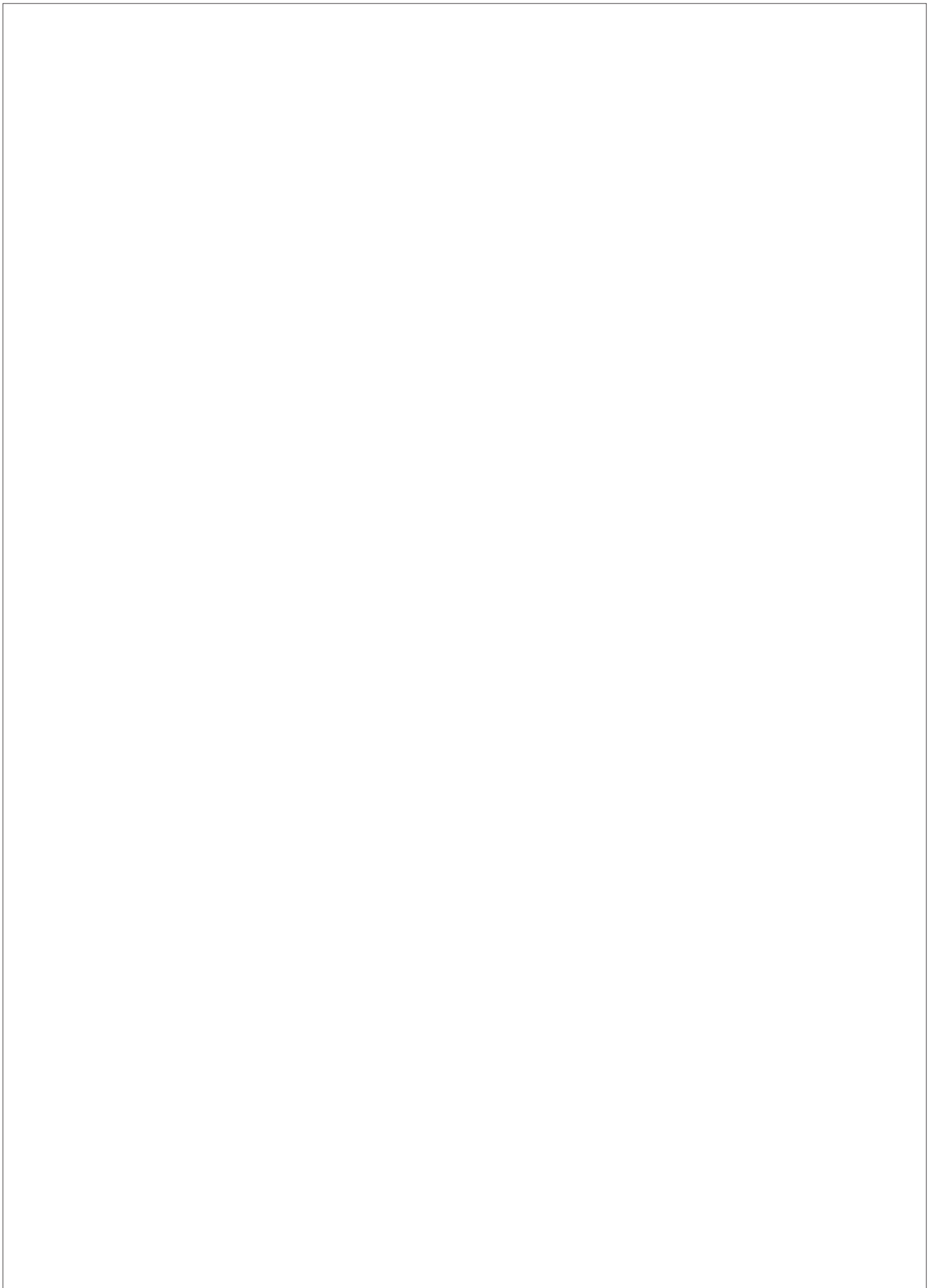
Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, for the year ended 30 June 2013.

We draw your attention to clause 23 of the Statement of Compliance which mentions certain non-compliances with the Code.

Our conclusion is not qualified in respect of the above matters.



Chartered Accountants
Date: 16 September 2013
Karachi




AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of TPL Trakker Limited (the Company) as at 30 June 2013 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the change as stated in note 4.1 to the accompanying financial statements, with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2013 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



Chartered Accountants
Audit Engagement Partner: Shariq Ali Zaidi
Date: 16 September 2013
Karachi

BALANCE SHEET

AS AT JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property and equipment	5	415,636,219	368,843,759
Intangible assets	6	1,324,689,740	1,326,161,758
		<u>1,740,325,959</u>	<u>1,695,005,517</u>
Long-term investments	7	769,362,990	769,362,990
Long-term loans	8	1,238,244	1,450,585
Long-term deposits	9	17,541,876	15,558,430
Interest accrued	10	11,710,151	11,469,520
Due from related parties	11	3,850,142	1,181,329
		<u>2,544,029,362</u>	<u>2,494,028,371</u>
CURRENT ASSETS			
Stock-in-trade	12	135,846,316	66,257,079
Trade debts	13	508,641,088	437,596,330
Loans and advances	14	7,320,012	18,389,856
Trade deposits and prepayments	15	31,304,048	9,338,723
Interest accrued	10	46,731,067	37,111,590
Other receivables	16	4,700,657	4,234,890
Short-term investment	17	439,000,000	439,000,000
Due from related parties	11	58,010,975	135,221,139
Taxation – net	18	4,027,914	-
Cash and bank balances	19	2,087,853	3,105,357
		<u>1,237,669,930</u>	<u>1,150,254,964</u>
TOTAL ASSETS		<u>3,781,699,292</u>	<u>3,644,283,335</u>



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

BALANCE SHEET

AS AT JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
230,000,000 (2012: 230,000,000)			
ordinary shares of Rs.10/- each		<u>2,300,000,000</u>	<u>2,300,000,000</u>
Issued, subscribed and paid-up capital	20	2,172,489,630	1,872,489,630
Revenue reserve – unappropriated profit		<u>282,353,186</u>	<u>240,349,839</u>
		2,454,842,816	2,112,839,469
Advance against issue of shares	20	-	300,000,000
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	21	<u>4,223,100</u>	<u>5,798,479</u>
Deferred liabilities	22	<u>13,300,486</u>	<u>26,645,672</u>
Long-term loans	23	<u>16,666,668</u>	<u>50,000,000</u>
		34,190,254	82,444,151
CURRENT LIABILITIES			
Trade and other payables	24	<u>310,450,741</u>	<u>252,536,512</u>
Accrued mark-up	25	<u>110,189,226</u>	<u>73,637,615</u>
Short-term financing	26	<u>35,000,000</u>	<u>43,000,000</u>
Running finance under mark-up arrangements	27	<u>471,537,574</u>	<u>358,830,662</u>
Current portion of non-current liabilities	28	<u>61,778,654</u>	<u>55,136,410</u>
Due to related parties	29	<u>215,900,016</u>	<u>168,869,202</u>
Taxation - net	18	-	14,140,909
Advance monitoring fees	30	<u>87,810,011</u>	<u>182,848,405</u>
		1,292,666,222	1,148,999,715
CONTINGENCIES AND COMMITMENTS			
	31		
TOTAL EQUITY AND LIABILITIES			
		<u>3,781,699,292</u>	<u>3,644,283,335</u>

The annexed notes from 1 to 49 form an integral part of these financial statements.



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
Turnover – net	32	1,035,378,633	965,636,316
Cost of sales	33	(487,816,706)	(455,685,676)
Gross profit		547,561,927	509,950,640
Distribution expenses	34	(170,712,752)	(103,544,133)
Administrative expenses	35	(245,394,969)	(205,560,324)
Other operating expenses	36	-	(3,981,380)
Operating profit		131,454,206	196,864,803
Finance costs	37	(111,986,659)	(127,672,332)
Other income	38	44,750,896	56,512,919
Workers' Welfare Fund		(1,248,369)	(2,514,108)
Profit before taxation		62,970,074	123,191,282
Taxation	39	(13,484,569)	(40,693,539)
Profit for the year		49,485,505	82,497,743
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		49,485,505	82,497,743
Earnings per share – Basic and diluted	40	Re.0.23	Re.0.44

The annexed notes from 1 to 49 form an integral part of these financial statements.



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

CASH FLOW STATEMENT

FOR THE YEAR JUNE 30, 2013

Note	2013 Rupees	2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	62,970,074	123,191,282
Adjustment for non-cash charges and other items:		
Depreciation	71,374,160	64,034,609
Amortisation	34,037,853	18,758,989
Stock written off	8,667,569	-
Provision for doubtful debts	22,125,230	-
Bad debts written off	-	20,918,373
Finance costs	111,986,659	127,672,332
Gain on sale of property and equipment	(5,621,713)	(1,466,301)
Rental income	(2,796,826)	(2,701,430)
Exchange (gain) / loss – net	(2,312,316)	3,981,380
Deferred income	(14,326,682)	(8,156,412)
	<u>223,133,934</u>	<u>223,041,540</u>
Operating profit before working capital changes	286,104,008	346,232,822
(Increase) / decrease in current assets		
Stock-in-trade	(69,589,237)	(34,117,855)
Trade debts	(71,044,758)	(110,447,815)
Loans and advances	11,069,844	(893,236)
Trade deposits and prepayments	(21,965,325)	2,734,157
Other receivables	(465,766)	433,965
Interest accrued	(9,860,107)	(20,339,900)
Due from related parties	74,541,351	69,622,046
	<u>(87,313,998)</u>	<u>(93,008,638)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	59,575,248	(137,489,320)
Due to related parties	47,030,814	(22,943,455)
Advance monitoring fees	(95,038,394)	(80,915,311)
	<u>210,357,678</u>	<u>11,876,098</u>
Cash flows from operations		
Payments for:		
Finance costs	(75,435,048)	(91,849,957)
Income taxes	(39,648,560)	(37,904,666)
	<u>(115,083,608)</u>	<u>(129,754,623)</u>
Net cash flows from / (used in) operating activities	95,274,070	(117,878,525)



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

CASH FLOW STATEMENT

FOR THE YEAR YEAR JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of - property and equipment	5.1	(97,436,235)	(47,204,060)
- capital work-in-progress	5.3	(17,589,541)	(6,350,000)
- intangible assets	6	(32,565,835)	(6,092,720)
Sale proceeds from disposal of property and equipment	5.2	10,138,343	2,202,800
Long-term loans		212,341	25,147
Long-term deposits		(1,983,446)	(5,359,440)
Rental income received		2,796,826	2,701,430
Net cash flows used in investing activities		(136,427,547)	(60,076,843)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan – net		(33,333,333)	79,166,667
Long-term financing – net		-	(20,833,341)
Obligations under finance lease repaid – net		(23,755,448)	(44,581,990)
Advance against issue of shares		-	300,000,000
Share issue cost paid		(7,482,158)	(20,702,873)
Short-term financing – net		(8,000,000)	(94,998,000)
Net cash flows (used in) / from financing activities		(72,570,939)	198,050,463
Net (decrease) / increase in cash and cash equivalents		(113,724,416)	20,095,095
Cash and cash equivalents at the beginning of the year		(355,725,305)	(375,820,400)
Cash and cash equivalents at the end of the year	45	(469,449,721)	(355,725,305)

The annexed notes from 1 to 49 form an integral part of these financial statements.



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2013

	Issued, Subscribed and paid-up capital	Revenue reserve – unappropriated profit Rupees	Total Equity
Balance as at June 30, 2011	1,872,489,630	178,554,969	2,051,044,599
Profit for the year	-	82,497,743	82,497,743
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	82,497,743	82,497,743
Share issue cost (note 1.2 and 20)	-	(20,702,873)	(20,702,873)
Balance as at June 30, 2012	1,872,489,630	240,349,839	2,112,839,469
Issuance of shares (note 20)	300,000,000	-	300,000,000
Profit for the year	-	49,485,505	49,485,505
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	49,485,505	49,485,505
Share issue cost (note 1.2 and 20)	-	(7,482,158)	(7,482,158)
Balance as at June 30, 2013	2,172,489,630	282,353,186	2,454,842,816

The annexed notes from 1 to 49 form an integral part of these financial statements.



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

1. LEGAL STATUS AND OPERATIONS

- 1.1. TPL Trakker Limited (the Company) was incorporated in Pakistan on December 04, 2008 as a private limited company under the Companies Ordinance, 1984. Subsequently in 2009, the Company was converted into a public company. The registered office of the Company is situated at 39-K, Block 6, P.E.C.H.S., Karachi. The principal activity of the Company is installation and sale of tracking devices, vehicle tracking and fleet management.
- 1.2. Effective from July 16, 2012, the Company has been listed on Karachi Stock Exchange (Guarantee) Limited through issuance of 30 million ordinary shares of Rs.10/- each. Out of the total issuance of 30 million ordinary shares, 20 million ordinary shares were subscribed through book building process by High Net Worth Individuals and Institutional Investors and 10 million ordinary shares were subscribed by the general public.
- 1.3. TPL Holdings (Private) Limited is the parent company, which holds 114,950,274 (2012: 131,074,273) ordinary shares of the Company representing 52.91 percent (2012: 70 percent) shareholding as of the balance sheet date.
- 1.4. These financial statements are the separate financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any. As of balance sheet date, the Company has the following subsidiaries:

	% of shareholding	
	2013	2012
▪ TPL Direct Insurance Limited (note 7.1)	67.39	67.39
▪ TPL Security Services (Pvt) Limited (note 7.2)	99.90	99.90

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

3. BASIS OF PREPARATION

These financial statements have been prepared under the 'historical cost' convention.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Standards, amendments and interpretations adopted during the year

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

New and amended standards and interpretations

The Company has adopted the following new and amended IFRSs and interpretations which became effective during the year:

IAS 1 - Presentation of Financial Statements (Amendment)
IAS 12 - Income Taxes (Amendment)

The adoption of the above standards, amendments and interpretations did not have any material effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

4.2. Significant accounting judgments, estimates and assumptions

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

	Note
a) Determining the residual values and useful lives of assets and methods of depreciation / amortization	4.3.1 – 4.3.4
b) Impairment of:	
- assets	4.5.1 & 4.5.2
- investments	4.5
- goodwill	4.5
c) Recognition of tax and deferred tax	4.10

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

4.3. Property and equipment

4.3.1. Owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to profit and loss account applying the straight-line method. Depreciation on additions during the year is charged from the month of addition, 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 and loss account, as and when incurred.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each balance sheet 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.

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 and loss account.

4.3.2. Capital work-in-progress

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

4.3.3. Leased

Finance leases, which transfer to the Company all the risks and benefits incidental to ownership of leased items are capitalised at the inception of lease. Assets subject to finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligation under the lease less financial charges allocated to future period are shown as a liability. Income arising from sale and leaseback transactions, if any, is deferred and is amortised equally over the lease period.

Financial charges are calculated at the interest rate implicit in the lease and are charged to profit and loss account. Leased assets are depreciated on a straight line basis at the same rate as Company's owned assets as disclosed in note 5.1 to these financial statements.

4.3.4. 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. 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. However, these assets are tested for impairment annually. Amortisation is charged to the profit and loss account applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The useful lives of the intangible assets are stated in note 6 to these financial statements. Full month's amortisation is charged in the month of addition, whereas, amortisation on disposals is charged upto the month in which the disposal takes place.

4.3.5. 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 and loss account 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 as referred in note 4.5.2 to these financial statements. Impairment loss in respect of goodwill is recognised in profit and loss account.

4.4. Investments

The management of the Company determines the appropriate classification of its investments at the time of purchase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

4.4.1. Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less accumulated impairment losses, if any, in the value of such investments. A reversal of impairment loss on subsidiaries and associates is recognised as it arises provided the increased carrying value does not exceed cost.

4.4.2. Available-for-sale

Investments intended to be held for an indefinite period of time which may be sold in response to need for liquidity or changes in market conditions are classified as available-for-sale. At initial recognition, available-for-sale investments are measured at fair value plus directly attributable transaction costs.

After initial recognition, investments which are classified as available-for-sale are measured at fair value with unrealised gains or losses recognised in other comprehensive income in the available-for-sale reserve until, the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss is reclassified to the profit and loss account and removed from the available-for-sale reserve.

The fair value of those investments representing listed equity and other securities i.e. debt instruments are determined on the basis of year-end bid prices obtained from stock exchange quotations and quotes from brokers.

4.5. Impairment

4.5.1. Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortised cost are recognised in profit and loss account.

4.5.2. Non-financial assets, goodwill and investments in subsidiaries and associates

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. In determining fair value less costs to sell, an appropriate valuation model is used.

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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

For assets excluding goodwill and intangible assets having indefinite useful lives, 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 and loss account.

Impairment losses relating to goodwill and intangible assets with indefinite useful lives are not reversed in future periods.

4.6. 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.

4.7. Trade debts and other receivables

Trade debts originated by the Company are recognised and carried at original invoice amount less provision for doubtful debts, if any. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. No provision is made in respect of the active customers which are considered good. Bad debts are written-off, as and when identified.

Other receivables and receivables from related parties are recognised and carried at cost which is the fair value of the consideration to be received in the future for goods and services.

4.8. 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 bank balances including short-term deposits net of bank overdraft, if any.

4.9. 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.

4.10. Taxation

Current

Provision for current taxation is computed on taxable income at the current rates of taxation or based on turnover at the specified rates, whichever is higher, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

Deferred

Deferred tax is provided in full using the liability method, on all temporary differences arising at the balance sheet 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 balance sheet 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 balance sheet 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 substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. Deferred tax is charged or credited to the profit and loss account.

Deferred tax relating to items recognised directly in the other comprehensive income or equity is recognised in the other comprehensive income or equity 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.

4.11. Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.12. 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 balance sheet date and accordingly adjusted to reflect current best estimates.

4.13. Operating leases / Ijarah agreements

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) / ijarah agreements are charged to the profit and loss account on a straight line basis over the lease / ijarah term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

4.14. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised:

- Revenue from sales is recognised when goods are installed.
- Monitoring fees, rental income and other service charges are recorded on accrual basis.
- Income on bank accounts is recorded using effective interest rate.
- Dividend income is recognised when the right to receive the dividend is established.

4.15. 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 balance sheet date. Exchange gains and losses are recognised in profit and loss account. 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.

4.16. Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to profit and loss account.

4.17. Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.18. Transactions with related parties

Transactions with related parties are based on the policy that all transactions between the Company and the related parties are carried out on commercial terms, as approved by the Board of Directors.

4.19. 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.

4.20. Dividend and appropriation to reserves

Dividends and appropriation to reserves are recognised to the financial statement 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 the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

4.21. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. 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 and equipment and intangible assets.

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

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures (Amendments) Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	January 01, 2013
IAS 19	Employee Benefits (Amendment)	January 01, 2013
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendment)	January 01, 2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 01, 2014

In addition to the above amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2013. The Company expects that the adoption of the above revisions, amendments, interpretations and improvements of the standards will not 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 Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)	
IFRS 9	Financial Instruments	January 01, 2015
IFRS 10	Consolidated Financial Statements	January 01, 2013
IFRS 11	Joint Arrangements	January 01, 2013
IFRS 12	Disclosure of Interests in Other Entities	January 01, 2013
IFRS 13	Fair Value Measurement	January 01, 2013

The Company expects that above new standards will not have any impact on the Company's financial statements in the period of initial application.

	Note	2013 Rupees	2012 Rupees
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	399,233,629	366,896,688
Capital work-in-progress	5.3	16,402,590	1,947,071
		<u>415,636,219</u>	<u>368,843,759</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

5.1. Operating fixed assets

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	Depreciation Rate %
	As at July 01, 2012	Additions / (disposals) / transfers	As at June 30, 2013	As at July 01, 2012	Charge for the year / (disposals) / transfers (note 5.1.1)	As at June 30, 2013	As at June 30, 2013	
	(Rupees)							
Owned:								
Leasehold land	194,124,965	-	194,124,965	-	-	-	194,124,965	-
Building on leasehold land	45,465,312	-	45,465,312	8,938,135	2,273,266	11,211,401	34,253,911	5
Computers and accessories (note 5.1.2)	154,940,183	7,626,603 *1,177,126 (161,678) ****(4,009,882)	159,572,352	134,187,248	16,438,428 (126,305) ****(184,260)	150,315,111	9,257,241	33.33
Generators	8,421,702	(19,500) ***1,300,000	9,702,202	7,433,087	492,099 (9,750) ***854,933	8,770,369	931,833	20
Electrical equipments (notes 5.1.3 & 5.1.4)	105,550,608	80,965,465 *31,896 (31,724) **(22,538,782)	163,977,463	47,994,575	31,692,813 **(10,164,615)	69,522,773	94,454,690	20-25
Furniture and fittings	22,283,556	1,423,830 *1,925,000	25,632,386	14,920,499	2,607,647	17,528,146	8,104,240	20
Vehicles (note 5.1.2)	105,082,121	6,240,212 (19,594,912) ***3,064,615 ****(22,300,000)	72,492,036	69,918,418	4,651,466 (15,724,772) ***1,906,685 ****(13,758,333)	46,993,464	25,498,572	20
Construction of shed	6,048,277	-	6,048,277	5,935,134	112,850	6,047,984	293	20
Mobile phones (note 5.1.2)	9,171,671	1,170,125 (339,780) ****(279,800)	9,722,216	5,917,835	1,740,298 (194,287) ****(15,544)	7,448,302	2,273,914	33.33
	651,088,395	97,426,235 (20,147,594) *3,134,022 **(22,538,782) ***4,364,615 ****(26,589,682)	686,737,209	295,244,931	60,008,867 (16,055,114) **(10,164,615) ***2,761,618 ****(13,958,137)	317,837,550	368,899,659	
Leased:								
Computers and accessories	19,212,400	10,924,978 ****4,528,408	34,665,786	11,207,406	5,196,670	16,404,076	18,261,710	33.33
Generators	1,300,000	***1,300,000	-	585,000	269,933 *** (854,933)	-	-	20
Electrical equipments	-	140,000	140,000	-	28,000	28,000	112,000	
Vehicles	19,263,095	****16,800,000 (748,500) ***3,064,615	32,249,980	16,929,865	5,777,423 (324,350) ***1,906,685	20,476,253	11,773,727	20
Mobile phones	-	****279,800	279,800	-	93,267	93,267	186,533	
	39,775,495	11,064,978 ****21,608,208 (748,500) ***4,364,615	67,335,566	28,722,271	11,365,293 (324,350) ***2,761,618	37,001,596	30,333,970	
2013	690,863,890	108,491,213 (20,896,094) *3,134,022 **(22,538,782) ****(4,981,474)	754,072,775	323,967,202	71,374,160 (16,379,464) **(10,164,615) ***13,958,137	354,839,146	399,233,629	

* Represents transfers from capital work-in-progress to owned assets (note 5.3)

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

*** Represents transfers from leased to owned assets. Included herein assets of Rs.1.790 million, the title of which have been transferred to the Company subsequent to the balance sheet date

**** Represents sale and lease back transactions

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	COST		ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE		Depreciation Rate %
	As at July 01, 2011	Additions / (disposals) / transfers	As at June 30, 2012	As at July 01, 2011	Charge for the year / (disposals) / transfers (note 5.1.1)	As at June 30, 2012	As at June 30, 2012	
	(Rupees)							
Owned:								
Leasehold land	194,124,965	-	194,124,965	-	-	-	194,124,965	-
Building on leasehold land	45,465,312	-	45,465,312	6,664,869	2,273,266	8,938,135	36,527,177	5
Computers and accessories (note 5.1.2)	123,012,757	17,090,198 (2,650,537) *17,487,765	154,940,183	107,820,546	11,529,474 (2,650,537) *17,487,765	134,187,248	20,752,935	33.33
Generators	7,896,702	525,000	8,421,702	6,637,395	795,692	7,433,087	988,615	20
Electrical equipments (notes 5.1.3 & 5.1.4)	84,831,905	20,718,703	105,550,608	28,767,951	19,226,624	47,994,575	57,556,033	20-25
Furniture and fittings	16,442,297	5,841,259	22,283,556	13,413,778	1,506,721	14,920,499	7,363,057	20
Vehicles (note 5.1.2)	76,151,334	82,000 (2,123,473) *30,972,260	105,082,121	55,916,194	6,186,473 (1,386,974) *9,202,725	69,918,418	35,163,703	20
Construction of shed	6,048,277	-	6,048,277	5,684,574	250,560	5,935,134	113,143	20
Mobile phones (note 5.1.2)	6,224,771	2,946,900	9,171,671	4,738,569	1,179,266	5,917,835	3,253,836	33.33
	560,198,320	47,204,060 (4,774,010) *48,460,025	651,088,395	229,643,876	42,948,076 (4,037,511) *26,690,490	295,244,931	355,843,464	
Leased:								
Computers and accessories	36,700,165	*(17,487,765)	19,212,400	17,374,819	11,320,352 *(17,487,765)	11,207,406	8,004,994	33.33
Generators	1,300,000	-	1,300,000	325,000	260,000	585,000	715,000	20
Vehicles	50,235,355	*(30,972,260)	19,263,095	16,626,409	9,506,181 *(9,202,725)	16,929,865	2,333,230	20
	88,235,520	*(48,460,025)	39,775,495	34,326,228	21,086,533 *(26,690,490)	28,722,271	11,053,224	
2012	648,433,840	47,204,060 (4,774,010)	690,863,890	263,970,104	64,034,609 (4,037,511)	323,967,202	366,896,688	

* Represents transfers from leased to owned assets

Note	2013 Rupees	2012 Rupees
5.1.1. Depreciation charge for the year has been allocated as follows :		
Cost of sales	33	35,888,007
Distribution expenses	34	9,776,678
Administrative expenses	35	25,709,475
		<u>71,374,160</u>
		<u>64,034,609</u>

5.1.2. Includes vehicles, mobile phone and computer and accessories costing Rs.9.127 million, Rs.0.159 million and Rs.0.444 million (2012: Rs.10.893 million, Rs.0.159 million and Rs.0.444 million) respectively, which are in possession of TPL Security Services (Pvt) Limited, a subsidiary company, on rental basis.

5.1.3. During the year, the Company has transferred tracking devices from stock-in-trade at a cost of Rs.39.326 million (2012: Rs.19.654 million) to owned assets which are in possession of third parties, on rental basis.

5.1.4. During the year, the Company has transferred certain tracking devices to stock-in-trade at written down value of Rs.12.374 million (2012: Rs. Nil).

5.1.5. Includes assets costing Rs.241.819 million (2012: Rs.217.097 million) which are fully depreciated.

5.1.6. The immovable assets of the Company are placed as security against term finance facility and running finance under mark-up arrangement facility obtained from commercial banks as stated in notes 23 and 27 respectively to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

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

	Original cost	Accumulated depreciation	Written down value (Rupees)	Sale proceeds	Gain / (loss) on disposals	Mode of Disposal	Particulars of Buyers	Location
Owned								
Aggregate amount assets disposed off having written down value less than Rs.50,000 each								
Computer and related accessories	161,678	126,305	35,373	10,000	(25,373)	Negotiation	Various	Karachi
Generators	19,500	9,750	9,750	-	(9,750)	Negotiation	Various	Karachi
Electrical equipments	31,724	-	31,724	-	(31,724)	Negotiation	Various	Karachi
Mobile phones	339,780	194,287	145,493	164,492	18,999	Negotiation	Various	Karachi
Vehicles								
Honda Civic ARJ-284	1,575,000	1,284,714	290,286	133,302	(156,984)	Company policy	Mr. Adnan Khandwala, Ex-employee	Karachi
Honda Civic AVH-284	1,893,100	694,137	1,198,963	1,560,786	361,823	Negotiation	Mr. Riaz	Karachi
Honda Civic APU-545	1,438,630	575,452	863,178	-	(863,178)	Company policy	Mr. Mustafa Ali, Ex-employee	Karachi
Honda Civic ARD-077	1,515,000	606,000	909,000	-	(909,000)	Company policy	Mr. Ahsan Sarwar, Ex-employee	Karachi
Suzuki Bolan CT-6205	614,000	235,367	378,633	376,296	(2,337)	Insurance claim	HBL Leasing Limited	Karachi
Aggregate amount assets disposed off having written down value less than Rs.50,000 each								
	12,559,182	12,329,102	230,080	7,676,092	7,446,012	Negotiation	Various	Karachi
	19,594,912	15,724,772	3,870,140	9,746,476	5,876,336			
	20,147,594	16,055,114	4,092,480	9,920,968	5,828,488			
Leased								
Vehicle	748,500	324,350	424,150	217,375	(206,775)	Insurance claim	HBL Leasing Limited	Karachi
2013	20,896,094	16,379,464	4,516,630	10,138,343	5,621,713			
2012	4,774,010	4,037,511	736,499	2,202,800	1,466,301			

	Note	2013 Rupees	2012 Rupees
5.3. Capital work-in-progress			
Opening balance		1,947,071	20,584,084
Additions during the year		17,589,541	6,350,000
Transfers to property and equipment / intangible assets during the year	5.1 & 6	(3,134,022)	(24,987,013)
Closing balance	5.3.1	16,402,590	1,947,071

5.3.1. Represents expenses incurred and advances made by the Company in respect of procurement of computer equipments and softwares, office equipments, furniture and fittings.

6. INTANGIBLE ASSETS

	COST		ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE / CARRYING AMOUNT	Amortisation Rate %
	As at July 01, 2012	As at June 30, 2013	As at July 01, 2012	Charge for the year (note 6.1)	As at June 30, 2013	As at June 30, 2013	
Goodwill (6.2)	403,380,571	403,380,571	-	-	-	403,380,571	-
Customers related intangible assets	453,635,249	453,635,249	-	-	-	453,635,249	-
Marketing related intangible assets	289,021,582	289,021,582	-	-	-	289,021,582	-
Internally generated computer softwares	25,840,000	25,840,000	11,195,603	3,444,472	14,640,075	11,199,925	13.33
Maps database	147,858,790	147,858,790	24,027,046	7,392,940	31,419,986	116,438,805	5.00
Softwares	58,025,604	90,591,439	25,670,063	18,556,769	44,226,832	46,364,607	33.33
PTA license	1,000,500	1,000,500	861,699	66,733	928,432	72,068	6.67
Decarta maps	22,884,695	22,884,695	13,730,822	4,576,939	18,307,761	4,576,934	20.00
2013	1,401,646,991	32,565,835	1,434,212,826	75,485,233	34,037,853	109,523,086	1,324,689,740

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	COST			ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE / CARRYING AMOUNT	Amortisation Rate %
	As at July 01, 2011	Additions / transfers	As at June 30, 2012	As at July 01, 2011 (Rupees)	Charge for the year (note 6.1)	As at June 30, 2012	As at June 30, 2012	
Goodwill (6.2)	403,380,571	-	403,380,571	-	-	-	403,380,571	-
Customers related intangible assets	453,635,249	-	453,635,249	-	-	-	453,635,249	-
Marketing related intangible assets	289,021,582	-	289,021,582	-	-	-	289,021,582	-
Internally generated computer softwares	25,840,000	-	25,840,000	7,751,135	3,444,468	11,195,603	14,644,397	13.33
Maps database	147,858,790	-	147,858,790	16,634,110	7,392,936	24,027,046	123,831,744	5.00
Softwares	26,945,871	6,092,720 *24,987,013	58,025,604	22,386,593	3,283,470	25,670,063	32,355,541	33.33
PTA license	1,000,500	-	1,000,500	800,528	61,171	861,699	138,801	6.67
Decarta maps	22,884,695	-	22,884,695	9,153,878	4,576,944	13,730,822	9,153,873	20.00
2012	1,370,567,258	6,092,720 *24,987,013	1,401,646,991	56,726,244	18,758,989	75,485,233	1,326,161,758	

* Represents transfers from capital work-in-progress (note 5.3)

6.1. Amortisation expense for the year is charged to cost of sales (note 33).

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, 2013. The recoverable amount of the Company is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The pre-tax discount rate applied to cash flow projections is 24.5 percent (2012: 31.0 percent). The growth rate used to extrapolate the cash flows beyond the five-year period is 4.0 percent (2012: 4.0 percent). As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs.403,380,571/- is allocated.

Key assumptions used in value-in-use calculations

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

- Discount rates
- Key business assumptions

Discount rates

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

Key business assumptions

These assumptions are important because, as well as using industry data for growth rates, 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 map sales, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
7. LONG-TERM INVESTMENTS			
Investment in subsidiary companies – at cost			
TPL Direct Insurance Limited (TDIL)	7.1 & 7.4	635,583,541	635,583,541
TPL Security Services (Pvt) Limited	7.2	37,749,000	37,749,000
Investment in associated companies – at cost			
Trakker Middle East LLC. (TME)	7.3	85,030,449	85,030,449
TPL Properties (Private) Limited	17.1 & 17.2	11,000,000	11,000,000
		769,362,990	769,362,990

7.1. The Company holds 30,999,000 (2012: 30,999,000) ordinary shares of Rs.10/- each, representing 67.39 percent (2012: 67.39 percent) of the share capital of TPL Direct Insurance Limited as of the balance sheet date. The market value per share amounts to Rs.9.38 (2012: Rs.11.88). The Company calculated the recoverable amount of its investment based on value in use calculations using expected cash flow approach as prescribed under IAS-36 "Impairment of Assets" which was higher than the carrying value. The pre-tax discount rate applied to cash flow projections is 24.2 percent (2012: 27.84 percent). The growth rate use to extrapolate the cash flows beyond the five-year period is 4.0 percent (2012: 4.0 percent). Accordingly, the management considers that no provision for any impairment is required at this stage.

7.2. The Company holds 2,099,900 (2012: 2,099,900) ordinary shares of Rs.10/- each, representing 99.99 percent (2012: 99.99 percent) of the share capital of TPL Security Services (Pvt) Limited as of the balance sheet date. The book value per share amounts to Rs. Nil (2012: Rs. Nil) based on the latest available un-audited financial statements for the year ended June 30, 2013. The Company calculated the recoverable amount of its investment based on value in use calculations as prescribed under IAS-36 "Impairment of Assets" which was higher than the carrying value. The pre-tax discount rate applied to cash flow projections is 19.7 percent (2012: 23.5 percent). The growth rate use to extrapolate the cash flows beyond the five-year period is 4.0 percent (2012: 4.0 percent). Accordingly, the management considers that no provision for any impairment is required at this stage.

7.3. The Company holds 1,644 (2012: 1,644) ordinary shares of AED 1,000 each, representing 29 percent (2012: 29 percent) of the share capital as of the balance sheet date. The book value per share amounts to AED 1,543.68 (2012: AED 1,330.84) equivalent to Rs.41,447.82 (2012: Rs.34,056.28) based on the latest available un-audited financial statements for the period ended June 30, 2013.

7.4. As stated in notes 23.1, 26.1 and 26.2 to these financial statements, the investment in TDIL is pledged against term finance and term finance certificates issued by the Company to various financial institutions.

	Note	2013 Rupees	2012 Rupees
8. LONG-TERM LOANS – secured, considered good			
Executives	8.1 & 8.2	458,750	1,118,096
Employees		2,462,059	2,013,894
	8.3	2,920,809	3,131,990
Less: Current portion	14	1,682,565	1,681,405
		1,238,244	1,450,585

8.1. Reconciliation of the carrying amount of loans to executives

Balance as on July 01	1,118,096	623,444
Disbursements	676,680	1,738,691
Repayments / adjustments	(1,336,026)	(1,244,039)
Balance as on June 30	458,750	1,118,096

8.2. The maximum aggregate amount of loans due from the executives at the end of any month during the year was Rs.0.459 million (2012: Rs.1.118 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

- 8.3.** 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 (2012: 16 percent) per annum. Further, it also includes loans provided on interest free basis amounting to Rs.1.177 million (2012: Rs.1.222 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.

	Note	2013 Rupees	2012 Rupees
9. LONG-TERM DEPOSITS			
Security deposits - leased and ijarah assets		8,470,695	6,016,680
Less: Current portion	15	2,684,069	1,458,500
		5,786,626	4,558,180
Utilities		177,450	177,450
Rent deposits		622,800	622,800
Cash margin against guarantees	9.1	10,955,000	10,200,000
	9.2	17,541,876	15,558,430

- 9.1.** Included herein Rs.10.0 million (2012: Rs.10.0 million) representing cash margin on guarantee issued by a commercial bank on behalf of the Company in favor of Collector of Customs.

- 9.2.** These are non-interest bearing and generally on a term of more than a year.

	Note	2013 Rupees	2012 Rupees
10. INTEREST ACCRUED - unsecured, considered good			
Accrued mark-up on current account with:			
Holding company			
- TPL Holdings (Private) Limited		36,324,241	27,187,667
Subsidiary company			
- TPL Security Services (Pvt) Limited		4,326,421	4,326,421
Associated companies			
- Trakker Middle East LLC.		2,653,161	2,653,161
- TPL Properties (Private) Limited		11,710,151	11,469,520
		14,363,312	14,122,681
Others			
- Global Connect Limited		1,219,318	1,206,837
- Trakker Financial Consultancy (Private) Limited		458,965	368,541
- TPL Logistics (Private) Limited		46,781	6,792
- The Resource Group Pakistan Limited		1,702,180	1,362,171
		3,427,244	2,944,341
	11.1 & 11.2	58,441,218	48,581,110
Less: Current portion		46,731,067	37,111,590
		11,710,151	11,469,520

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
11. DUE FROM RELATED PARTIES – unsecured, considered good			
Holding company			
- TPL Holdings (Private) Limited	11.1	20,424,889	102,631,527
Subsidiary company			
- TPL Security Services (Private) Limited	11.2	33,483,378	29,150,340
Associated companies			
- Trakker Middle East LLC	11.2	304,614	304,614
- TPL Properties (Pvt) Limited	11.1	3,850,142	1,181,329
		4,154,756	1,485,943
Others			
- Global Connect Limited		89,150	89,150
- Trakker Financial Consultancy (Private) Limited		671,810	636,190
- TPL Logistic (Private) Limited		340,551	159,660
- The Resource Group Pakistan Limited		2,696,583	2,249,658
	11.1	3,798,094	3,134,658
		61,861,117	136,402,468
Less: Current portion		58,010,975	135,221,139
		3,850,142	1,181,329

11.1. Represents current account balances with related parties carrying markup of 14 percent (2012: 16 percent) per annum and are repayable on demand except for amount due from TPL Properties (Private) Limited, an associated company.

11.2. Represents interest free (2012: 16 percent per annum) current account balances with related parties and are repayable on demand.

	Note	2013 Rupees	2012 Rupees
12. STOCK-IN-TRADE			
Tracking devices	12.1 & 12.2	125,114,512	57,071,293
Spare parts	12.3	10,731,804	9,185,786
		135,846,316	66,257,079

12.1. Includes stock of Rs.10.254 million (2012: Rs. 5.114 million) held with Digicore Electronics (Private) Limited (Supplier and a related party by virtue of common directorship) and Rs. 34.745 million (2012: Rs.Nil) held with third parties on account of stock given for demo purposes.

12.2. Includes stock of Rs. 50.443 million (2012: Nil) held with third parties on account of on-site container tracking installations.

12.3. Represents Bonnet Locks, Window Motors etc. which are held for sale.

	Note	2013 Rupees	2012 Rupees
13. TRADE DEBTS - unsecured			
Considered good	13.1 & 13.2	508,641,088	437,596,330
Considered doubtful		22,125,230	-
Less: Provision for doubtful debts	13.4	22,125,230	-
		-	-
		508,641,088	437,596,330

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

- 13.1.** These 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.
- 13.2.** Included herein amount due from TPL Direct Insurance Limited and TPL Securities Services (Pvt) Limited (subsidiary companies) of Rs. 22.405 million and Rs. 0.012 million (2012: Rs.0.273 million and Rs.Nil) respectively, and The Resource Group Pakistan Limited (a related party) of Rs.0.075 million (2012: 0.107 million).
- 13.3.** As at June 30, 2013 and 2012, the ageing analysis of unimpaired trade debts are as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			> 30 days upto 120 days	121 – 180 days	180 days and above
	(Rupees)				
Related parties	22,492,567	21,739,091	720,737	8,963	23,776
Other than related parties	486,148,521	242,668,836	128,753,886	33,025,343	81,700,456
2013	508,641,088	264,407,927	129,474,623	33,034,306	81,724,232
Related parties	380,255	152,490	227,765	-	-
Other than related parties	437,216,075	184,538,601	113,590,727	45,599,940	93,486,807
2012	437,596,330	184,691,091	113,818,492	45,599,940	93,486,807

	Note	2013 Rupees	2012 Rupees
13.4. Provision for doubtful debts			
Opening balance		-	24,412,459
Provision for the year	35	22,125,230	-
Written off during the year		-	(24,412,459)
Closing balance		22,125,230	-
14. LOANS AND ADVANCES			
Loans – secured, considered good			
Current portion of long-term loans	8	1,682,565	1,681,405
Advances – unsecured, considered good			
- Karachi Stock Exchange for listing		-	2,881,114
- suppliers		1,185,452	10,091,126
- executives		3,834,000	3,093,500
- employees		73,368	380,711
- others		544,627	262,000
	14.1	5,637,447	16,708,451
		7,320,012	18,389,856

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
15. TRADE DEPOSITS AND PREPAYMENTS			
Trade deposits			
- security deposits		948,690	332,690
- cash margin against guarantee		615,030	615,030
- current portion of lease and ijarah deposits	9	2,684,069	1,458,500
- others		711,516	711,516
	15.1	<u>4,959,305</u>	<u>3,117,736</u>
Prepayments			
- insurance		1,190,279	1,288,255
- rent	15.2	22,587,318	1,992,191
- maintenance		2,165,797	2,183,269
- others		401,349	757,272
		<u>26,344,743</u>	<u>6,220,987</u>
		<u>31,304,048</u>	<u>9,338,723</u>

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

15.2. Included herein rent of Rs. 20.5 million (2012: Rs. Nil) paid to TPL Properties (Private) Limited, an associated company.

	Note	2013 Rupees	2012 Rupees
16. OTHER RECEIVABLES – unsecured, considered good			
Earnest money		2,895,447	2,414,247
Others		1,805,210	1,820,643
	16.1	<u>4,700,657</u>	<u>4,234,890</u>

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

	Note	2013 Rupees	2012 Rupees
17. SHORT-TERM INVESTMENT			
Investment in an associated company – at cost			
TPL Properties (Private) Limited	17.1	<u>439,000,000</u>	<u>439,000,000</u>

17.1. The Company holds 45 million (2012: 45 million) ordinary shares of Rs.10/- each, representing 41 percent (2012: 41 percent) of the share capital of TPL Properties (Private) Limited as of the balance sheet date. The book value per share amounts to Rs.9.86 (2012: Rs.9.87) based on the latest available un-audited financial statements for the year ended June 30, 2013.

17.2. As of the balance sheet date, 1.1 million (2012: 1.1 million) ordinary shares of TPL Properties (Private) Limited held by the Company are pledged against the financing facility obtained by TPL Properties (Private) Limited and accordingly, the same has been classified under non-current assets (note 7).

	Note	2013 Rupees	2012 Rupees
18. TAXATION - net			
Opening balance – (payable) / refundable		(14,140,909)	(28,976,851)
Provision for current taxation	39	(21,479,737)	(23,068,724)
Income tax paid and deducted at source		39,648,560	37,904,666
Closing balance – refundable / (payable)		<u>4,027,914</u>	<u>(14,140,909)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	2013 Rupees	2012 Rupees
19. CASH AND BANK BALANCES		
Cash in hand	829,241	406,969
At banks in:		
current accounts		
- foreign currency	107,254	107,254
- local currency	1,151,358	2,582,752
saving accounts	-	8,382
	2,087,853	3,105,357

20. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2013 Number of shares	2012 Number of shares		2013 Rupees	2012 Rupees
			Ordinary shares of Rs.10/- each		
	9,900	9,900	- issued for cash	99,000	99,000
	30,000,000	-	- issued during the year for cash	300,000,000	-
	30,009,900	9,900		300,099,000	99,000
	187,239,063	187,239,063	- issued for consideration other than cash	1,872,390,630	1,872,390,630
	217,248,963	187,248,963		2,172,489,630	1,872,489,630

20.1. During the year ended June 30, 2009, the shareholders of the Company, namely Ali Bhai Group (AB), Ali Jameel Group (AJ) and Digicore International (Pty) Limited (DL) entered into a Scheme of Arrangement, in respect of transfer of entire operations and exchange of assets of Trakker (Private) Limited into a new company in consideration for ordinary shares of the Company.

20.2. TPL Holdings (Private) Limited and Digicore Electronics (Pty) Limited holds 114,950,274 and 56,174,689 (2012: 131,074,273 and 56,174,689) ordinary shares having face value of Rs.10/- each (2012: Rs.10/- each) representing 52.91 percent and 25.86 percent (2012: 70 percent and 30 percent) shareholding respectively, as of the balance sheet date.

21. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Note	2013		2012	
	Minimum Lease Payments (MLP)	Present Value of MLP (Rupees)	Minimum Lease Payments (MLP)	Present Value of MLP
Within one year	22,127,662	20,111,988	14,909,924	13,469,743
After one year but not more than five years	4,298,764	4,223,100	5,989,725	5,798,479
Total minimum lease payments	26,426,426	24,335,088	20,899,649	19,268,222
Less: Finance charges	2,091,338	-	1,631,427	-
Present value of minimum lease payments	21.1 24,335,088	24,335,088	19,268,222	19,268,222
Less: Current portion	28 20,111,988	20,111,988	13,469,743	13,469,743
	4,223,100	4,223,100	5,798,479	5,798,479

21.1. Represents obligation in respect of assets acquired under finance lease arrangements from various financial institutions (note 5.1). Rentals are payable in equal monthly installments. Repairs and insurance costs are to be borne by lessee. Financing rate ranging from 11.86 percent to 17.75 percent (2012: 14.33 percent to 15.84 percent) per annum has been used as discounting factor. Overdue rental payments are subject to additional charge upto 0.1 percent (2012: 0.1 percent) per day. Purchase option can be exercised by the lessee by adjusting security deposit against residual value at the expiry of the lease period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
22. DEFERRED LIABILITIES			
Deferred tax liability	22.1	7,158,851	15,154,019
Deferred income	22.2	6,141,635	11,491,653
		<u>13,300,486</u>	<u>26,645,672</u>
22.1. Deferred tax liability / (asset)			
Deferred tax liabilities on taxable temporary difference:			
- accelerated tax depreciation on owned and leased assets		24,072,819	22,610,905
- intangible assets		970,696	3,309,071
		<u>25,043,515</u>	<u>25,919,976</u>
Deferred tax assets on deductible temporary difference:			
- liabilities against assets subject to finance lease		(8,273,930)	(6,743,878)
- trade debts		(7,522,578)	-
- deferred income		(2,088,156)	(4,022,079)
		<u>(17,884,664)</u>	<u>(10,765,957)</u>
		<u>7,158,851</u>	<u>15,154,019</u>
22.2. Deferred income			
Opening balance		11,491,653	19,648,065
Gain on sale and lease back transactions	5.1 & 22.2.1	8,976,664	-
Less: Amortisation for the year	38	14,326,682	8,156,412
		<u>6,141,635</u>	<u>11,491,653</u>

22.2.1. Represents sale and leaseback transactions with financial institutions which in turn has resulted in a gain of Rs.8.977 million (2012: Nil). The gain has been deferred as per the requirements of IAS – 17 “Leases” and shall be recognised over the lease term of the leased assets.

	Note	2013 Rupees	2012 Rupees
23. LONG-TERM LOANS			
Term finance	23.1	58,333,334	91,666,667
Less: Current portion	28	41,666,666	41,666,667
		<u>16,666,668</u>	<u>50,000,000</u>

23.1. The Company has obtained a long-term loan of Rs.100 million from a commercial bank. The loan is repayable in equal quarterly installments of Rs.8.333 million latest by December 08, 2014. It carries mark-up at the rate of 3 months KIBOR plus 2.10 percent per annum and is secured against first pari passu charge over the Company's book debts, receivables, immovable property and fixed assets (i.e. tracking devices) to the extent of Rs.198 million and pledge of 5 million ordinary shares of TPL Direct Insurance Limited, the subsidiary company, held by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
24. TRADE AND OTHER PAYABLES			
Creditors	24.1	222,360,771	163,347,724
Accrued liabilities		28,160,316	22,202,541
Unearned equipment rentals		30,463,696	3,663,111
Other liabilities			
Sales commission payable		-	3,911,389
Sales tax payable		4,806,149	3,289,936
Withholding tax payable		10,116,599	3,388,251
Workers' Welfare Fund		8,597,952	7,125,670
Dividend payable	24.2	3,000,000	3,000,000
Provident fund		1,244,360	40,847,132
Others	24.3	1,700,898	1,760,758
		<u>29,465,958</u>	<u>63,323,136</u>
		<u>310,450,741</u>	<u>252,536,512</u>

24.1. Includes an amount of Rs.8.336 million (2012: Rs.12.124 million) equivalent to US Dollars 0.084 million (2012: US Dollar 0.129 million) in respect of bills payable to Digicore Electronics (Pty) Limited (Supplier and a related party by virtue of common directorship). Further, it includes amount of Rs. 0.444 million (2012: Nil) payable to EVAC Pakistan (Private) Limited (Supplier and sub-subsidiary company).

24.2. Represents dividend payable to Digicore International (Pty) Limited - a related party.

24.3. Includes stale cheques amounting to Rs.1.647 million (2012: Rs. 1.647 million).

24.4. 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.

	Note	2013 Rupees	2012 Rupees
25. ACCRUED MARK-UP			
Long-term loans	23	1,119,795	3,426,471
Short-term financing	26	13,599,299	4,951,011
Running finance under mark-up arrangement	27	9,233,940	13,504,490
Due to related parties	28	86,236,192	51,755,643
		<u>110,189,226</u>	<u>73,637,615</u>
26. SHORT-TERM FINANCING			
Term finance certificates – I	26.1	15,000,000	20,000,000
Term finance certificates – II	26.2	-	3,000,000
Short-term finance	26.3	20,000,000	20,000,000
		<u>35,000,000</u>	<u>43,000,000</u>

26.1. Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs.126 million issued by the Company to a brokerage house and are secured by way of pledge of 23.6 million shares of TPL Direct Insurance Limited held by the Company. These carry markup at the rate of 17.69 percent (2012: 17.69 percent) per annum and are redeemable on demand.

26.2. During the year, the Company has paid outstanding amount of privately placed Term Finance Certificates (TFCs) which was previously issued by the Company to a brokerage house carrying markup at the rate of 6 month KIBOR plus 3.0 percent per annum. These were secured by way of pledge of 6.416 million shares of TPL Direct Insurance Limited held by the Company, which are yet to be released.

26.3. The Company has entered into an agreement with a commercial bank to provide short-term finance facility up to a limit of Rs.20 million against accepted invoices of customers of the Company. It carries markup at the rate of 3 months KIBOR plus 3 percent (2012: 3 months KIBOR plus 3 percent) with a floor of 13 percent per annum payable on adjustment of maturity of accepted invoice, latest by July 30, 2013. This is secured against ranking charge over stocks and receivables of the Company amounting to Rs.34 million (2012: Rs.34 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

27. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

The facilities for short term running finance are obtained from various commercial banks aggregating to Rs.435 million (2012: Rs.385 million) which remained fully utilised (2012: Rs. 26.169 million remained utilised) as of the balance sheet date. These carries markup ranges between 3 months KIBOR plus 2.10 percent and 3.50 percent (2012: 3 months KIBOR plus 2.1 percent and 3.50 percent) per annum. These are secured by way of registered hypothecation over stocks and book debts aggregating to Rs.337 million (2012: Rs.297 million) and equitable first pari passu charge over properties to the extent of Rs.235 million (2012: Rs.235 million).

	Note	2013 Rupees	2012 Rupees
28. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	21	20,111,988	13,469,743
Long-term loans	23	41,666,666	41,666,667
		<u>61,778,654</u>	<u>55,136,410</u>
29. DUE TO RELATED PARTIES - unsecured			
TPL Direct Insurance Limited - subsidiary company	29.1	215,900,016	168,869,202

29.1. Represents current account balance with a related party and carries mark-up at the rate of 16 percent (2012: 16 percent) per annum and is repayable on demand.

	Note	2013 Rupees	2012 Rupees
30. ADVANCE MONITORING FEES			
Opening balance		182,848,105	263,763,716
Additions during the year		434,890,709	422,557,908
Transferred to income during the year	32	(529,928,803)	(503,473,219)
Closing balance	30.1	<u>87,810,011</u>	<u>182,848,405</u>

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

	Note	2013 Rupees	2012 Rupees
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31. CONTINGENCIES AND COMMITMENTS

31.1. Contingencies

31.1.1. Guarantees issued by banks on behalf of the Company

	9 & 16	<u>11,370,030</u>	<u>10,615,030</u>
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31.1.2. The Company is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs.10.930 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

31.2. Commitments

31.2.1. Ijarah agreements

The Company has entered into various Ijarah agreements with Habib Bank Limited and First Habib Modaraba in respect of purchase of vehicles for a period of three years. Ijarah payments due under these agreements are payable in monthly installments latest by December 2015. 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. 4.294 million (2012: Rs. 1.638 million). Future minimal rentals payable under Ijarah agreements as at year end are as follows:

	Note	2013 Rupees	2012 Rupees
Not later than one year		10,989,936	4,719,959
Later than one year but not later than five years		6,832,248	8,496,351
		<u>17,822,184</u>	<u>13,216,310</u>

32. TURNOVER - net

Equipment installation and sales		311,051,250	291,809,799
Monitoring fees	30	529,928,803	503,473,219
Equipment rentals	5.1.3	66,291,645	42,816,542
Navigation services		52,894,605	12,492,800
Other services		75,212,330	115,043,956
	32.1	<u>1,035,378,633</u>	<u>965,636,316</u>

32.1 These are net of sales tax for the year amounting to Rs.127.258 million (2012: Rs.128.092 million).

Note	2013 Rupees	2012 Rupees
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33. COST OF SALES

Cost of equipment sold

Opening stock	12	66,257,079	32,139,224
Purchases		206,055,427	175,009,036
		<u>272,312,506</u>	<u>207,148,260</u>
Closing stock	12	(135,846,316)	(66,257,079)
		<u>136,466,190</u>	<u>140,891,181</u>

Direct expenses

Salaries, wages and benefits	33.1	113,285,034	89,590,669
Activation and connection charges		97,815,936	129,807,078
Insurance		5,463,921	5,724,035
Vehicle running and maintenance		12,935,418	5,516,589
Depreciation	5.1.1	35,888,007	38,044,958
Amortisation	6	34,037,853	18,758,989
License renewal royalty		2,302,023	2,007,884
Telephone		6,014,894	4,070,258
Travelling and conveyance		8,976,725	5,147,607
Electricity, gas and water		10,300,544	7,543,754
Rent, rates and taxes		6,168,628	2,784,584
Computer expenses		9,493,964	5,798,090
Stock written off		8,667,569	-
		<u>351,350,516</u>	<u>314,794,495</u>
		<u>487,816,706</u>	<u>455,685,676</u>

33.1. These include Rs.3.843 million (2012: Rs.2.938 million) in respect of staff retirement benefits (provident fund contribution).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
34. DISTRIBUTION EXPENSES			
Salaries, wages and benefits	34.1	30,861,321	24,743,776
Commission expense		41,274,006	22,704,706
Outsourcing expense		18,612,916	14,533,931
Depreciation	5.1.1	9,776,678	7,395,496
Sales promotion and publicity expenses		48,193,898	14,008,540
Computer expenses		2,586,364	4,141,492
Electricity, gas and water		2,806,094	4,653,699
Postage and courier		2,901,729	2,830,277
Printing and stationery		2,699,008	2,550,116
Telephone		1,638,589	973,779
Rent, rates and taxes		1,680,469	1,375,000
Vehicle running and maintenance		3,523,891	1,662,644
Insurance		1,488,492	881,571
Travelling and conveyance		2,445,456	998,344
Newspapers and periodicals		223,841	90,762
		<u>170,712,752</u>	<u>103,544,133</u>

34.1. These include Rs.1.201 million (2012: Rs.0.846 million) in respect of staff retirement benefits (provident fund contribution).

	Note	2013 Rupees	2012 Rupees
35. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	35.1	75,903,006	70,478,632
Legal and professional	35.2	30,785,835	7,301,519
Depreciation	5.1.1	25,709,475	18,594,155
Bad debts written off		-	20,918,373
Provision for doubtful debts	13.4	22,125,230	-
Electricity, gas and water		7,350,688	7,264,740
Rent, rates and taxes		4,476,634	6,378,135
Travelling and conveyance		6,425,292	9,241,419
Repairs and maintenance		6,239,917	7,037,188
Security service charges		10,596,797	9,075,671
Vehicle running and maintenance		9,565,609	9,941,309
Computer expenses		6,597,069	4,349,755
Telephone		4,292,356	5,208,482
Training		1,870,400	3,101,967
Auditors' remuneration	35.3	5,000,000	4,780,000
Code red expenses		1,134,000	-
Insurance		3,899,170	2,562,540
Entertainment		9,006,147	9,617,262
Printing and stationery		926,983	271,914
Postage and courier		1,086,027	59,073
Donations	35.4	3,410,103	6,850,000
Ijarah rentals		7,862,971	1,028,900
Subscription		612,217	894,700
Others		719,043	604,590
		<u>245,394,969</u>	<u>205,560,324</u>

35.1. These include Rs.2.962 million (2012: Rs.2.551 million) in respect of staff retirement benefits (provident fund contribution).

35.2. Included herein penalties of Rs.0.055 million (2012: Rs.Nil) on account of late filling of tax returns.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	2013 Rupees	2012 Rupees
35.3. Auditors' remuneration		
Audit fee – standalone	1,800,000	1,650,000
– consolidated	150,000	130,000
Code of corporate governance	150,000	-
Half yearly review fee	550,000	650,000
Other services	2,200,000	2,200,000
Out of pocket expenses	150,000	150,000
	5,000,000	4,780,000

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

	2013 (Un-audited) Rupees	2012 (Un-audited) Rupees
35.5. Provident fund		
Size of the fund	53,227,819	50,764,285
Cost of investments made	48,717,046	8,344,271
Percentage of investments made	92%	16%
Fair value of investments	51,983,459	9,917,153

35.5.1. Break-up of investments of provident fund

The break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2013 ----- (Un-audited) -----		2012	
	Investments Rupees	% of investment as size of the fund	Investments Rupees	% of investment as size of the fund
Mutual funds	11,802,124	22	9,072,882	18
Short term deposit account	10,661,406	20	844,271	2
Shares	29,519,929	55	-	-
	51,983,459		9,917,153	

35.5.2. Investments out of provident fund have been made in accordance with the provisions of the Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose except for investments in shares.

	Note	2013 Rupees	2012 Rupees
36. OTHER OPERATING EXPENSES			
Exchange loss - net		-	3,981,380
37. FINANCE COSTS			
Mark-up on:			
- liabilities against assets subject to finance lease		4,361,988	5,079,000
- long-term loan		9,863,596	8,463,485
- long-term financing		-	1,357,949
- short-term financing		11,192,962	16,623,158
- running finance under mark-up arrangements		50,947,832	58,383,378
- amount due to related parties		34,480,549	36,919,773
Bank charges		1,139,732	845,589
		111,986,659	127,672,332

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
38. OTHER INCOME			
Income from financial assets:			
Interest income on loan given to employees	8.3	93,480	250,384
Income from related parties:			
Mark-up on current account with related parties	11.1	9,863,653	20,339,900
Income from assets other than financial assets:			
Service charges		108,000	608,000
Rental income	5.1.2	2,796,826	2,701,430
Repossession income		-	3,343,228
Deferred income	22.2	14,326,682	8,156,412
Gain on disposal of property and equipment	5.2	5,621,713	1,466,301
Dividend income		9,470,009	19,608,731
Exchange gain – net		2,312,316	-
Others		158,217	38,533
		34,793,763	35,922,635
		44,750,896	56,512,919
39. TAXATION			
Current			
- current year		17,371,393	23,068,724
- prior year		4,108,344	-
	18	21,479,737	23,068,724
Deferred		(7,995,168)	17,624,815
		13,484,569	40,693,539

39.1. The income tax assessment of the Company has been finalised upto tax year 2012.

	2013 Rupees	2012 Rupees
39.2. Relationship between accounting profit and tax expense		
Profit before taxation	62,970,074	123,191,282
Applicable tax rate	35%	35%
Tax at the above rate	20,039,526	43,116,949
Tax effect of income / expenses that are not allowable for tax purposes	(6,551,978)	5,494,695
Tax effect of income subject to lower tax rate	(5,900,769)	(7,918,105)
Tax effect of prior year tax	4,108,344	-
Tax effect of change in tax rate	(210,554)	-
Tax expense for the year	13,484,569	40,693,539
Effective tax rate	21.41%	33.03%

40. EARNINGS PER SHARE – Basic and diluted

Profit attributable to ordinary shareholders	49,485,505	82,497,743
	----- Number of shares -----	
Weighted average number of ordinary shares in issue	217,248,963	187,248,963
Earnings per share – basic and diluted	Re.0.23	Re.0.44

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

41. 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, 2013. The policies for managing each of these risks are summarised below:

41.1. 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, 2013.

41.1.1. 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.

41.1.2. 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 profit before tax (through impact on floating rate borrowings). There is no direct impact on Company's equity. This analysis excludes the impact of movement in market variables on the carrying values of provisions and on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.

	Increase / decrease in basis points	Effect on profit before tax (Rupees)
2013	+100	(5,741,060)
	-100	5,741,060
2012	+100	(4,927,572)
	-100	4,927,572

41.1.3. 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 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.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate. As at June 30, 2013, if Pakistani Rupee (Pak Rupee) had weakened / strengthened by 5% against the US Dollar, with all other variables held constant, on the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) is as follows:

	Increase / decrease in US Dollar to Pak Rupee	Effect on profit before tax (Rupees)
2013	+5%	(910,254)
	-5%	910,254
2012	+5%	(793,762)
	-5%	793,762

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

41.1.4. 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 balance sheet date, the Company is exposed to equity price risk to the extent of its investment in its listed subsidiary company (note 7.1).

41.2. Credit risk

41.2.1. 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. Out of the total financial assets of Rs.1,875 million (2012: Rs.1,876 million), the financial assets which are subject to credit risk amounted to Rs.663 million (2012: Rs.664 million). The Company's credit risk is primarily attributable to its trade debtors 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 13.3 to these financial statements. As at balance sheet date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

41.2.2. 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:

	Note	2013 Rupees	2012 Rupees
Long-term loans	8	2,920,809	3,131,990
Long-term deposits	9	17,541,876	15,558,430
Interest accrued	10	58,441,218	48,581,110
Due from related parties	11	61,861,117	136,402,468
Trade debts	13	264,407,927	184,691,091
Trade deposits	15	4,959,305	3,117,736
Other receivables	16	4,700,657	4,234,890
Bank balances	19	1,258,612	2,698,388
		416,091,521	398,416,103

41.2.3. 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	2013 Rupees	2012 Rupees
A-1+	JCR-VIS	361,944	422,497
A-1+	PACRA	822,958	416,848
A-1	JCR-VIS	45,748	1,512,075
A-1	PACRA	25,721	186,103
P-1	Moody's	-	80,395
A3	PACRA	2,241	80,470
		1,258,612	2,698,388

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

41.3. Liquidity risk

Liquidity risk represents the risk that a Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance lease.

The table below summarises the maturity profile of the Company's financial liabilities at June 30, 2013 and 2012 based on contractual undiscounted payment dates and present market interest rates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Total
	(Rupees)				
June 30, 2013					
Liabilities against assets subject to finance lease	-	5,137,042	14,974,946	4,223,100	24,335,088
Long-term loans	8,333,333	8,333,333	25,000,000	16,666,668	58,333,334
Trade and other payables	32,373,499	221,092,707	-	-	253,466,206
Accrued markup	110,189,226	-	-	-	110,189,226
Short-term financing	35,000,000	-	-	-	35,000,000
Running finance under markup arrangements	471,537,574	-	-	-	471,537,574
Due to related parties	215,900,016	-	-	-	215,900,016
	873,333,648	234,563,082	39,974,946	20,889,768	1,168,761,444

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Total
	(Rupees)				
June 30, 2012					
Liabilities against assets subject to finance lease	-	2,976,673	10,493,071	5,798,479	19,268,223
Long-term loans	8,333,333	8,333,333	25,000,000	50,000,000	91,666,666
Trade and other payables	66,961,062	165,108,483	-	-	232,069,545
Accrued markup	73,637,615	-	-	-	73,637,615
Short-term financing	43,000,000	-	-	-	43,000,000
Running finance under markup arrangements	358,830,662	-	-	-	358,830,662
Due to related parties	168,869,202	-	-	-	168,869,202
	719,631,874	176,418,489	35,493,071	55,798,479	987,341,913

41.4. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

41.5. 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, 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2013 and 2012 are as follows:

	Note	2013 Rupees	2012 Rupees
Liabilities against assets subject to finance lease	21	4,223,100	5,798,479
Long-term loans	23	16,666,668	50,000,000
Accrued mark-up	25	23,953,034	21,881,972
Short-term financing	26	35,000,000	43,000,000
Running finance under mark-up arrangements	27	471,537,574	358,830,662
Current portion of non-current liabilities	28	61,778,654	55,136,410
Total debts		613,159,030	534,647,523
Less: Cash and bank balances	19	2,087,853	3,105,357
Net debt		611,071,177	531,542,166
Share capital	20	2,172,489,630	1,872,489,630
Reserves		282,353,186	240,349,839
Total equity		2,454,842,816	2,112,839,469
Total Capital		3,065,913,993	2,644,381,635
Gearing ratio		19.93%	20.10%

42. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Executive		Director		Executives	
	2013	2012	2013	2012	2013	2012
	----- Rupees -----					
Basic salary	3,870,960	3,870,960	1,161,283	1,161,283	39,737,616	36,039,365
Allowances and benefits:						
- House rent	1,741,932	1,741,932	522,577	522,577	17,881,956	16,065,311
- Utilities	387,096	387,096	116,128	116,128	3,973,776	3,570,080
Staff retirement benefits	322,451	322,451	96,735	96,735	3,310,143	3,002,079
	6,322,439	6,322,439	1,896,723	1,896,723	64,903,491	58,676,835
Number of person(s)	1	1	1	1	55	37

42.1. In addition, the Chief Executive, director 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

43. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise holding company, subsidiaries, associates, directors and key management personnel. Transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name / Relationship	2013 Rupees	2012 Rupees
TPL Holding (Private) Limited – (Holding company)		
Advances given by the Company	-	57,750,000
Amount received by the Company	115,600,000	14,450,000
Expenses paid by the Company	3,393,362	285,370
Mark-up on current account	9,136,574	16,864,015
Amount repaid by the Company	30,000,000	-
Shares of TPL Properties (Private) Limited purchased by the Company	-	100,000,000
TPL Direct Insurance Limited – (Subsidiary company)		
Sales	113,623,991	164,342,722
Rental income	772,192	-
Expenses paid by the Company on behalf of TDIL	21,926,617	19,873,705
Amount received from TDIL	217,028,082	328,262,340
Mark-up on current account	34,480,549	36,919,773
Payment made by the Company	38,250,000	59,500,000
Shares of TPL Properties (Private) Limited sold by the Company	-	100,000,000
Expenses paid by TDIL on behalf of the Company	4,575,532	910,632
TPL Security Services (Pvt) Limited – (Subsidiary company)		
Rental income	2,024,633	2,377,901
Expenses incurred by the Company	53,441,171	44,432,541
Services acquired by the Company	23,492,229	20,799,671
Amount received by the Company	21,527,360	15,163,843
Adjustment on account of amount payable on behalf of the Company for services received	6,113,177	-
Mark-up on current account	-	1,771,045
Trakker Middle East LLC. - (Associated company)		
Expenses incurred by the Company	-	304,614
Mark-up on current account	-	9,556
Trakker Financial Consultancy (Private) Limited – (Common directorship)		
Expenses incurred by the Company	35,620	69,520
Mark-up on current account	90,424	95,383
Global Connect Limited - (Common directorship)		
Mark-up on current account	12,481	14,264
The Resource Group Pakistan Limited - (Common directorship)		
Expenses incurred by the Company	446,925	922,688
Mark-up on current account	340,009	285,114
TPL Logistics (Private) Limited – (Common directorship)		
Expenses incurred by the Company	180,891	159,660
Markup on current account	39,989	6,792
Digicore Electronics (Pty) Limited – (Common directorship)		
Purchases made during the year by the Company	39,690,098	38,337,860
Payments made by the Company	43,071,723	87,990,936

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

Name / Relationship	2013 Rupees	2012 Rupees
TPL Properties (Private) Limited – (Associated company)		
Expenses incurred by the Company	3,920,951	6,964,131
Amount received by the Company	1,252,138	32,474,959
Amount paid against rent to TPL Properties (Private) Limited (note 15)	20,500,000	-
Mark-up on current account	240,631	1,293,731
Staff retirement benefit		
TPL Trakker Limited – Provident fund Employer contribution	8,006,364	6,335,000

43.1. The related parties status of outstanding receivables and payables as at June 30, 2013 and 2012 are disclosed in respective notes to these financial statements. In addition, certain assets are being used by the subsidiary company as disclosed elsewhere in these financial statements.

43.2. Certain employees of the Company provide services free of cost to TPL Holdings (Private) Limited, the holding company.

44. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organised into one operating segment i.e. tracking equipment installation, sales and monitoring fees. The Company operates in the said reportable operating segment based on the nature of products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

Following is the geographical breakup of Company's gross turnover:

	2013 Rupees	2012 Rupees
Pakistan	983,322,720	904,765,855
United States of America	52,055,913	60,870,461
	1,035,378,633	965,636,316

The revenue information is based on the location of the customer.

Non-current assets of the Company are confined within Pakistan and consist of property and equipment, intangible assets, long-term investments, loans, deposits and receivables.

Revenue from TPL Direct Insurance Limited (a customer and subsidiary company) aggregating to Rs.113.624 million (2012: Rs.164.343 million) only comprises more than 10% of the Company's overall revenue related to tracking equipment installation, sales and monitoring fees.

	Note	2013 Rupees	2012 Rupees
45. CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	2,087,853	3,105,357
Running finance under mark-up arrangements	27	(471,537,574)	(358,830,662)
		(469,449,721)	(355,725,305)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

46. SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on 16 September 2013 have recommended cash dividend @ Nil amounting to Rs. Nil (2012: Nil) on the existing paid-up value of the ordinary share capital for approval of the shareholders in the annual general meeting to be held on 21 October 2013.

47. DATE OF AUTHORISATION OF ISSUE

These financial statements were authorised for issue on 16 September 2013 by the Board of Directors of the Company.

48. CORRESPONDING FIGURES

Certain prior year's figures have been rearranged consequent upon certain changes in the current year's presentation for more appropriate comparison, where necessary. The details of major reclassifications are as follows:

Component	Reclassification				(Rupees)
	From	Note to financial statements 2012	To	Note to financial statements 2013	
Balance sheet	Short-term investment [TPL Properties (Private) Limited]	14	Long-term investments [TPL Properties (Private) Limited]	7	11,000,000
Profit and loss account	Salaries, wages and benefits - Administrative expenses	36	Salaries, wages and benefits - Cost of sales	33	3,669,544
Profit and loss account	Vehicle running and maintenance - Administrative expenses	36	Vehicle running and maintenance - Cost of sales	33	2,431,570
Profit and loss account	Depreciation - Administrative expenses	36	Depreciation - Cost of sales	33	3,250,551
	Depreciation - Distribution expenses	35			
Profit and loss account	Rent, rates and taxes - Administrative expenses	36	Rent, rates and taxes - Cost of sales	33	2,733,274
Profit and loss account	Commission expense - Sales	32	Commission expense - Distribution expenses	34	22,704,706

49. GENERAL

49.1. Number of employees as at June 30, 2013 was 568 (2012: 581) and average number of employees during the year was 628 (2012: 511).

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



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

1. LEGAL STATUS AND OPERATIONS OF THE GROUP

The Group comprises of the Holding Company and the following subsidiary companies that have been consolidated in these financial statements:

1.1. Holding Company

TPL Trakker Limited

TPL Trakker Limited [the Holding Company] is a subsidiary of TPL Holdings (Private) Limited [TPL, the ultimate parent company], which holds 52.91 percent (2012: 70 percent) ordinary shares of the Holding Company. The Holding Company was incorporated in Pakistan on December 04, 2008 under the Companies Ordinance, 1984 (the Ordinance). The principal activity of the Holding Company is installation and sale of tracking devices, vehicle tracking and fleet management. The registered office of the Holding Company is situated at 39-K, Block 6, P.E.C.H.S., Karachi.

Effective from July 16, 2012, the Holding Company has been listed on Karachi Stock Exchange Limited through issuance of 30 million ordinary shares of Rs.10/- each. Out of the total issuance of 30 million ordinary shares, 20 million ordinary shares were subscribed through book building process by High Net Worth Individuals and Institutional Investors and 10 million ordinary shares were subscribed by the general public.

1.2. As of the balance sheet date, the Holding Company has the following subsidiaries:

Subsidiary companies	% of shareholding	
	2013	2012
▪ TPL Direct Insurance Limited (TDI)	67.39	67.39
▪ TPL Security Services (Pvt) Limited (TSS)	99.90	99.90

1.2.1. TPL Direct Insurance Limited

TPL Direct Insurance Limited (TDI) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 to carry on general insurance business. The principal office of the TDI is located at 172-B, 2nd Floor, Najeed Centre, Block 2, P.E.C.H.S., Karachi, Pakistan. The financial year end of TDI is 31 December, however, the condensed interim financial statements for the period ended June 30, 2013 reviewed by auditors have been used for consolidation purposes. TDI got listed at the Karachi Stock Exchange Limited through issue of 15 million ordinary shares of Rs. 10 each on September 22, 2011.

1.2.2. TPL Security Services (Pvt) Limited

TPL Security Services (Pvt) Limited is a private limited company incorporated on May 01, 2000 in Pakistan under the Companies Ordinance, 1984. The principal activity of TSS is to provide security services. The registered office of the TSS is situated at 39-K, Block-6, P.E.C.H. Society, Karachi.

1.2.3. Associates

1.2.3.1. Trakker Middle East L.L.C.

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

1.2.3.2. TPL Properties (Private) Limited

TPL Properties (Private) Limited [TPL Properties] is a private limited company incorporated on February 14, 2007 in Pakistan under the Companies Ordinance, 1984. The principal activity of TPL Properties is to invest, purchase, develop and build real estate and to sell, rent out or otherwise dispose off in any manner the real estate including commercial and residential buildings, houses, shops, plots or other premises. The registered office of the TPL Properties is situated at 39-K, Block-6, P.E.C.H. Society, Karachi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the 'historical cost' convention, except for certain financial instruments which are measured in accordance with the requirements of International Accounting Standard (IAS-39) "Financial Instruments: Recognition and Measurement".

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Basis of consolidation

These consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at June 30, 2013, here-in-after referred to as 'the Group'.

4.1.1. Subsidiaries

Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

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 and loss account.

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 subsidiary companies' 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.

TSS has same reporting period as that of the Holding Company, however, for the purpose of consolidation, the condensed interim financial statement of TDI is prepared for the 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 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 and loss, and reclassifies the Holding company share of component previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

4.1.2. Associates

Associates companies are those entities over which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 percent to 50 percent of the voting rights of another entity.

The Group's investment in its associate is accounted for using the equity method of accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

Under the equity method, the investment in the associate is carried in the balance sheet 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 and loss account, 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.

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

TPL Properties, an associate have same reporting period as that of the Holding Company. However, the financial statements of the TME, an associate are prepared as at December 31, each year, therefore the management of the Group has used the six months management accounts for preparation of these consolidated financial statements.

4.2. Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Holding Company has adopted the following new and amended IFRSs and IFRIC interpretation which became effective during the year:

IAS 1 - Presentation of Financial Statements (Amendment)

IAS 12 - Income Taxes (Amendment)

The adoption of the above standards, amendments, improvements and interpretation did not have any material effect on the consolidated financial statements of the Holding Company.

4.3. Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with approved accounting 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 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:

	Note
a) Determining the residual values, useful lives of fixed and intangible assets, and methods of depreciation / amortisation	4.4 & 4.5
b) Impairment of:	
- assets	4.8
- investments	4.8.1 & 4.8.2
- goodwill	4.8.2
c) Recognition of tax and deferred tax	4.13
d) Classification of insurance contracts	4.21
e) Provision for outstanding claims (including IBNR)	4.23
f) Premium deficiency reserve	4.24

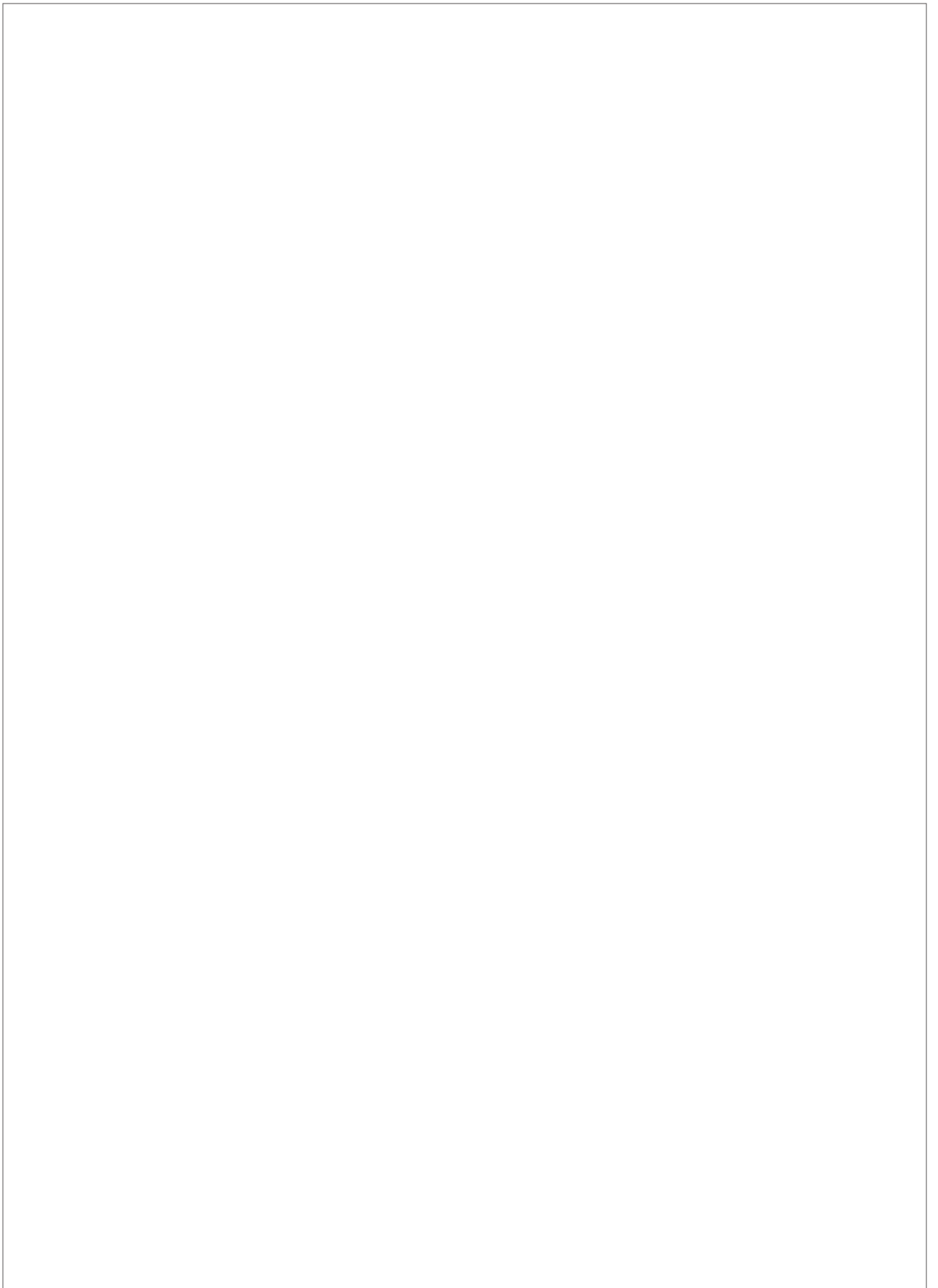
Other areas where judgments, estimates and assumptions involved are disclosed in respective notes to these consolidated financial statements.





06. CONSOLIDATED FINANCIAL STATEMENTS

ANNUAL REPORT/2013



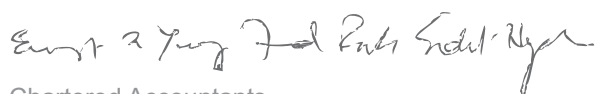
AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of TPL Trakker Limited (the Holding Company) and its subsidiary companies namely TPL Securities Services (Pvt) Limited and TPL Direct Insurance Limited as at 30 June 2013 and the related consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed a separate opinion on the financial statements of TPL Trakker Limited. The financial statements of subsidiary company namely TPL Security Services (Pvt) Limited for the year ended 30 June 2013 and condensed interim financial statements of subsidiary company namely TPL Direct Insurance Limited for the six months period ended 30 June 2013 were audited and reviewed by other firms of auditors whose draft audit report and unqualified review report dated 23 August 2013, respectively have been furnished to us and our opinion, in so far as it relates to the amounts included for such subsidiary companies, is based solely on the reports of such other auditors.

These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary companies as at 30 June 2013 and the results of their operations for the year then ended.



Chartered Accountants
Audit Engagement Partner: Shariq Ali Zaidi
Date: 16 September 2013
Karachi

CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property and equipment	5	499,098,930	456,870,964
Intangible assets	6	1,782,735,967	1,784,513,192
		<u>2,281,834,897</u>	<u>2,241,384,156</u>
Long-term investments	7	726,938,700	716,083,655
Long-term loans	8	1,238,244	2,844,106
Long-term deposits	9	17,541,876	15,558,430
Interest accrued	10	11,710,151	11,469,520
Due from related parties	11	3,850,142	1,181,329
		<u>3,043,114,010</u>	<u>2,988,521,196</u>
CURRENT ASSETS			
Stock-in-trade	12	135,846,316	66,257,079
Trade debts	13	491,316,839	443,298,464
Loans and advances	14	107,687,584	116,389,856
Trade deposits and prepayments	15	61,248,493	16,145,788
Interest accrued	10	42,404,646	32,785,169
Other receivables	16	19,735,262	35,523,475
Short-term investments	17	2,158,872	2,099,623
Due from related parties	11	24,527,597	106,070,799
Premium due but unpaid		57,886,915	56,791,122
Amounts due from other insurers / reinsurers		20,693	1,621,066
Reinsurance recoveries against outstanding claims		6,619,400	7,501,283
Deferred commission expense		39,396,454	36,776,363
Taxation – net	18	6,376,877	-
Cash and bank balances	19	54,169,443	24,472,221
		<u>1,049,395,391</u>	<u>945,732,308</u>
TOTAL ASSETS		<u>4,092,509,401</u>	<u>3,934,253,504</u>



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
<u>EQUITY AND LIABILITIES</u>			
<u>SHARE CAPITAL AND RESERVES</u>			
Share capital			
Authorised			
230,000,000 (2012: 230,000,000) ordinary shares of Rs.10/- each		2,300,000,000	2,300,000,000
Issued, subscribed and paid-up capital	20	2,172,489,630	1,872,489,630
Reserves		249,664,399	187,199,339
		2,422,154,029	2,059,688,969
Non-controlling interest		166,845,875	151,303,930
		2,588,999,904	2,210,992,899
Advance against issue of shares		-	300,000,000
<u>NON-CURRENT LIABILITIES</u>			
Liabilities against assets subject to finance lease	21	4,223,100	5,798,479
Deferred liabilities	22	32,003,184	20,522,209
Long-term loans	23	16,666,668	50,000,000
Provision for outstanding claims		69,140,415	60,107,713
Provision for unearned premium		384,104,147	344,291,597
		506,137,514	480,719,998
<u>CURRENT LIABILITIES</u>			
Trade and other payables	24	338,205,211	278,057,781
Accrued mark-up	25	23,953,034	21,881,972
Short-term financing	26	35,000,000	43,000,000
Running finance under mark-up arrangements	27	471,537,574	358,830,662
Current portion of non-current liabilities	28	61,778,654	55,136,410
Taxation – net	18	-	22,057,501
Advance monitoring fees	29	50,238,731	149,451,216
Premium received in advance		2,171,778	1,791,908
Amounts due to other insurers / reinsurers		14,487,001	12,333,157
		997,371,983	942,540,607
<u>CONTINGENCIES AND COMMITMENTS</u>			
	30		
TOTAL EQUITY AND LIABILITIES		4,092,509,401	3,934,253,504

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



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
Turnover – net	31	1,625,548,583	1,346,295,820
Cost of sales	32	(960,211,173)	(750,675,760)
Gross profit		665,337,410	595,620,060
Distribution expenses	33	(170,712,754)	(103,544,134)
Administrative expenses	34	(381,167,295)	(325,361,392)
Other operating expenses	35	(3,570,866)	(7,461,151)
Operating profit		109,886,495	159,253,383
Finance costs	36	(78,436,944)	(93,194,201)
Other income	37	66,256,463	73,524,892
Share of profit from investment in associates - net	7.1.1 & 7.2.1	20,267,633	13,924,434
Profit before taxation		117,973,647	153,508,508
Taxation	38	(32,543,734)	(67,003,480)
Profit for the year		85,429,913	86,505,028
Other comprehensive income for the year, net of tax			
Other comprehensive income to be reclassified to profit and loss account in subsequent periods			
Net gain on available-for-sale financial asset		59,249	184,876
Income tax effect		-	-
		59,249	184,876
Reclassification adjustment for gain included in profit and loss account		-	(4,000,262)
Other comprehensive gain / (loss) for the year, net of tax		59,249	(3,815,386)
Total comprehensive income for the year		85,489,162	82,689,642
Earnings per share - Basic and diluted	39	Re. 0.32	Re.0.40
Total comprehensive income attributable to:			
Owners of the parent		69,947,217	72,335,264
Non-controlling interest		15,541,945	10,354,378
		85,489,162	82,689,642

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



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		117,973,647	153,508,508
Adjustment for non cash charges and other items:			
Depreciation	5.1.1	119,023,669	111,586,831
Amortisation of intangible assets	6	34,343,060	19,108,204
Stock written off	32	8,667,569	-
Provision for doubtful debts	34	22,125,230	853,352
Bad debts written off	34	-	20,918,373
Assets written off	35	40,700	-
Finance costs	36	78,436,944	93,194,201
Gain on sale of property and equipment	37	(8,497,787)	(5,899,392)
Share of profit from investment in associates - net		(20,267,633)	-
Rental income	37	-	(323,529)
Exchange (gain) / loss-net	37	(2,454,708)	3,981,380
Deferred income	37	(14,326,682)	(8,156,412)
		<u>217,090,362</u>	<u>235,263,008</u>
Operating profit before working capital changes (Increase) / decrease in current assets		335,064,009	388,771,516
Stock-in-trade		(69,589,237)	(34,117,855)
Trade debts		(48,018,375)	(114,727,727)
Loans and advances		8,702,272	153,008,332
Trade deposits and prepayments		(45,102,705)	(86,015,254)
Interest accrued		(11,724,213)	(18,568,844)
Other receivables		17,892,949	4,262,843
Short-term investments		-	18,280,698
Due from related parties		78,874,389	80,468,974
Premium due but unpaid		(1,095,793)	(30,435,057)
Amounts due from other insurers / reinsurers		1,600,373	1,133,327
Reinsurance recoveries against outstanding claims		881,883	(6,073,368)
Deferred commission expense		(2,620,091)	(14,329,297)
		<u>(70,198,548)</u>	<u>(47,113,228)</u>
Increase / (decrease) in current liabilities			
Trade and other payables		59,870,833	(200,987,226)
Due to a related party		-	(8,400,000)
Advance monitoring fees		(99,212,485)	(91,121,706)
Premium received in advance		379,870	(153,962)
Amounts due to other insurers / reinsurers		2,153,844	(2,807,617)
Premium received		39,812,550	113,642,306
Claims paid		9,032,702	18,961,836
		<u>276,902,775</u>	<u>170,791,919</u>
Cash flows from operations		276,902,775	170,791,919
Finance costs paid		(76,365,882)	(93,231,952)
Income taxes paid	18	(46,527,385)	(38,983,007)
		<u>(122,893,267)</u>	<u>(132,214,959)</u>
Net cash flows from operating activities		154,009,508	38,576,960



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR YEAR JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of - property and equipment	5.1	(100,331,607)	(80,478,889)
- capital work-in-progress – net	5.3	(54,670,307)	(6,350,000)
- intangible assets	6	(32,565,835)	(6,092,721)
Sale proceed from disposal of property and equipment	5.2	14,027,065	9,279,638
Long-term investments		-	(136,657,930)
Long-term loans		1,605,862	(1,010,449)
Dividend received		9,470,009	-
Long-term deposits		(1,983,446)	(5,206,110)
Rental income received		-	323,529
Net cash flows used in investing activities		(164,448,259)	(226,192,932)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans – net		(33,333,332)	79,166,659
Long-term financing – net		-	(20,833,341)
Obligation under finance lease repaid – net		(23,755,448)	(49,092,509)
Advance against issue of shares		-	207,500,000
Share issue cost paid		(7,482,158)	(23,814,280)
Issuance of shares		-	150,000,000
Dividend paid		-	(9,050,449)
Short-term financing – net		(8,000,000)	(94,998,000)
Net cash flows (used in) / from financing activities		(72,570,938)	238,878,080
Net increase in cash and cash equivalents		(83,009,690)	51,262,108
Cash and cash equivalents at the beginning of the year		(334,358,441)	(385,620,549)
Cash and cash equivalents at the end of the year	43	(417,368,131)	(334,358,441)

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



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2013

	Attributable to the equity holders of parent				Non-controlling interest	Total Equity
	Issued, subscribed and paid-up capital	Revenue reserve - Unappropriated profit	Available-for-sale reserve	Total reserves		
	Rupees					
Balance as at June 30, 2011	1,872,489,630	135,634,659	3,043,702	138,678,361	-	2,011,167,991
Issuance of shares	-	-	-	-	150,000,000	150,000,000
Dividend paid	-	-	-	-	(9,050,448)	(9,050,448)
Profit for the year	-	75,217,502	-	75,217,502	11,287,526	86,505,028
Other comprehensive loss for the year, net of tax	-	-	(2,882,238)	(2,882,238)	(933,148)	(3,815,386)
Total comprehensive income for the year	-	75,217,502	(2,882,238)	72,335,264	10,354,378	82,689,642
Share issue cost	-	(23,814,286)	-	(23,814,286)	-	(23,814,286)
Balance as at June 30, 2012	1,872,489,630	187,037,875	161,464	187,199,339	151,303,930	2,210,992,899
Issuance of shares	300,000,000	-	-	-	-	300,000,000
Dividend paid	-	-	-	-	-	-
Profit for the year	-	69,907,289	-	69,907,289	15,522,624	85,429,913
Other comprehensive income for the year, net of tax	-	-	39,928	39,928	19,321	59,249
Total comprehensive income for the year	-	69,907,289	39,928	69,947,217	15,541,945	85,489,162
Share issue cost	-	(7,482,157)	-	(7,482,157)	-	(7,482,157)
Balance as at June 30, 2013	2,172,489,630	249,463,007	201,392	249,664,399	166,845,875	2,588,999,904

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



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

1. LEGAL STATUS AND OPERATIONS OF THE GROUP

The Group comprises of the Holding Company and the following subsidiary companies that have been consolidated in these financial statements:

1.1. Holding Company

TPL Trakker Limited

TPL Trakker Limited [the Holding Company] is a subsidiary of TPL Holdings (Private) Limited [TPL, the ultimate parent company], which holds 52.91 percent (2012: 70 percent) ordinary shares of the Holding Company. The Holding Company was incorporated in Pakistan on December 04, 2008 under the Companies Ordinance, 1984 (the Ordinance). The principal activity of the Holding Company is installation and sale of tracking devices, vehicle tracking and fleet management. The registered office of the Holding Company is situated at 39-K, Block 6, P.E.C.H.S., Karachi.

Effective from July 16, 2012, the Holding Company has been listed on Karachi Stock Exchange Limited through issuance of 30 million ordinary shares of Rs.10/- each. Out of the total issuance of 30 million ordinary shares, 20 million ordinary shares were subscribed through book building process by High Net Worth Individuals and Institutional Investors and 10 million ordinary shares were subscribed by the general public.

1.2. As of the balance sheet date, the Holding Company has the following subsidiaries:

Subsidiary companies	% of shareholding	
	2013	2012
▪ TPL Direct Insurance Limited (TDI)	67.39	67.39
▪ TPL Security Services (Pvt) Limited (TSS)	99.90	99.90

1.2.1. TPL Direct Insurance Limited

TPL Direct Insurance Limited (TDI) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 to carry on general insurance business. The principal office of the TDI is located at 172-B, 2nd Floor, Najeed Centre, Block 2, P.E.C.H.S., Karachi, Pakistan. The financial year end of TDI is 31 December, however, the condensed interim financial statements for the period ended June 30, 2013 reviewed by auditors have been used for consolidation purposes. TDI got listed at the Karachi Stock Exchange Limited through issue of 15 million ordinary shares of Rs. 10 each on September 22, 2011.

1.2.2. TPL Security Services (Pvt) Limited

TPL Security Services (Pvt) Limited is a private limited company incorporated on May 01, 2000 in Pakistan under the Companies Ordinance, 1984. The principal activity of TSS is to provide security services. The registered office of the TSS is situated at 39-K, Block-6, P.E.C.H. Society, Karachi.

1.2.3. Associates

1.2.3.1. Trakker Middle East L.L.C.

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

1.2.3.2. TPL Properties (Private) Limited

TPL Properties (Private) Limited [TPL Properties] is a private limited company incorporated on February 14, 2007 in Pakistan under the Companies Ordinance, 1984. The principal activity of TPL Properties is to invest, purchase, develop and build real estate and to sell, rent out or otherwise dispose off in any manner the real estate including commercial and residential buildings, houses, shops, plots or other premises. The registered office of the TPL Properties is situated at 39-K, Block-6, P.E.C.H. Society, Karachi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the 'historical cost' convention, except for certain financial instruments which are measured in accordance with the requirements of International Accounting Standard (IAS-39) "Financial Instruments: Recognition and Measurement".

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Basis of consolidation

These consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at June 30, 2013, here-in-after referred to as 'the Group'.

4.1.1. Subsidiaries

Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

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 and loss account.

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 subsidiary companies' 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.

TSS has same reporting period as that of the Holding Company, however, for the purpose of consolidation, the condensed interim financial statement of TDI is prepared for the 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 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 and loss, and reclassifies the Holding company share of component previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

4.1.2. Associates

Associates companies are those entities over which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 percent to 50 percent of the voting rights of another entity.

The Group's investment in its associate is accounted for using the equity method of accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

Under the equity method, the investment in the associate is carried in the balance sheet 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 and loss account, 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.

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

TPL Properties, an associate have same reporting period as that of the Holding Company. However, the financial statements of the TME, an associate are prepared as at December 31, each year, therefore the management of the Group has used the six months management accounts for preparation of these consolidated financial statements.

4.2. Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Holding Company has adopted the following new and amended IFRSs and IFRIC interpretation which became effective during the year:

IAS 1 - Presentation of Financial Statements (Amendment)

IAS 12 - Income Taxes (Amendment)

The adoption of the above standards, amendments, improvements and interpretation did not have any material effect on the consolidated financial statements of the Holding Company.

4.3. Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with approved accounting 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 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:

	Note
a) Determining the residual values, useful lives of fixed and intangible assets, and methods of depreciation / amortisation	4.4 & 4.5
b) Impairment of:	
- assets	4.8
- investments	4.8.1 & 4.8.2
- goodwill	4.8.2
c) Recognition of tax and deferred tax	4.13
d) Classification of insurance contracts	4.21
e) Provision for outstanding claims (including IBNR)	4.23
f) Premium deficiency reserve	4.24

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

4.4. Property and equipment

4.4.1. Owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to profit and loss account applying the straight-line method. Depreciation on additions during the year is charged from the month of addition, 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 and loss account as and when incurred.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each balance sheet 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.

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 and loss account.

4.4.2. Capital work-in-progress

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

4.4.3. Leased

Finance leases, which transfer to the Group all the risks and benefits incidental to ownership of leased items are capitalised at the inception of lease. Assets subject to finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligation under the lease less financial charges allocated to future period are shown as a liability. Income arising from sale and leaseback transactions, if any, is deferred and is amortised equally over the lease period.

Financial charges are calculated at the interest rate implicit in the lease and are charged to profit and loss account. Leased assets are depreciated on a straight line basis at the same rate as Group's owned assets disclosed in note 5.1 to these consolidated financial statements.

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. 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. However, these assets are tested for impairment annually. Amortisation is charged to the profit and loss account applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The useful lives of the intangible assets are stated in note 6 to these consolidated financial statements. Full month's amortisation is charged in the month of addition, whereas, amortisation on disposals is charged upto the month in which the disposal takes place.

4.6. Business combination 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

In case the fair value attributable to the Group interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the profit and loss account 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 as referred in note 4.8.2 to these financial statements. Impairment loss in respect of goodwill is recognised in profit and loss account.

4.7. Investments

The management of the Group determines the appropriate classification of its investments at the time of purchase. Significant policies relating to investments in associates are disclosed in note 4.1.2 to these consolidated financial statements.

4.7.1. Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity. These are initially measured at fair value plus transaction costs and are subsequently stated at amortised cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective interest rate method. These are reviewed for impairment at year end and any losses arising from impairment in values are charged to the profit and loss account.

4.7.2. Available-for-sale

Investments intended to be held for an indefinite period of time which may be sold in response to need for liquidity or changes in interest rates or equity prices are classified as available-for-sale. At initial recognition, available-for-sale investments are measured at fair value plus directly attributable transaction costs.

After initial recognition, investments which are classified as available-for-sale are measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve, until the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss is reclassified to the profit and loss and removed from the available-for-sale reserve.

The fair value of these investments representing listed equity and other securities i.e. debt instruments are determined on the basis of year-end quoted market prices / bid prices obtained from stock exchange quotations and quotes from brokers.

4.8. Impairment

4.8.1. Financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortised cost are recognised in profit and loss account.

4.8.2. Non-financial assets, goodwill and investments in subsidiaries and associates

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. In determining fair value less costs to sell, an appropriate valuation model is used.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

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 and intangible assets having indefinite useful lives, 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 and loss account.

Impairment losses relating to goodwill and intangible assets with indefinite useful lives 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 realizable 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 realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to be incurred to make the sale.

4.10. Trade debts and other receivables

Trade debts originated by the Group are recognised and carried at original invoice amount less provision for doubtful debts, if any. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written-off as and when identified.

Other receivables and receivables from related parties are recognised and carried at cost which is the fair value of the consideration to be received in the future for goods and services.

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 bank balances including short-term deposits net of book overdraft, if any.

4.12. Staff retirement benefits

Defined contribution plan

The Holding Company and TDI operates a recognized 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 TDI and the employees at the rate of 8.33 percent of the basic salary.

TSS maintains approved provident fund scheme for its officers and senior executives who are eligible for the plan. TSS and its officers and senior executives make equal contribution to the fund according to the fund rules.

Defined benefit plan

TSS operates an unfunded gratuity scheme covering all its junior executive employees completing the minimum qualifying period of service as specified by the scheme. During the year, provision has been made to cover the obligations under the scheme.

4.13. Taxation

Current

Provision for current taxation is computed on taxable income at the current rates of taxation or based on turnover at the specified rates, whichever is higher, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

Deferred

Deferred tax is provided in full using the liability method, on all temporary differences arising at the balance sheet 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 balance sheet 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 income tax assets are reassessed at each balance sheet date and are recognized 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 substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. Deferred tax is charged or credited to the profit and loss account.

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

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

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently, if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit and loss account.

4.14. Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

4.15. 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 balance sheet date and accordingly adjusted to reflect current best estimates.

4.16. Operating leases / Ijarah agreements

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) / ijarah agreements are charged to the profit and loss account on a straight line basis over the lease / ijarah term.

4.17. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Group has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognized:

- Revenue from sales is recognised when goods are installed.
- Monitoring fees, rental income and other service charges are recorded on an accrual basis.
- Road side assistance fees and revenue against services are recorded, when services are rendered.
- Premium income under a policy is recognized, evenly over the period of insurance from the date of issue of the policy to which it relates to its expiry. Administrative surcharge is recognised as income at the time policies are written. Revenue from premium is determined after taking into account the unearned portion of premium by applying 1/24th method as prescribed by the SEC (Insurance) Rules, 2002. The unearned portion of premium income is recognised as liability.

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- Commission income from reinsurers is recognised at the time of issuance of the underlying insurance policy. These are deferred and recognised as liability and recognised in the profit and loss account as revenue in accordance with the pattern of recognition of reinsurance premiums. Commission expense incurred in obtaining and recording policies is deferred and recognised in profit and loss account as an expense in accordance with the pattern of recognition of premium revenue.
- Income on bank accounts is recorded using effective interest rate.
- Income from held to maturity investments is recognised on a time proportionate basis taking account the effective yield on the investments.
- Dividend income is recognized when the right to receive the dividend is established.
- Gain / loss on sale / redemption of investments is taken to profit and loss account in the year of sale / redemption.

4.18. 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 balance sheet date. Exchange gains and losses are recognised in profit and loss account. 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.

4.19. Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. All financial assets are derecognised at the time when the Group loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to profit and loss account.

4.20. Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the Group has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.21. Insurance contracts

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policy holders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its period, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Group neither issues investments contracts nor does it issue insurance contracts with discretionary participation features (DPF). These contracts are entered with group companies, corporate clients, and individual residing or located in Pakistan.

4.22. Reinsurance contracts

Insurance contract entered into by the Group with reinsurers for compensation of losses suffered on insurance contracts issued are reinsurance contracts. These reinsurance contracts include both facultative and treaty agreement contracts and are classified in same categories of insurance contracts for the purpose of these consolidated financial statements. The Group recognizes the entitled benefits under the contract as various reinsurance assets. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amount payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balance due from reinsurance companies. Amounts recoverable from reinsurance are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The deferred portion of reinsurance premium ceded is recognised as a prepayment which is calculated by using 1/24th method as prescribed by the SEC (Insurance) Rules, 2002.

The Group assesses its reinsurance assets for impairment on balance sheet date. If there is an objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

4.23. Provision for outstanding claims including Incurred But Not Reported (IBNR)

Insurance claim include all claims occurring during the year, whether reported or not, related internal and external claims handling cost that are directly related to processing and settlement of claims, and any adjustment to claims outstanding from previous years.

The Group recognizes liability in respect of all claims incurred upto the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract.

The liability for claim includes amount relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates. Provision for IBNR is based on the management's best estimate which takes into account expected future patterns of reporting of claims and the claims actually reported subsequent to the balance sheet date. Initial estimate includes expected claim settlement cost.

Reinsurance recoveries against outstanding claim from the reinsurer and salvage are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

4.24. Premium deficiency reserve

The Group is required as per Securities and Exchange Commission (Insurance) Rules, 2002 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commission and other underwriting expenses, expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense in the profit and loss account and the same shall be recognised as a liability.

For this purpose, loss ratio for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined.

Based on an analysis, no provision has been made as the unearned premium reserves for each class of business as at the year end is adequate to meet the expected future liability after reinsurance, from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

4.25. Premium due but unpaid

Premium due but unpaid under insurance contract are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Group reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

4.26. Transactions with related parties

Transactions with related parties are based on the policy that all transactions between the Group and the related parties are carried out on commercial terms, as approved by the Board of Directors.

4.27. 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 recognized as an expense in the period in which they are incurred.

4.28. Dividend and appropriation to reserves

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4.29. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. 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 and equipment and intangible assets.

Segment results, assets and liabilities include items directly attributable to a segment as well as those allocated on a reasonable basis.

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

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures (Amendments) Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	January 01, 2013
IAS 19	Employee Benefits (Amendment)	January 01, 2013
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendment)	January 01, 2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 01, 2014

In addition to the above amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2013. The Group expects that the adoption of the above revisions, amendments, interpretations and improvements of the standards will not have any 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 Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement

The Group expects that the above new standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

	Note	2013 Rupees	2012 Rupees
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	471,105,640	433,815,062
Capital work-in-progress	5.3	27,993,290	23,055,902
		499,098,930	456,870,964

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5.1. Operating fixed assets

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2012	Additions/ (disposals)/ transfers	As at June 30, 2013	As at July 01, 2012 (Rupees)	Charge for the year/ (disposals)/ transfers (note 5.1.1)	As at June 30, 2013	As at June 30, 2013	Depreciation Rate %
Owned:								
Leasehold land	194,124,965	-	194,124,965	-	-	-	194,124,965	-
Building on leasehold land	45,465,312	-	45,465,312	8,938,135	2,273,266	11,211,401	34,253,911	5
Computers and accessories	162,177,428	8,596,742 *1,177,126 (161,678) *****(4,009,882)	167,779,736	139,476,250	17,479,336 (126,305) *****(184,260)	156,645,021	11,134,715	33.33
Generators	8,421,702	- (19,500) ***1,300,000	9,702,202	7,433,087	492,099 (9,750) ***854,933	8,770,369	931,833	20
Office equipment	11,566,153	968,027 (64,650) *****42,000 *****3,364,986	9,062,544	6,008,266	1,543,137 (7,225) *****(1,400) *****2,579,823	4,962,955	4,099,589	20
Electrical equipment	105,595,988	81,001,665 (31,724) *31,896 **(22,538,782)	164,059,043	48,003,398	31,714,047 **(10,164,615)	69,552,830	94,506,213	20
Furniture and fittings	25,646,563	1,423,830 *1,925,000	28,995,393	16,138,791	2,903,696	19,042,487	9,952,906	20
Vehicles	128,982,869	6,371,058 (28,849,735) ***3,064,615 *****(22,300,000) *****878,500	86,390,307	82,249,124	7,998,103 (24,024,372) ***1,906,685 *****(13,758,333) *****878,400	53,492,807	32,897,500	20
Construction of shed	6,048,277	-	6,048,277	5,935,134	112,850	6,047,984	293	20
Tracking devices (note 5.1.5)	233,545,853	*51,536,285 (1,698,800)	283,383,338	187,943,991	41,216,108 (1,698,800)	227,461,299	55,922,039	20
Mobile phones	9,189,601	1,180,785 (339,780) *****(279,800)	9,750,806	5,927,795	1,743,250 (194,287) *****(15,544)	7,461,214	2,289,592	33.33
Weapons	1,949,283	789,500	2,738,783	946,170	179,261	1,125,431	1,613,352	10
ICOM based station	25,000	-	25,000	12,109	3,223	15,332	9,668	25
	932,738,994	100,331,607 (31,165,867) *54,670,307 **(22,538,782) ***4,364,615 *****(26,589,682) *****920,500 *****3,364,986	1,007,525,706	509,012,250	107,658,376 (26,060,739) ** (10,164,615) *** 2,761,618 *****(13,958,137) *****879,800 *****2,579,823	565,789,130	441,736,576	
Leased:								
Computers and accessories	19,212,400	10,924,978 ****4,528,408	34,665,786	11,207,406	5,196,670	16,404,076	18,261,710	20
Generators	1,300,000	- ***1,300,000	-	585,000	269,933 ***854,933	-	-	20
Electrical equipment	-	140,000	140,000	-	28,000	28,000	112,000	
Vehicles	18,523,795	****16,800,000 (748,500) ***3,064,615	31,510,680	17,155,471	5,777,423 (324,350) ***1,906,685	20,701,859	10,808,821	20
Mobile Phones	-	****279,800	279,800	-	93,267	93,267	186,533	
	39,036,195	11,064,978 ***4,364,615 ****21,608,208 (748,500)	66,596,266	28,947,877	11,365,293 (324,350) ***2,761,618	37,227,202	29,369,064	
2013	971,775,189	111,396,585 (31,914,367) *54,670,307 **(22,538,782) ***4,981,474 *****(920,500) *****3,364,986	1,074,121,972	537,960,127	119,023,669 (26,385,089) **10,164,615 ****13,958,137 *****879,800 *****2,579,823	603,016,332	471,105,640	

* Represents transfers from capital work-in-progress to owned assets (note 5.3)

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

***Represents transfers from leased to owned assets. Included herein assets of Rs.1.790 million, the title of which have been transferred to the Company subsequent to the balance sheet date

**** Represents sale and lease back transactions

***** Represents assets written off (note 33)

***** Represents assets donated by TDI (a subsidiary company) [note 34]

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	COST		ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE		Depre- ciation Rate %
	As at July 01, 2011	Additions/ (disposals)/ transfers	As at June 30, 2012	As at July 01, 2011 (Rupees)	Charge for the year/ (disposals)/ transfers (note 5.1.1)	As at June 30, 2012	As at June 30, 2012	
Owned:								
Leasehold land	194,124,965	-	194,124,965	-	-	-	194,124,965	-
Building on leasehold land	45,465,312	-	45,465,312	6,664,869	2,273,266	8,938,135	36,527,177	5
Computers and accessories	129,697,222	18,762,906 (3,770,465) *17,487,765	162,177,428	112,957,162	12,800,388 (3,769,065) *17,487,765	139,476,250	22,701,178	33.33
Generators	7,896,702	525,000	8,421,702	6,637,395	795,692	7,433,087	988,615	20
Office equipment	7,776,832	443,085 (18,750) *3,364,986	11,566,153	4,309,127	585,279 (3,750) *1,117,610	6,008,266	5,557,887	20
Electrical equipment	84,831,905	20,764,083	105,595,988	28,767,951	19,235,447	48,003,398	57,592,590	20
Furniture and fittings	19,209,440	6,437,123	25,646,563	14,485,092	1,653,699	16,138,791	9,507,772	20
Vehicles	87,133,762	4,040,573 (9,156,946) *46,965,480	128,982,869	59,912,836	15,218,690 (5,801,381) *12,918,979	82,249,124	46,733,745	20
Construction of shed	6,048,277	-	6,048,277	5,684,574	250,560	5,935,134	113,143	20
Tracking devices (note 5.1.5)	209,235,359	26,559,219 (2,248,725)	233,545,853	149,405,105	40,779,330 (2,240,444)	187,943,991	45,601,862	20
Mobile phones	6,242,701	2,946,900	9,189,601	4,744,545	1,183,250	5,927,795	3,261,806	33.33
Weapons	1,949,283	-	1,949,283	834,713	111,457	946,170	1,003,113	10
ICOM based station	25,000	-	25,000	7,812	4,297	12,109	12,891	25
	799,636,760	80,478,889 (15,194,886) *67,818,231	932,738,994	394,411,181	94,891,355 (11,814,640) *31,524,354	509,012,250	423,726,744	
Leased:								
Computers and accessories	36,700,165	*(17,487,765)	19,212,400	17,374,819	11,320,352 *(17,487,765)	11,207,406	8,004,994	20
Generators	1,300,000	-	1,300,000	325,000	260,000	585,000	715,000	20
Vehicles	65,489,275	*(46,965,480)	18,523,795	25,230,261	4,844,189 *(12,918,979)	1,715,471	1,368,324	20
Office equipment	3,364,986	*(3,364,986)	-	846,675	270,935 *(1,117,610)	-	-	20
	106,854,426	*(67,818,231)	39,036,195	43,776,755	16,695,476 *(31,524,354)	28,947,877	10,088,318	
2012	906,491,186	80,478,889 (15,194,886)	971,775,189	438,187,936	111,586,831 (11,814,640)	537,960,127	433,815,062	

* Represents transfer from leased to owned assets

	Note	2013 Rupees	2012 Rupees
5.1.1. Depreciation charged for the year has been allocated as follows:			
Cost of sales	32	83,074,612	84,969,033
Distribution expenses	33	9,776,678	7,395,497
Administrative expenses	34	26,172,379	19,222,301
		119,023,669	111,586,831

5.1.2. During the year, the Holding Company has transferred tracking devices from stock-in-trade at a cost of Rs.39.326 million (2012: Rs.19.654 million) to owned assets which are in possession of third parties, on rental basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- 5.1.3.** During the year, the Holding Company has transferred certain tracking devices to stock-in-trade at written down value of Rs.12.374 million (2012: Rs. Nil).
- 5.1.4.** Includes assets costing Rs.241.819 million (2012: Rs.217.097 million) which are fully depreciated.
- 5.1.5.** The tracking devices are installed by the Group in vehicles which are currently in the possession of the insured.
- 5.1.6.** The immovable assets of the Holding Company are placed as security against term finance facility and running finance under mark-up arrangement facility obtained from commercial banks as stated in notes 23 and 27 respectively to these consolidated financial statements.

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

	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on Disposals	Mode of Disposal	Particulars of Buyers	Location
	(Rupees)							
Owned								
Aggregate amount assets disposed off having written down value less than Rs.50,000 each								
Computer and related Accessories	161,678	126,305	35,373	10,000	(25,373)	Negotiation	Various	Karachi
Generators	19,500	9,750	9,750	-	(9,750)	Negotiation	Various	Karachi
Office equipments	64,650	7,225	57,425	56,000	(1,425)	Insurance claim	Adamjee Insurance	Karachi
Electrical equipments	31,724	-	31,724	-	(31,724)	Negotiation	Various	Karachi
Tracking devices	1,698,800	1,698,800	-	1,292,722	1,292,722	Negotiation	Various	Karachi
Mobile phones	339,780	194,287	145,493	164,492	18,999	Negotiation	Various	Karachi
Vehicles								
Honda Civic ARJ-284	1,575,000	1,284,714	290,286	133,302	(156,984)	Company policy	Mr. Adnan Khandwala, Ex-employee	Karachi
Honda Civic AVH-284	1,893,100	694,137	1,198,963	1,560,786	361,823	Negotiation	Mr. Riaz	Karachi
Honda Civic APU-545	1,438,630	575,452	863,178	-	(863,178)	Company policy	Mr. Mustafa Ali, Ex-employee	Karachi
Honda Civic ARD-077	1,515,000	606,000	909,000	-	(909,000)	Company policy	Mr. Ahsan Sarwar, Ex-employee	Karachi
Suzuki Bolan CT-6205	614,000	235,367	378,633	376,296	(2,337)	Insurance claim	HBL Leasing Limited	Karachi
BMW AMR-005	9,211,300	8,290,170	921,130	2,500,000	1,578,870	Negotiation	Miss Zainab Mirza	Karachi
Aggregate amount assets disposed off having written down value less than Rs.50,000 each								
	12,602,705	12,338,532	264,173	7,716,092	7,451,919	Negotiation	Various	Karachi
	28,849,735	24,024,372	4,825,363	12,286,476	7,461,113			
	31,165,867	26,060,739	5,105,128	13,809,690	8,704,562			
Leased								
Vehicle	748,500	324,350	424,150	217,375	(206,775)	Insurance claim	HBL Leasing Limited	Karachi
2013	31,914,367	26,385,089	5,529,278	14,027,065	8,497,787			
2012	15,194,886	11,814,640	3,380,246	9,279,638	5,889,392			

Note	2013 Rupees	2012 Rupees
5.3. Capital work-in-progress		
Opening balance	23,055,902	193,482,470
Additions during the year	59,607,695	6,350,000
Transfers to property and equipment / intangible assets during the year	(54,670,307)	(24,987,013)
Adjustment on account of advances converted into loan	-	(151,789,555)
Closing balance	27,993,290	23,055,902

- 5.3.1.** Represents expenses incurred and advances made by the Group in respect of procurement of computer equipments and softwares, tracking devices, furniture and fittings and office equipments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

6. INTANGIBLE ASSETS

	COST		ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE	Amortisation rate %
	As at July 01, 2012	Additions during the year/ transfers	As at June 30, 2013	As at July 01, 2012 (Rupees)	Charge for the year (note 6.1)	As at June 30, 2013	
Goodwill (note 6.2)	861,205,611	-	861,205,611	-	-	861,205,611	-
Customer related intangibles	453,635,249	-	453,635,249	-	-	453,635,249	-
Marketing related intangible assets	289,021,582	-	289,021,582	-	-	289,021,582	-
Internally generated customer software	25,840,000	-	25,840,000	11,195,602	3,444,472	14,640,074	13.33
Maps database	147,858,790	-	147,858,790	24,027,048	7,392,940	31,419,988	5
Softwares	65,122,594	32,565,835	97,688,429	32,240,658	18,861,976	51,102,634	33.33
PTA license	1,000,500	-	1,000,500	861,699	66,733	928,432	6.67
Decarta maps	22,884,695	-	22,884,695	13,730,822	4,576,939	18,307,761	20
2013	1,866,569,021	32,565,835	1,899,134,856	82,055,829	34,343,060	116,398,889	1,782,735,967

	COST		ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE	Amortisation rate %
	As at July 01, 2011	Additions during the year/ transfers	As at June 30, 2012	As at July 01, 2011 (Rupees)	Charge for the year (note 6.1)	As at June 30, 2012	
Goodwill (note 6.2)	861,205,611	-	861,205,611	-	-	861,205,611	-
Customer related intangibles	453,635,249	-	453,635,249	-	-	453,635,249	-
Marketing related intangible assets	289,021,582	-	289,021,582	-	-	289,021,582	-
Internally generated customer software	25,840,000	-	25,840,000	7,751,134	3,444,468	11,195,602	13.33
Maps database	147,858,790	-	147,858,790	16,634,112	7,392,936	24,027,048	5
Softwares	34,042,860	6,092,721 *24,987,013	65,122,594	28,607,973	3,632,685	32,240,658	33.33
PTA license	1,000,500	-	1,000,500	800,528	61,171	861,699	6.67
Decarta maps	22,884,695	-	22,884,695	9,153,878	4,576,944	13,730,822	20
2012	1,835,489,287	6,092,721 *24,987,013	1,866,569,021	62,947,625	19,108,204	82,055,829	1,784,513,192

* Represents transfer from capital work-in-progress

	Note	2013 Rupees	2012 Rupees
6.1. Amortisation charged for the year has been allocated as follows:			
Cost of sales	32	34,303,555	19,048,950
Administrative expenses	34	39,505	59,254
		34,343,060	19,108,204

6.2. Impairment testing of goodwill and intangibles with indefinite lives

The Holding Company has performed its annual impairment test on the following cash generating units as at June 30, 2013.

Tracking business

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

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The pre-tax discount rate applied to cash flow projections is 24.5 percent (2012: 31.0 percent). The growth rate used to extrapolate the cash flows beyond the five-year period is 4.0 percent (2012: 4.0 percent). As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs.403,380,571/- is allocated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Insurance business

Goodwill acquired through business combinations have been allocated and monitored at the Group level (insurance business). The recoverable amount is determined based on value in use calculations using expected cash flow approach, which was higher than the carrying value. The pre-tax discount rate applied to cash flow projections is 24.2 percent (2012: 27.84 percent). The growth rate use to extrapolate the cash flows beyond the five-year period is 4.0 percent (2012: 4.0 percent). As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs.427,491,744/- is allocated.

Other business

Goodwill acquired through business combinations have been allocated and monitored at the Group level (other business i.e. security services). The recoverable amount is determined based on value in use calculations, which was higher than the carrying value. The pre-tax discount rate applied to cash flow projections is 19.7 percent (2012: 23.5 percent). The growth rate use to extrapolate the cash flows beyond the five-year period is 4.0 percent (2012: 4.0 percent). As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs.30,333,296/- is allocated.

Key Assumptions used in value-in-use calculations

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

- Discount rates
- Key business assumptions

Discount rates

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

Key business assumptions

These assumptions are important because, as well as using industry data for growth rates, 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 map sales, 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.

	Note	2013 Rupees	2012 Rupees
7. LONG-TERM INVESTMENTS			
Investment in associated companies – equity method			
Trakker Middle East L.L.C. (TME)	7.1	133,927,023	122,637,666
TPL Properties (Private) Limited	7.2	544,673,392	545,165,125
		<u>678,600,415</u>	<u>667,802,791</u>
Others			
Held-to-maturity	7.3	48,338,285	48,280,864
		<u>726,938,700</u>	<u>716,083,655</u>

7.1. The Holding Company holds 1,644 (2012: 1,644) ordinary shares of AED 1,000 each, representing 29 percent (2012: 29 percent) of the share capital as of the balance sheet date. The book value per share amounts to AED 1,543.68 (2012: AED 1,330.84) equivalent to Rs. 41,447.82 (2012: Rs. 34,056.28) based on the latest available unaudited financial statements for the period ended June 30, 2013.

	2013 Rupees	2012 Rupees
7.1.1. Movement of investment in an associated company		
Balance at beginning of the year	122,637,666	112,327,312
Share of profit - current year (un-audited)	20,759,366	15,969,534
Dividends received from associated company	(9,470,009)	(5,659,180)
Balance at end of the year	<u>133,927,023</u>	<u>122,637,666</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

7.1.2. The summarised financial information of an associate over which the Holding Company exercises significant influence, based on the financial statements for the period ended June 30, 2013, is as follows:

	2013 Rupees (Un-audited)	2012 Rupees (Un-audited)
Total assets	398,355,154	379,922,907
Total liabilities	160,790,294	187,261,852
Revenues	458,994,034	410,568,812
Profit after tax	71,584,021	55,067,359

7.2. The Group holds 51.74 million (2012: 51.74 million) ordinary shares of Rs.10/- each, representing 47.04 percent (2012: 47.04 percent) of the share capital of the TPL Properties (Private) Limited as of the balance sheet date. The book value per share amounts to Rs.9.86 (2012: Rs.9.87) based on the latest available un-audited financial statements for the year ended June 30, 2013. As of the balance sheet date, 1.1 million ordinary shares of TPL Properties (Private) Limited held by the Holding Company are pledged against the financing facility obtained by TPL Properties (Private) Limited.

	2013 Rupees	2012 Rupees
7.2.1. Movement of investment in an associated company		
Balance at the beginning of the year	545,165,125	447,210,225
Investment purchased during the year	-	100,000,000
Share of loss – current year	(491,733)	(2,045,100)
Balance at the end of the year	544,673,392	545,165,125

7.2.2. The summarised financial information of an associate over which the Group exercises significant influence, based on the financial statements for the year ended June 30, 2012, is as follows:

	2013 Rupees (Un-audited)	2012 Rupees (Audited)
Total assets	3,459,234,008	3,025,186,047
Total liabilities	2,374,698,444	1,939,605,133
Administrative and general expenses	1,045,350	4,334,508
Loss after tax	1,045,350	4,334,508

7.3. Represents 10 years Pakistan Investment Bonds (PIBs) having face value of Rs.50 million having market value of Rs.53.476 million (2012: market value of Rs.47.007 million). These carry mark-up of 12 percent (2012: 12 to 12.1 percent) per annum and will mature latest by August 18, 2021. These have been deposited with the State Bank of Pakistan as statutory deposit in accordance with the requirements of Circular No. 15 of 2008 dated July 07, 2008 issued by the Securities and Exchange Commission of Pakistan and Section 29 of Insurance Ordinance, 2000.

	Note	2013 Rupees	2012 Rupees
8. LONG-TERM LOANS - secured, considered good			
Executives	8.1 & 8.2	522,423	2,511,617
Employees		2,765,958	2,013,894
	8.3	3,288,381	4,525,511
Less: Current portion	14	2,050,137	1,681,405
		1,238,244	2,844,106
8.1. Reconciliation of the carrying amount of loans to executives			
Balance as on July 01		2,511,617	981,369
Disbursements		1,183,472	3,384,419
Repayments / adjustments		(3,172,666)	(1,854,171)
Balance as on June 30		522,423	2,511,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8.2. The maximum aggregate amount of loans due from the executives at the end of any month during the year was Rs. 0.522 million (2012: Rs. 2.849 million).

8.3. The loans are provided to employees of the Holding 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 rate ranging from 5 to 16 percent (2012: 16 percent) per annum. Further, it also includes loans provided on interest free basis amounting to Rs.1.177 million (2012: Rs. 1.222 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.

	Note	2013 Rupees	2012 Rupees
9. LONG-TERM DEPOSITS			
Security deposits – leases and ijarah assets		8,470,695	6,016,680
Less: Current portion	15	2,684,069	1,458,500
		5,786,626	4,558,180
Utilities		177,450	177,450
Rent deposits		622,800	622,800
Cash margin against guarantees	9.1	10,955,000	10,200,000
	9.2	17,541,876	15,558,430

9.1. Included herein Rs.10.0 million (2012: Rs. 10.0 million) representing cash margin on guarantee issued by a commercial bank on behalf of the Holding Company in favor of Collector of Customs.

9.2. These are non-interest bearing and generally on a term of more than a year.

	Note	2013 Rupees	2012 Rupees
10. INTEREST ACCRUED – unsecured, considered good			
Accrued mark-up on current account with:			
Ultimate parent company			
- TPL Holdings (Private) Limited		36,324,241	27,187,667
Associated companies			
- Trakker Middle East LLC.		2,653,161	2,653,161
- TPL Properties (Private) Limited		11,710,151	11,469,520
		14,363,312	14,122,681
Others			
- Global Connect Limited		1,219,318	1,206,837
- Trakker Financial Consultancy (Private) Limited		458,965	368,541
- TPL Logistics (Private) Limited		46,781	6,792
- The Resource Group Pakistan Limited		1,702,180	1,362,171
		3,427,244	2,944,341
	11.1 & 11.2	54,114,796	44,254,689
Less: Current portion		42,404,646	32,785,169
		11,710,151	11,469,520

	Note	2013 Rupees	2012 Rupees
11. DUE FROM RELATED PARTIES – unsecured, considered good			
Ultimate parent company			
- TPL Holdings (Private) Limited	11.1	20,424,889	102,631,527
Associated companies			
- Trakker Middle East LLC.	11.2	304,614	304,614
- TPL Properties (Private) Limited	11.1	3,850,142	1,181,329
		4,154,756	1,485,943
Others			
- Global Connect Limited		89,150	89,150
- TPL Logistic (Private) Limited		671,810	159,660
- Trakker Financial Consultancy (Private) Limited		340,551	636,190
- The Resource Group Pakistan Limited		2,696,583	2,249,658
	11.1	3,798,094	3,134,658
		28,377,739	107,252,128
Less: Current portion		24,527,597	106,070,799
		3,850,142	1,181,329

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11.1. Represents current account balances with related parties carrying markup of 14 percent (2012: 16 percent) per annum and are repayable on demand except for amount due from TPL Properties (Private) Limited, an associated company.

11.2. Represents interest free (2012: 16 percent per annum) current account balances with related parties and are repayable on demand.

	Note	2013 Rupees	2012 Rupees
12. STOCK-IN-TRADE			
Tracking devices	12.1 & 12.2	125,114,512	57,071,293
Spare parts	12.3	10,731,804	9,185,786
		135,846,316	66,257,079

12.1. Includes stock of Rs.10.254 million (2012: Rs. 5.114 million) held with Digicore Electronics (Private) Limited (Supplier and a related party by virtue of common directorship) and Rs. 34.745 million (2012: Rs.Nil) held with third parties on account of stock given for demo purposes.

12.2. Includes stock of Rs. 50.443 million (2012: Nil) held with third parties on account of on-site container tracking installations.

12.3. Represents Bonnet Locks, Window Motors etc. which are held for sale.

	Note	2013 Rupees	2012 Rupees
13. TRADE DEBTS - unsecured			
Considered good	13.1 & 13.2	491,316,839	443,298,464
Considered doubtful		22,978,582	853,352
Less: Provision for doubtful debts	13.4	22,978,582	853,352
		-	-
		491,316,839	443,298,464

13.1. Included herein Rs. 486.218 million (2012: Rs. 437.596 million) receivable from various customers on account of sale and installation of tracking devices and vehicle tracking services provided by the Holding Company. These are unsecured, interest free and generally on 30 to 60 days terms.

13.2. Included herein amount due from TPL Properties and The Resource Group Pakistan Limited (related parties) of Rs.1.809 million (2012: Rs.2.324 million) and Rs.0.912 million (2012: Rs.2.997 million).

13.3. As at June 30, 2013 and 2012, the ageing analysis of unimpaired trade debts is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			> 30 days upto 120 days Rupees	121 – 180 days	180 days and above
Related parties	2,721,188	432,000	1,062,640	366,963	859,585
Other than related parties	488,595,651	243,193,836	129,391,886	33,674,773	82,335,156
2013	491,316,839	243,625,836	130,454,526	34,041,736	83,194,741
Related parties	5,320,780	625,490	1,461,465	1,057,100	2,176,725
Other than related parties	437,977,684	184,723,601	113,893,236	45,722,040	93,638,807
2012	443,298,464	185,349,091	115,354,701	46,779,140	95,815,532

	Note	2013 Rupees	2012 Rupees
13.4. Provision for doubtful debts			
Opening balance		853,352	24,412,459
Provision for the year	34	22,125,230	853,352
Written-off during the year		-	(24,412,459)
Closing balance		22,978,582	853,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
14. LOANS AND ADVANCES			
Loans – secured, considered good			
Current portion of long-term loans	8	2,050,137	1,681,405
TPL Properties (Private) Limited (associated company)	14.1	100,000,000	100,000,000
		<u>102,050,137</u>	<u>101,681,405</u>
Advances – unsecured, considered good			
- Karachi Stock Exchange for listing		-	2,881,114
- suppliers		1,185,452	8,091,126
- executives		3,834,000	3,093,500
- employees		73,368	380,711
- others		544,627	262,000
	14.2	<u>5,637,447</u>	<u>14,708,451</u>
		<u>107,687,584</u>	<u>116,389,856</u>

14.1. Represents advance given against purchase of office space of Rs. 100 million converted into loan, consequent to the conversion of TPL Properties business model from sale model to rental model. A special resolution of the shareholders authorising TDI to extend loan to TPL Properties upto Rs. 100 million was passed in the Annual General Meeting of TDI held on 30 April 2012. The loan carries interest at the rate of 16 percent per annum.

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

	Note	2013 Rupees	2012 Rupees
15. TRADE DEPOSITS AND PREPAYMENTS			
Trade deposits			
- current portion of leases and ijarah deposits	9	2,684,069	1,458,500
- security deposits		948,690	332,690
- cash margin against guarantee		615,030	615,030
- medical and travel assistance		5,742,392	1,800,000
- others		711,516	711,516
	15.1	<u>10,701,697</u>	<u>4,917,736</u>
Prepayments			
- insurance		1,190,279	1,812,783
- reinsurance		-	2,598,500
- medical and travel assistance		825,777	1,721,981
- rent		43,087,318	1,992,191
- maintenance		2,165,797	2,183,269
- road side assistance		2,856,900	-
- others		420,725	919,328
		<u>50,546,796</u>	<u>11,228,052</u>
		<u>61,248,493</u>	<u>16,145,788</u>

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

	Note	2013 Rupees	2012 Rupees
16. OTHER RECEIVABLES – unsecured, considered good			
Earnest money		2,895,447	2,414,247
Margin deposit placed against purchase of shares	16.1	11,232,600	12,432,600
Accrued investment income		2,104,736	2,110,630
Others		3,502,479	18,565,998
	16.2	<u>19,735,262</u>	<u>35,523,475</u>

16.1. TDI has placed a marginal deposit with a brokerage house for trading of shares on behalf of TDI. The above balance is interest free and is repayable on demand. The same is also free of charge, encumbrance and lien. The management considers that this amount will either be adjusted against future trading of shares or will be recovered.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

17. SHORT-TERM INVESTMENTS

17.1. Available-for-sale

Number of shares / units		Name of Entity	Note	2013	2012
2013	2012			Rupees	Rupees
Quoted shares					
7,731	3,875	Bank of Punjab Limited		98,493	29,760
10,000	10,000	The Hub Power Company Limited Business Industrial Insurance Company Limited		616,500	418,900
129,000	129,000	Bank of Khyber		-	-
13,750	12,500	Summit Bank Limited		103,125	103,500
16,000	16,000	Summit Bank Limited – Preference Shares		37,120	50,880
3,200	-	Next Capital Limited		32,000	-
100,000	100,000			490,000	911,000
				1,377,238	1,514,040
Quoted mutual funds					
5,854	5,642	First Habib Stock Fund	17.1.1	781,634	585,583
				2,158,872	2,099,623

17.1.1. These represent investments of TDI which are carried at fair value in accordance with policy stated in note 4.7.2 to these consolidated financial statements. However, in separate financial statements of TDI, subsequent to the initial recognition at cost, the above investments were stated at the lower of cost or market value (market value been taken as lower if the reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002 vide SRO 938 dated December 2002.

18. TAXATION - net

	Note	2013 Rupees	2012 Rupees
Opening balance – (payable) / refundable		(22,057,501)	(34,269,953)
Provision for taxation	38	(18,093,007)	(26,770,555)
Income tax paid and deducted at source		46,527,385	38,983,007
Closing balance – refundable / (payable)		6,376,877	(22,057,501)

19. CASH AND BANK BALANCES

	Note	2013 Rupees	2012 Rupees
Cash in hand		1,099,282	511,402
At banks in:			
current accounts			
- foreign currency		107,254	107,254
- local currency		40,874,007	23,845,183
		40,981,261	23,952,437
saving account	19.1	12,088,900	8,382
		54,169,443	24,472,221

19.1. These carry mark-up at the rate of 6 to 9 percent (2012: 6 to 8 percent) per annum.

20. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of shares		Ordinary shares of Rs.10/- each	2013	2012
2013	2012		Rupees	Rupees
9,900	9,900	- issued for cash	99,000	99,000
		- issued during the year for cash	300,000,000	-
30,000,000	-		300,099,000	99,000
30,009,900	9,900	- issued for consideration other than cash (note 20.1)	1,872,390,630	1,872,390,630
187,239,063	187,239,063		2,172,489,630	1,872,489,630
217,248,963	187,248,963			

20.1. During the year ended June 30, 2009, the shareholders of the Holding Company, namely Ali Bhai Group (AB), Ali Jameel Group (AJ) and DigiCore International (Pty) Limited (DL) entered into a Scheme of Arrangement, in respect of transfer of entire operations and exchange of assets of TPL Holdings (Private) Limited, the ultimate parent company into a new company in consideration for ordinary shares of the Holding Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

20.2. TPL Holdings (Private) Limited and Digicore Electronics (Pty) Limited holds 114,950,274 and 56,174,689 (2012: 131,074,273 and 56,174,689) ordinary shares having face value of Rs.10/- each (2012: Rs.10/- each) representing 52.91 percent and 25.86 percent (2012: 70 percent and 30 percent) shareholding respectively, of the share capital of the Holding Company as of the balance sheet date.

21. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Note	2013		2012	
		Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments (MLP)	Present Value of MLP
Rupees					
Within one year		22,127,662	20,111,988	14,909,924	13,469,743
After one year but not more than five years		4,298,764	4,223,100	5,989,725	5,798,479
Total minimum lease payments		26,426,426	24,335,088	20,899,649	19,268,222
Less: Finance charges		2,091,338	-	1,631,427	-
Present value of minimum lease payments	21.1	24,335,088	24,335,088	19,268,222	19,268,222
Less: Current portion	28	20,111,988	20,111,988	13,469,743	13,469,743
		4,223,100	4,223,100	5,798,479	5,798,479

21.1. Represents obligation in respect of assets acquired under finance lease arrangements from various financial institutions. Rentals are payable in monthly installments. Repairs and insurance costs are to be borne by lessee. Financing rate ranging from 11.86 percent to 17.75 percent (2012: 14.33 to 15.84 percent) per annum has been used as discounting factor. Overdue rental payments are subject to additional charge upto 0.1 percent (2012: 0.1 percent) per day. Purchase option can be exercised by the lessee by adjusting security deposit against residual value at the expiry of the lease period.

	Note	2013 Rupees	2012 Rupees
22. DEFERRED LIABILITIES			
Deferred tax liability	22.1	18,930,557	4,479,830
Deferred income	22.2	6,141,635	11,491,653
Gratuity	22.4	6,930,992	4,550,726
		32,003,184	20,522,209
22.1. Deferred tax liability / (asset)			
Deferred tax (asset) on deductible temporary difference:			
- unused tax losses		(772,400)	(13,320,877)
- liabilities against assets subject to finance lease – net		(8,273,930)	(6,743,878)
- trade debts		(8,459,072)	(2,014,038)
- deferred income		(2,088,156)	(4,022,079)
- provision for gratuity		(2,425,847)	-
- minimum tax		-	(8,607,059)
		(22,019,405)	(34,707,931)
Deferred tax liability on taxable temporary difference:			
- accelerated tax depreciation on owned and leased assets		39,951,608	35,878,690
- intangible assets		998,354	3,309,071
		40,949,962	39,187,761
		18,930,557	4,479,830
22.2. Deferred income			
Opening balance		11,491,653	19,648,065
Gain on sale and lease back transaction	22.3	8,976,664	-
Less: Amortisation for the year	37	14,326,682	8,156,412
		6,141,635	11,491,653

22.3. Represents a sale and leaseback transaction with a financial institution which in turn has resulted in a gain of Rs.8.977 million (2012: Nil). The gain has been deferred as per the requirements of IAS – 17 “Leases” and shall be recognised over the lease term of the leased assets.

22.4. As of the balance sheet date, no actuarial valuation of gratuity has been carried out since the management of TSS believes that affect of actuarial valuation would not be materially different.

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	Note	2013 Rupees	2012 Rupees
23. LONG-TERM LOANS			
Term finance	23.1	58,333,334	91,666,667
Less: Current portion	28	41,666,666	41,666,667
		<u>16,666,668</u>	<u>50,000,000</u>

23.1. The Holding Company has obtained a long-term loan of Rs.100 million from a commercial bank. The loan is repayable in equal quarterly installments of Rs.8.333 million latest by December 08, 2014. It carries mark-up at the rate of 3 months KIBOR plus 2.10 percent per annum and is secured against first pari passu charge over Holding Company's book debts, receivables, immovable property and fixed assets (i.e. tracking devices) to the extent of Rs.198 million and pledge of 5 million ordinary shares of TPL Direct Insurance Limited, the subsidiary company, held by the Holding Company.

	Note	2013 Rupees	2012 Rupees
24. TRADE AND OTHER PAYABLES			
Creditors	24.1	223,014,490	166,575,764
Accrued liabilities		33,135,871	22,551,468
Retention money		1,715,772	1,699,272
Unearned equipment rentals		30,463,696	3,663,111
Other liabilities			
Sales commission payable		7,072,929	16,633,284
Sales tax payable		7,519,817	4,671,439
Withholding tax payable		10,116,599	3,388,251
Workers' Welfare Fund		12,255,815	9,396,283
Federal insurance fees		2,240,216	724,518
Dividend payable	24.2	3,000,000	3,000,000
Provident fund		1,244,360	40,847,132
Others	24.3	6,425,646	4,907,259
		<u>49,875,382</u>	<u>83,568,166</u>
	24.4	<u>338,205,211</u>	<u>278,057,781</u>

24.1. Includes an amount of Rs.8.336 million (2012: Rs. 12.124 million) equivalent to US Dollars 0.084 million (2012: US Dollar 0.129 million) in respect of bills payable to Digicore Electronics (Pty) Limited (Supplier and a related party by virtue of common directorship).

24.2. Represents dividend payable to Digicore International (Pty.) Limited, a related party.

24.3. Includes stale cheques amounting to Rs.1.647 million (2012: Rs.1.647 million).

24.4. 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.

	Note	2013 Rupees	2012 Rupees
25. ACCRUED MARK-UP			
Long-term loans	23.1	1,119,795	3,426,471
Short-term financing	26	13,599,299	4,951,011
Running finance under mark-up arrangements	27	9,233,940	13,504,490
		<u>23,953,034</u>	<u>21,881,972</u>
26. SHORT-TERM FINANCING			
Term finance certificates – I	26.1	15,000,000	20,000,000
Term finance certificates – II	26.2	-	3,000,000
Short-term finance	26.3	20,000,000	20,000,000
		<u>35,000,000</u>	<u>43,000,000</u>

26.1. Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs.126 million issued by the Holding Company to a brokerage house and are secured by way of pledge of 23.6 million ordinary shares of TPL Direct Insurance Limited held by the Holding Company. These carry markup at the rate of 17.69 percent (2012: 17.69 percent) per annum and are redeemable on demand.

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26.2. During the year, the Holding Company has paid outstanding amount of privately placed Term Finance Certificates (TFCs) which were previously issued by the Holding Company to a brokerage house carrying markup at the rate of 6 month KIBOR plus 3.0 percent per annum. These were secured by way of pledge of 6.416 million ordinary shares of TPL Direct Insurance Limited held by the Holding Company, which are yet to be released.

26.3. The Holding Company has entered into an agreement with a commercial bank to provide short-term finance facility up to a limit of Rs.20 million against accepted invoices of customers of the Holding Company. It carries markup at the rate of 3 months KIBOR plus 3 percent (2012: 3 months KIBOR plus 3 percent) with a floor of 13 percent per annum payable on adjustment of maturity of accepted invoice, latest by July 30, 2013. This is secured against ranking charge over stocks and receivables of the Holding Company amounting to Rs.34 million (2012: Rs.34 million).

27. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

The facilities for short-term running finance are obtained by the Holding Company from various commercial banks aggregating to Rs.435 million (2012: Rs.385 million) which remained fully utilised (2012: Rs. 26.169 million remained utilised) as of the balance sheet date. These carries markup ranges between 3 months KIBOR plus 2.10 percent and 3.50 percent (2012: 3 months KIBOR plus 2.10 percent and 3.50 percent) per annum. These are secured by way of registered hypothecation over stocks and book debts aggregating to Rs.337 million (2012: Rs.297 million) and equitable first pari passu charge over property to the extent of Rs.235 million (2012: Rs.235 million).

	Note	2013 Rupees	2012 Rupees
28. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	21	20,111,988	13,469,743
Long-term loans	23	41,666,666	41,666,667
		<u>61,778,654</u>	<u>55,136,410</u>
29. ADVANCE MONITORING FEES			
Opening balance as on July 1		149,451,216	263,763,716
Additions during the year - net		388,371,543	285,734,554
Transferred to income during the year	31	(487,584,028)	(400,047,054)
Closing balance as on June 30	29.1	<u>50,238,731</u>	<u>149,451,216</u>

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

	Note	2013 Rupees	2012 Rupees
30. CONTINGENCIES AND COMMITMENTS			
30.1. Contingencies			
30.1.1. Guarantees issued by banks on behalf of the Holding Company	9 & 16	<u>11,370,030</u>	<u>10,615,030</u>

30.1.2. The Holding Company is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs.10.930 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.

30.1.3. Section 113(2)(c) of the Income Tax Ordinance 2001, was interpreted by a Divisional Bench of the Sindh High Court (SHC) in the Income Tax Reference Application (ITRA) NO. 132 of 2011 dated 7 May 2013, whereby, it was held that the benefit of carry forward of Minimum Tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than Minimum Tax. Therefore, where there is no tax payable due to brought forward tax losses or otherwise minimum tax could not be carried forward for adjustment with future tax liability. As at 30 June 2013, minimum tax amounting to Rs.12.829 million has not been recorded as tax expense by TDI.

The management of TDI in consultation with its tax advisor considers that strong grounds are available whereby the aforesaid decision can be challenged in a Larger Bench of the SHC or the Supreme Court of Pakistan. A leave to appeal against aforesaid decision has already been filed before the Supreme of Pakistan by the relevant company which is pending for hearing. In view of above, TDI is confident that the ultimate outcome in this regard would be favorable. Hence, no provision in this respect has been made these consolidated financial statements.

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30.2. Commitments

Ijarah agreements

The Holding Company has entered into various Ijarah agreements with Habib Bank Limited and First Habib Modaraba in respect of purchase of vehicles for a period of three years. Total Ijarah payments due under these agreements are payable in monthly installments latest by December 2015. 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. 4,294 million (2012: Rs. 1.638 million). Future minimal rentals payable under Ijarah agreements as at year end are as follows:

	Note	2013 Rupees	2012 Rupees
Not later than one year		10,989,936	4,719,959
Later than one year but not later than five years		6,832,248	8,496,351
		<u>17,822,184</u>	<u>13,216,310</u>

31. TURNOVER - net

	Note	2013 Rupees	2012 Rupees
Equipment installation and sales	31.1	274,741,713	230,893,242
Monitoring fees	29	487,584,028	400,047,054
Net premium revenue		678,799,118	521,374,920
Equipment rentals		66,291,645	42,816,542
Annual membership subscription		-	1,239,147
Service income		24,994,823	19,815,116
Navigation Services		52,894,605	12,492,800
Other services		40,242,651	115,043,956
		<u>1,625,548,583</u>	<u>1,346,295,820</u>

31.1. These represent turnover net of sales tax for the year amounting to Rs.127.258 million (2012: Rs.128.092 million).

	Note	2013 Rupees	2012 Rupees
32. COST OF SALES			
Cost of equipments sold			
Opening balance	12	66,257,079	32,139,224
Purchases		174,832,303	136,116,600
		<u>241,089,382</u>	<u>168,255,824</u>
Closing stock	12	(135,846,316)	(66,257,079)
		<u>105,243,066</u>	<u>101,998,745</u>
Direct expenses			
Salaries, wages and benefits	32.1	175,151,864	93,940,145
Activation and connection charges		97,815,936	129,807,078
Insurance		6,498,281	6,800,987
Vehicle running and maintenance		15,758,839	12,028,664
Depreciation	5.1.1	83,074,612	84,969,033
Amortisation	6.1	34,303,555	19,048,950
License renewal royalty		2,302,023	2,007,884
Communication		12,100,995	9,394,230
Travelling and conveyance		8,976,725	5,147,607
Electricity, gas and water		12,549,668	8,920,884
Rent, rates and taxes		12,021,579	7,188,295
Net claims		289,375,120	197,472,482
Net commission		70,749,892	53,071,821
Legal and professional		4,252,731	2,483,720
Repairs and maintenance		-	1,840,373
Road side assistance charges		6,265,407	1,761,674
Code red expenses		-	4,714,815
Outsourcing expenses		3,927,000	-
Printing and stationery		1,948,050	2,425,252
Computer expenses		9,493,964	5,653,121
Stock written off		8,667,569	-
		<u>854,968,108</u>	<u>648,677,015</u>
		<u>960,211,173</u>	<u>750,675,760</u>

32.1. These include Rs. 5.042 million (2012: Rs 4.588 million) in respect of staff retirement benefits (provident fund contribution).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	Note	2013 Rupees	2012 Rupees
33. DISTRIBUTION EXPENSES			
Salaries, wages and benefits	33.1	30,861,321	24,743,776
Commission expense		41,274,006	22,704,706
Outsourcing expense		18,612,916	14,533,931
Depreciation	5.1.1	9,776,678	7,395,497
Sales promotion and publicity expenses		48,193,898	14,008,540
Computer expenses		2,586,364	4,141,492
Electricity, gas and water		2,806,094	4,653,699
Postage and courier		2,901,729	2,830,277
Printing and stationery		2,699,008	2,550,116
Telephone		1,638,589	973,779
Rent, rates and taxes		1,680,469	1,375,000
Vehicle running and maintenance		3,523,891	1,662,644
Insurance		1,488,492	881,571
Travelling and conveyance		2,445,456	998,344
Newspapers and periodicals		223,843	90,762
		<u>170,712,754</u>	<u>103,544,134</u>

33.1. These include Rs.1.201 million (2012: Rs.0.846 million) in respect of staff retirement benefits (provident fund contribution).

	Note	2013 Rupees	2012 Rupees
34. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	34.1	126,569,643	116,477,944
Legal and professional	34.2	30,959,103	11,983,694
Depreciation	5.1.1	26,172,379	19,222,301
Amortisation	6.1	39,505	59,254
Bad debts written off		-	20,918,373
Provision for doubtful debts	13.4	22,125,230	853,352
Electricity, gas and water		8,123,619	7,854,439
Rent, rates and taxes		4,602,635	8,615,991
Travelling and conveyance		35,919,362	37,087,682
Repair and maintenance		8,515,285	9,900,317
Security services charges		-	609,217
Medical and assistance charges		-	1,645,000
Vehicle running and maintenance		15,349,707	15,690,114
Computer expenses		7,581,780	6,027,383
Telephone		4,905,875	5,835,927
Training		1,899,630	3,144,762
Auditors' remuneration	34.3	5,960,605	5,843,260
Insurance		3,942,580	2,959,154
Entertainment		9,095,625	9,664,109
Printing and stationery		945,976	369,514
Postage and courier		1,086,027	76,137
Donations	34.3 & 5.1	7,911,414	6,996,127
Subscription		7,263,082	1,143,313
Advertisement		34,666,287	20,626,529
Communication		161,857	515,831
Outsourcing expenses		47,000	455,720
Code red expense		1,134,000	-
Ijarah rentals		7,862,971	1,028,900
Others		8,326,119	9,757,048
		<u>381,167,295</u>	<u>325,361,392</u>

34.1. These include Rs. 7.268 million (2012: Rs. 5.009 million) in respect of staff retirement benefits (provident fund contribution).

34.2. Included herein penalties of Rs.0.055 million (2012: Rs.Nil) on account of late filing of tax returns.

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	2013 Rupees	2012 Rupees
34.3. Auditors' remuneration		
Holding company audit fee – standalone	1,800,000	1,650,000
– consolidation	150,000	230,000
Code of corporate governance – Holding Company	150,000	-
Half-yearly – Holding Company	550,000	650,000
Fee for review / audit of subsidiary companies	875,000	860,000
Other services – Holding Company	2,200,000	2,200,000
Out of pocket expenses	235,605	253,260
	5,960,605	5,843,260

34.4. Donations do not include any donee in which directors or their spouses have any interest.

	2013 (Un-audited) Rupees		2012	
	Holding Company	TDI	Holding Company	TDI
34.5. Provident fund				
Size of the fund	53,227,819	18,068,996	50,764,285	12,332,971
Cost of investments made	48,717,046	16,466,869	8,344,271	6,941,869
Percentage of investments made	92%	91%	16%	56%
Fair value of investments	51,983,459	15,870,200	9,917,153	7,046,142

34.5.1. Break-up of investments of provident fund

The break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2013 (Un-audited)				2012			
	Investments Rupees	% of investment as size of the fund	Investments Rupees	% of investment as size of the fund	Investments Rupees	% of investment as size of the fund	Investments Rupees	% of investment as size of the fund
	Holding Company		TDI		Holding Company		TDI	
Mutual funds	11,802,124	22	792,756	4	9,072,882	18	604,273	5
Pakistan investment bonds	-	-	4,027,000	22	-	-	4,027,000	33
Short term deposit account	10,661,406	20	-	-	844,271	2	-	-
Term finance certificates	-	-	2,414,869	13	-	-	2,414,869	20
National saving scheme	-	-	4,500,000	25	-	-	-	-
Shares	29,519,929	55	4,135,575	23	-	-	-	-
	51,983,459		15,870,200		9,917,153		7,046,142	

34.5.2. Investments out of provident fund of the Holding Company have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose except for investments in shares made by the Holding Company.

	Note	2013 Rupees	2012 Rupees
35. OTHER OPERATING EXPENSES			
Workers' Welfare Fund		3,530,166	3,479,771
Exchange loss – net		-	3,981,380
Assets written off	5.1	40,700	-
		3,570,866	7,461,151
36. FINANCE COSTS			
Mark-up on:			
- liabilities against assets subject to finance lease		4,361,988	5,228,597
- long-term loan		9,863,596	8,463,485
- long-term financing		-	1,357,949
- short-term financing		11,192,962	16,623,158
- running finance facility under mark-up arrangements		50,947,832	58,383,378
Bank and other charges		2,070,566	3,137,634
		78,436,944	93,194,201

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	Note	2013 Rupees	2012 Rupees
37. OTHER INCOME			
Income from financial assets:			
Interest income on loan given to employees		93,480	250,384
Gain on disposal of investment		-	4,000,262
Interest income from banks		854,290	-
Investment income		5,628,401	11,425,794
		<u>6,576,171</u>	<u>15,676,440</u>
Income from related parties:			
Mark-up on current account with related parties		30,150,677	27,494,073
Income from assets other than financial assets:			
Service charges		108,000	608,000
Rental income	5.1.2	-	323,529
Repossession income		-	3,343,228
Liabilities written back		-	10,843,082
Deferred income	22.2	14,326,682	8,156,412
Gain on disposal of property and equipment	5.2	8,497,787	5,899,392
Exchange gain - net		2,454,708	-
Others		4,142,438	1,180,736
		<u>29,529,615</u>	<u>30,354,379</u>
		<u>66,256,463</u>	<u>73,524,892</u>
38. TAXATION			
Current year		22,302,606	26,611,679
Prior year		(4,209,599)	158,876
	18	<u>18,093,007</u>	<u>26,770,555</u>
Deferred		14,450,727	40,232,925
	38.1	<u>32,543,734</u>	<u>67,003,480</u>
38.1. Relationship between tax expense and accounting profit			
Profit before taxation		117,973,647	153,508,508
Applicable tax rate		35%	35%
Tax at the above rate		41,290,776	53,727,978
Tax effect of income / expenses that are not allowable for tax purposes		1,573,880	20,898,726
Tax effect of income subject to lower tax rate		(5,900,769)	(7,918,105)
Tax effect of prior year tax		(4,209,599)	158,876
Tax effect of change in tax rate		(210,554)	-
Tax effect of minimum tax		-	136,005
Tax expense for the year		<u>32,543,734</u>	<u>67,003,480</u>
Effective tax rate		27.59%	43.65%
39. EARNINGS PER SHARE - Basic and diluted			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
Profit attributable to equity holders of parent (Rupees)		69,907,289	75,217,502
Weighted average number of ordinary shares in issue		217,248,963	187,248,963
Earnings per share – Basic and diluted		<u>Re. 0.32</u>	<u>Re. 0.40</u>

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an 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, 2013. The policies for managing each of these risks are summarised below:

40.1. 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, 2013.

40.1.1. 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 arrangement at floating interest rates to meet its business operations and working capital requirements. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

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 profit 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. Further, interest rate sensitivity does not have an asymmetric impact on the Group's result.

	Increase / decrease in basis points	Effect on profit before tax (Rupees)
2013	+100	5,742,060
	-100	(5,742,060)
2012	+100	(1,902,961)
	-100	1,902,961

40.1.2. 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 risk primarily relates to the Group's operating activities. The Group manages its foreign currency risk by effective fund management and timely repayment of its foreign currency liabilities. The Group, however, has not hedged its foreign currency liabilities as the management has assessed that it will not be cost beneficial.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate. As at June 30, 2013 and 2012, if Pakistani Rupee (Pak Rupee) had weakened / strengthened by 5 percent against the US Dollar, with all other variables held constant, on the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) are as follows:

	Increase / decrease in US Dollar to Pak Rupee	Effect on profit before tax (Rupees)
2013	+5%	(910,254)
	-5%	910,254
2012	+5%	(793,762)
	-5%	793,762

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40.1.3. 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. The Group manages the price risk through diversification and placing limits on individual and total equity instruments. As of balance sheet date, the Group is only exposed to equity price risk in respect of available-for-sale investments (notes 17 and 40.4).

40.2. Credit risk

40.2.1. 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. Out of the financial assets of Rs.1,568.607 million (2012: Rs.1,578.607 million) the financial assets which are subject to credit risk amounted to Rs.772.753 million (2012: Rs.779.291 million). The Group's credit risk is primarily attributable to its trade debtors and bank balances. The Group has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, and effective implementation of customers credit policy, concentration of credit risk with respect to trade debtors is limited. Further, the Group manages its credit risk by obtaining in advance payment for tracking devices, service charges and insurance premium.

40.2.2. The credit quality of financial assets that are past due but not impaired is disclosed in note 13.3 to these consolidated financial statements. As at the balance sheet date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

40.2.3. 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:

	Note	2013 Rupees	2012 Rupees
Loans	8 & 14	103,288,381	104,525,411
Long-term deposits	9	17,541,876	15,558,430
Trade debts	13.3	243,625,836	185,349,091
Trade deposits	15	10,701,697	4,917,736
Interest accrued	10	54,114,796	44,254,689
Other receivables	16	17,630,526	35,523,475
Due from related parties	11	28,377,739	107,252,128
Bank balances	19	53,070,161	23,960,819
		<u>528,351,012</u>	<u>521,341,779</u>

40.2.4. The credit quality of Group's bank balances can be assessed with reference to external credit ratings as follows:

Bank Balances by short-term rating category

Rating Agency	2013 Rupees	2012 Rupees
A1+	1,283,085	58,938
A1+	34,347,799	8,427,586
A1	5,254,297	13,891,642
A1	25,721	186,103
A1+	204,267	-
A-1+	346,672	1,231,249
A-1+	4,882,180	-
A1+	974,372	4,436
A3	2,241	80,470
P-2	5,602,266	80,395
A-1+	147,261	-
	<u>53,070,161</u>	<u>23,960,819</u>

40.3. Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations with the financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance lease.

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The table below summarises the maturity profile of the Group's financial liabilities at June 30, 2013 and 2012 based on contractual undiscounted payment dates and present market interest rates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
(Rupees)						
June 30, 2013						
Liabilities against assets subject to finance lease	-	5,137,042	14,974,946	4,223,100	-	24,335,088
Long-term loans	8,333,333	8,333,333	25,000,000	16,666,668	-	58,333,334
Trade and other payables	41,924,572	231,680,332	-	-	-	273,604,904
Accrued markup	23,953,034	-	-	-	-	23,953,034
Short-term financing	35,000,000	-	-	-	-	35,000,000
Running finance under markup arrangements	471,537,574	-	-	-	-	471,537,574
Amount due to other insurers / reinsurers	-	69,140,415	-	-	-	69,140,415
	580,748,513	314,291,122	39,974,946	20,889,768	-	955,904,349

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
(Rupees)						
June 30, 2012						
Liabilities against assets subject to finance lease	-	2,976,673	10,493,070	5,798,479	-	19,268,222
Long-term loans	8,333,333	8,333,334	25,000,000	50,000,000	-	91,666,667
Trade and other payables	40,884,024	172,207,537	-	-	-	213,091,561
Accrued markup	21,881,972	-	-	-	-	21,881,972
Short-term financing	43,000,000	-	-	-	-	43,000,000
Running finance under markup arrangements	358,830,662	-	-	-	-	358,830,662
Amount due to other insurers / reinsurers	-	12,333,158	-	-	-	12,333,158
	472,929,991	195,850,702	35,493,070	55,798,479	-	760,072,242

40.4. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these consolidated financial statements approximate to their fair value.

Fair Value Hierarchy

Financial instruments carried at fair value are categorised as follows:

- Level 1: Quoted market price
- Level 2: Valuation techniques (market observable)
- Level 3: Valuation techniques (non-market observable)

As at balance sheet date, the Group held the following financial instruments in Level 1 category:

	Total (Rupees)	Level 1 (Rupees)
Assets measured at fair value		
June 30, 2013		
Available-for-sale financial assets	<u>2,158,872</u>	<u>2,158,872</u>
June 30, 2012		
Available-for-sale financial assets	<u>2,099,623</u>	<u>2,099,623</u>

40.5. 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, 2013.

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FOR THE YEAR ENDED JUNE 30, 2013

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 reserves. The gearing ratio as at June 30, 2013 and 2012 are as follows:

	Note	2013 Rupees	2012 Rupees
Liabilities against assets subject to finance lease	21	4,223,100	5,798,479
Long-term loans	23	16,666,668	50,000,000
Accrued markup	25	23,953,034	21,881,972
Short-term financing	26	35,000,000	43,000,000
Running finance under mark-up arrangements	27	471,537,574	358,830,662
Current maturity of non-current liabilities	28	61,778,654	55,136,410
Total Debts		613,159,030	534,647,523
Less: Cash and bank balances	19	54,169,443	24,472,221
Net debt		558,989,587	510,175,302
Share capital	20	2,172,489,630	1,872,489,630
Reserves		249,664,399	187,199,339
Total Equity		2,422,154,029	2,059,688,969
Total capital and net debt		2,981,143,616	2,569,864,271
Gearing ratio		18.75%	19.85%

Capital requirements applicable to the TDI – subsidiary company are set and regulated by the Securities and Exchange Commission of Pakistan (SECP). These requirements are put in place to ensure sufficient solvency margins. TDI manages its capital requirements by altering its capital structure against required capital level on a regular basis. Currently the TDI – subsidiary company meets its paid up capital requirement as required by SECP.

40.6. Reinsurance Risk

Reinsurance ceded does not relieve the Group from its obligation to policy holders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreements. In common with other insurance companies, in order to minimize the financial exposure arising from the large claims, the Group, in the normal course of business, enters into agreement with other parties for reinsurance purposes. To minimize its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentration of credit risk arising from similar geographic regions, activities or economic characteristics of reinsurers.

41. REMUNERATION OF GROUP CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2013			2012		
	Group Chief Executive	Executive Directors	Executives	Group Chief Executive	Executive Directors	Executives
Total number of person(s)	1	2	70	1	2	44
	----- Rupees -----					
Basic salary	3,870,960	4,437,283	49,346,056	3,870,960	4,125,283	46,348,851
House rent allowance	1,741,932	1,958,977	22,126,401	1,741,932	1,822,177	20,566,147
Utilities	387,096	443,728	4,934,617	387,096	412,528	4,601,038
Bonus	-	400,000	900,000	-	360,000	1,007,350
Retirement benefits	322,451	369,627	3,924,061	322,451	235,345	3,858,783
Others	-	630,000	611,500	-	-	34,200
	6,322,439	8,239,615	81,842,635	6,322,439	6,955,333	76,416,368

41.1. In addition, the Group Chief Executive, directors and certain executives of the Group have also been provided with Group owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

42. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise ultimate parent company, associates, suppliers, directors and key management personnel. Transactions with related parties and associated undertakings during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Name / Relationship	2013 Rupees	2012 Rupees
TPL Holding (Private) Limited – (ultimate parent company)		
Advances given by the Holding Company	-	57,750,000
Amount received by the Holding Company	115,600,000	14,450,000
Expenses paid by the Holding Company	3,393,362	285,370
Mark-up on current account	9,136,574	16,864,015
Amount repaid by the Holding Company	30,000,000	-
Shares of TPL Properties (Private) Limited purchased by the Holding Company	-	100,000,000
Trakker Financial Consultancy (Private) Limited – (Common directorship)		
Expenses incurred by the Holding Company	35,620	69,520
Mark-up on current account	90,424	95,383
Trakker Middle East LLC. – (Associated Company)		
Expenses incurred by the Holding Company	-	304,614
Mark-up on current account	-	9,556
TPL Properties (Private) Limited - (Associated company)		
Expenses incurred by the Holding Company	3,920,951	6,964,131
Amount received by the Holding Company	1,252,138	32,474,959
Advance against rent to TPL Properties (Private) Limited by the Holding Company	20,500,000	-
Advance paid for purchase of office space	-	4,105,210
Advance against purchase of office space converted to loan	-	156,500,000
Advance refunded during the year and directly paid to the Holding Company	-	18,500,000
Mark-up on current account	240,631	1,293,731
Interest charged on loan given by TDI	16,000,000	8,000,000
Interest received on loan given by TDI	17,000,000	-
Purchase of shares against advance paid for office space	-	100,000,000
Global Connect Limited - (Common directorship)		
Mark-up on current account	12,481	14,264
The Resource Group Pakistan Limited – (Common directorship)		
Expenses incurred by the Holding Company	446,925	922,688
Mark-up on current account	340,009	285,114
Digicore Electronics (Pty) Limited – (Common directorship)		
Purchases made by the Holding Company	39,690,098	38,337,860
Payments made to Digicore	43,071,723	87,990,936
Virtual World (Private) Limited - (Common directorship)		
Outsourcing expense paid during the year	3,773,000	4,160,870
TPL Logistics (Private) Limited - (Common directorship)		
Expenses incurred by the Holding Company	180,891	159,660
Mark-up on current account	39,989	6,792
Staff retirement benefit		
Provident fund - Employer contribution	13,511,185	10,443,000

42.1. The related parties status of outstanding receivables and payables as at June 30, 2013 and 2012 are disclosed in respective notes to these consolidated financial statements.

42.2. Certain employees of the Holding Company provide services free of cost to TPL Holdings (Private) Limited, the ultimate parent company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
43. CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	54,169,443	24,472,221
Running finance under mark-up arrangements	27	(471,537,574)	(358,830,662)
		<u>(417,368,131)</u>	<u>(334,358,441)</u>

44. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Group are organised into business units based on their services. Accordingly, the Group has two reportable operating segments as follows:

- The 'Tracking' segment relates to installation and sales of tracking devices, vehicle tracking and fleet management.
- The 'Insurance' segment includes activities relating to general insurance business.
- All other segments include security services and road side assistance services of providing vehicle assistance in emergency.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on certain key performance indicators, including business volume, gross and operating profit and reduction in operating cost.

	Tracking	Insurance	Others	Total
	----- (Rupees) -----			
2013				
TURNOVER – net	<u>921,754,642</u>	<u>678,799,118</u>	<u>24,994,823</u>	<u>1,625,548,583</u>
RESULT				
Segment result	<u>49,205,763</u>	<u>77,008,928</u>	<u>(28,508,677)</u>	<u>97,706,014</u>
Unallocated income / (expense)				
Share of profit from investment in associates – net				20,267,633
Taxation				(32,543,734)
Profit for the year				<u>85,429,913</u>
OTHER INFORMATION				
Total capital expenditure	<u>147,581,609</u>	<u>44,087,165</u>	<u>836,360</u>	<u>192,505,134</u>
Total depreciation and amortisation	<u>105,412,013</u>	<u>47,708,541</u>	<u>246,175</u>	<u>153,366,729</u>
ASSETS AND LIABILITIES				
Total segment assets (note 6.2)	<u>3,121,784,875</u>	<u>932,595,532</u>	<u>38,128,994</u>	<u>4,092,509,401</u>
Total segment liabilities	<u>988,958,798</u>	<u>512,165,611</u>	<u>2,385,088</u>	<u>1,503,509,497</u>
2012				
TURNOVER – net	<u>801,293,594</u>	<u>504,387,439</u>	<u>40,614,787</u>	<u>1,346,295,820</u>
RESULT				
Segment result	<u>118,293,547</u>	<u>31,782,465</u>	<u>(10,491,938)</u>	<u>139,584,074</u>
Unallocated income / (expense)				
Share of profit from investment in associates - net				13,924,434
Taxation				(67,003,480)
Profit for the year				<u>86,505,028</u>
OTHER INFORMATION				
Total capital expenditure	<u>47,565,145</u>	<u>38,961,085</u>	<u>45,380</u>	<u>86,571,610</u>
Total depreciation and amortisation	<u>82,793,598</u>	<u>47,713,622</u>	<u>187,815</u>	<u>130,695,035</u>
ASSETS AND LIABILITIES				
Total segment assets (note 6.2)	<u>2,998,395,958</u>	<u>897,661,933</u>	<u>38,195,613</u>	<u>3,934,253,504</u>
Total segment liabilities	<u>975,421,837</u>	<u>439,077,470</u>	<u>8,761,298</u>	<u>1,423,260,605</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

Geographical information

Following is the geographical breakup of Group's gross turnover:

	Note	2013 Rupees	2012 Rupees
Pakistan		1,573,492,670	1,285,435,359
United States of America		52,055,913	60,870,461
	31	1,625,548,583	1,346,305,820

Non-current assets of the Group are confined within Pakistan and consist of property and equipment, intangible assets, long-term investments, loans, deposits and receivables.

No customer of the Group constitutes more than 10% of the Group's total revenue relating to aforesaid segments.

Segment assets and liabilities

Segment assets include all operating assets by a segment and consist principally of property and equipment, stock-in-trade, trade debts and loans and advances net of impairment and provisions, if any. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

45. SUBSEQUENT EVENTS

The Board of Directors of the Holding Company in their meeting held on 16 September 2013 have recommended cash dividend @ Nil amounting to Rs. Nil (2012: Nil) on the existing paid-up value of the ordinary share capital for approval of the shareholders in the annual general meeting to be held on 21 October 2013.

46. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on 16 September 2013 by the Board of Directors of the Holding Company.

47. CORRESPONDING FIGURES

Component	From	Reclassification		Note to financial statements 2013	(Rupees)
		Note to financial statements 2012	To		
Profit and loss account	Salaries, wages and benefits - Administrative expenses	34	Salaries, wages and benefits - Cost of sales	32	3,669,544
Profit and loss account	Vehicle running and maintenance - Administrative expenses	34	Vehicle running and maintenance - Cost of sales	32	2,431,570
Profit and loss account	Depreciation - Administrative expenses	34	Depreciation - Cost of sales	32	3,250,551
	Depreciation - Distribution expenses	33			
Profit and loss account	Rent, rates and taxes - Administrative expenses	33	Rent, rates and taxes - Cost of sales	32	2,733,274
Profit and loss account	Commission Expense - Sales	31	Commission Expense - Distribution expenses	33	22,704,706

48. GENERAL

48.1. Number of employees as at June 30, 2013 was 957 (2012: 905) and average number of employees during the year was 991 (2012: 826).

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



Ali Jameel
Chief Executive



Hussein Ali Bhai
Director





07. SHAREHOLDERS' INFORMATION

ANNUAL REPORT/2013



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at the Auditorium of the Finance and Trade Centre (FTC), Shahrah-e-Faisal, Karachi, on Monday 21 October 2013 at 3:00 pm, to transact following business:

ORDINARY BUSINESS

1. To approve the minutes of the Annual General Meeting held on 31 October 2012.
2. To receive, consider and adopt Annual Audited Financial Statements of the Company together with the Directors' and Auditors' reports thereon for the year ended 30 June 2013, together with the Audited Consolidated Financial Statements of the Company and the Auditors' report thereon for the year ended 30 June 2013.
3. To appoint Auditors for the year ending 30 June 2014 and fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, pass special resolution pursuant to Section 208 of the Companies Ordinance, 1984 to authorize renewal of advance of Rs.150 million to the extent Rs. 100 million to the holding company, TPL Holdings (Pvt) Limited.
5. To consider and, if thought fit, pass special resolution pursuant to Section 208 of the Companies Ordinance, 1984 to authorize renewal of advance of Rs.200 million to the Associated Undertaking, TPL Properties (Pvt) Limited.

(A Statement of Material Facts under Section 160 of the Companies Ordinance 1984 relating to the aforesaid Special Business to be transacted at the said Annual General Meeting has been dispatched to the shareholders of the Company along with the Annual Report for the year ended 30 June 2013.)

ANY OTHER BUSINESS

6. To consider any other business with the permission of Chairman.

By Order of the Board

Yousuf Ali
Company Secretary

Dated: 30 September 2013

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- 1) The Share Transfer Books of the Company will be closed from 7th October 2013 to 21st October 2013 (both days inclusive).
- 2) A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as proxy to attend and vote instead of him. The Proxy Forms, in order to be effective, must be received at the Registrar of the Company M/s THK Associates (Pvt.) Ltd, Ground Floor, State Life Building No. 3, Dr. Ziauddin Road, Karachi, not less than 48 hours before the Meeting.
- 3) For identification, CDC account holders should present the participant's National Identity Card, and CDC Account Number and in case of proxy must enclose an attested copy of his/her CNIC. The representatives of corporate bodies should bring attested copy of Board of Directors Resolution/ Power of Attorney and/or all such documents as are required under Circular No. 1 dated 26 January 2000 issued by Securities & Exchange Commission of Pakistan for this purpose.
- 4) Members are requested to immediately notify the change, if any, in their registered address/contact numbers to the Share Registrar on the following address:

**THK Associates (Pvt) Limited,
Ground Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road, Karachi. 75530.**

STATEMENT OF MATERIAL FACTS UNDER 160(1) (B) OF THE COMPANIES ORDINANCE, 1984 REGARDING SPECIAL BUSINESS

Advance to TPL Holdings (Pvt) Limited

TPL Trakker Limited is desirous of renewing further advance to TPL Holdings (Pvt.) Limited which was subject to a maximum amount of Rs. 150 million approved in Board Resolution passed on 7 January, 2012 to the extent of revise amount of Rs. 100 million. The outstanding balance due from TPL Holdings (Pvt.) Limited as at 30 June 2013 amounts to Rs. 20.4 million. Markup will be charged equivalent to the borrowing cost of company on the outstanding principal balance. This markup will be revised / reviewed in case any change occurs in the borrowing cost of TPL Trakker Limited. The repayment period for the said advance will expire on 30 June 2020.

The information required to be annexed to the Notice by Notification No. SRO 27(I)/2012 dated 16 January 2012 is set out below:

Name of the associated company	TPL Holdings (Pvt) Limited
Relationship with associated company	Holding Company of TPL Trakker Limited – 53 % shareholding as at 30 June 2013.
Proposed limit of the loan or advance	Equivalent to the outstanding balance as at 30 June 2013.
Benefits to the Company	To earn markup.
The complete details of loans already provided	The shareholders of the company in an Extra Ordinary General Meeting held on 7 January 2012 resolved to make advance to TPL Holdings (Pvt) Limited for working capital requirements subject to a maximum of Rs. 150 million.

STATEMENT OF MATERIAL FACTS UNDER 160(1) (B) OF THE COMPANIES ORDINANCE, 1984 REGARDING SPECIAL BUSINESS

Financial position of the holding company	<p>The extracts of the un-audited balance sheet and profit and loss account of the holding company as at and for the year ended 30 June 2013 is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Balance Sheet</th> <th style="text-align: center;">Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td style="text-align: right;">1,207,591,860</td> </tr> <tr> <td>Other assets</td> <td style="text-align: right;">273,692,161</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">1,481,284,021</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">224,641,438</td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td style="text-align: right;">37,744,000</td> </tr> <tr> <td>Accumulated profit</td> <td style="text-align: right;">1,218,898,583</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,256,642,583</td> </tr> <tr> <td colspan="2">Profit and Loss</td> </tr> <tr> <td></td> <td style="text-align: center;">Rupees</td> </tr> <tr> <td>Loss before interest and taxation</td> <td style="text-align: right;">(26,445,598)</td> </tr> <tr> <td>Financial charges</td> <td style="text-align: right;">(20,427,084)</td> </tr> <tr> <td>Loss before taxation</td> <td style="text-align: right;">(46,872,682)</td> </tr> <tr> <td>Taxation</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Loss after taxation</td> <td style="text-align: right;">(46,872,682)</td> </tr> </tbody> </table>	Balance Sheet	Rupees	Non-current assets	1,207,591,860	Other assets	273,692,161	Total Assets	1,481,284,021	Total Liabilities	224,641,438	<i>Represented by:</i>		Paid up capital	37,744,000	Accumulated profit	1,218,898,583	Equity	1,256,642,583	Profit and Loss			Rupees	Loss before interest and taxation	(26,445,598)	Financial charges	(20,427,084)	Loss before taxation	(46,872,682)	Taxation	-	Loss after taxation	(46,872,682)
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Average borrowing cost of the company	The average estimated borrowing cost the Company is 14%.																																
Rate of mark-up to be charged to associated company	Markup to be charged equivalent to the borrowing cost of the TPL Trakker Limited.																																
Sources of funds for advance	Own sources																																
Particulars of collateral security against advance	Letter of comfort																																
Repayment schedule and terms of advance	Repayable on demand																																
Salient features of all agreements	None																																
Interest of directors, majority shareholders	Mr. Jameel Yusuf and Mr. Ali Jameel, directors																																

STATEMENT OF MATERIAL FACTS UNDER 160(1) (B) OF THE COMPANIES ORDINANCE, 1984 REGARDING SPECIAL BUSINESS

and their relatives	of the Company are also directors of TPL Holdings (Pvt) Limited.
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Advance to TPL Properties (Pvt) Limited

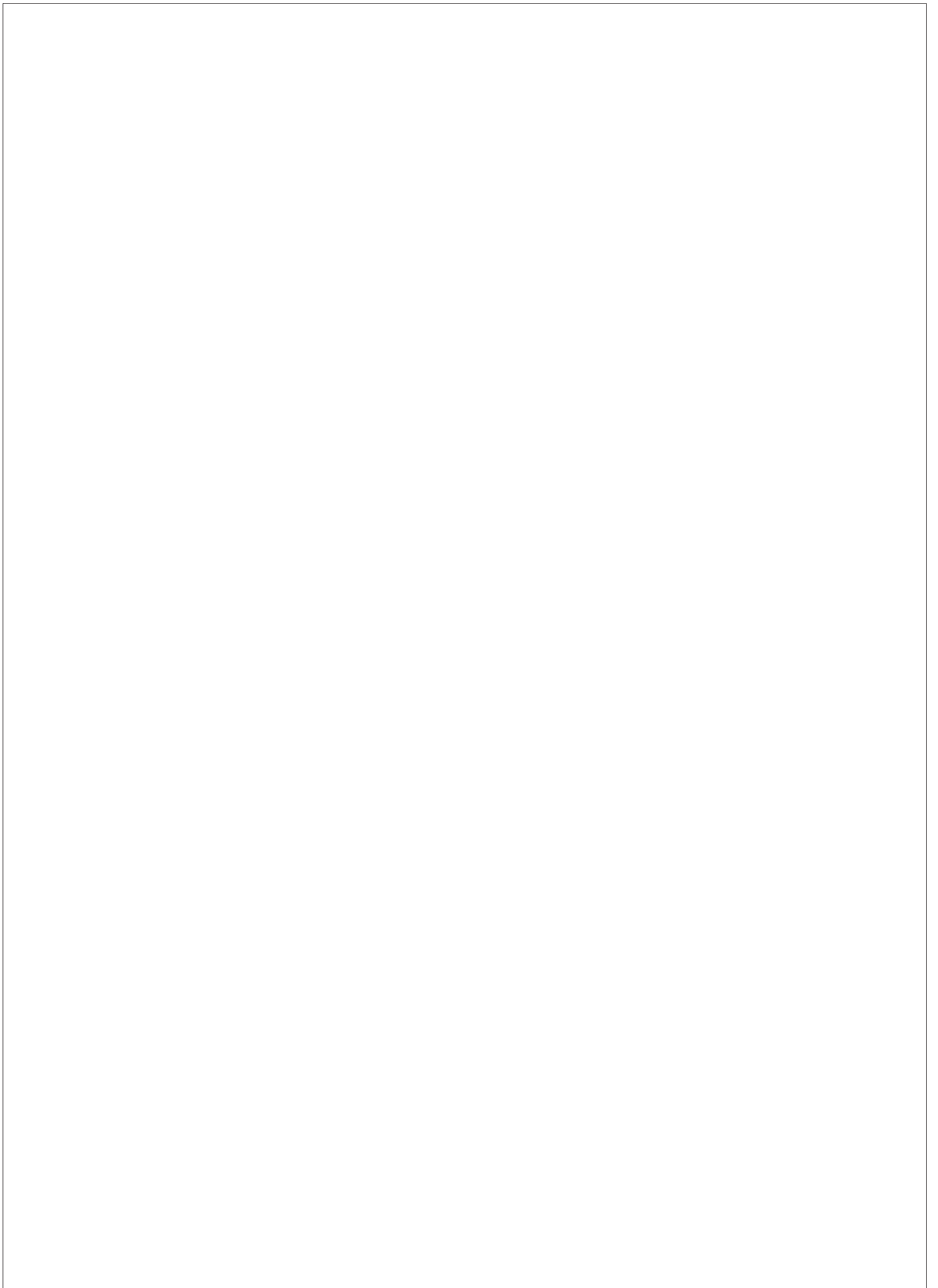
TPL Trakker Limited is desirous of renewing advance to TPL Properties (Pvt) Limited for financing its working capital requirements subject to a maximum amount of Rs. 200 million. Such advance shall be unsecured and shall be given from time to time as per requirements of TPL Properties (Pvt) Limited in a way that the maximum amount must not exceed Rs.200 million. Thus the advance shall be a floating advance. The markup will be charged equivalent to the borrowing cost of company on the outstanding balance. This markup will be revised / reviewed in case any change occurs in the borrowing cost of TPL Trakker Limited. The investment period for the said advance will expire on 30 June 2020.

The information required to be annexed to the Notice by Notification No. SRO 27(I)/2012 dated 16 January 2012 is set out below:

Name of the associated company	TPL Properties (Pvt) Limited
Relationship with associated company	Associated Company of TPL Trakker Limited – 41% shareholding as at 30 June 2013.
Proposed limit of the loan or advance	Rs.200 million
Benefits to the Company	To assist in completing the construction of TPL Properties office building and to meet the compliance of OPIC's loan covenant as sponsor guarantor.
The complete details of loans already provided	The shareholders of the company in an Extra Ordinary General Meeting held on 7 January 2012 resolved to make advance to TPL Properties (Pvt) Limited for advance against office floors subject to a maximum of Rs. 200 million.

STATEMENT OF MATERIAL FACTS UNDER 160(1) (B) OF THE COMPANIES ORDINANCE, 1984 REGARDING SPECIAL BUSINESS

Financial position of the associated company	<p>The extracts of the un-audited balance sheet and profit and loss account of the associated company as at and for the year ended 30 June 2013 is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Balance Sheet</th> <th style="text-align: center;">Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td style="text-align: right;">3,161,680,597</td> </tr> <tr> <td>Other assets</td> <td style="text-align: right;">297,553,411</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">3,459,234,008</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">2,374,698,444</td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td style="text-align: right;">1,100,000,000</td> </tr> <tr> <td>Accumulated Loss</td> <td style="text-align: right;">(15,464,436)</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,084,535,564</td> </tr> <tr> <td colspan="2">Profit and Loss</td> </tr> <tr> <td>Loss before interest and taxation</td> <td style="text-align: right;">(1,045,350)</td> </tr> <tr> <td>Financial charges</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Loss before taxation</td> <td style="text-align: right;">(1,045,350)</td> </tr> <tr> <td>Taxation</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Loss after taxation</td> <td style="text-align: right;">(1,045,350)</td> </tr> </tbody> </table>	Balance Sheet	Rupees	Non-current assets	3,161,680,597	Other assets	297,553,411	Total Assets	3,459,234,008	Total Liabilities	2,374,698,444	<i>Represented by:</i>		Paid up capital	1,100,000,000	Accumulated Loss	(15,464,436)	Equity	1,084,535,564	Profit and Loss		Loss before interest and taxation	(1,045,350)	Financial charges	-	Loss before taxation	(1,045,350)	Taxation	-	Loss after taxation	(1,045,350)
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Average borrowing cost of the company	The average estimated borrowing cost the Company is 14%.																														
Rate of mark-up to be charged to associated company	Markup to be charged equivalent to the borrowing cost of the TPL Trakker Limited.																														
Sources of funds for advance	Own sources																														
Particulars of collateral security against advance	Letter of comfort																														
Repayment schedule and terms of advance	Repayable on demand																														
Salient features of all agreements	None																														
Interest of directors, majority shareholders and their relatives	Mr. Jameel Yusuf, Mr. Ali Jameel and Mr. Mustafa Ali, directors of the Company are also directors of TPL Holdings (Pvt) Limited.																														



PROXY FORM

I/We _____ of (full address) _____ being member of TPL Trakker Limited and holder of _____ number of Ordinary shares as per Share Register Folio N.o _____ and/or CDC Participant I.D No. _____ and Sub Account No _____ hereby appoint _____ of (full address) _____

or failing him/her _____ of (full address) _____

as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on the 21st day of October 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

1. Signature: _____
Name: _____
Address: _____
CNIC or: _____
Passport No: _____

2. Signature: _____
Name: _____
Address: _____
CNIC or: _____
Passport No: _____

Signature

Revenue
Stamp

(Signature should agree with the specimen signature registered with the Company)

Notes:

- i) Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A Proxy need not be a member of the Company.
- ii) CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy before submission to the Company.
- iii) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.