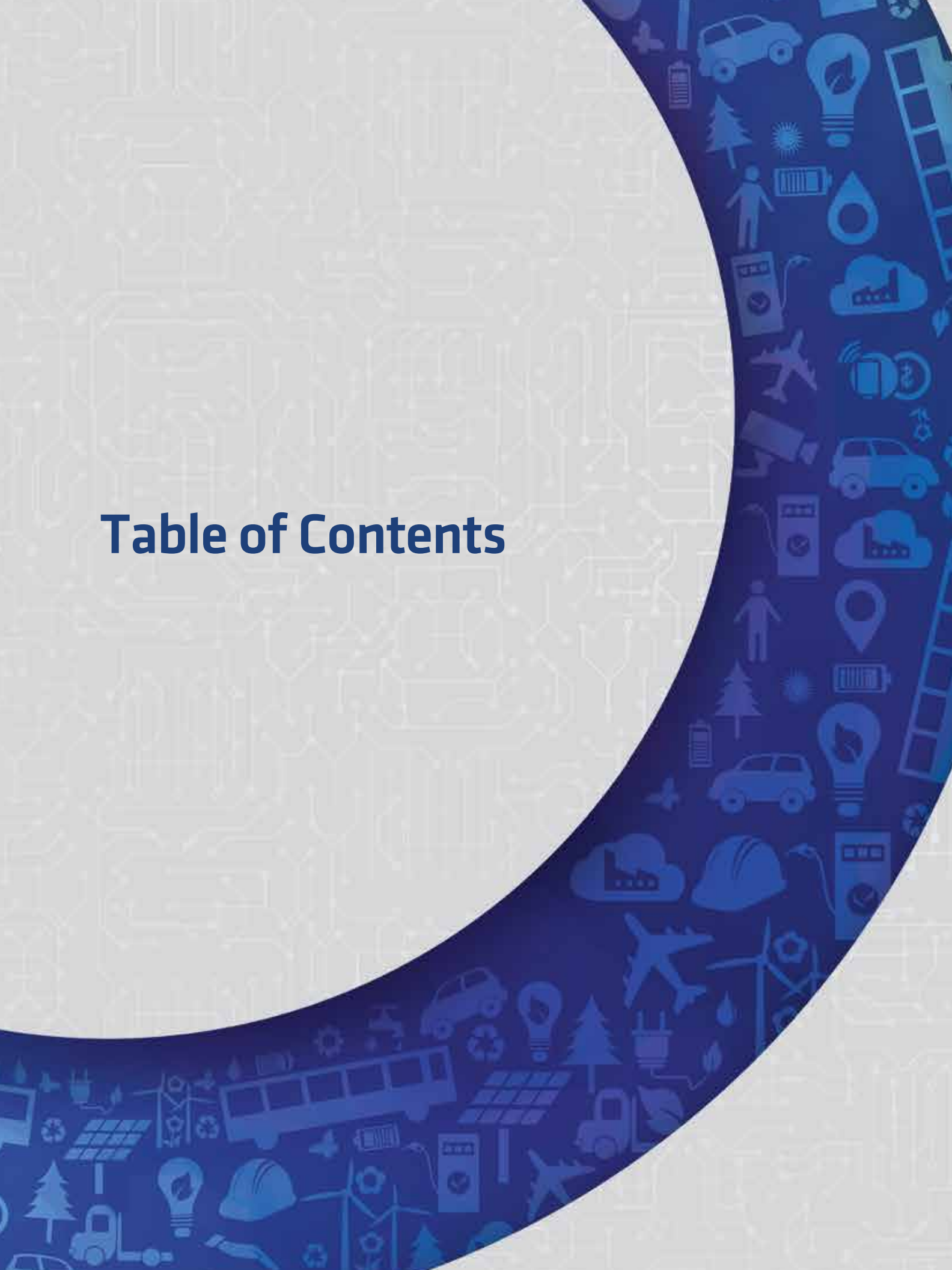




# Table of Contents



<b>COMPANY PROFILE</b>	
Vision and Mission	03
Core Values	05
Group Profile	07
Company Information	09
Geographical Presence	12
<b>CHAIRMAN'S REVIEW REPORT</b>	13
<b>CEO'S MESSAGE</b>	15
<b>PROFILE OF DIRECTORS</b>	19
<b>SUSTAINABILITY</b>	27
<b>STAKEHOLDER'S INFORMATION</b>	
Horizontal Analysis Balance Sheet	41
Horizontal Analysis Profit / Loss Accounts	42
Vertical Analysis Balance Sheet	43
Vertical Analysis Profit / Loss Accounts	44
Cash Flow Analysis	45
Ratio Analysis	46
Graphical Presentation of Key Financial Ratios	47
Statement of Value Addition	48
<b>DIRECTOR'S REPORT</b>	
Economic Outlook	49
Financial Highlight	49
Group Performance	50
Internal Control System	53
Future Outlook	53
Credit Rating	55
Key Financial Data for the last Six Years	56
Auditors	57
Director's Training	57
Statement on Corporate and Financial Reporting Framework	57
Pattern of Shareholding	58
Additional Information	60
Board Meetings	61
Acknowledgments	61
<b>FINANCIAL STATEMENTS</b>	
Auditor's Review Report	75
Statement of Compliance with CCG	76
Auditor's Report to the Members	79
Statement of Financial Position	85
Statement of Profit and Loss Account	87
Statement of Cash Flow	88
Statement of Changes in Equity	90
Notes to the Financial Statements	91
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Auditor's Report to the Members	131
Consolidated Statement of Financial Position	137
Consolidated Statement of Profit and Loss Account	139
Consolidated Statement of Cash Flow	140
Consolidated Statement of Changes in Equity	142
Notes to the Consolidated Financial Statements	143
<b>SHAREHOLDERS' INFORMATION</b>	
Notice of Annual General Meeting	215
Statement of Material Facts	220
Proxy Form	240

# Vision

Disrupt. Innovate. Create Value.

# Mission

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



# Core values

## Integrity

We are accountable for the highest standards of conduct, including honesty, productivity, and fairness in all aspects of our work. We fulfill our commitments as responsible citizens and employees.

## Entrepreneurial Spirit

TPL provides an innovative environment where entrepreneurial spirit amongst employees is always encouraged.

## Value Creation

We are focused on talented employees effectively applying advanced technology and innovative solutions to create sustainable value for all stakeholders.

## Team Work

We give immense importance to team work and work together to ensure continuous improvement and respond vigorously to change.

## Diversity

We give utmost importance to equality, inclusion and dignity for all at the work place.

## Gender equality

We strive to promote gender equality in all aspects of our work.





## GROUP PROFILE

### TPL Trakker

TPL Trakker Limited is Pakistan's first and largest Telematics company operating since 1999. TPL Trakker offers vehicle based IoT solutions utilizing GPS/GSM technology. TPL Trakker works with various businesses spread across a broad spectrum of industries to equip them with advanced technology enabling monitoring of vehicle movement, driver behavior, fuel pilferage, driver safety and compliance. TPL Trakker is also one of the only tracking companies to offer stolen vehicle recovery services with recovery rate surpassing 90%.

### TPL Maps

TPL Maps, a part of TPL Corp was launched in 2016 and is the first indigenous digital mapping company of Pakistan providing GIS-based scalable solutions to businesses with the aim of contributing data to the community. Licensed by the Survey of Pakistan, TPL Maps has the largest location-based data collection with over 250+ cities mapped, approximately 4.4 million geocoded addresses and over 320,000+ kilometers of road network mapped across the country.

In addition to our mapping services, TPL Maps' flagship offering includes the in-dash navigation hardware and software which is a state-of-the-art advanced system equipped with the latest technology that is tailored for the region to make navigation accurate, faster and on-point. Now TPL Maps has launched Pakistan's first Location Based Services platform that will empower the digital economy and economic growth of the country.

### TPL Life

TPL Life Insurance Limited aims to provide innovative Insurance solutions - catering to both life & health insurance needs of Corporates and Individuals. These solutions are developed by following international standards and are tailor made to cater to the diverse and varying insurance needs of the Pakistani Market. Embedding Technology, Digitalization and Ease at the core of everything that TPL Life does is the key what enables us to deliver an absolute and unmatched customer experience to our clients.

TPL Life's continuous investment towards innovation, technology and market intelligence allows in offering a wider range of unique and need based Life & Health Insurance solutions for individuals, small to large corporates and microfinance segments - A REALITY!

### TPL Properties

The principal activities of TPL Properties are to invest, purchase, develop, sell, rent out or dispose of real estate assets including commercial and residential buildings. TPL Properties Limited successfully completed its initial public offering, conducted entirely through a Book Building process, in June 2016. Centrepoint is TPL Properties first project and is designed as a state of the art complex. It adheres to the highest international standards of design and technology in commercial buildings and is a unique addition to Karachi's skyline.

### TPL Insurance

TPL Insurance is Pakistan's first direct insurance company with the aim to provide seamless insurance services to its customers through its 24 / 7 call center and integrated insurance systems. TPL Insurance has launched Pakistan's first insurance customer app with distinguished features of policy issuance, claim lodging, self-surveys, endorsements and renewal of policies with further features and products to be included in the app soon. It is disrupting the concept of insurance by digitally enabling its business partners and customers in issuance of policies and servicing of customers. With the promise to lodge claims in less than 60 seconds and to process in 45 minutes, TPL Insurance upholds its unmatched quality service standards through highly diligent insurance team and customer friendly processes. The Company is offering all lines of general insurance viz. Auto, Fire, Marine, Health, Home and Travel with both conventional and Takaful (Islamic insurance) solutions to ensure peace of mind for its customers.

## TPL روپیہ

TPL Rupiya, TPL Corps' payment service vertical, is an e-payments company, offering solutions that are facilitating payments via bank, government and mobile account transactions. State Bank of Pakistan has already issued in-Principle approval to TPLR during the previous year.

Digital economics transformation has revolutionized the way we transact and manage payments. TPL Rupiya aims to build a payment ecosystem that will help to reduce the individual's reliance on cash to acquire day-to-day services. It will re-engage the under-banked, unhappily banked and underserved market with an intuitive mechanism that will bring the bank to clients' phones while protecting their identities and ensuring secure transactions.

TPL Rupiya had also joined hands with UBL Omni to introduce cashless payments for the passengers of Lahore Transport Company enabling them to make daily commute payments using their UBL Omni bank accounts. It will also enable LTC passengers to avail a first of its kind "Tap n Pay" solution that allows fast payment and helps to reduce long checkout lines. TPL shall issue NFC (Near Field Communication) Cards for online payments and UBL Omni bank accounts will be linked for enabling these payments.

Being a preferred choice for generating powerful customer experiences, TPL Rupiya is proud to be nominated as a pre-qualified solution provider for Green line and Orange line bus projects. TPL Rupiya further envisions to extend its service reach across the transportation industry.

## TPL e-Ventures

TPL e-Ventures is an early stage investor focused on deploying capital in Pakistani tech or tech enabled companies with a vision to build a world class platform known for catalyzing high potential / high impact entrepreneurs.

## TPL Security Services

Established in 2001 as a licensed security company, TPL Security Services is a progressive and innovative security solutions provider, with unparalleled customer service. The company devotes extensive time and resources into hiring, training, developing and retaining the right people to fulfill each client's needs. Executive protection that includes mobile squads, 24/7 operations and an IT-enabled control room, amongst a host of other features, ensures deployment efficiency and customized solutions to keep you secure.

# Company information





# COMPANY INFORMATION

## BOARD OF DIRECTORS

Jameel Yusuf S.St.	Director / Chairman
Ali Jameel	Director / CEO
Vice Admiral (R) Muhammad Shafi HI(M)	Director
Major Gen (R) Zafar-ul-Hasan Naqvi	Director
Bilal Alibhai	Director
Mark Rousseau	Director
Nadeem Arshad Elahi	Director
Saad Nissar	Director

## CHIEF EXECUTIVE OFFICER

Ali Jameel

## CHIEF FINANCIAL OFFICER

Naseer Ali Khan

## COMPANY SECRETARY

Danish Qazi

## AUDIT COMMITTEE

Nadeem Arshad Elahi	Chairman
Maj Gen ( R ) Zafar-ul-Hasan Naqvi	Member
Saad Nissar	Member
Yousuf Zohaib Ali	Secretary

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Nadeem Arshad Elahi	Chairman
Major Gen ( R ) Zafar-ul-Hasan Naqvi	Member
Ali Jameel	Member
Nader Nawaz	Secretary

## AUDITORS

EY Ford Rhodes Chartered Accountants

## LEGAL ADVISOR

Mohsin Tayebali & 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  
United Bank Limited  
Summit Bank Limited  
Faysal Bank Limited  
Silkbank Limited

## SHARE REGISTRAR

THK Associates  
1st Floor, 40-C, Block-6  
P.E.C.H.S., Karachi 75530,  
Pakistan  
Tel: (021) 34168270  
UAN: 111-000-322  
FAX: (021) 34168271

## REGISTERED OFFICE

12th Floor, Centrepoint,  
Off-Shaheed-e-Millat Expressway,  
Adjacent KPT Interchange, Karachi.  
Postal Code: 74900

## WEB PRESENCE

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

# GEOGRAPHICAL PRESENCE

## KARACHI

### CORPORATE OFFICE

12th & 13th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange, Karachi, Postal code-74900

## LAHORE OFFICE

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

## TPL TRAKKER INSTALLATION CENTER

20-B, Block 6, P.E.C.H.S., Karachi (Behind Bank Al Habib Islamic Banking Branch on Main Shahrah-e-Faisal)  
Phone: +92-21-34324011-13  
UAN: +92-21-111-000-300  
FAX: +92-21-34324014

## ISLAMABAD OFFICE

10th Floor (South) ISE Towers, 55-B Jinnah Avenue, Blue Area, Islamabad.  
UAN: +92-51-111-000-300  
FAX: +92-51-2895073

## MULTAN OFFICE

House No. 5, Suraj Miani Road, Opp. Ashraf Cardiac Clinic, Chungi No. 1, Multan  
UAN: +92-61-111-000-300  
FAX: +92-61-4519391

## FAISALABAD OFFICE

P-6161, West Canal Road, Faisalabad  
UAN: 041-111-000-300,  
Phone: +92-41-8501471-3  
Fax: +92-41-8501470

## HYDERABAD OFFICE

A-8 District Council Complex, Hyderabad.  
Phone: +92-22-2728676  
FAX: +92-22-2783154  
2nd Floor Plot #15/5, Main Auto Bhan Road Railway Cooperative Housing society Hyderabad.



# CHAIRMAN'S REVIEW REPORT

I am pleased to present the performance review of the Board of Directors of Company. Despite fierce competition within the sector of Information Technology, the Company continued to deliver strong business growth due to innovation and modernization.

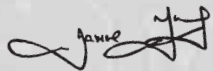
The Board played a very important role in taking the Company forward due to its persistent guidance. Due to constant assistance and oversight of the Board, the Company was able to ensure transparency in the compliance and corporate governance.

The Board comprises of individuals with considerable diversified experience and skill. The performance of the Board has been remarkable and the Committees worked efficiently in accordance with the requirements enshrined under the Listed Companies (Code of Corporate Governance) Regulations, 2017.

During the year, the Hon'ble High Court of Sindh approved the Scheme of Arrangement, whereby the name of the Company changed from TPL Trakker Limited to TPL Corp Limited and under the current structure, the Company now holds investment in all its subsidiaries. Subsequent to the approval of the Scheme of Arrangement, all assets and liabilities pertaining to mapping and tracking businesses have been transferred to TPL Maps (Pvt.) Limited and TPL Trakker Limited.

All the Group Companies performed well and the decisions taken by the Board were implemented enabling the Company to work efficiently. Moreover, the Board Committees performed exceptionally well. The Audit Committee focused on the risk management within the regular course of business, whereas the Human Resource and Remuneration Committee ensured that the HR Policies regarding performance management, staffing and compensation (monetary and non-monetary) are properly aligned with the Company's long term plans. In addition, the Board effectively carried out Board Performance Appraisal at the end of the financial year in terms of which the performance was found to be satisfactory.

Moreover, it gives me immense pleasure to inform the shareholders that the Board acted on a fully informed basis in the best interest of the Company and its stakeholders. The Board has got overall responsibility to approve and oversee implementation of the Company's strategic objectives and to set 'tone at the top' in order to promote a sound corporate culture. Moving forward, I am confident that the Company with the guidance of the Board would surpass all expectations by exponential growth in the coming years.



**Jameel Yusuf (S.St.)**

Chairman

as of June 30, 2018



## CEO'S MESSAGE

This past year will go down as critical in the history of TPL – we have set the foundations for what we believe will unlock exponential growth across the industries we serve in as we look to firmly establish TPL as a forward thinking technology driven group of companies.

TPL Corp's launch was not just a change in name and structure alone but a new promise and a new vision for powerful business growth driven by a digital mindset. The structural change has positioned TPL Corp to better manage its portfolio companies and allowed for a more investor friendly structure for both local and foreign investors. TPL Corp stands firmly on its promise of innovation and disruption; continuously challenging the old ways of executing business by applying an agile methodology across its portfolio.

Last year we invested in enterprise capabilities that have allowed TPL Corp to win in a volatile economy. Our decisions on investments, capital expenditures, products, services and building a sustainable digital ecosystem helped our businesses achieve superior customer performance outcomes and long-term value creation for our stakeholders.

Our flagship Tracking business, TPL Trakker, delivered great results while tackling the challenges that were presented to it head on. The business took a drastic shift in direction when launching the first and most powerful mobile app for asset tracking resulting in the empowerment of our customers with convenience and information on the go. Moving forward, through Telematics we will be able to improve efficiency, as we start monitoring Driver Behavior, fuel consumption, and other health, safety and environment (HSE) standards.

Globally location will be the key reference point for technology growth and otherwise. Location data will play a vital role in business reach more accurately and efficiently; from ordering food, to calling a cab, to voting at a polling station, weather reports, demographic data and even events. At TPL Maps, we are not only mapping locations accurately but also enabling businesses to build services by using the data acquired through our Location Based Services (LBS) platform. As such, TPL Maps looks to build industry specific location solutions and is working on bringing new technologies to the market such as Aerial mapping via drones, Artificial intelligence-based insurance via maps, branch planning and proximity advertising solutions.

Furthermore, the company looks to continue its growth in the in-car navigation segment and looks to engage with new entrants expected in the auto industry. We have expanded our navigation software to Honda and upcoming ISUZU vehicles as well as other OEM's. With Indus Motors we have increased the volume of business by doubling the sales in Corolla 1.8. In the year 2017-18 we have also laid the foundation for our automobile hardware solution which includes AVN units, Wireless chargers, sensors, OBD devices and other such innovative solutions. In the year 2018-19 we are expected to grow 5X in our mapping business with the help of increased hardware and the LBS platform.

Our General Insurance strategy requires us to leverage digital technologies in line with developments in the insurance sector, globally. As such, we are in the process of digitalizing our claims process to make it paperless in order to further improve our customer experience. Additionally, our Customer app has also been launched for our auto insurance customers that facilitates policy buying, lodging of claims, self-survey of vehicles and damages, requesting endorsements and the renewal of policies. Moving forward the company looks towards growth across new insurance lines to build upon its impressive auto insurance portfolio.

In the Life & Health Insurance sector, TPL Life is reshaping the life insurance market and reassembling it to a customer-focused digital ecosystem. The company is and will continue to create new business models to increase its reach in the digital space. We have collaborated with local and international players to build new products, services and customer experiences on our digital platform which simultaneously pushes the boundaries of new product development & Innovation.

TPL Properties stands out as a symbol of quality by setting a new standard in property development in the Country. After the success of the iconic Center Point we are now committed to further raise the bar by developing two new properties in the business Hub of Karachi. We have engaged with top tier architects and designers from around the world who have agreed to work in Pakistan. While we strive for the highest standards in construction quality, we also keep in mind the heritage, culture, environment & eco-friendly nature and automation of our sites which reflects on the responsible identity of the business group.

With TPL Rupiya, our aim is not to be just another fintech player in the market; we want to redefine the concept of financial inclusion. Our focus is on repeat transactions, smaller ticket size and empowerment of masses with digital financial services. Our core at TPL Rupiya is making payments digitally simple and economically viable. Our partnership in this space is growing steadily and we are committed for long term play in digital payments. After the completion of our pilot projects we will enable our own ecosystem on our payments platform and make it accessible to the public so they too can benefit from our services.

Our strategic focus on empowering the startup ecosystem in Pakistan is the ethos behind TPL eVentures where we look to make investments in Pakistani tech or tech-enabled businesses. We strongly believe in the collaborative benefits of developing a synergistic ecosystem for our portfolio companies and the industry at large. Our expertise, time and investments are therefore committed towards the incubation of ideas that are in sync with our digital mindset and data driven technologies. Pakistan has a youth bulge that is moving towards entrepreneurship - TPL e-Ventures is looking to provide them with a platform to grow. Our teams regularly work with incubators and accelerators to identify opportunities for investment, provide mentoring to startups and connect them to collaborative opportunities across the group.

Best,  
**Ali Jameel**







## **Jameel Yusuf (S.St.)**

### **Chairman**

Mr. Jameel Yusuf Ahmed is a businessman by profession and is the Chairman of TPL Corp Ltd. He was the founder Chairman of Citizen-Police Liaison Committee (CPLC), and remained its Chairman from September 1989 to March 2003. He is also the Director of Asia Crime Prevention Foundation (ACPF) and is the founding trustee of "PANAHA", a shelter home established for women in distress.

Mr. Yusuf is also a member of Advisory Council Fellowship Fund for Pakistan (FFFD) since 2004. He was awarded Presidential Award "Sitara-e-Shujaat" for gallantry services in August 1992 and was also nominated for the First United Nations Vienna Civil Society Award in 1999.



## **Ali Jameel**

### **CEO**

Mr. Ali Jameel is the CEO of TPL Corp Ltd. He is also the director of TRG Pakistan Ltd. Formerly Mr. Jameel was the Chief Executive Officer of Jahangir Siddiqui, Investment Bank. He has also held several advisory posts in Board of Investment, Economic Advisory Council, Pakistan's information technology and telecommunication sectors, including appointments on the task Force on Telecom Deregulation, the Fiscal Incentive Group on the IT Commission and the Task Force on Venture Capital. Mr. Jameel received his B.Sc. degree in Economics from 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.



## **Mark Rousseau**

### **Director**

Mr. Mark Rousseau is responsible for overseeing the company's operations in 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.



## **Saad Nissar**

### **Director**

Mr. Saad Nissar is an experienced marketing professional. He joined TPL Trakker Limited in the year 2000 at its inception as National Sales Manager. Mr. Saad Nissar has been instrumental in setting up and executing retail network nationwide, successful packaging and promotion of fleet management and portfolio management services in the corporate sector and Financial Institution Groups (FIG) of Pakistan respectively. Mr. Nissar was appointed as Director of TPL Insurance effective July 2005 and consequently he assumed the role of Chief Executive Officer. TPL Insurance has won "Brands of the Year Award" for five consecutive years under his leadership. Mr. Nissar holds an MBA degree from the Institute of Business Administration.

## Nadeem Arshad Elahi

### Director

Mr. Elahi has an extensive background in operations, general management and business development. He is amongst the co-founders of TRG and joined the company at its inception in 2002 at its head office in Washington DC, USA where he served as TRG's head of North American Operations.

Prior to TRG, he was an Associate in the Global Business Development Group at Terra Lycos Inc. in Waltham, Massachusetts, where he assisted in financial due-diligence on acquisition targets in Asia/Pacific. He also co-founded FTA Direct Inc., a provider of internet-based, supply-chain solutions for the global textiles industry, based in New York. Prior to FTA Direct, he served as Director of Manufacturing for over six years at Tanveer Textiles, a family business involved in the production of finished, textile fabrics in Pakistan.

Mr. Elahi was amongst the founding members of OPEN (Organization of Pakistani Entrepreneurs of North America), Washington, DC Chapter. He recently served as Chairman, P@SHA (Pakistan Software Houses Association for IT and ITes) and currently serves as President of the American Business Council of Pakistan. He is also the current President of the Harvard Business School Club of Pakistan, Member of the Board of Directors of OPEN-Karachi Chapter and a member of the Corporate Leaders Advisory Board of the Institute of Business Administration (IBA), Karachi.

He is also a member of board of the Young Presidents Organization (YPO)-Pakistan Chapter. Mr. Elahi has an MBA from Harvard Business School and a B.A in Mathematics and Economics from Brown University, USA.



## Maj Gen (R) Zafar-ul-Hasan Naqvi

### Director

Mr. Zafar Naqvi is a management professional with vast experience of management both in the local and multinational environment. He joined the Corporate Sector in 1996 as a Director in AGP (Pvt) Ltd, a leading Pharmaceutical Company and in three years time he became the Chief Operating Officer of the company and held this position till his retirement in 2007. Thereafter, he served as Director and Advisor, in Merck (Pvt) Ltd, a German Pharmaceutical Company for 5 years, till 2012. Currently he is Director and Advisor in a Pharmaceutical Company of OBS group. Prior to joining corporate sector, Mr. Naqvi has also been conferred upon Presidential Award, Sitara-e-Imtiaz (Military). Mr. Naqvi holds an M.B.A. and M.Sc. degree in Strategic Management from Quaid-e-Azam University, Islamabad.





## Vice Admiral (R) Muhammad Shafi, HI(M)

### Director

Mr. Shafi was commissioned in 1974 into the operation branch of Pakistan Navy where he held various positions including Commander Coastal Areas (responsible for the defence of Pakistan's coast), Commander Logistics (Commanded over 12,000 service and civilian personnel and responsible for all logistics in the Pakistan Navy), Commander of 25th Destroyer Squadron of Pakistan Navy and also Commanded Pakistan Naval Destroyer PNS Shahjahan and Frigate PNS Shamsheer. He has also held various other positions including Assistant Chief of the Naval Staff (Plans), Deputy Chief of Naval Staff (Training & Personnel as well as Operations), Director General Naval Intelligence and Principal Staff Officer to the Chief of Naval Staff. He has been the Member of the Board of Trustees of Karachi Port Trust, Chairman of Pakistan National Shipping Corporation and Chairman of Port Qasim Authority. He is also the author of Information Warfare; Research paper at NDU, Maritime Options for Pakistan; Thesis at Naval War College, Rhode Island, USA, Customs, Traditions and Ceremonials in the Pakistan Navy. He also holds prestigious Military awards which include Hilal-e-Imtiaz, Sitara-e-Imtiaz and Tamgha-e-Imtiaz. He has obtained his MSc in Defence and Strategic Studies from National Defence University, Islamabad in the year 2001 and his BSc in Physics and Mathematics from Karachi University, 1974. He has also obtained many other additional qualifications including a certification in financial management from Naval Officers Training Centre, USA - 1990.



## Bilal Alibhai

### Director

Mr. Bilal Alibhai is a third generation entrepreneur and has been Group Executive Director at Bilal General Transport, Dubai, UAE (and subsidiaries) since 2002. The group is one of the UAE's leading providers of transportation, equipment rental, and other services to the construction industry. He is also a director of Rashwell Company LLC, Dubai, a leading commodities trading business in UAE. Mr. Alibhai holds a BBA (Hons) degree from Queen's University, Canada, with a concentration in finance and strategy.

# Sustainability Report

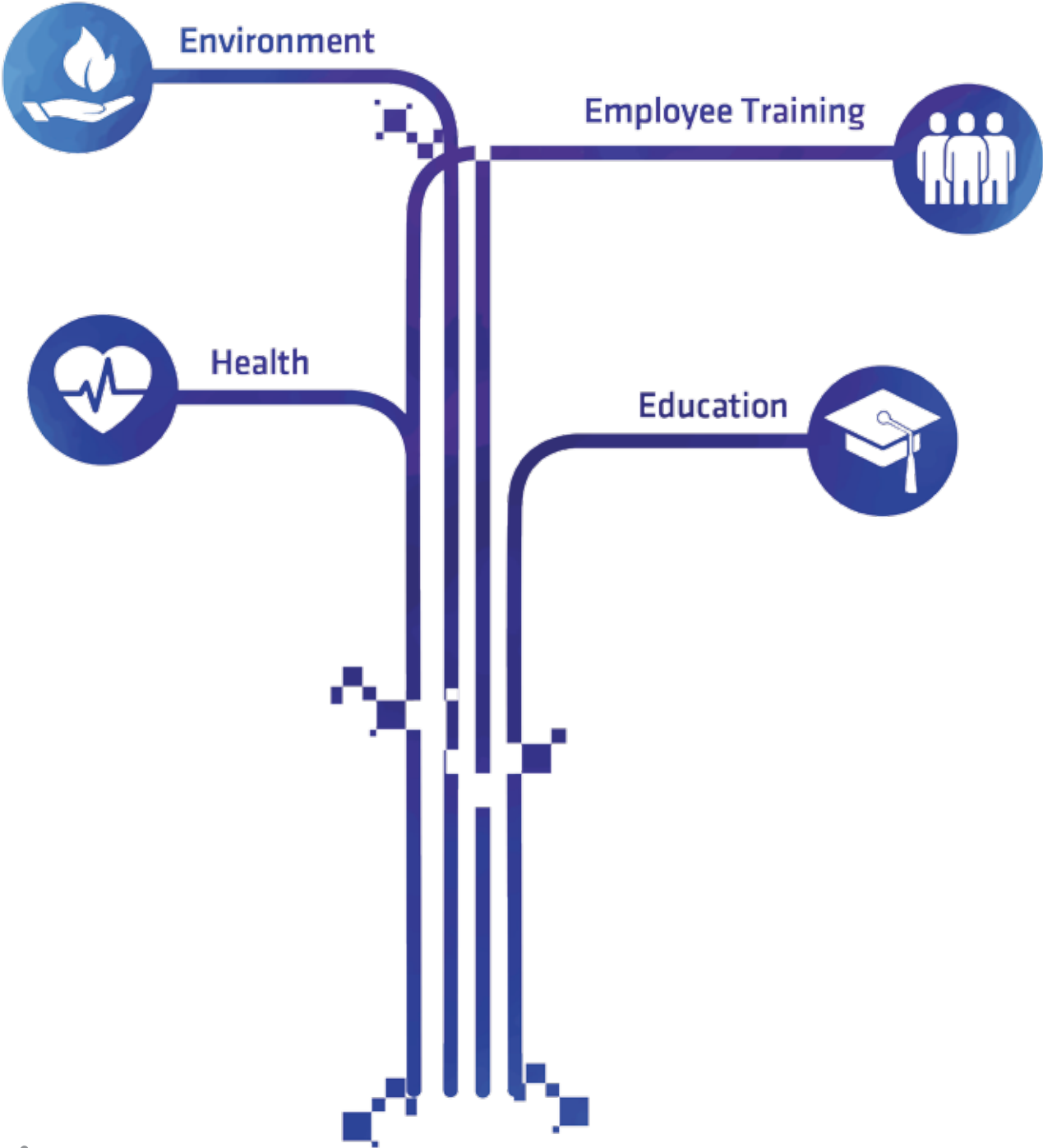




# SUSTAINABILITY REPORT

## INTRODUCTION

The purpose of this report is not only to communicate our sustainability strategies, management approaches and performances, but also comprehensively introduce our ongoing activities for our sustainable development toward the societies and environment in which we operate.



## IMPACT PORTFOLIO



**71,294**  
beneficiaries provided with  
healthcare facilities



**1 km**  
radius public area surrounding our corporate head office  
impacted by gardening and cleaning facilities



**65%**  
energy conserved by using  
efficient technologies



**166**  
beneficiaries were provided with  
educational opportunities



**1,414**  
employees trained in various  
technical and soft skills



**1,000**  
trees planted in the area around our office

## SUSTAINABILITY GOALS

Sustainability forms the core of our strategic vision and serves as a guiding principle for our business objectives. Our sustainability goals are based on the Sustainable Development Goals 2030 by United Nations. In the last financial year, the group allocated PKR 19.6 Million for health and environmental initiatives.

## ENVIRONMENTAL PERFORMANCE

TPL Corp offers a wide range of business opportunities while offering a sustainable ecosystem that provides greater assurance for smooth business operations. We implement high environmental standards so that our actions today will provide the energy needed for economic growth, social well-being, and a healthy environment tomorrow. We seek to reduce the environmental impact of our business activities and contribute to global environmental protection by recognizing that a better, more prosperous future is intrinsically linked to the well-being and health of our planet.

Since Pakistan is ranked seventh in the list of countries most vulnerable to climate change, we work to manage our operations as efficiently as possible, taking initiatives to promote cleanliness, greenery and the reduction in carbon emissions. We also strive to conserve energy which in turn further reduces the emission of Greenhouse Gases (GHC) using smart technologies and solutions.

### **Cleanliness and Plantation around TPL offices**

TPL Corp is resolute in keeping the environment healthy and Verdant. We continuously carry out cleanliness and plantation drives around a 1 KM radius surrounding the corporate office and contribute tireless efforts to make sure we create a positive impact in the environment we operate in.

### **Conservation of Energy**

Smart-lighting Solutions: We strongly believe in the conservation of energy, and have taken significant measures to implement smart lighting solutions in our offices for improved energy efficiency.

### **Double-glazed Glass Façade:**

To minimize energy consumption, the head office is equipped with the high quality energy efficient glass façade.

### **Heat-Recovery System:**

The offices Heat Recovery System is facilitated by a 2 x1 gas generator for uninterrupted independent power supply that helps to conserve energy,

### **New Supplier Screening**

All vendors and suppliers intending to build a business relationship with the company are part of an extensive screening process.

### **Ozone Depleting Substances**

We recognize the potential environmental impacts of our digital transformation, and prioritize the reduction of carbon footprints and energy used in our services to meet environmental standards.

### **Environmental Impacts in the Supply Chain**

We manage our supply chain in a socially and environmentally responsible manner and source from approved suppliers whose ethical values and strict social and environmental standards mirror our own.

### **Preservation of Karachi Heritage**

In the last financial year, we contributed PKR 1 million to sponsor a seminar on heritage preservation organized by the Institute of Architects Pakistan - Karachi Chapter on the challenges and opportunities faced when preserving Karachi's heritage sites.

## SOCIAL PERFORMANCE

### HUMAN RESOURCE

#### Workforce Diversity

To help strengthen a culture of diversity and inclusion, we believe in and stand for fair and equal treatment for all, irrespective of origin, race, or gender. Under no circumstance do we tolerate under-age employment and forced labor.

 Female employees  
**90**

 Male employees  
**1,926**

 Average age of employees  
**34**

#### Health & Safety

We are committed to maintaining a healthy and safe environment for all our employees and take reasonable steps to ensure that the environment is exposed to the lowest practicable of risk.

 Fire drills conducted  
**2**

 Safety drills conducted  
**2**

 Fatalities  
**3**

#### Employees Training & Development

We take great pride in investing time and funds on the training and education of our workforce. We believe one of the best investments we can make is in our employees and we provide them with the tools, training and opportunities they need to grow and reach their full potential, preparing them for future experiences and growth opportunities. We thus have a specific yearly budget allocated to regularly conducting technical and soft-skills training sessions for our employees.

#### Impact Numbers

**1,414**

employees were trained.

## SOCIAL PERFORMANCE

### HEALTH

According to the Ministry of Planning Development and Reforms, 29.5% of Pakistan's population falls below the national poverty line. In order to ensure the sustainable well-being of society there is a dire need for the provision of quality healthcare facilities, which can contribute positively towards the country's prosperity. In view thereof, TPL Corp has prioritized healthcare in its CSR initiatives.

## Impact Numbers

# 71,294

patients were provided with healthcare facilities.

## Digital Reach

TPL Corp was able to reach out to 20,296 individuals in Pakistan through electronic mediums and encourage a healthy way of living. #Safeliving #TPLCares



## Fut'school League

A healthy lifestyle improves productivity at work. Keeping this in mind, a futsal carnival for children was organized by the company to raise awareness on healthy activities and a well-balanced, active lifestyle.

## Pakistan Blind Sports Federation

Pakistan Blind Cricket Council (PBCC) is a foundation for visually impaired cricketers in Pakistan. It controls and manages all the tours and matches undertaken by the cricket team. It was founded by Agha Shoukat Ali in 1996 for the development of cricket for visually impaired individuals.

## What we did?

TPL Corp organized an event, "Cricmania" for the Federation with TPL's Cricket team in order to promote inclusion and give them due recognition as part of our society.





## Blood Donation by TPL Employees

TPL Corp conducted an in house blood donation drive for various institutions, where 80 employees donated their blood. With an ageing population, more advanced life-saving medical procedures and new hospitals being established, more blood will be required ever year. According to WHO, each unit of donated blood can save up to three lives.

### Impact Numbers:

**240**

People benefitted from the blood donation drive at TPL Corp.

## Patients' Aid Foundation

Patients' Aid Foundation (PAF) is a non-profit organization committed to providing free treatment to the thousands of patients walking in to Jinnah Hospital Karachi looking for quality healthcare.

### What we did

Patients' Aid Foundation was provided with PKR 7.5 million as a donation for the treatment of 75 patients. Moreover, TPL Corp contributed to the build of a new surgical complex with improved facilities, including 18 operation theatres, which will lead to the increase in the number of surgeries per year by 40,000.

## Aga Khan Hospital & Medical College Foundation

The Aga Khan Hospital & Medical College Foundation was established for setting up, maintaining, administering and running teaching hospitals as well as other health care facilities, medical colleges and various institutions of learning and research as specifically contained in its Memorandum of Association.

### What we did

TPL Corp donated PKR 1 Million which funded the treatment of 20 patients.

## Bait-ul-Sukoon

Bait-ul-Sukoon is the only free cancer hospital with a hospice in Pakistan. The Foundation provides complete Cancer treatment, including boarding and lodging with costs being borne by the institution.

### What we did

TPL Corp donated PKR 200,000 to the hospital.

## Patients Behbud Society for AKUH

Patients Behbud Society for AKUH is an independent, charitable society responsible for collecting and disbursing zakat to deserving patients who visit the Aga Khan University Hospital and its secondary hospitals.

### What we did

TPL Corp donated PKR 5 million to PBS for AKUH to ensure that the Zakat money reached deserving people. The average cost of one patient at AKUH is PKR 180,000. We took responsibility of the treatment of 3 patients with cases so severe that they were turned down by other hospitals due to the complexity of the case or the unavailability of funds.

## Indus Hospital

Indus hospital focuses on providing free of charge healthcare facilities accessible to everyone. It has served over 900,000 underprivileged citizens of Pakistan. Indus Hospital is the only initiative of its kind, in the country to provide premium health-care in an impressive, state-of-the art health center completely free of charge.

### What we did

TPL Corp provided PKR 2.5 million financial assistance to Indus Hospital that saved the lives of a large number of patients. The patients were predominantly from the rural and urban strata with virtually no access to medical facilities.

## Lady Dufferin Hospital

Lady Dufferin Hospital is the largest women's hospital in Pakistan with one of the largest maternity facilities providing specialized care for women and infants.

### What we did

TPL Corp will be contributing PKR 2 Million to Lady Dufferin Hospital for the development of infrastructural facilities.

## Sindh Institute of Urology and Transplantation (SIUT)

SIUT provides free medical treatment for problems relating to the kidney, liver, and various cancers. It is also a renowned center in Pakistan for ethical kidney transplantation. SIUT's extensive facilities house state-of-the-art equipment, which enables them to provide free treatment to those in need.

### What we did

TPL Corp donated PKR 2.5 million as financial assistance for the procurement of a dialysis machine and the treatment.

## Child Life Foundation

ChildLife Foundation is a non-profit organization that provides essential quality medical care to children at an imminent risk of life. The foundation treats more than a million children every year through its emergency rooms, primary care clinics and preventive care programme.

### What we did

TPL Corp contributed PKR 400,000 to the foundation to help save the lives of children at risk.



### Success Story in Health

Tahira

Tahira had a comfortable life in her hometown of Sujawal until one day when her niece had a major breathing problem and stopped feeding. With limited healthcare facilities in Sujawal, her sister lost all hope of saving her child. The resilient Tahira travelled all the way to Karachi and was rushed to NICH Emergency Room, an initiative of Child life Foundation. Within two days, Tahira's niece recovered. With the funding of TPL Corp, 571 patients like Tahira's niece are able to get free treatment.

## SOCIAL PERFORMANCE

### EDUCATION

As many as 44% children between the ages of 5 and 16 in Pakistan are still out of school (Ministry of Federal Education & Professional Training – Government of Pakistan, 2017). Education is vital to transform the life of a child but for many this is a distant dream. With a focus in the field of education, TPL Corp has generously supported and promoted various educational organizations.

### Impact Numbers

# 166

students were impacted in the field education.

## Hunar Foundation

Hunar Foundation's key objective is to provide school graduates and other young adults with international standard vocational training that meets the expectations of the market, leading to employment or small business creations.

### What we did

PKR 250,000 was donated as financial assistance to three underprivileged students to get training in the areas of Electrical & Electronics Technology and Mechanical Manufacturing.

## Kashmir Education Foundation

KEF's mission is to groom and educate underprivileged students. They encourage students with inquisitive minds that have the zest for knowledge and possess self-confidence to attain academic excellence and uphold universal human values.

### What we did

TPL Corp is taking its vision forward to create a difference in society by acting upon its CSR objective plans to hold engagement sessions to reflect empathy for the lesser privileged of society. Furthermore, we took the responsibility of providing education to students at the institute.

## Impact Numbers:

# 30

underprivileged students' academics responsibility taken by TPL Corp.



## Mentorship Sessions

Ms. Anika Effendi Group Head - External Relations and CSR at TPL Corp is taking the company's mission forward by holding mentorship sessions at various educational institutes to share her vast experience in the corporate world. Students have been enlightened with the sessions which taught them about the organizational culture, work ethics and management of workload pressure.

## Venice Biennale

The Venice Biennale is one of the most prestigious cultural institutions in the world. Ever since its founding in 1895, it has been the avant-garde promoter of new artistic trends and organizer of international events in contemporary arts in accordance with a multi-disciplinary model, which characterizes its unique nature.

### What we did

TPL Corp sponsored the Venice Biennale to support art and architecture by contributing an amount of PKR 300,000

## Street School

Street Schools are the initiatives that provide basic education to children in need. The Street School was the first of its kind in Pakistan, which educated children found begging on streets.

### What we did

TPL Corp organized a zoo visit as an educational activity for the students of the Street Schools. This activity was initiated to spread smiles across the faces of 25 students enrolled there.

## Institute of Architects, Pakistan

Institute of Architects, Pakistan is a voluntary body of architects in the country. It was established in 1957 by a small group of architects who had been trained in the west either working for the government or were in practice. IAP was formally registered in 1968 under the Societies Act, and subsequently registered in 1968 under the Companies Ordinance, with the Securities and Exchange Commission of Pakistan (SECP)

### What we did

TPL Corp sponsored a seminar, which was organized by IAP for the Preservation of Karachi's Heritage. Numerous journalists attended the seminar from the print and electronic media. At the seminar TPL Corp announced the "Jameel Yusuf Heritage Award" of PKR 100,000 to motivate the youth and recognize the efforts of young architects in Pakistan. The award will be presented annually to young architects with outstanding contributions to the field of heritage.

## PAF KIET

Pakistan Air Force - Karachi Institute of Economics & Technology (PAF-KIET) is an established degree-awarding institute in the private sector, recognized by the Higher Education Commission (HEC) Pakistan. It's a joint collaboration of Pakistan Air Force (PAF) and Pakistan Educational Foundation (PEF).

### What we did

TPL Corp held a mentorship session at PAF KIET that addressed the topic of "Corporate Ethics".

## Impact Numbers

This session benefitting 100 students was conducted by Anika Effendi, Group Head External Relations and CSR.

## Institute of Business Administration (IBA)

IBA is an autonomous degree-awarding institute based in Karachi. It has established itself as a premier business school with a track record of over fifty years of producing quality undergraduates and post-graduates in Business and Computer Sciences.

## Impact

TPL Corp has a long-term commitment to develop the infrastructure of the institute.

### What we did

To enhance the interpersonal skills of the students, an event hall was built which has been dedicated to the company in appreciation of the ongoing efforts for the institution.

## Habib University

Habib University is a liberal arts and sciences university that offers an interdisciplinary education, drawing from the fields of science, engineering, arts, humanities and the social sciences.

### What we did

PKR 2 Million was contributed to sponsor the education of two students studying in the undergraduate program.

## Fazilia Trust Pakistan

Fazilia Trust Pakistan comprises of a team of diversified development practitioners; all strongly adhered to the universal commitment of helping their nation achieve targets of the Millennium Development Goals. The trust management is governed by 11 Board of Trustees, who are selected by a general body, comprising of 200 members (with a gender sensitive distribution) from across Pakistan. Fazilia believes in the ability of individuals to help bring positive and sustainable change in theirs as well as in the lives of people around them. Fazilia believes in bringing about a positive and sustainable change in the lives of the underprivileged and downtrodden by providing basic facilities of health and education.

### What we did

We strongly believing in promoting education for all children regardless of their background and social class, thus sponsoring the education of 9 children who had proved to show a keen interest in and excel in their academics.

## Success Story in Education

### Iqran Rasheed:

Aiming to become a documentary filmmaker, Iqran Rasheed, studies at the Communication Studies & Design programme at Habib University. Coming from an underprivileged background and having studied at the TCF schools, Iqran never imagined attending Pakistan's first liberal arts and Science University. The scholarship allowed him to attend the first-class institution and helped him shape his future. Apart from keeping a remarkable academic standing of 3.5 CGPA he also got a chance to explore his hidden talents.



During his first year he founded the student club Kawish and served as its President. Kawish aims to help students from underprivileged areas with their education by teaching them Mathematics and English. Through his hard work and dedication, he made it to the Dean's list. He served as a student senator for CSD 2019 in student government for a year. Also being a member of Habib University's Choir, he got a chance to learn music from Rajab Ali Khan and polish his skills as a singer.

Moreover, he received an award for the best short story in Arzu Anthology and performed his piece at the Karachi Literature Festival 2018. This was his first ever short story and published piece of work, which would not have been possible without the help of his teachers at Habib University and the support received from TPL Corp.

### Mehreen Khan:

Mehreen Khan, a Social Development and Policy student of the class of 2019 is a determined and ambitious student. She has worked her way towards a higher education and is grateful for the support she received along the way. Having been educated on a scholarship at a TCF school in Baldia Town, she feels responsible to make a change for the future generations.



As a result of the scholarship provided by TPL Corp at Habib University, Mehreen has been able to pursue her dream to receive a higher education. In her words, "Habib University is a diverse place with students representing all social classes and educational backgrounds from across the country. With this diversity, HU has built a strong community and together with the unique academic programme of the Liberal Core, I feel I am learning more than I dreamed of. By studying in the SDP program I have learnt to understand myself and respect the society and cultures around me. Through my higher education, I have been able to intern with The Tribune and have had 2 stories published. In future, I wish to join the UN so that I can connect my experiences with local development needs, especially for girls' education."

### Noman Saleem:

When Noman was asked, what he aims to be in the future he uttered, "a man who helps orphans gain an education". Nine years old, Noman, was abandoned by his father, who was a drug addict. With the funds from TPL Corp to Fazilia Trust, he is not only attaining formal education, but also a shelter to live a secure life. He achieved an overall grade of 75% in his last semester and aims to graduate first in his class in his final semester.





# Stakeholder's Information



# HORIZONTAL ANALYSIS BALANCE SHEET

	2018		2017		2016		2015		2014		2013	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Fixed Assets	2,214,071,587	23%	1,799,520,629	38%	1,305,464,831	-1%	1,321,226,709	96%	675,354,820	35%	469,088,930	9%
Intangible Assets	2,627,633,102	50%	1,749,481,140	15%	1,520,261,040	5%	1,451,210,613	-18%	1,772,436,945	-1%	1,782,735,967	0%
Investment Property	5,322,678,273	22%	4,348,453,273	6%	4,090,415,737	6%	3,646,097,684	100%	-	0%	-	0%
Development property	1,090,147,420	-100%	888,738,740	100%	-	-	-	0%	-	0%	-	0%
Long term investments	436,577	-47%	536,285,330	6%	506,417,217	4%	487,176,150	-51%	77315902	6%	726,938,700	2%
Long term loans	69,917,932	54%	45,518,147	26%	36,207,905	18%	30,714,384	20%	125,945,250	1052%	1,238,244	-56%
Long term deposits	113,639,634	36%	83,451,967	17%	71,458,824	2%	70,288,697	100%	25,585,297	46%	17,541,876	13%
Deferred tax	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Interest Accrued	-	0%	-	0%	-	0%	-	-100%	12,448,394	6%	11,710,151	2%
Due from related parties	326,691,767	-9%	357,216,927	21%	294,125,367	16%	253,413,777	-7%	8,961,944	133%	3,850,142	226%
Stock-in-trade	1,412,187,469	10%	1,280,566,976	18%	1,096,022,757	24%	873,159,703	32%	663,276,164	74%	135,846,316	105%
Trade debts	1,387,681,407	342%	3,412,041,5	117%	144,572,243	-7%	155,081,166	6677%	2,288,362	6%	2,159,872	3%
Short-term investments	147,837,318	410%	28,989,687	-12%	33,126,089	-53%	70,421,589	244%	20,446,102	-81%	107,687,584	-7%
Loan and advances	352,558,825	142%	145,391,626	260%	40,430,992	-44%	72,083,588	9%	66,112,179	8%	61,248,493	279%
Trade deposits and prepayments	23,913,319	212%	7,658,694	-2%	7,822,178	-84%	47,775,309	6%	44,949,403	6%	42,404,646	29%
Accrued mark-up	684,474,624	3419%	19,448,687	138%	8,183,393	50%	5,455,132	-82%	30,153,393	14%	26,375,355	-26%
Other receivables	11,706,548	28%	9,132,004	-67%	27,895,462	-4%	28,747,657	55%	18,534,057	-24%	24,527,597	-77%
Due from related parties	-	-100%	-	100%	-	0%	-	-100%	125,639,679	117%	57,886,915	2%
Premium due but unpaid	124,090,599	-11%	181,497,171	65%	110,111,218	64%	67,322,910	100%	84,337,023	114%	39,396,454	7%
Deferred commission expense	161,761,130	94%	490,104,431	-47%	92,774,474	255%	261,706,141	130%	113,611,956	110%	6,376,877	100%
Taxation- net	952,449,788	94%	-	-	-	-	-	-	-	-	-	-
Cash and bank balances	17,023,877,519	-	12,347,706,953	-	10,210,520,193	-	9,042,455,053	-	4,801,132,591	-	4,092,509,401	-
<b>TOTAL ASSETS</b>												
Issued, subscribed and paid-up capital	2,372,977,630	9%	2,172,489,630	0%	2,172,489,630	0%	2,172,489,630	0%	2,172,489,630	0%	2,172,489,630	16%
Capital Reserve	60,855,762	100%	548,003,156	3%	533,816,997	-4%	90,176,240	147%	364,746,329	46%	249,664,399	33%
Revenue Reserve	565,180,315	0%	228,790,596	100%	2,525,420,572	213%	806,560,205	337%	184,733,974	11%	166,845,875	10%
Surplus on revoluton of Fixed Assets	288,061,094	6%	3,978,088,025	58%	50,653,413	-58%	121,666,672	100%	-	-100%	16,666,668	-67%
Non-Controlling Interest	4,220,902,795	30%	290,277,330	473%	2,746,866,808	15%	2,390,324,831	751%	279,829,529	100%	-	0%
Long term loan	308,133,420	30%	2,523,542,514	-8%	10,738,080	-33%	16,137,601	-16%	19,237,082	-40%	32,003,184	56%
Long term financing	3,287,127,280	-47%	11,729,338	-100%	32,338,178	-92%	383,451,093	100%	140,519,886	103%	69,140,415	15%
Deferred liabilities	6,206,490	0%	-	0%	-	0%	-	-100%	550,055,724	43%	384,104,147	12%
Due to related Parties	-	0%	-	0%	-	0%	-	-100%	-	0%	-	0%
Provision for outstanding claims	-	0%	-	0%	-	0%	-	-100%	-	0%	-	0%
Provision for unearned premium	-	0%	-	0%	-	0%	-	-100%	-	0%	-	0%
Accrued mark-up	-	-100%	4,326,432	-23%	5,612,555	-96%	135,219,102	100%	-	0%	-	0%
Liabilities against assets subject to finance lease	504,016	-95%	10,975,935	-64%	30,217,506	-51%	61,959,628	251%	17,652,009	318%	4,223,100	-27%
Trade and other payables	419,181,204	89%	793,165,563	26%	620,806,027	-28%	859,374,125	90%	451,579,115	27%	354,863,990	28%
Accrued mark-up	1,431,299,859	25%	105,627,379	-41%	178,348,148	19%	150,489,126	508%	24,738,934	3%	23,953,034	9%
Running finance under mark-up arrangements	999,871,844	7%	876,719,637	108%	420,965,430	52%	276,890,459	-33%	412,519,367	-13%	471,537,574	31%
Short-term financing	419,181,204	574%	62,238,722	-73%	234,199,476	208%	75,920,456	100%	-	-100%	35,000,000	-19%
Due to related parties	504,988,182	474%	87,949,756	-4%	91,453,670	-63%	245,196,504	100%	-	0%	-	0%
Liabilities against insurance contracts	453,328,693	100%	-	0%	-	0%	-	0%	0%	0%	-	-100%
Underwriting provisions	824,732,632	100%	-	0%	-	0%	-	0%	0%	0%	-	0%
Unclaimed dividend	1,747,962	62%	1,078,801	100%	-	0%	-	0%	-	0%	-	0%
Unpaid dividend	3,000,000	0%	3,000,000	100%	-	0%	-	0%	-	0%	-	0%
Taxation - net	-	0%	-	0%	-	0%	-	-100%	-	0%	-	-100%
Current portion of non-current liabilities	1,226,350,997	149%	492,142,691	9%	451,312,032	17%	384,527,132	193%	131,157,303	112%	61,778,654	12%
Advance monitoring fees	37,824,105	-77%	167,561,448	59%	105,281,670	48%	71,072,249	139%	29,691,180	-4%	50,238,731	-66%
<b>TOTAL EQUITY AND LIABILITIES</b>												
	17,023,877,519		12,347,706,953		10,210,520,193		9,042,455,053		4,801,132,591		4,092,509,401	

# HORIZONTAL ANALYSIS PROFIT AND LOSS ACCOUNT

	2018		2017		2016		2015		2014		2013	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Turnover - net	3,471,416,104	60%	2,168,433,363	6%	2,037,361,029	-6%	2,178,542,463	5%	2,084,621,786	28%	1,625,548,583	21%
Cost of sales	(1,960,688,714)	68%	(1,168,704,303)	26%	(929,332,914)	-29%	(1,301,779,283)	6%	(1,233,826,819)	28%	(960,211,173)	28%
<b>Gross profit</b>	<b>1,510,727,390</b>	<b>51%</b>	<b>999,729,060</b>	<b>-10%</b>	<b>1,108,028,115</b>	<b>26%</b>	<b>876,763,180</b>	<b>3%</b>	<b>850,794,967</b>	<b>28%</b>	<b>665,337,410</b>	<b>12%</b>
Distribution expenses	(282,607,965)	32%	(214,246,828)	-4%	(222,153,244)	-2%	(226,821,445)	-6%	(240,048,857)	41%	(170,712,754)	65%
Administrative expenses	(1,009,139,957)	101%	(501,505,198)	27%	(393,626,600)	-12%	(448,491,211)	1%	(443,340,079)	16%	(381,167,295)	17%
Other operating expenses	(97,311,519)	7057%	(1,359,659)	-98%	(69,974,083)	-12%	(79,266,319)	1638%	(4,561,401)	28%	(3,570,866)	-52%
<b>Operating profit</b>	<b>121,667,949</b>	<b>-57%</b>	<b>282,617,375</b>	<b>-33%</b>	<b>422,274,188</b>	<b>246%</b>	<b>122,184,205</b>	<b>-25%</b>	<b>162,444,630</b>	<b>48%</b>	<b>109,886,495</b>	<b>-31%</b>
Finance costs	(507,568,032)	52%	(334,819,965)	-9%	(369,731,356)	18%	(312,566,150)	278%	(82,788,331)	6%	(78,436,944)	-16%
Other Income	1141,482,096	228%	348,374,235	43%	235,642,452	-65%	679,838,853	807%	74,922,124	13%	66,256,463	-24%
Share of profit from investment in associates - net	(3,147,234)	-178%	16,962,358	100%	8,732,144	-118%	(48,591,465)	-119%	46,104,498	100%	20,267,633	0%
<b>Profit before taxation</b>	<b>742,434,780</b>	<b>137%</b>	<b>313,134,004</b>	<b>5%</b>	<b>296,917,428</b>	<b>-33%</b>	<b>440,865,443</b>	<b>6%</b>	<b>201,082,921</b>	<b>70%</b>	<b>117,973,647</b>	<b>-23%</b>
Taxation	(72,229,151)	61%	(44,853,506)	-31%	(65,288,456)	-689%	11,084,839	-116%	(68,242,383)	110%	(32,543,734)	-51%
<b>Profit / (Loss) after taxation</b>	<b>670,205,629</b>	<b>150%</b>	<b>268,280,498</b>	<b>16%</b>	<b>231,628,972</b>	<b>-49%</b>	<b>451,950,282</b>	<b>30%</b>	<b>132,840,538</b>	<b>55%</b>	<b>85,429,913</b>	<b>-1%</b>
Other comprehensive income	(12,325,742)	0%	-	0%	-	-100%	449,706	247%	129,491	119%	59,249	-102%
<b>Total comprehensive income</b>	<b>657,879,886</b>	<b>32%</b>	<b>268,280,498</b>	<b>16%</b>	<b>231,628,972</b>	<b>-49%</b>	<b>452,399,988</b>	<b>30%</b>	<b>132,970,029</b>	<b>56%</b>	<b>85,489,162</b>	<b>3%</b>

# VERTICAL ANALYSIS OF BALANCE SHEET

	2018	2017	2016	2015	2014	2013
Fixed Assets	13.01%	14.57%	12.79%	14.61%	14.07%	12.20%
Intangible Assets	15.43%	14.17%	14.89%	16.05%	36.92%	43.56%
Investment Property	31.27%	35.22%	40.06%	42.53%	0.00%	0.00%
Development property	6.40%	7.20%	0.00%	0.00%	0.00%	0.00%
Long-term investments	0.00%	4.34%	4.96%	5.39%	16.10%	17.76%
Long term loans	0.00%	0.01%	0.00%	0.01%	2.64%	0.03%
Long term deposits	0.41%	0.37%	0.35%	0.34%	0.53%	0.43%
Deferred tax	0.67%	0.68%	0.70%	0.78%	0.00%	0.00%
Intrest Accrud	0.00%	0.00%	0.00%	0.00%	0.26%	0.29%
Due from related parties	0.00%	0.00%	0.00%	0.00%	0.19%	0.09%
Stock-in-trade	1.92%	2.89%	2.88%	2.80%	4.93%	3.32%
Trade debts	8.30%	10.16%	10.64%	9.66%	13.81%	12.01%
Short-term investments	8.15%	2.54%	1.42%	1.72%	0.05%	0.05%
Loan and advances	0.87%	0.23%	0.32%	0.78%	0.43%	2.63%
Trade deposits and prepayments	2.07%	1.18%	0.40%	0.80%	1.38%	1.50%
Accrued mark-up	0.14%	0.06%	0.08%	0.53%	0.94%	1.04%
Other receivables	4.02%	0.37%	0.08%	0.06%	0.63%	0.64%
Due from related parties	0.07%	0.07%	0.27%	0.32%	0.39%	0.60%
Premium due but unpaid	0.00%	0.50%	0.00%	0.00%	2.62%	1.41%
Amount due from other insurer/reinsurer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Reinsurance recoveries against outstanding claims	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred commission expense	0.73%	0.00%	0.00%	0.00%	1.76%	0.96%
Taxation- net	0.95%	1.47%	1.08%	0.74%	0.00%	0.16%
Cash and bank balances	5.59%	3.97%	9.09%	2.89%	2.37%	1.32%
<b>Total Assets</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Issued, subscribed and paid-up capital	13.9%	17.6%	21.3%	24.0%	45.2%	53.1%
Capital Reserve	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue Reserve - unappropriated profit	3.3%	4.4%	5.2%	10.0%	7.6%	6.1%
Non-Controlling Intrest	24.8%	32.2%	24.7%	8.9%	3.8%	4.1%
Surplus on revaluation of Fixed Assets	1.3%	1.9%	0.0%	0.0%	0.0%	0.0%
Long term loan	1.8%	2.4%	0.5%	1.3%	0.0%	0.4%
Long term financing	19.3%	20.4%	26.9%	26.3%	5.8%	0.0%
Deferred liabilities	0.0%	0.1%	0.1%	0.2%	0.4%	0.8%
Due to related Parties	0.0%	0.0%	0.3%	4.2%	0.0%	0.0%
Provision for outstanding claims	0.0%	0.0%	0.0%	0.0%	2.9%	1.7%
Provision for unearned premium	0.0%	0.0%	0.0%	0.0%	11.5%	9.4%
Accrued mark-up	0.0%	0.0%	0.1%	1.5%	0.0%	0.0%
Liabilities against assets subject to finance lease	0.0%	0.1%	0.3%	0.7%	0.4%	0.1%
Trade and other payables	8.4%	6.1%	6.1%	9.5%	9.4%	8.7%
Accrued mark-up	0.8%	0.9%	1.7%	1.7%	0.5%	0.6%
Running finance under mark-up arrangements	5.5%	7.1%	4.1%	3.1%	8.6%	11.5%
Short-term financing	2.5%	0.5%	2.3%	0.8%	0.0%	0.9%
Due to related parties	3.0%	0.7%	0.9%	2.7%	0.0%	0.0%
Liabilities against insurance contracts	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Underwriting provisions	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Unclaimed dividend	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unpaid dividend	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taxation - net	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%
Current portion of non-current liabilities	7.2%	4.0%	4.4%	4.3%	2.7%	1.5%
Advance monitoring fees	0.2%	1.4%	1.0%	0.8%	0.6%	1.2%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## VERTICAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

	2018	2017	2016	2015	2014	2013
Turnover - net	100%	100%	100%	100%	100%	100%
Cost of sales	-56%	-54%	-46%	-60%	-59%	-59%
<b>Gross profit</b>	<b>44%</b>	46%	54%	40%	41%	41%
Distribution expenses	-8%	-10%	-11%	-10%	-12%	-11%
Administrative expenses	-29%	-23%	-19%	-21%	-21%	-23%
Other operating expenses	-3%	0%	-3%	-4%	0%	0%
<b>Operating profit</b>	<b>4%</b>	13%	21%	6%	8%	7%
Finance costs	-15%	-15%	-18%	-14%	-4%	-5%
Other Income	33%	16%	12%	31%	4%	4%
Share of profit from investment in associates - net	0%	1%	0%	-2%	2%	1%
Exchange loss - net	0%	0%	0%	0%	0%	0%
<b>Profit before taxation</b>	<b>21%</b>	14%	15%	20%	10%	7%
Taxation	-2%	-2%	-3%	1%	-3%	-2%
<b>Profit after taxation</b>	<b>19%</b>	12%	11%	21%	6%	5%

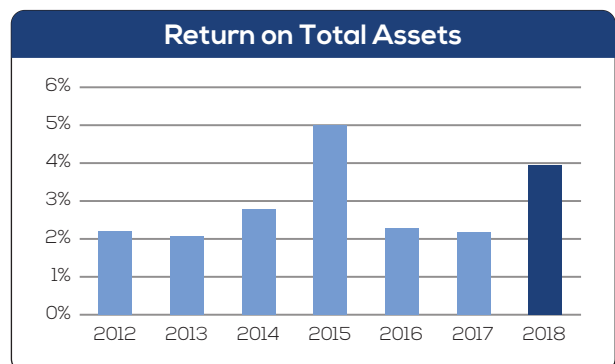
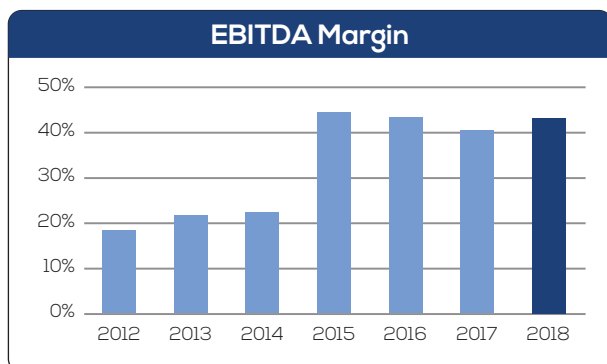
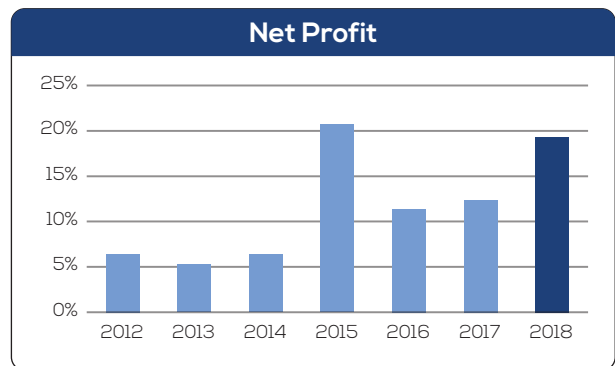
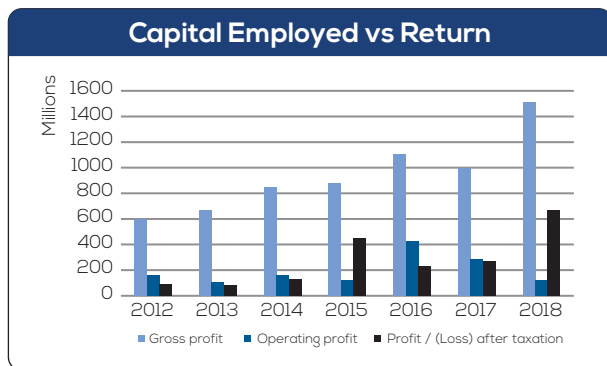
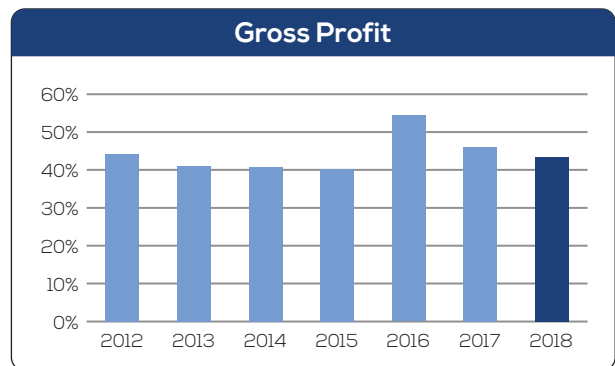
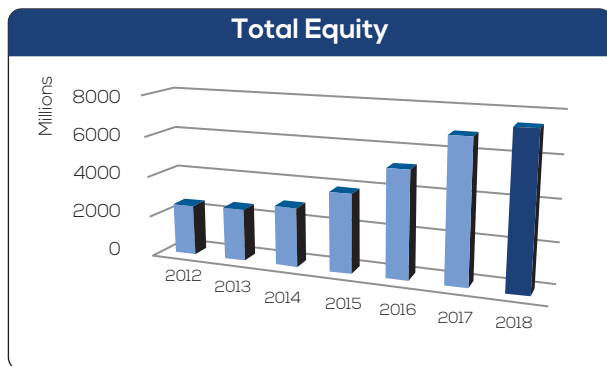
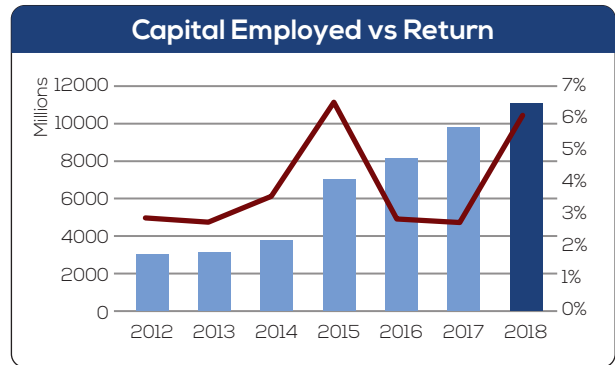
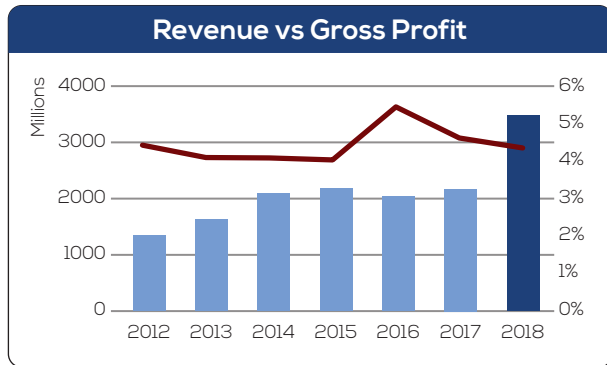
# CASH FLOW ANALYSIS

	2018	2017	2016	2015	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net profit before taxation	742,434,779	313,134,004	296,917,428	440,865,443	201,082,921	117,973,647
<b>Adjustment for non cash charges and other items:</b>						
Depreciation	197,437,309	173,540,920	159,005,045	169,123,738	138,507,531	119,023,669
Bad debts written off	-	-	-	15,643,056	5,395,423	-
Amortisation of intangible assets	52,391,122	54,076,217	57,667,501	43,829,792	43,295,742	34,343,060
Stock written off	-	-	-	-	-	8,667,569
Finance cost	507,568,032	334,819,965	369,731,356	312,566,150	82,788,331	78,436,944
Gain on sale of property and equipment	(16,454,245)	(3,691,013)	(2,055,305)	6,458,137	(5,209,062)	(8,497,787)
Valuation gain on Investment Property	(944,646,887)	(202,928,224)	(209,459,641)	(241,709,520)	-	-
Exchange loss / (gain) - net	17,280,153	588,438	-	70,703,190	(22,909,091)	(2,454,708)
Share of profit from investment in associates - net	13,147,234	(29,868,123)	(8,732,144)	48,591,465	(46,104,498)	(20,267,633)
Provision for bad debts	14,979,058	19,252,497	22,241,419	26,009,833	26,165,256	22,125,230
Loss on acquisition of TPL Insurance Limited	79,494,134	-	-	-	-	-
Reversal of provision for gratuity	(3,078,404)	-	-	-	-	-
Assets written off	-	-	-	-	-	40,700
Gain on Bargain Purchase	-	(86,282,392)	-	(9,552,414)	-	-
Gain on disposal of subsidiary	-	-	-	(321,024,922)	-	-
Deferred income	(2,444,444)	4,378,914	(5,399,521)	(2,699,267)	(7,632,110)	(14,326,682)
	(84,326,938)	263,887,199	382,998,710	117,939,238	214,297,522	217,090,362
<b>Operating profit before working capital changes (Increase) / decrease in current assets</b>	658,107,841	577,021,203	679,916,138	558,804,681	415,380,443	335,064,009
Stock-in-trade	30,525,160	(63,091,560)	(40,711,590)	(25,513,002)	(101,069,405)	(69,589,237)
Trade debts	(146,579,551)	(187,260,924)	(235,104,473)	(240,670,841)	(180,541,423)	(48,018,375)
Deferred commission expense	(18,513,632)	-	-	-	(44,940,569)	(2,620,091)
Loans and advances	146,500,801	4,136,302	37,295,500	(21,980,554)	87,241,482	8,702,272
Trade deposits and prepayments	(13,925,741)	(104,960,634)	31,652,596	(29,862,965)	(4,863,686)	(45,102,705)
Other receivables	(125,598,960)	(37,820,996)	(2,728,267)	(1,500,872)	(3,740,037)	20,375,205
Accrued markup	(15,591,611)	163,484	39,953,131	(47,320,169)	(3,283,001)	(11,724,213)
Short Term Investments	-	12,905,770	-	-	-	-
Premium due but unpaid	61,284,560	(61,284,560)	-	-	(67,752,204)	(1,095,793)
Due from related parties	(2,574,544)	18,563,457	1,052,195	(10,213,600)	881,788	78,874,389
	(84,473,518)	(418,649,661)	(168,590,908)	(377,062,003)	(318,067,055)	(70,198,548)
<b>Increase / (decrease) in current liabilities</b>						
Trade and other payables	407,273,023	166,438,338	(238,208,182)	271,547,299	99,626,466	62,404,547
Due to a related party	417,038,426	(35,842,092)	(504,855,749)	(60,859,269)	165,951,577	39,812,550
Liabilities against insurance contracts	181,409,223	-	-	-	-	-
Underwriting provisions	(24,612,215)	-	-	-	-	-
Claims Paid	-	-	-	-	71,379,471	9,032,702
Advance monitoring fees	(129,737,343)	62,279,778	34,209,421	(4,396,950)	(20,547,551)	(99,212,485)
Cash generated from operations	1,425,005,437	351,247,566	(197,529,280)	388,033,758	413,723,351	276,902,775
Receipts / (payments) for :						
Finance cost	(485,918,773)	(408,826,857)	(471,478,881)	(285,263,196)	(82,001,271)	(76,365,882)
Income taxes	(91,407,145)	(141,410,609)	(109,246,890)	(82,362,651)	(50,221,138)	(46,527,385)
	(577,325,918)	(550,237,466)	(580,725,771)	(367,625,847)	(132,222,409)	(122,893,267)
<b>Net cash generated from operating activities</b>	847,679,519	(198,989,900)	(778,255,050)	20,407,911	281,500,942	154,009,508
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of - property and equipment	(318,283,111)	(409,261,102)	(87,211,500)	(99,116,737)	(141,350,346)	(100,331,607)
- capital work-in-progress	(261,014,678)	(23,271,293)	(66,921,983)	(72,914,888)	(182,238,024)	(54,670,307)
- intangible	(29,765,776)	(29,027,283)	(65,886,889)	(90,963,729)	(28,214,805)	(32,565,835)
- intangible assets under development	(231,496,244)	(253,695,713)	(60,831,039)	-	-	-
- investment property	(32,951,900)	-	(34,858,412)	(8,769,320)	-	-
- development property	(201,408,680)	-	-	-	-	-
Sale proceed from fixed assets	58,880,164	0	12,585,711	22,346,623	54,034,209	14,027,065
Long-term deposits	(15,377,273)	(9,310,242)	11,360,479	(44,464,950)	(8,043,421)	(1,983,446)
Long-term loans	389,961	(396,072)	143,378	(308,145)	(125,707,006)	1,605,862
Investments - mutual funds and listed equities	-	(182,453,942)	-	(78,157,300)	-	-
Long-term Investments	-	29,868,113	-	-	-	-
Dividend received	-	-	-	-	-	9,470,009
Proceed from disposal of investment	(1,225,935,477)	-	-	455,400,000	-	-
<b>Net cash (used in) / generated from investing activities</b>	(2,256,963,014)	(877,547,534)	(291,620,255)	83,051,554	(431,519,393)	(164,448,259)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Obligation under finance lease repaid	(18,428,140)	(45,762,473)	(58,706,448)	(52,835,512)	(30,620,580)	(23,755,448)
Proceeds from share issue by TPL Properties Limited - net	-	300,000,004	1,119,872,151	-	-	-
Dividend paid	(53,643,080)	-	-	-	-	-
Long-term loans - net	127,165,543	320,920,256	(81,013,260)	188,000,000	(33,333,334)	(33,333,332)
Share Issue cost paid	-	-	-	-	-	(7,482,158)
Long term Financing - net	1,396,439,840	(220,083,852)	470,291,205	(47,675,318)	367,433,085	-
Short-term financing	356,942,482	(171,960,752)	158,279,020	75,920,456	(35,000,000)	(8,000,000)
<b>Net cash generated (used in) / from financing activities</b>	1,808,476,645	183,113,183	1,608,722,668	163,409,626	268,479,171	(72,570,938)
<b>Net (decrease) / increase in cash and cash equivalents</b>	399,193,150	(893,424,250)	538,847,362	266,869,093	118,460,720	(83,009,690)
<b>Cash and cash equivalents at the beginning of the year</b>	(386,615,206)	506,809,044	(32,038,318)	(298,907,411)	(417,368,131)	(334,358,441)
<b>Cash and cash equivalents at the end of the year</b>	12,577,944	(386,615,206)	506,809,044	(32,038,318)	(298,907,411)	(417,368,131)

# RATIO ANALYSIS

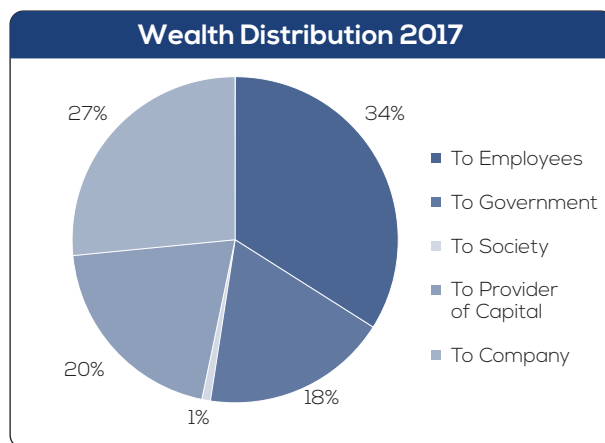
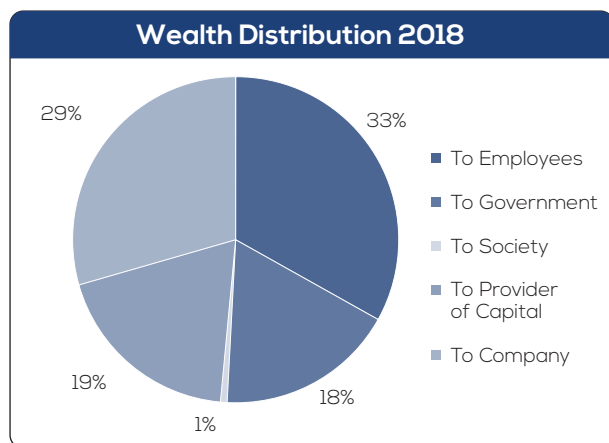
		2018	2017	2016	2015	2014	2013
<b><u>Profitability Ratios</u></b>							
Gross Profit to Sales	percent	44%	46%	54%	40%	41%	41%
Net Profit to Sales	percent	19%	12%	11%	21%	6%	5%
EBITDA Margin to sales	percent	43%	40%	43%	44%	22%	22%
Return on Equity	percent	9%	4%	4%	12%	5%	3%
Return on Capital Employed	percent	6%	3%	3%	6%	4%	3%
<b><u>Liquidity Ratios</u></b>							
Current Ratio	Ratio	0.93	1.12	1.27	0.89	1.31	1.05
Quick / Acid test ratio	Ratio	0.88	0.98	1.13	0.77	1.09	0.92
Cash to Current Liabilities	Ratio	0.16	0.19	0.44	0.13	0.11	0.05
Cashflow from Operations to sales	Ratio	0.24	-0.10	-0.38	0.01	0.14	0.09
<b><u>Activity/ Turnover Ratios</u></b>							
Inventory turnover	Number of times	6	4	3	5	7	10
No of days in inventory (Days)	Number of days	64	102	108	69	55	38
Debtor turnover	Number of times	3	2	2	3	4	3
No of days in Receivables (Days)	Number of days	142	197	175	129	101	105
Credit turnover	Number of times	2	2	1	2	3	3
No of days in Payables	Number of days	206	219	291	184	119	120
Operating cycle	Number of days	-2	79	-8	14	37	23
Total asset turnover	percent	20%	18%	20%	24%	43%	40%
Fixed assets turnover	percent	157%	121%	156%	165%	309%	326%
<b><u>Investment Valuation Ratios</u></b>							
Earning per Share	Ratio	0.07	0.09	0.29	1.54	1.52	0.32
<b><u>Capital structure Ratios</u></b>							
Financial leverage Ratio	Ratio	0.92	0.64	0.80	0.95	0.32	0.24
Debt Equity Ratio	Ratio	0.48	0.41	0.55	0.80	0.37	0.20
Interest cover Ratio	Ratio	2.46	1.94	1.80	2.41	3.43	2.50

# GRAPHICAL PRESENTATION OF KEY FINANCIAL RATIOS



# STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2018 Amount in Rs.	%	2017 Amount in Rs.	%
<b>WEALTH GENERATED</b>				
Total revenue inclusive of sales tax other income	<b>5,047,811,221</b>		2,813,971,462	
Cost of Sales and services	<b>(2,109,885,336)</b>		(1,050,311,448)	
	<b>2,937,925,885</b>	100%	1,763,660,014	100%
<b>WEALTH DISTRIBUTION</b>				
<b>To Employees</b>				
Salaries, benefits and other costs	<b>973,206,805</b>	33%	599,499,492	34%
<b>To Government</b>				
Income tax, sales tax, excise duty and others	<b>520,289,406</b>	18%	325,055,011	18%
<b>To Society</b>				
Donation towards education, health and environment	<b>19,624,091</b>	1%	15,063,000	1%
<b>To Provider of Capital</b>				
Dividend to shareholders	<b>54,312,241</b>	2%	25,574,673	1%
Markup / Interest expenses on borrowed funds	<b>504,771,525</b>	17%	330,027,621	19%
<b>To Company</b>				
Depreciation, amortization & retained profit	<b>865,721,817</b>	29%	468,440,217	27%
	<b>2,937,925,885</b>	100%	1,763,660,014	100%



# DIRECTORS' REPORT

On behalf of the Board of Directors of TPL Corp Limited, I am pleased to present the annual financial statements with the performance review of the Company for the year ended June 30th, 2018.

## 1. ECONOMIC OUTLOOK

According to the Economic Survey of Pakistan, GDP growth was 5.28% during FY 2017-18 and the country's GDP crossed the \$305 billion mark. The inflation rate in FY 2017-18 clocked in at around 4.1% and the interest rate was being maintained at 5.75% during the first three quarters but has shown an upward trend since March 2018 and increased to 6.5% in June 2018. The Pakistan Stock Exchange has shown a bearish trend during 2017-18 as compared to 2016-17. This decline was mainly because of uncertainty prevailing in the market due to depreciation in PKR vs USD and the general elections. However, subsequent to year end and after the general elections, PSX is showing a positive trend.

During FY 2017-18 sales of cars increased by 16.8%. This, combined with brighter prospects of CPEC and a successful political transition is expected to boost investors' confidence in the economy.

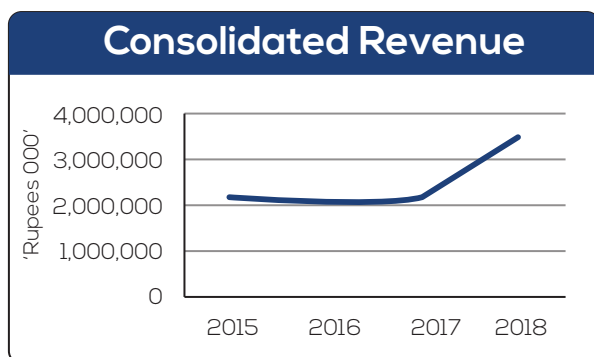
## 2. FINANCIAL HIGHLIGHTS

### Profitability and Growth – Consolidated

The group performed well during the period under review; consolidated revenue stood at Rs. 3,471 million (Rs. 5,007 million including Takaful business of TPL Insurance Limited), with a growth of 60.1% over the corresponding period of last year. Profit before tax was reported at Rs. 742 million as compared to Rs. 313 million in the corresponding period. The Group reported earnings per share of Rs. 0.07 as compared to Rs. 0.09 in the corresponding period.

During the period under review two milestones were achieved. One was the acquisition of 69.1% shares of TPL Insurance Limited from Greenoaks Global Holdings Limited. Our post-acquisition shareholding in TPL Insurance Limited stands at 93.51%. Secondly, the Group successfully completed the scheme of arrangement whereby TPL Trakker Limited has been renamed as TPL Corp Limited and now acts as the Group investment holding company. Furthermore, two new wholly owned subsidiaries of TPL Corp Limited have been formed, namely, TPL Trakker Limited & TPL Maps (Private) Limited. These subsidiaries include the vehicle tracking and maps businesses respectively.

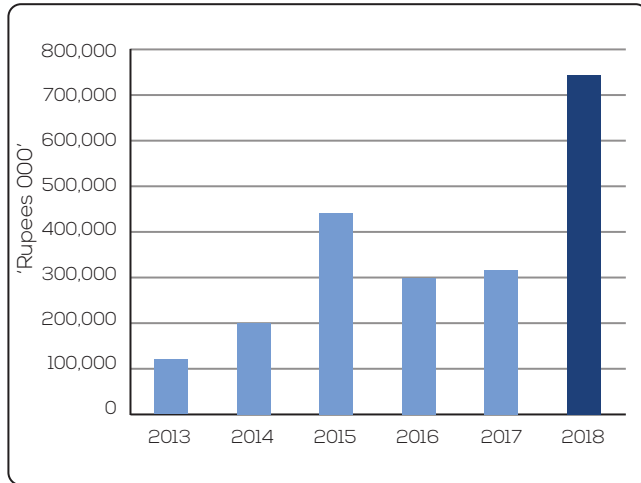
### Revenue



Year	Revenue	Growth
2015	2,178,542	21%
2016	2,037,361	-6%
2017	2,168,433	6%
<b>2018</b>	<b>3,471,416</b>	<b>60%</b>

Rupees in thousands

## Profit before Tax



Year	PBT	Growth
2013	117,974	40%
2014	201,083	70%
2015	440,865	119%
2016	296,917	-33%
2017	313,134	5%
<b>2018</b>	<b>742,435</b>	<b>137%</b>

Rupees in thousands

## 3. GROUP PERFORMANCE

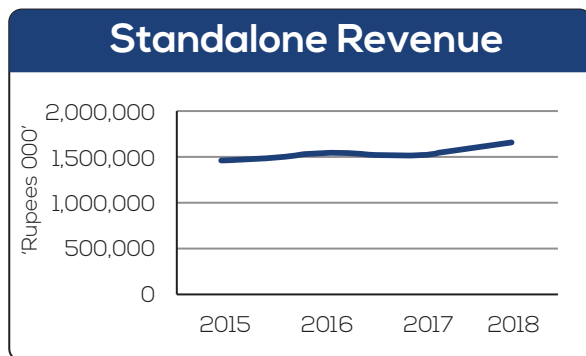
A brief review of different businesses is as follows;

### a. TPL Trakker Limited

The Tracking business achieved total revenues of Rs 1.660 billion demonstrating overall revenue growth of 10% over last year. We also experienced very strong growth of 55% in volumes for our container business mostly due to the EPZA project which commenced during the year. The increase in revenues of 10% was also a result of the acquisition of new customers, development of our franchise network across Pakistan and expansion of our service offerings.

Profit before tax was Rs 129.92 million with a very strong increase of 64% over last year. The increase in profit can be attributed to higher revenues as well as tight control over costs of sales and administrative costs.

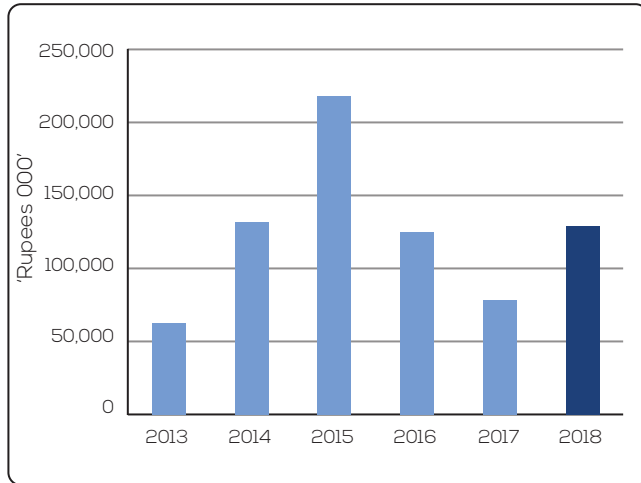
### Standalone Revenue:



Year	Revenue	Growth
2015	1,457,620	4%
2016	1,537,181	5%
2017	1,506,282	-2%
<b>2018</b>	<b>1,660,647</b>	<b>10%</b>

Rupees in thousands

## Profit before Tax:



Year	PBT	Growth
2013	62,970	40%
2014	131,790	109%
2015	218,536	66%
2016	125,457	-43%
2017	79,349	-37%
<b>2018</b>	<b>129,919</b>	<b>64%</b>
<b>Rupees in thousands</b>		

### b. TPL Maps (Private) Limited

TPL Maps, which now stands as an independent entity of TPL Corp, was initiated in 2015 as a strategic business unit of TPL Trakker and over the last two years we have invested substantial resources and time in building Pakistan's finest and most comprehensive Digital Mapping solution.

With 800,000+ downloads, TPL Maps is becoming the Map of choice for Pakistani businesses and consumers. Our strength derives from our accurate and large geocode database as well as our local language feature.

In the navigation space we have expanded our services via signing an OEM agreement with ISUZU and Honda apart from the existing arrangements with our flagship customer Indus Motor Company and Pak Suzuki. Our navigation footprint grew due to the development of our online and open market sales channels. With the high rate of growth in mobile internet users and new vehicle manufacturers entering the market, TPL Maps is in the ideal position to further strengthen its market position in the future.

TPL Maps successfully completed its first project in Kingdom of Saudi Arabia for maps technology deployment for the largest GIS Company in Saudi Arabia M/S Farsi Geo Tech.

TPL Maps also signed MoUs with US based INRIX, UK based mapping service WHAT3WORDS and Global Maps giant HERE Technologies, headquartered in Germany. These initiatives are expected to add substantial top line and bottom line growth in the future.

### c. TPL Life Insurance Limited

TPL Life continued to build upon its core life and health insurance businesses. Gross Premium for the year ended June 30, 2018 has improved by almost 234% since last year while Corporate as well as the Retail business have shown considerable growth during the period as compared to last year.

The major initiatives taken during the period were as follows:

1. TPL Muavin (online agent training and management system. This is Pakistan's first interactive portal for sales force)

2. Digital health insurance (enabling customers to buy comprehensive health insurance within 3 minutes with a paperless mechanism)
3. Epidemic based health insurance (Health insurance against Dengue, Naegleria etc. offered through a digital medium)
4. OPD Sahulat (a comprehensive digital Out Patient insurance solution for corporates - another first in the market)
5. Health insurance mass retail arrangement for Shell Pakistan.

#### **d. TPL Properties Limited**

During the year under review the Company has maintained 100% tenancy of its rental portfolio besides enjoying the capital appreciation of its assets under the same portfolio hence realizing rental income as well as capital gains.

Consolidated revenue of the Company was Rs 553 million which represents an increase of 11% as compared to the same period last year due to the increase in maintenance rates during the year. Further, operational expenses have increased by 9% up from Rs. 149 million to Rs. 162 million primarily due to inflationary pressures. Gross profit reduced marginally from Rs. 392 million to Rs. 390 million during the year. However, other income has increased significantly due to a Rs. 1,180 million revaluation gain on the Company's investment property. This resulted in Profit before Tax of Rs 1,200 million as compared to Rs 300 million last year.

#### **e. TPL Insurance Limited**

The Company is pursuing a high growth strategy in our non-motor lines which requires significant investment in infrastructure and human resources and whilst this may impact our short-term performance we expect to deliver profitable growth across all lines of business in the future. Net premium showed a growth of 11% and rose to Rs 2.16 billion as compared to Rs. 1.94 billion in the previous year. Motor insurance net premium grew by 10% to Rs 2.03 billion in the current year. Commercial Lines net premium grew by 135% to Rs 50.78 million in the current year.

Furthermore, our strategy also requires us to leverage technology in line with developments in the insurance sector globally. Hence, we are in the process of digitalizing the entire claims process to make it paperless in order to further improve our customer experience. Additionally, a customer app has also been launched for our auto insurance customers which facilitates policy buying, lodging of claims, self-survey of vehicles and damages, requesting endorsements and renewal of policies.

As a result of the above investments and further investments in the commercial lines business and technology our Profit before tax was Rs. 25 million.

During the period, Mr. Mohammad Amin Uddin joined as the Chief Executive Officer. Mr. Amin Uddin has vast experience in the financial services sector and has held various senior executive positions in Pakistan as well as the United Kingdom.

#### **f. TPL Rupiya**

TPL Rupiya is looking forward to integrating with leading banks and telecommunication companies in order to implement Pakistan's first true interoperable mobile payment solution for the masses.

TPL Rupiya had also joined hands with UBL Omni and NPlanet to introduce cashless payments for the passengers of Lahore Transport Company enabling them to make daily commute payments using their UBL Omni bank accounts.

### **g. TPL e-Venture**

Incorporated in November 2017, TPL e-Ventures (Private) Limited aims to invest in multiple startups across industries at a pre-seed and seed level in order to help them grow; this will enable us to increase the value of the initial investment. To date the company has made one investment in CompareOn (Pvt.) Ltd and their product KarloCompare. KarloCompare is a financial services price comparison website & marketplace where consumers can purchase/apply for auto loans, insurance policies, credit cards and even broadband internet. We are currently working with the team to integrate TPL Insurance and TPL Life products to further increase our digital sales.

Currently, the team is assessing a number of start-ups in order to identify investment opportunities. Moving forward, TPL e-Ventures will be working closely with incubators, accelerators, investors and other stakeholders to shape the narrative of Pakistan's start-up eco-system while continuing to identify high-growth opportunities for investment.

### **h. TPL Security Services (Private) Limited**

TPL Security Services (Private) Limited performed well, with a revenue growth of 26% as compared to the same period last year. The increase in revenue can be attributed to the expansion of our customer base and the Company's constant efforts to explore new business opportunities.

## **4. INTERNAL CONTROL SYSTEM**

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

## **5. FUTURE OUTLOOK**

Strategy and Focus Areas

### **a. TPL Trakker Limited**

#### Digital Sales

TPL Trakker has set a clear digital vision for its businesses to deliver unparalleled digital experiences to its customers and as a result it has been able to generate better gross margins, better earnings and better net income through its digital assets.

#### Innovation

Industry 4.0, commonly referred to as the fourth industrial revolution, driven by advances in cyber-physical systems, the Internet of things, cloud computing and cognitive computing is changing how we live and work together and has profound implications for individuals and businesses.

TPL Trakker is gearing up for this disruption and has strategically commenced various innovative initiatives targeted towards strengthening its current position as the pre-eminent tracking and fleet management services provider in the Country and more.

Within the realm of vehicle telematics our initiatives include:

- Driving Behavior Scoring Solutions: That can help save lives and lower fuel consumption by improving driving behavior.
- Usage Based Insurance: Which uses driving behavior scores to help insurance companies price their premiums and high-risk policies accordingly, enabling our customers to reduce insurance costs based on good driving behavior.
- First Notice of Loss: Allowing our fleet management customers and insurance companies to conduct post-accident forensic investigations to identify factors that contributed to the accident to evaluate claims and mitigate losses.
- Remote Diagnostics: That can pre-empt faults before they occur, thereby preventing breakdowns.

#### New Solutions

In addition to the above mentioned vehicle telematics solutions that are designed to enhance, grow and retain our existing customer relationships we have also initiated the following innovative solutions that are targeted towards generating new revenue streams for the company:

- Tracking of school going children via their school vans and tracking of their attendance in school premises
- Fuel monitoring system to reconcile purchase and dispensing of fuel from pumps to control theft
- Water level monitoring system to reconcile purchase and usage of water
- Refrigeration and humidity monitoring systems for cold chain applications in logistics and retail chains

Going forward we will continue to deliver game-changing innovation and build teams by investing in people to encourage ambition, learning and development and foster sustainable growth.

#### **b. TPL Maps (Private) Limited**

Moving forward we aim to further strengthen our navigation software and also launch TPL Maps offline navigation system that would expand our customer base and generate additional revenues. We are also looking to venture into other software and hardware services for industry use with the vision to be pioneers in the Connected Cars space (which is expected to reach a market size of US\$ 57 billion by 2021).

Another milestone achieved by TPL Maps is the launch of Pakistan's first and only Location Based Services Platform (LBS Platform) which will unlock the unlimited potential of location data for business expansion and efficiencies. Some of the key services include Proximity Ad networks, GeoCode Search, Routing & VAS, as well as Mapping services.

TPL Maps is now also focusing on the use of new technologies and innovation in the GIS space. These initiatives include aerial mapping via drones, OBD data devices for automobiles, HD Mapping for driverless cars, use of Artificial Intelligence for predictive routes and other similar global technologies.

### c. TPL Life Insurance Limited

The retail business segment of the Country is expected to get some boost in the form of positive development on income tax slabs revision for individuals and association of persons in the last Finance Act. This may result in enhanced buying power and more disposable income which is expected to have a positive impact on insurance products.

The launch of the Takaful line is also expected to bolster revenues in the coming months due to the inherent need for Shariah based takaful solutions in the retail and corporate sectors.

The Board of Directors are of the opinion that with clear objectives, a robust business model, innovative products and operational strategies, the Company has great potential in an environment in which health and life insurance has still not reached a majority of the population.

### d. TPL Properties Limited

Currently the property sector especially in Karachi has slowed down due to the existing ban on high rise developments by the Supreme Court of Pakistan but we believe that the sector's fundamentals are still strong with promising future growth potential. This is due to strong demand for quality commercial office spaces in Karachi and Lahore as well as robust demand for high end residential spaces which enables overall building systems efficiencies and automation for end users.

In terms of the political and regulatory environment, there has been improved political certainty following the general elections. Further, the corporate regulator is also consistently improving regulations in line with regional best practices for real estate as well as other sectors with the aim of making them attractive for local and foreign investors. In line with this the Company has decided to venture into the Real Estate Investment Trust Management (RMC) business and has applied for the permission to form an RMC as a subsidiary of TPL Properties which has been duly received by the Company. The next steps would be to incorporate a Non-Banking Finance Company (NBFC) and apply for an RMC license which we expect to be completed in Q2 of FY 2019.

The above will pave the way for the Company to launch a REIT fund and convert its real estate asset portfolio to liquid assets while also realizing its valuation. This will further enable the Company to pay down all its debts thereby reducing financial costs and also provide the Company with cash to look into other potential property development ventures. Furthermore, as an RMC it will receive management fees from REIT funds which will add to its overall income sources.

### e. TPL Insurance Limited

Pakistan's automobile industry is anticipating new launches in 2018 with at least 3 new players entering the market. With CPEC projects commencing there will be significant opportunities in the commercial lines business. The strong growth anticipated in the motor insurance business as well as from commercial lines is expected to very favorably impact our results in the near future.

Subsequent to the year end, the Company's treaty limits with reinsurers have been enhanced in excess of 50%. This will further assist the Company to underwrite additional business in the future.

## 6. CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term entity rating of "A" (Single A) and short-term entity rating of "A1" (A one) to TPL Corp Limited. These ratings indicate a stable outlook and high credit quality.

## 7. KEY FINANCIAL DATA FOR THE LAST SIX YEARS

(Rs. in thousands)

Balance Sheet	2018	2017	2016	2015	2014	2013	2012
Paid up share capital	2,372,978	2,172,490	2,172,490	2,172,490	2,172,490	2,172,490	1,872,490
Capital reserve	60,856	-	-	-	-	-	-
Revenue reserve	565,180	548,301	533,817	901,176	364,746	249,664	187,199
Surplus on revaluation	228,061	228,791	-	-	-	-	-
Non-Controlling Intrest	4,220,903	3,978,088	2,525,421	806,560	184,734	166,846	151,304
Advance against sale of shares	-	-	-	-	-	-	300,000
<b>Total Equity</b>	<b>7,447,978</b>	<b>6,927,669</b>	<b>5,231,727</b>	<b>3,880,226</b>	<b>2,721,970</b>	<b>2,589,000</b>	<b>2,510,993</b>
Investments	7,800,507	6,087,598	4,741,405	4,488,355	775,464	729,098	718,183
Fixed assets	2,214,072	1,799,521	1,305,465	1,321,227	675,355	499,099	456,871
Other non current assets	2,811,627	1,879,278	1,628,358	1,552,788	1,946,378	1,817,076	1,815,567
Trade debts	1,412,187	1,254,031	1,086,023	873,160	663,276	491,317	443,298
Stock in trade	326,692	357,217	294,125	253,414	236,916	135,846	66,257
Other current assets	1,506,342	479,958	227,369	291,806	390,132	365,904	409,605
Cash and bank deposits	952,450	490,104	927,774	261,706	113,612	54,169	24,472
<b>Total Assets</b>	<b>17,023,878</b>	<b>12,347,707</b>	<b>10,210,520</b>	<b>9,042,455</b>	<b>4,801,133</b>	<b>4,092,509</b>	<b>3,934,254</b>
Long term and short term finance	4,954,818	3,763,754	3,482,903	2,916,762	710,001	527,427	457,629
Due to related parties	504,988	87,950	91,454	245,197	-	-	-
Other liabilities	4,116,094	1,568,632	1,404,437	2,000,270	1,369,162	976,082	965,631
<b>Total Liabilities</b>	<b>9,575,900</b>	<b>5,420,038</b>	<b>4,978,793</b>	<b>5,162,229</b>	<b>2,079,163</b>	<b>1,503,509</b>	<b>1,423,261</b>
Profit and Loss	2018	2017	2016	2015	2014	2013	2012
Revenue	3,471,416	2,168,433	2,037,361	2,178,542	2,084,622	1,625,549	1,346,296
Cost of Sales	(1,960,689)	(1,168,704)	(929,333)	(1,301,779)	(1,233,827)	(960,211)	(750,676)
<b>Gross Profit</b>	<b>1,510,727</b>	<b>999,729</b>	<b>1,108,028</b>	<b>876,763</b>	<b>850,795</b>	<b>665,337</b>	<b>595,620</b>
Administrative and other expenses	(1,389,059)	(717,112)	(685,754)	(754,579)	(687,950)	(555,451)	(436,367)
Financial Charges	(507,568)	(334,820)	(369,731)	(312,566)	(82,788)	(78,437)	(93,194)
Other income	1,141,482	348,374	235,642	679,839	74,922	66,256	87,449
Profit/(Loss) from associates - net	(13,147)	16,962	8732	(48,591)	46,104	20,668	-
<b>Profit / (Loss) before tax</b>	<b>742,435</b>	<b>313,134</b>	<b>296,917</b>	<b>440,865</b>	<b>201,083</b>	<b>117,974</b>	<b>153,509</b>
<b>Profit / (Loss) after tax</b>	<b>670,206</b>	<b>268,280</b>	<b>231,629</b>	<b>451,950</b>	<b>132,841</b>	<b>85,430</b>	<b>86,505</b>
<b>Other Comprehensive Income</b>	<b>(12,326)</b>	<b>-</b>	<b>-</b>	<b>450</b>	<b>129</b>	<b>59</b>	<b>(3,815)</b>
<b>Total Comprehensive Income</b>	<b>657,880</b>	<b>268,280</b>	<b>231,629</b>	<b>452,400</b>	<b>132,970</b>	<b>85,489</b>	<b>82,690</b>
EPS	0.07	0.09	0.29	1.54	0.53	0.32	0.40

## 8. AUDITORS

M/s EY Ford Rhodes, Chartered Accountants retire and offer themselves for reappointment. The Board of Directors has recommended their appointment as auditors for the year ending June 30, 2019, at a fee to be mutually agreed.

## 9. DIRECTOR'S TRAINING

As required under 5.19.7 of the Pakistan Stock Exchange Listing Regulations, the Company has duly complied with the requirement of the Directors Training Program.

### 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 the 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 from there have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented monitored.
- Fundamentals of the Company are strong and there are no doubts about Company's ability to continue as a going concern.
- The Company has followed 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 audited accounts as on June 30, 2018 is Rs. 104.3 million.

## 10. PATTERN OF SHAREHOLDING

A statement of pattern of shareholding of the Company as at June 30, 2018 is as follows:

Shareholder's Category	Number of shares	Percentage of Shareholding
Associated Companies	135,239,574	56.99%
Banks, DFI, NBF	10,432,000	4.40%
Insurance Companies	35,000	0.01%
Mutual Funds	432,500	0.18%
General Public (Local)	76,517,578	32.25%
General Public (Foreign)	3,613,558	1.52%
Modarabas	153,000	0.06%
Foreign Companies	2,264,000	0.95%
Others	8,610,553	3.63%
<b>Total</b>	<b>237,297,763</b>	<b>100%</b>

Pattern of holding of shares held by the shareholders of the Company as at June 30, 2018:

No. of shareholders	From	To	Shares held
303	1	100	4,049
650	101	500	319,585
740	501	1,000	734,987
1680	1,001	5,000	5,189,276
713	5,001	10,000	6,026,281
271	10,001	15,000	3,520,932
210	15,001	20,000	3,934,000
152	20,001	25,000	3,627,000
83	25,001	30,000	2,383,500
60	30,001	35,000	2,009,770
46	35,001	40,000	1,796,500
40	40,001	45,000	1,746,238
58	45,001	50,000	2,883,000
16	50,001	55,000	844,500
12	55,001	60,000	703,500
13	60,001	65,000	828,000
16	65,001	70,000	1,096,236
17	70,001	75,000	1,261,000
17	75,001	80,000	1,339,500
4	80,001	85,000	328,500
4	85,001	90,000	352,000
7	90,001	95,000	649,500
40	95,001	100,000	3,997,877
6	100,001	105,000	619,500
5	105,001	110,000	543,000
3	110,001	115,000	342,500
4	115,001	120,000	477,500
8	120,001	125,000	998,500
2	125,001	130,000	256,500
3	130,001	135,000	400,000
3	135,001	140,000	418,500
5	140,001	145,000	721,000
7	145,001	150,000	1,050,000
1	155,001	160,000	160,000
1	160,001	165,000	163,000
1	165,001	170,000	170,000
5	170,001	175,000	873,500

No. of shareholders	From	To	Shares held
1	175,001	180,000	176,000
1	180,001	185,000	183,000
1	185,001	190,000	188,000
13	195,001	200,000	2,600,000
2	200,001	205,000	405,000
1	205,001	210,000	206,000
1	210,001	215,000	211,000
1	215,001	220,000	215,958
2	220,001	225,000	445,000
1	225,001	230,000	227,500
1	230,001	235,000	233,500
1	235,001	240,000	237,000
1	240,001	245,000	242,000
7	245,001	250,000	1,739,000
3	255,001	260,000	776,000
1	260,001	265,000	262,500
1	275,001	280,000	280,000
4	295,001	300,000	1,194,000
1	310,001	315,000	315,000
1	315,001	320,000	318,000
1	325,001	330,000	328,500
1	330,001	335,000	332,000
3	355,001	360,000	1,074,000
2	365,001	370,000	733,500
1	375,001	380,000	376,500
1	380,001	385,000	383,500
1	385,001	390,000	385,500
2	395,001	400,000	800,000
1	400,001	405,000	403,500
1	405,001	410,000	406,000
1	415,001	420,000	420,000
1	420,001	425,000	424,000
1	425,001	430,000	426,500
1	455,001	460,000	458,000
1	485,001	490,000	490,000
2	495,001	500,000	1,000,000
1	520,001	525,000	525,000
1	545,001	550,000	550,000
1	550,001	555,000	551,500
1	565,001	570,000	570,000
1	595,001	600,000	599,000
1	615,001	620,000	616,000
1	620,001	625,000	622,500
1	670,001	675,000	673,500
1	770,001	775,000	775,000
2	895,001	900,000	1,800,000
2	995,001	1,000,000	2,000,000
1	1,020,001	1,025,000	1,025,000
1	1,040,001	1,045,000	1,040,500
1	1,295,001	1,300,000	1,300,000
1	1,300,001	1,305,000	1,302,000
1	1,395,001	1,400,000	1,400,000
1	1,415,001	1,420,000	1,417,500
1	1,495,001	1,500,000	1,500,000
1	1,540,001	1,545,000	1,545,000
1	2,260,001	2,265,000	2,264,000
1	3,410,001	3,415,000	3,412,000
1	5,145,001	5,150,000	5,150,000
1	35,005,001	35,010,000	35,009,900
1	79,935,001	99,989,000	99,984,174
<b>5,298</b>		<b>Company Total</b>	<b>237,297,763</b>

## 11. ADDITIONAL INFORMATION

Associated Companies, undertakings and related parties (name wise details)	No of shares held
TPL HoldTPL Holdings (Private) Limited TPL Direct Insurance Limited – Employees Provident Fund	135,239,574 347
<b>Mutual Funds (name wise details)</b>	
Adam Securities Ltd. – MF	70,500
AFC Umbrella Fund	2,264,000
Arif Habib Limited – MF	211,000
Asda Securities (Private) Limited – MF	15,500
Axis Global Limited – MF	257,000
Bawa Securities (Pvt) Ltd. – MF	100,000
BMA Capital Management Ltd. – MF	25,000
CDC – Trustee AKD Opportunity Fund	385,500
CDC – Trustee AKD Opportunity Fund	385,500
CDC – Trustee MCB Pakistan Stock Market Fund	47,000
CDC – Trustee MCB Pakistan Stock Market Fund	47,000
JS Global Capital Limited – MF	328,500
Market 786 (Private) Limited – MF	125,000
Mohammad Munir Mohammad Ahmed Khanani Securities(P)Ltd – MF	551,500
MRA Securities Limited – MF	188,000
N. U. A. Securities (Private) Limited – MF	113,500
Pearl Securities Limited – MF	622,500
Reliance Securities Limited – MF	124,000
Standard Capital Securities (Pvt) Limited – MF	1,000,000
Trust Securities & Brokerage Limited – MF	32,500
Trustee TPL Direct Insurance Ltd –Employees Provident Fund	347
Trustees Of First UDL Modaraba Staff Provident Fund	5,000
Trustees Of First UDL Modaraba Staff Provident Fund	5,000
Trustees Of Pakistan Mobile Communication Ltd–Provident Fund	50,000
Wateen Telecom Limited Staff Gratuity Fund	100,000
<b>Directors, CEO and their spouse and minor children (name wise details)</b>	
Following directors are nominee directors of TPL Holdings (Private) Limited and do not hold any shares of the Company.	
Mr. Jameel Yusuf (S.St) Mr. Ali Jameel Mr. Saad Nissar Mr. Bilal Alibhai	
Following director is the independent director of the company and do not hold any shares of the Company at June 30, 2018	
Mr. Nadeem Arshad Elahi	
<b>Non-Executive Directors</b>	None
Following directors hold shares of the Company at June 30, 2018	
Mr. Zafar-ul-Hassan Naqvi Mr. Muhammad Shafi	500 1

Associated Companies, undertakings and related parties (name wise details)	No of shares held
<b>Shareholders holding five percent or more voting interest (name wise details)</b>	
TPL Holdings (Private) Limited	135,239,574
<b>Details of trading in the shares by the Directors, CEO, CFO, Company Secretary and their spouses and minor children</b>	
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.	None

## 12. BOARD MEETINGS

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

Name of Director	Meetings Attended
Mr. Jameel Yusuf (S. St.)	4
Mr. Ali Jameel (CEO)	6
Vice Admiral ( R ) Muhammad Shafi HI ( M )	5
Mr. Mark Dean Rousseau	4
Mr. Saad Nissar	4
Mr. Nadeem Arshad Elahi	4
Major General ( R ) Zafar-UI-Hassan Naqvi	4
Mr. Bilal Alibhai	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 and Exchange Commission of Pakistan, Federal Board of Revenue and the Pakistan Stock Exchange. We would also express our sincere thanks to the employees, strategic partners, vendors, suppliers and customers for their support in pursuit of our corporate objectives.



Chief Executive



Director

## ڈائریکٹرز رپورٹ

TPL کارپوریشن لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 جون، 2018 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالیاتی گوشوارے بشمول کارکردگی کا جائزہ فخریہ طور پر آپ کے گوش گزار کرتا ہوں۔

## اقتصادی جائزہ

پاکستان کے اقتصادی سروے کے مطابق، ملک میں مالی سال 2017-18 کے دوران GDP کی شرح نمو 5.28% پر پہنچ گئی تھی اور ملکی GDP کا کل حجم 305 بلین امریکی ڈالر سے تجاوز کر چکا ہے۔ مالی سال 2017-18 کے دوران افراط زر میں کمی کی شرح 4.1% کے اطراف رہی جبکہ پہلی تین سہ ماہیوں کے دوران شرح سود 5.75% کی سطح پر برقرار رہی، لیکن مارچ 2018 سے اس میں تیزی دیکھنے میں آئی اور یہ شرح بڑھ کر جون 2018 میں 6.5% ہو گئی۔ سال 2017-18 کے دوران پاکستان اسٹاک ایکسچینج میں بھی گزشتہ سال 2016-17 کے مقابلے میں مندی کا رجحان رہا۔ کمی کی بڑی وجہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی ناقدری اور عام انتخابات کے سبب پائی جانے والی غیر یقینی صورتحال ہے۔ البتہ سال کے اختتام پر اور عام انتخابات کے بعد پاکستان اسٹاک ایکسچینج میں مثبت رجحان دیکھا جا رہا ہے۔

مالی سال 2017-18 کے دوران کاروں کی فروخت کی شرح میں 16.8% کا موثر اضافہ دیکھنے میں آیا اس کے ساتھ ہی پیک کے فوائد اور حکومت کی بخوبی منتقلی سے سرمایہ کاروں کا اعتماد بڑھ رہا ہے جو پاکستان کی معیشت کو بہتری کی جانب لے جا رہا ہے۔

## مالیاتی جھلکیاں

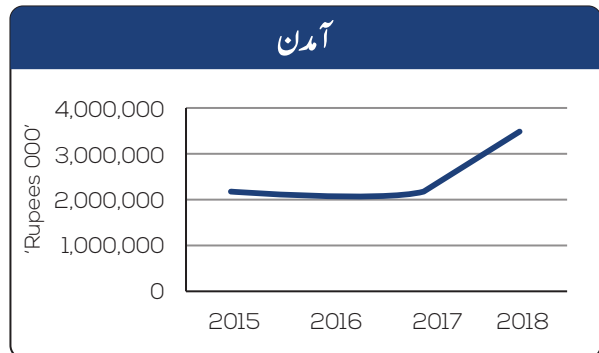
### کاروبار کی کارکردگی۔ مجموعی

گروپ نے زیر نظر مدت کے دوران بہترین کارکردگی کا مظاہرہ کیا اور مجموعی آمدن 3,471 ملین روپے (TPL انشورنس کے ٹیکافل برنس کے ساتھ 5,007 ملین روپے) رہی، جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 60.1% ترقی کے مہوں منت ہے۔ قبل از محصول منافع 313 ملین روپے سے بڑھ کر 742 ملین روپے ہو گیا، گروپ نے گزشتہ سال کے اسی عرصہ کے مقابلے میں فی شخص منافع 0.09 کے مقابلے میں 0.07 روپے حاصل کیا۔

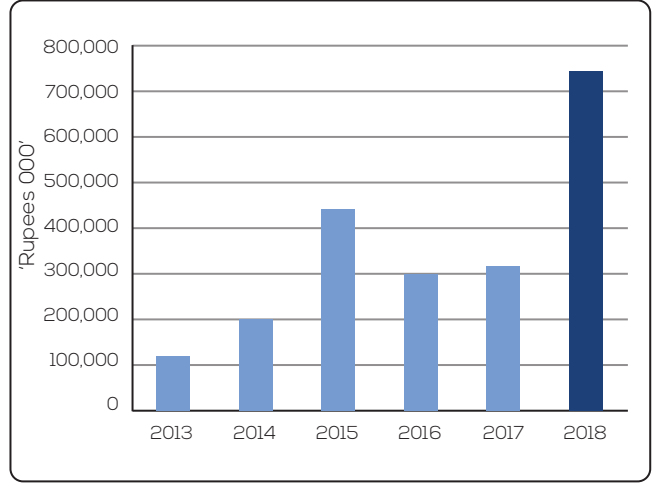
زیر جائزہ عرصے کے دوران دو سنگ میل عبور کئے گئے۔ ایک ٹی پی ایل انشورنس لمیٹڈ کی جانب سے گرین اوکس گلوبل ہولڈنگز لمیٹڈ سے 69.1% شیئرز کا حصول ہے۔ اس طرح اب ٹی پی ایل انشورنس لمیٹڈ کی شیئرز ہولڈنگ 93.51% ہو گئی ہے۔ دوسرا یہ کہ گروپ نے اس انتظام کو بھی کامیابی کے ساتھ مکمل کر لیا ہے جس کے تحت اب ٹی پی ایل ٹریڈر لمیٹڈ کو ٹی پی ایل کارپوریشن لمیٹڈ کا نام دیا گیا ہے اور اب یہ گروپ انویسٹمنٹ ہولڈنگ کمپنی کے طور پر کام کر رہا ہے۔ مزید برآں، ٹی پی ایل کارپوریشن لمیٹڈ کے دو نئے ذیلی ادارے TPL ٹریڈر لمیٹڈ اور TPL میپس (پرائیویٹ) لمیٹڈ کے نام سے قائم کئے جا چکے ہیں۔ یہ ذیلی ادارے ویبیل ٹریڈنگ اور میپس برنس میں مصروف ہیں۔

## آمدن

بڑھوتری رٹنو	مجموعی آمدن	سال
21%	2,178,542	2015
-6%	2,037,361	2016
6%	2,168,433	2017
<b>60%</b>	<b>3,471,416</b>	<b>2018</b>
Rupees in thousands		



بڑھوتری انمو	قبل از محصول منافع	سال
40%	117,974	2013
70%	201,083	2014
119%	440,865	2015
-33%	296,917	2016
5%	313,134	2017
<b>137%</b>	<b>742,435</b>	<b>2018</b>
Rupees in thousands		



## گروپ کی کارکردگی

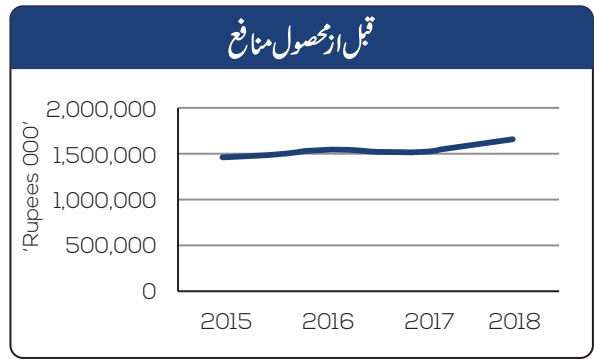
ہمارے مختلف برنسز کا تفصیلی جائزہ درج ذیل ہے:

ہمارے ٹریڈنگ برنسز نے گزشتہ سال کے مقابلے میں 10 فیصد بڑھوتری کے ساتھ مجموعی طور پر 1.660 بلین روپے کی آمدنی کمائی۔ ہم نے اپنے کنٹینر برنسز میں بھی دوران سال حاصل ہونے والے EPZA پروڈیکٹ کے سبب مقدار کے اعتبار سے 55% کی مایناز ترقی اپنے نام کر لی۔ آمدنی میں 10% اضافے کے سٹمز کے حصول، پاکستان بھر میں اپنے فرچائزمنٹ ورک میں توسیع اور اپنے خدمات کی پیش کش میں ترقی کے سبب حاصل کیا۔

قبل از محصول منافع گزشتہ سال کے مقابلے میں 64% کی شاندار ترقی کے ساتھ 129.92 بلین روپے کمایا۔ منافع میں ترقی زائد آمدنی کے ساتھ سیلز اور انتظامی اخراجات پر ضابطے سے حاصل کی گئی۔

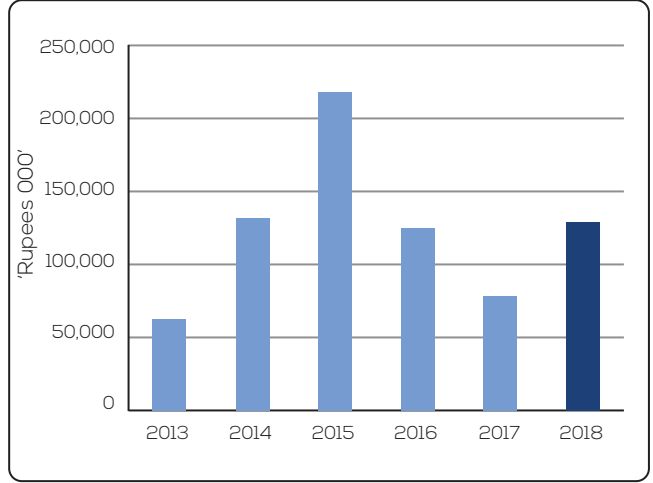
## انفرادی آمدن

بڑھوتری انمو	آمدن	سال
4%	1,457,620	2015
5%	1,537,181	2016
-2%	1,506,282	2017
<b>10%</b>	<b>1,660,647</b>	<b>2018</b>
Rupees in thousands		



سال	آمدن	بڑھوتری انمو
2013	62,970	40%
2014	131,790	109%
2015	218,536	66%
2016	125,457	-43%
2017	79,349	-37%
<b>2018</b>	<b>129,919</b>	<b>64%</b>

Rupees in thousands



### TPL میپس (پرائیویٹ) لمیٹڈ

TPL Maps پرائیویٹ کا آغاز، TPL ٹریڈنگ پرائیویٹ کے منصوبہ شدہ کاروباری اکائی کے طور پر سال 2015 میں ہوا اور گزشتہ دو سالوں میں ہم نے نہ صرف اس اپنے وسائل کی خطیر رقم اور وقت کو صرف کیا بلکہ اسے پاکستان کا سب سے عمدہ اور جامع ڈیجیٹل میپس اور لوکیشن سروسز کا پلیٹ فارم بنا رہے ہیں۔

اس وقت 800,000 سے زائد ڈاؤن لوڈز کے ساتھ TPL Maps، پاکستانی صارفین اور برنسز کے میپس کے انتخاب کے حوالے سے ترجیح بن گیا ہے۔ ہماری پیش کش میں درست اور بڑے چوکوڈ ڈیٹا میپس کے ساتھ مقامی زبان کے نیچرز بہت اہم ہیں۔

نیویگیشن کے حوالے سے اپنے اہم ترین صارف انڈس موٹر کمپنی اور پاک سوزوکی کے ساتھ معاہدوں کے علاوہ ہنڈا اور ISUZU کے ساتھ OEM معاہدے کرتے ہوئے نیویگیشن کے کاروباری حلاء میں اپنی خدمات کو وسعت دی ہے۔ نیویگیشن کے ساتھ ساتھ ہم نے اوپن مارکیٹ سٹریٹجی ڈیولپمنٹ کو بھی ترقی دی ہے۔ موبائل انٹرنیٹ استعمال کرنے والوں کی بڑھتی ہوئی تعداد اور مارکیٹ میں گاہکوں کے نئے مینوفیکچررز کی شمولیت کے ساتھ TPL Maps اپنی مارکیٹ پوزیشن اور گرتھ کو مزید مستحکم کرنے کے بہترین عمل سے گزر رہا ہے۔

TPL میپس نے INRIX نامی امریکی WHAT3WORDS برطانوی میپنگ سروس اور جرمنی میں ہیڈ کوارٹر رکھنے والی گلوبل میپس کے بڑے نام HERE ٹیکنالوجی کے ساتھ MoUs پر دستخط کئے ہیں۔ یہ اقدامات مستقبل میں ہمارے نام اور آمدنی کے اعتبار سے بڑی پیش رفت ثابت ہونے کی توقع ہے۔

### TPL لائف انشورنس لمیٹڈ

TPL لائف نے بھی اپنے اہم لائف اور ہیلتھ انشورنس برنسز کا سلسلہ جاری رکھا ہوا ہے۔ 30 جون 2018 کو ختم ہونے والے سال کے لیے مجموعی پرییم میں تقریباً 234% اضافہ دیکھنے میں آیا جبکہ کارپوریٹ اور ریٹیل برنس نے بھی دوران سال قابل قدر ترقی حاصل کر لی ہے۔

زیر جائزہ سال کے دوران اٹھائے جانے والے اہم اقدامات یہ ہیں:

- 1- TPL معاون (آن لائن ٹریڈنگ اور مینجمنٹ سسٹم)۔ یہ سٹریٹجی کے لیے پاکستان کا پہلا انٹرایکٹیو (آفس سائٹ) پورٹل ہے،
- 2- ڈیجیٹل ہیلتھ انشورنس (اس میں کسٹمرز کو بغیر کسی کاغذی کارروائی کے 3 منٹ کے اندر ایک مربوط ہیلتھ انشورنس لینے کی سہولت حاصل ہے)۔

3- وبائی امراض کی ہیلتھ انشورنس (ایک ڈیجیٹل طریقے سے ڈیجیٹل، بیگلیر یا وغیرہ جیسے وبائی امراض کے خلاف ہیلتھ انشورنس پیش کی جاتی ہے)۔

4- اوپنی ڈی سہولت (کارپوریٹس کے لیے ایک شاندار آؤٹ پیسٹ انشورنس کی سہولت، یہ بھی مارکیٹ میں پہلی بار متعارف ہوئی ہے)۔

5- شیل پاکستان کے لیے ہیلتھ انشورنس ماس ریٹیل انتظامات۔

## TPL پرائیویٹ لمیٹڈ

کمپنی نے زیر جائزہ سال کے دوران اپنے ریٹیل پورٹ فولیو میں 100% کرایہ داری کو برقرار رکھنے کے ساتھ اپنے اثاثہ جات کی قدر میں اضافے سے بھی فائدہ اٹھایا، اس طرح کرایہ کے ساتھ اثاثوں پر منافع بھی حاصل کیا گیا۔

کمپنی کی مجموعی آمدن 553 ملین روپے رہی جو کہ دوران سال منٹنٹس ریٹس میں اضافے کے سبب گزشتہ سال کی اسی مدت کے مقابلے میں 11% زائد ہے۔ مزید یہ کہ مہنگائی کے سبب انتظامی اخراجات بھی 9% اضافے کے ساتھ 149 ملین روپے سے بڑھ کر 162 ملین روپے ہو گئے۔ دوران سال مجموعی منافع کچھ کم ہو کر 392 ملین کے مقابلے میں 390 ملین روپے رہا۔ البتہ دیگر آمدنی میں کمپنی کی سرمایہ کاری ملکیت پر از سر نو تخمینہ جات سے 1.18 ملین روپے کا اضافہ ہوا۔ اس سے قبل از محصل منافع گزشتہ سال کے 0.30 ملین روپے کے مقابلے میں 1.20 ملین روپے رہا۔

## TPL انشورنس لمیٹڈ

کمپنی اپنے نان موٹر کاروباری ذرائع میں وسعت کی منصوبہ بندی پر عمل پیرا ہے جس میں بڑی سرمایہ کاری کی ضرورت ہے۔ اس سے ہماری قلیل مدتی کارکردگی پر اثرات مرتب ہو سکتے ہیں دوسری جانب مستقبل میں اپنے تمام برنس ذرائع سے بہتر منافع کی توقع کی جا رہی ہے۔ خالص منافع میں 11 فیصد ترقی سامنے آئی اور اس طرح گزشتہ سال کے 1.94 ملین روپے کے مقابلے میں اس سال 2.16 ملین روپے حاصل ہوا۔ اس سال موٹرا انشورنس کا منافع پر بیمہ 10% ترقی کے ساتھ 2.03 ملین روپے رہا۔ کمرشل لائسنز کا منافع پر بیمہ 135% اضافے کے ساتھ 50.78 ملین روپے رہا۔

عالمی طور پر انشورنس کے شعبے میں ہونے والی جدت سے، ہماری منصوبہ بندی میں بھی ٹیکنالوجی کو زیادہ سے زیادہ بروئے کار لانے کی ضرورت ہے۔ اس کے پیش نظر ہم اپنے صارف کو خدمات کی فراہمی میں مزید بہتری لانے کے لیے بغیر کاغذ کارروائی کے لیے کلیم ادا کرنے کے پورے طریقہ کار کو ڈیجیٹل کرنے کے عمل سے گزر رہے ہیں۔ اس کے ساتھ اپنے آٹو انشورنس کسٹمرز کے لیے ایک کسٹمر ایپ کا بھی آغاز کیا جا چکا ہے جس سے پالیسی کے حصول، کلیم کی درخواست، گاڑیوں کا خود کار سروے اور نقصانات، توثیق کا حصول اور پالیسیوں کی تجدید وغیرہ میں آسانی ہو گئی ہے۔

مذکورہ بالا اقدامات کے نتیجے میں، اور کمرشل برنس لائسنز اور ٹیکنالوجی پر سرمایہ کاری کے ساتھ قلیل از محصل منافع 25 ملین روپے رہا۔

اسی مدت کے دوران جناب محمد امین الدین نے چیف ایگزیکٹو آفیسر کے طور پر اپنا منصب سنبھالا۔ جناب امین الدین فنانشل سرورسز میں وسیع تجربہ کے حامل ہیں اور انہوں نے پاکستان کے ساتھ برطانیہ میں بھی بہت اہم اور بڑے انتظامی عہدوں پر خدمات انجام دی ہیں۔

## TPL روپیہ

TPL روپیہ بڑے بینکاری اور ٹیلی کمیونٹی کیشن اداروں کے ساتھ مل کر عوام کے لئے پاکستان کے پہلے اور درست متبادل موبائل پے منٹ سلوشن پر عمل درآمد کے لیے پرعزم ہے۔

TPL روپیہ نے یو بی ایل اوٹومی اور این پلیٹ کے ساتھ لاہور ٹرانسپورٹ کمپنی کے مسافروں کے لیے نقدی کے بغیر ادائیگی کو متعارف کرا دیا ہے تاکہ وہ اپنے یو بی ایل اوٹومی اکاؤنٹ کے استعمال سے روزمرہ کرایہ کی ادائیگی آسانی کے ساتھ کر سکیں۔

## ای و پیچز TPL

نومبر 2017 میں قیام پذیر، ای و پیچز (پرائیویٹ) لمیٹڈ تمام صنعتوں میں بنیادی اور ابتدائی سطح کے کئی ذرائع میں سرمایہ کاری کو فروغ دینا ہے تاکہ وہ ان کی مدد کرنے کے ساتھ ہم اپنی بنیادی سرمایہ کاری کی قدر میں اضافہ بھی کر سکیں۔ اب تک کمپنی نے Compare On پرائیویٹ لمیٹڈ اور اس کی پروڈکٹ Karlo Compare میں سرمایہ کاری کی ہے۔ کارلو کمپیوٹرز فیٹل سروسز کے اخراجات کے تقابل کی ویب سائٹ اور مارکیٹ ہے جہاں پر کسٹمرز آن لائن، انشورنس پالیسیوں، کریڈٹ کارڈز اور حتیٰ کہ براڈ بینڈ انٹرنیٹ کے لیے بھی درخواست / خریداری کر سکتے ہیں۔ اس وقت ہم ان کے ساتھ TPL انشورنس اور TPL لائف کی پروڈکٹ کی ڈیجیٹل سائز میں اضافہ کے غرض سے کام کر رہے ہیں۔

اس وقت، ہماری ٹیم سرمایہ کاری مواقع کی تلاش میں کئی ذرائع کا جائزہ لے رہی ہے۔ مزید برآں، ای و پیچز پاکستان کے اشارت اپ ایکسٹیم کے بیانیہ کو فروغ دینے کے لیے انکو پیٹرز، انویسٹرز اور دیگر اسٹیک ہولڈرز کے ساتھ مصروف عمل ہوگا تاکہ سرمایہ کاری کے بہترین مواقع کی تلاش جاری رہے۔

## TPL سکیورٹی سروسز (پرائیویٹ) لمیٹڈ

TPL سکیورٹی سروسز (پرائیویٹ) لمیٹڈ

TPL سکیورٹی سروسز (پرائیویٹ) لمیٹڈ نے گزشتہ سال کی نسبت اس سال بہترین کارکردگی کا مظاہرہ کرتے ہوئے 26% آمدن میں اضافہ اپنے نام کیا۔ منافع میں اضافے کی وجہ کسٹمر کی تعداد میں اضافہ اور کمپنی کی جانب سے نئے کاروباری مواقع کی تلاش میں مسلسل کوششیں جاری رکھنا ہے۔

## انٹرنل کنٹرول سسٹم (اندرونی ضابطے کا نظام)

کمپنی اپنے آپریشن کی ہمہ گیری، سائز اور اسکیل کے مطابق ضابطے کا اندرونی نظام رکھتی ہے۔ انٹرنل آڈٹ کے امور کا اسکوپ اور اختیار انٹرنل آڈٹ چارٹر میں وضع کردہ ہے۔ اپنے مقاصد کو برقرار رکھنے کے لیے انٹرنل آڈٹ فنکشن بورڈ کی آڈٹ کمیٹی کے چیئرمین کو رپورٹ کرتی ہے۔ انٹرنل آڈٹ ڈپارٹمنٹ کمپنی میں اندرونی ضابطے کے امور کی درستگی اور اثر کو مانیٹر کرتا ہے۔ اس کے ساتھ کمپنی اور اس کے ذیل اداروں کے تمام مقامات پر اکاؤنٹنگ پالیسیوں اور طریقہ کار کے ساتھ آپریشن سسٹم سے مطابقت کو بھی جانچا جاتا ہے۔ انٹرنل آڈٹ امور کی رپورٹ کی بنیاد پر متعلقہ مقامات پر درستگی کے امور پائے جاتے ہیں اور اس طرح انتظامی امور کو مضبوط بنا یا جاتا ہے۔ اہم آڈٹ کی نگرانی اور درست عمل درآمد کے کیمیز بعد ازاں بورڈ کی آڈٹ کمیٹی کو پیش کئے جاتے ہیں۔

## مستقبل کی پیش بینی

حکمت عملی اور توجہ مرکوز کرنے کے شعبہ جات

### ڈیجیٹل سائز

TPL ٹریڈر اپنے کسٹمرز کو بے مثال ڈیجیٹل خدمات کی فراہمی کے لیے اپنے بزنسز میں ایک واضح ڈیجیٹل نظریہ رکھنے کے ساتھ اس قابل ہے کہ بہتر منافع کا حصول یقینی بنائے، اور اپنے ڈیجیٹل اثاثہ جات کے ذریعے بہتر منافع حاصل کرے۔

### جدت

انڈسٹری 4.0 جس کو عام طور پر چوتھا صنعتی انقلاب کہا جاتا ہے، سائبر فزیکل سسٹم میں جدت کی بدولت، انٹرنیٹ آف تھنگس، کلاؤڈ کمپیوٹنگ اور کوگنیٹیو کمپیوٹنگ میں تبدیلی آ رہی ہے کہ ہم کس طرح ساتھ رہتے اور کام کرتے ہیں اور اس میں افراد اور کاروباروں کے لیے گہرا ربط ہے۔

TPL ٹریڈ اس تبدیلی کے پیش نظر اور کاروباری اعتبار سے جدید اقدامات کے لیے تیار ہے اور ملک کی ممتاز ٹریڈنگ اور فلیٹ میجمنٹ فراہم کرنے والی اپنی موجودہ حیثیت میں مزید بہتری لانے کے لیے کوشاں ہے۔

ویکل ٹیلی منیکس کے اپنے دائرے میں ہمارے اقدامات درج ذیل ہیں:

- ڈرائیونگ کی خصوصیات جانچنے کا سلوٹن: اس سے زندگیوں بچانے اور فیول کی بچت کرنے میں مدد ملتی ہے۔
- استعمال کی بنیاد پر انشورنس: اس میں ڈرائیونگ کی خصوصیات کی جانچ سے انشورنس کمپنیوں کو اپنے پریمیوم اور ہائی رسک پالیسیوں کے تعین میں مدد ملتی ہے، اس طرح ہمارے کسٹمرز کو بہتر ڈرائیونگ عادات کی بنیاد پر انشورنس اخراجات کم کرنے میں مدد ملتی ہے۔
- نقصان کی پہلی اطلاع: اس سے ہمارے فلیٹ کسٹمرز اور انشورنس کمپنیوں کو حادثے کے بعد فائزنگ جانچ پڑتال کا علم ہوتا ہے تاکہ حادثے کے اسباب اور اس کے نقصانات کو تعین کرنے میں مدد ملے۔
- باقاعدہ تفتیش: اس سے نقصانات ہونے سے پہلے اقدام کئے جاتے ہیں اور بریک ڈاؤن سے بچا جاسکتا ہے۔

#### منے سلوٹن

مذکورہ بالا ویکل ٹیلی منیکس کے علاوہ اپنے کسٹمرز کو مزید بہتر حل پیش کرنے کے لیے ہم نے مندرجہ ذیل مزید جدید سلوٹن مرتب کئے ہیں تاکہ کمپنی کے لیے منافع کے نئے ذرائع تشکیل دیئے جاسکیں:

- اسکول جانے والے بچوں کی ان کی اسکول وین کے ذریعے ٹریڈنگ اور اسکول حدود میں ان کی حاضری سے ٹریڈنگ
  - پمپس سے خریداری کے وقت فیول مانیٹرنگ سسٹم سے چوری پر ضابطے کے لئے فیول نکالتے وقت گمرانی
  - پانی کے استعمال اور خریداری پر گمرانی کے لیے واٹر لیول مانیٹرنگ سسٹم
  - لاجسٹکس اور ریٹیل چین میں کولڈ چین اپیلی کیشن کے لیے ریفر جریژن اور ہیوڈٹی مانیٹرنگ سسٹم
- مزید برآں ہم مایہ ناز جدت کی فراہمی کا سلسلہ جاری رکھیں گے اور افراد پر سرمایہ کاری سے ٹیویں کی تشکیل جاری رکھیں گے تاکہ لگن، تربیت اور ترقی کو فروغ اور استحکام ملے۔

#### TPL میپس (پرائیویٹ) لمیٹڈ

ہم اپنے نیویگیشن سافٹ ویئر کو مزید بہتر کرنے اور TPL میپس آف لائن نیویگیشن سسٹم شروع کرنے کا عزم رکھتے ہیں تاکہ ہم اپنے کسٹمرز میں بڑھوتری اور منافع میں وسعت لانے میں کامیاب ہوں۔ ہم صنعتی استعمال کے لیے دیگر سافٹ ویئر اور ہارڈ ویئر سروسز کے ساتھ شراکت داری کے لیے کوشش کر رہے ہیں تاکہ کمپنی کا کاروبار اپنیس (جو کہ 2021 تک 57 بلین امریکی ڈالرز کی مارکیٹ سائز تک پہنچنے کی توقع ہے) میں پہل کا ہمارا خواب پورا ہو۔

TPL میپس کا ایک اور سنگ میل پاکستان کا پہلا اور اکیلا لوکیشن بیسڈ سروسز پلٹ فارم (ایل بی ایس پلٹ فارم) ہے جس سے برنسز کی توسیع اور گمرانی کے لیے لوکیشن ڈیٹا کا لامحدود میدان سامنے آئے گا۔ ہم سروسز میں پرائیویٹ ڈیٹا اور کس، جیو کوڈ سرج، روٹنگ اور VAS کے ساتھ میپنگ سروسز بھی شامل ہیں۔

TPL میپس اب GIS کے میدان میں جدت اور نئی ٹیکنالوجی کے استعمال پر توجہ رکھے ہوئے ہے۔ ان اقدامات میں ڈرونز کے ذریعے ایریل میپنگ، آٹوموبائلز کے لیے OBD ڈیٹا ڈیویس، ڈرائیور کے بغیر گاڑیوں کے لیے HD میپنگ، پری ڈکٹوریٹس کے لیے مصنوعی انٹیلی جنس کا استعمال اور اس طرح کی جدید عالمی ٹیکنالوجی شامل ہے۔

## TPL لانف انشورنس لمیٹڈ

گزشتہ فنانشل ایکٹ میں افراد اور اداروں کے لیے انکم ٹیکس کی شرح میں مثبت تبدیلیوں کے سبب ملک میں ریٹیل بزنس کے شعبے کو فروغ ملنے کی امید ہے۔ اس میں خریداری کی قوت میں اضافہ اور عارضی آمدن سے متنوع طور پر انشورنس پروڈکٹس کی خریداری پر بھی مثبت اثرات مرتب ہونے کی امید ہے۔

ریٹیل اور کارپوریٹ شعبوں میں تکافل سلوشن کی بنیاد پر شرعی تکافل کے اجرا کے سبب آنے والے مہینوں میں آمدنی بڑھنے کا بھی امکان ہے۔

بورڈ آف ڈائریکٹرز، واضح مقاصد، ایک شاندار بزنس ماڈل، جدید پروڈکٹس اور انتظامی منصوبہ بندی کے سبب ریٹیل رکھتے ہیں کہ کمپنی اس وقت ممتاز پوزیشن میں ہے کہ ہیلتھ اور لانف انشورنس کا پیغام زیادہ تر افراد کو پہنچا ہی نہیں ہے۔

## TPL پراپرٹیز لمیٹڈ

سپریم کورٹ آف پاکستان کی جانب سے بلند و بالا عمارتوں کی تعمیر پر پابندی کے سبب اس وقت پراپرٹی کا شعبہ خاص طور پر کراچی میں سست روی کا شکار ہے، لیکن ہم پر امید ہیں کہ اس شعبے کی بنیادی بہترین مستقبل کے لیے اب بھی بہت مضبوط ہیں۔ اس میں کراچی اور لاہور میں معیاری کمرشل آفس کی جگہ کی طلب میں اضافے کے ساتھ معیاری اور لگژری رہائشی جگہوں کی طلب بھی ایک قابل ذکر سیکٹرز ہیں۔

پاکستان کی سیاسی اور ریگولیٹری صورتحال میں بھی عام انتخابات کے بعد استحکام پیدا ہوا ہے۔ اس کے ساتھ کارپوریٹ ریگولیٹری بھی ریٹیل اسٹیٹ کے لیے علاقائی طور پر بہترین اقدامات کے سبب ترقی کر رہا ہے۔ جبکہ دیگر شعبے بھی اپنے آپ کو مقامی اور بیرونی سرمایہ کاروں کے لیے پرکشش بنانے کی کوشش کر رہے ہیں۔ اس کے پیش نظر کمپنی نے ریٹیل اسٹیٹ انویسٹمنٹ ٹرسٹ میجمنٹ (RMC) بزنس میں شراکت داری کا فیصلہ کیا ہے اور ٹی پی ایل پراپرٹیز کی ملحقہ کمپنی کے طور پر RMC کے قیام کے لیے درخواست دی ہے۔ جو کہ کمپنی کی جانب سے باقاعدہ طور پر وصول کر لی گئی ہے۔ اب اگلا قدم نان بینکنگ فنانشل کمپنی (NBFC) کا قیام اور RMC لائسنس کے لیے درخواست دینا ہوگا جو کہ مالی سال 2019 کی دوسری سہ ماہی میں مکمل ہونے کی توقع ہے۔

مذکورہ بالا اقدام کمپنی کے لیے ایک REIT فنڈ قائم کرنے کی راہ ہموار کرے گا اور اسے ریٹیل اسٹیٹ پورٹ فولیو میں استعمال کے لیے منتقل کیا جائے گا جس سے اس کی قدر کا بھی تعین ہوگا۔ اس فنڈ سے کمپنی اپنے تمام ادائیگیوں کے قابل بنے گی اور اس طرح مالی اخراجات کم ہوں گے اور اس کیش کی موجودگی سے دیگر فائدہ مند پراپرٹی کی طرف کام کرنا آسان ہوگا۔ مزید برآں RMC کے طور پر وہ REIT فنڈز سے منجمنٹ فیس وصول کرے گا جس کی مجموعی آمدنی میں اضافہ ہوگا۔

## TPL انشورنس لمیٹڈ

پاکستان کے آٹوموبائل سیکٹرز میں 2018 کے دوران تین نئے مارکیٹ پلیئرز کے داخلے کی امید کی جارہی ہے۔ سی بی سی پریڈیکشن کے آغاز سے بزنس کے کمرشل ذرائع میں شاندار مواقع پیدا ہوں گے۔ گاڑیوں کے انشورنس بزنس میں شاندار ترقی کا امکان ہے اور مستقبل قریب میں ہی کمرشل ذرائع میں بھی ہمیں بہترین نتائج برآمد ہونے کی توقع ہے۔

سال کے اختتام پر کمپنی کے ری انشوررز کے ساتھ معاہدوں کی حد میں 50% توسیع کر دی گئی ہے۔ اس اقدام سے کمپنی کو مستقبل میں اضافی سرمایہ حاصل ممکن ہوگا۔

## کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے TPL کارپوریشن لمیٹڈ کی طویل المدت اور قلیل المدت ادائیگی ریٹنگوں بالترتیب ”A“ (سنگل اے) اور A1 (اے ون) قرار دیا ہے۔ مذکورہ ریٹنگوں، مالیاتی ذمہ داریوں کی بروقت ادائیگی کے حوالے سے اعلیٰ صلاحیت کے ساتھ مستحکم پوزیشن کو ظاہر کرتی ہیں۔

## گزشتہ چھ سالوں کے اہم مالی کوائف

(Rs. in thousands)

2012	2013	2014	2015	2016	2017	2018	بیلس شیٹ
1,872,490	2,172,490	2,172,490	2,172,490	2,172,490	2,172,490	2,372,978	ادا شدہ سرمایہ حصص
-	-	-	-	-	-	60,856	مختص شدہ سرمایہ
187,199	249,664	580,103	901,176	533,817	548,301	565,180	مختص شدہ آمدن
-	-	-	-	-	228,791	228,061	از سر نو تخمینے پر سرپلس
151,304	166,846	184,734	806,560	2,525,421	3,978,088	4,220,903	غیر انضامی سود
300,000	-	-	-	-	-	-	شیرز کی فروخت پر ایڈوائس
<b>2,510,993</b>	<b>2,589,000</b>	<b>2,937,326</b>	<b>3,880,226</b>	<b>5,231,727</b>	<b>6,927,669</b>	<b>7,447,978</b>	کل ایکویٹی
718,183	729,098	990,821	4,488,355	4,741,405	6,087,598	7,800,507	سرمایہ کاری
456,871	499,099	675,355	1,321,227	1,305,465	1,799,521	2,214,072	غیر منقولہ جائیداد
1,815,567	1,817,076	1,946,378	1,552,788	1,628,358	1,879,278	2,811,627	دیگر غیر موجودہ اثاثہ جات
443,298	491,317	663,276	873,160	1,086,023	1,280,587	1,412,187	تجارتی قرضہ
66,257	135,846	236,916	253,414	294,125	357,217	326,692	اسٹاک ان بڑی
409,605	365,904	390,132	291,806	227,369	453,402	1,506,342	دیگر موجودہ اثاثہ جات
24,472	54,169	113,612	261,706	927,774	490,104	952,450	زرنقداور بینک ڈپازٹس
<b>3,934,254</b>	<b>4,092,509</b>	<b>5,016,489</b>	<b>9,042,455</b>	<b>10,210,520</b>	<b>12,347,707</b>	<b>17,023,878</b>	کل اثاثہ جات
457,629	527,427	710,001	2,916,762	3,482,903	3,763,754	4,954,818	طویل المدت اور قلیل المدت فنانس
-	-	-	245,197	91,454	87,950	504,988	متعلقہ پارٹیوں پر واجب الادا
965,631	976,082	1,369,162	2,000,270	1,404,437	1,568,334	4,116,094	دیگر واجبات
<b>1,423,261</b>	<b>1,503,509</b>	<b>2,079,163</b>	<b>5,162,229</b>	<b>4,978,793</b>	<b>5,420,038</b>	<b>9,575,900</b>	کل واجبات
2012	2013	2014	2015	2016	2017	2018	نفع اور نقصان
1,346,296	1,625,549	2,084,622	2,178,542	2,037,361	2,168,433	3,471,416	آمدنی
(750,676)	(960,211)	(1,233,827)	(1,301,779)	(929,333)	(1,168,704)	(1,960,689)	فروختگی کی لاگت
595,620	665,337	850,795	876,763	1,108,028	999,729	1,510,727	مجموعی نفع
(436,367)	(555,451)	(687,950)	(754,579)	(685,754)	(717,112)	(1,389,059)	انتظامی اور دیگر اخراجات
(93,194)	(78,437)	(82,788)	(312,566)	(369,731)	(334,820)	(507,568)	مالیاتی چارجز
87,449	86,524	74,922	679,839	244,375	348,374	1,141,482	دیگر آمدن
-	-	261,461	(48,591)	-	16,962	(13,147)	ایسوی ایف-ٹیب نفع نقصان
<b>153,509</b>	<b>117,974</b>	<b>416,439</b>	<b>440,865</b>	<b>296,917</b>	<b>313,134</b>	<b>742,435</b>	قبل ارموصول نفع نقصان
<b>86,505</b>	<b>85,430</b>	<b>348,197</b>	<b>451,950</b>	<b>231,629</b>	<b>268,280</b>	<b>670,206</b>	بعد ارموصول نفع نقصان
<b>(3,815)</b>	<b>59</b>	<b>129</b>	<b>450</b>	<b>-</b>	<b>229,088</b>	<b>(12,326)</b>	دیگر مجموعی آمدن
<b>82,690</b>	<b>85,489</b>	<b>348,326</b>	<b>452,400</b>	<b>231,629</b>	<b>497,369</b>	<b>657,880</b>	کل مجموعی آمدن
<b>0.40</b>	<b>0.32</b>	<b>1.52</b>	<b>1.54</b>	<b>0.29</b>	<b>0.09</b>	<b>0.07</b>	ای پی ایس (EPS)

## آڈیٹرز

میسرز EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہیں اور خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے اختتامی سال 30 جون، 2019 کے لیے باہمی طے شدہ فیس پر بطور آڈیٹرز تقرری ان کی اجازت دے دی ہے۔

## ڈائریکٹرز کی تربیت

پاکستان اسٹاک ایکسچینج میں درج قواعد کی شق 5.19.7 کے تحت، کمپنی نے ڈائریکٹرز ٹریننگ پروگرام کو باضابطہ طور پر مکمل کیا ہے۔

## کارپوریٹ اور فنانشل رپورٹنگ فریم ورک پر وضاحت

بورڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے مجوزہ کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت ایک خاص نقطہ نظر کے مطابق اپنی کارپوریٹ ذمہ داریوں سے مکمل طور پر آگاہ ہے اور یہ تصدیق کرتا ہے کہ:

- کمپنی کی جانب سے تیار شدہ مالی گوشوارے اسکے معاملات، اس کے آپریشن کے نتائج، زرفنڈ کی ترسیل اور ایکویٹی میں تبدیلی کی درست ترجمانی کرتے ہیں۔
- کمپنی نے کمپنیز آرڈیننس، 1984 کے تحت کھاتوں (اکاؤنٹس) کی مخصوص بکس ترتیب دی ہوئی ہیں۔
- کمپنی کی جانب سے مالی گوشواروں کی تیاری میں مسلسل مخصوص اکاؤنٹنگ پالیسی کا اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات موزوں اور محتاط فیصلے کی بنیاد پر کئے گئے ہیں۔
- مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیار اور قواعد کی پیروی کی گئی ہے اور کسی بھی کمی ڈپارچر کو موزوں طور پر ظاہر اور واضح کیا گیا ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اس کا موثر طریقے سے اطلاق اور جانچ کی جاتی ہے۔
- کمپنی کے بنیادی قواعد مستحکم ہیں اور کمپنی کے اسی طرح جاری رہنے میں کوئی شکوک و شبہات نہیں ہیں۔
- کمپنی نے اسٹاک ایکسچینج میں درج شدہ قواعد کے مطابق کارپوریٹ گورننس کا بہترین انداز میں اطلاق کیا اور اس پر عمل کیا ہے اور اس میں سے کسی قسم کے مواد کو خارج نہیں کیا گیا۔
- اس سالانہ رپورٹ میں خلاصہ شدہ فارم کی صورت میں گزشتہ چھ سالوں کے اہم نکات اور مالی کوائف شامل ہیں۔
- 30 جون، 2018 کو غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر پراویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 90.8 ملین روپے ہے۔

## شیئر ہولڈنگ کا طریقہ

30 جون، 2018 کو کمپنی کی شیئر ہولڈنگ کے طریقے کا گوشوارہ مندرجہ ذیل ہے:

حصص یافتگان کی کٹیگری	رکھے جانے والے حصص کی تعداد	شیئر ہولڈنگ کی شرح فیصد
منسک کمپنیز	135,239,574	56.99%
جنگس، ڈی ایف آئی اور این بی ایف آئی	10,432,000	4.40%
انٹرنیشنل کمپنیز	35,000	0.01%
میوٹیل فنڈز	432,500	0.18%
عام عوام (مقامی)	76,517,578	32.25%
عام عوام (غیر ملکی)	3,613,558	1.52%
مضاربہ	153,000	0.06%
غیر ملکی کمپنیز	2,264,000	0.5%
دیگر	8,610,553	3.63%
کل	237,297,763	100%

30 جون، 2018 کو کمپنی کے شیئرز ہولڈرز کی جانب سے شیئرز ہولڈنگ کا طریقہ کار:

حاصل حصص	حاصل حصص (تک)	حاصل حصص (سے)	حصص یا ہنگام کی تعداد
4,049	100	1	303
319,585	500	101	650
734,987	1,000	501	740
5,189,276	5,000	1,001	1680
6,026,281	10,000	5,001	713
3,520,932	15,000	10,001	271
3,934,000	20,000	15,001	210
3,627,000	25,000	20,001	152
2,383,500	30,000	25,001	83
2,009,770	35,000	30,001	60
1,796,500	40,000	35,001	46
1,746,238	45,000	40,001	40
2,883,000	50,000	45,001	58
844,500	55,000	50,001	16
703,500	60,000	55,001	12
828,000	65,000	60,001	13
1,096,236	70,000	65,001	16
1,261,000	75,000	70,001	17
1,339,500	80,000	75,001	17
328,500	85,000	80,001	4
352,000	90,000	85,001	4
649,500	95,000	90,001	7
3,997,877	100,000	95,001	40
619,500	105,000	100,001	6
543,000	110,000	105,001	5
342,500	115,000	110,001	3
477,500	120,000	115,001	4
998,500	125,000	120,001	8
256,500	130,000	125,001	2
400,000	135,000	130,001	3
418,500	140,000	135,001	3
721,000	145,000	140,001	5
1,050,000	150,000	145,001	7
160,000	160,000	155,001	1
163,000	165,000	160,001	1
170,000	170,000	165,001	1
873,500	175,000	170,001	5
176,000	180,000	175,001	1
183,000	185,000	180,001	1
188,000	190,000	185,001	1
2,600,000	200,000	195,001	13
405,000	205,000	200,001	2
206,000	210,000	205,001	1
211,000	215,000	210,001	1
215,958	220,000	215,001	1
445,000	225,000	220,001	2
227,500	230,000	225,001	1
233,500	235,000	230,001	1
237,000	240,000	235,001	1

حامل حصص	حامل حصص (تک)	حامل حصص (سے)	حصص یافتگان کی تعداد
3242,000	245,000	240,001	1
1,739,000	250,000	245,001	7
776,000	260,000	255,001	3
262,500	265,000	260,001	1
280,000	280,000	275,001	1
1,194,000	300,000	295,001	4
15,000	315,000	310,001	1
318,000	320,000	315,001	1
328,500	330,000	325,001	1
332,000	335,000	330,001	1
1,074,000	360,000	355,001	3
733,500	370,000	365,001	2
376,500	380,000	375,001	1
383,500	385,000	380,001	1
385,500	390,000	385,001	1
800,000	400,000	395,001	2
403,500	405,000	400,001	1
406,000	410,000	405,001	1
420,000	420,000	415,001	1
424,000	425,000	420,001	1
426,500	430,000	425,001	1
458,000	460,000	455,001	1
490,000	490,000	485,001	1
1,000,000	500,000	495,001	2
525,000	525,000	520,001	1
550,000	550,000	545,001	1
551,500	555,000	550,001	1
570,000	570,000	565,001	1
599,000	600,000	595,001	1
616,000	620,000	615,001	1
622,500	625,000	620,001	1
673,500	675,000	670,001	1
775,000	775,000	770,001	1
1,800,000	900,000	895,001	2
2,000,000	1,000,000	995,001	2
1,025,000	1,025,000	1,020,001	1
1,040,500	1,045,000	1,040,001	1
1,300,000	1,300,000	1,295,001	1
1,302,000	1,305,000	1,300,001	1
1,400,000	1,400,000	1,395,001	1
1,417,500	1,420,000	1,415,001	1
1,500,000	1,500,000	1,495,001	1
1,545,000	1,545,000	1,540,001	1
2,264,000	2,265,000	2,260,001	1
3,412,000	3,415,000	3,410,001	1
5,150,000	5,150,000	5,145,001	1
35,009,900	35,010,000	35,005,001	1
99,984,174	99,989,000	79,935,001	1
<b>237,297,763</b>	<b>Company Total</b>		<b>5,298</b>

## اضافی معلومات

حاصل حصص کی تعداد	منسلک کمپنیز، حلف نامے اور متعلقہ پارٹنرز (ناموں کے ساتھ تفصیلات)
135,239,574 347	TPL ہولڈنگز (پرائیویٹ) لمیٹڈ TPL ڈائریکٹ انشورنس لمیٹڈ۔ ایسپلائز پرائیویٹ فنڈ
70,500 2,264,000 211,000 15,500 257,000 100,000 25,000 385,500 385,500 47,000 47,000 328,500 125,000 551,500 188,000 113,500 622,500 124,000 1,000,000 32,500 347 5,000 5,000 50,000 100,000	میو جیل فنڈز (ناموں کے ساتھ تفصیلات) Adam Securities Ltd. - MF AFC Umbrella Fund Arif Habib Limited - MF Asda Securities (Private) Limited - MF Axis Global Limited - MF Bawa Securities (Pvt) Ltd. - MF BMA Capital Management Ltd. - MF CDC - Trustee AKD Opportunity Fund CDC - Trustee AKD Opportunity Fund CDC - Trustee MCB Pakistan Stock Market Fund CDC - Trustee MCB Pakistan Stock Market Fund JS Global Capital Limited - MF Market 786 (Private) Limited - MF Mohammad Munir Mohammad Ahmed Khanani Securities(P)Ltd - MF MRA Securities Limited - MF N. U. A. Securities (Private) Limited - MF Pearl Securities Limited - MF Reliance Securities Limited - MF Standard Capital Securities (Pvt) Limited - MF Trust Securities & Brokerage Limited - MF Trustee TPL Direct Insurance Ltd -Employees Provident Fund Trustees Of First UDL Modaraba Staff Provident Fund Trustees Of First UDL Modaraba Staff Provident Fund Trustees Of Pakistan Mobile Communication Ltd-Provident Fund Wateen Telecom Limited Staff Gratuity Fund
	ڈائریکٹرز، سی ای اور ان کے لواحقین اور چھوٹے۔ بیچے (ناموں کے ساتھ تفصیلات) مندرجہ ذیل ڈائریکٹر TPL ہولڈنگز (پرائیویٹ) لمیٹڈ کے نامزد ڈائریکٹرز ہیں اور کمپنی کے کسی بھی حصص کے حامل نہیں ہیں۔ جناب جمیل یوسف (S.St.) جناب علی جمیل جناب سعد ناصر جناب بلال علی بھائی مندرجہ ذیل ڈائریکٹر حضرات کمپنی کے آزاد ڈائریکٹرز ہیں اور 30 جون، 2018 تک کسی حصص کے حامل نہیں ہیں۔ جناب ندیم ارشد الہی

حاصل حصص کی تعداد	منسلک کمپنیز، حلف نامے اور متعلقہ پارٹنرز (ناموں کے ساتھ تفصیلات)
کوئی نہیں 500 1	نان ایگزیکٹو ڈائریکٹرز 30 جون، 2018 کو مندرجہ ذیل ڈائریکٹرز کمپنی کے حصص کے حامل ہیں جناب ظفر الحسن نقوی جناب محمد شفیع
135,239,574	پانچ فیصد یا زائد ووٹنگ کی دلچسپی کے حامل حصص یافتگان (ناموں کے ساتھ تفصیلات) TPL ہولڈنگز پرائیویٹ لمیٹڈ
کوئی نہیں	ڈائریکٹرز ہی ای او ای ایف او، کمپنی بیکریٹری اور ان کے لواحقین اور چھوٹے بچوں کی جانب سے حصص میں کی گئی ٹریڈنگ کی تفصیلات دوران سال کسی بھی ڈائریکٹرز ہی ای او ای ایف او، کمپنی بیکریٹری اور ان کے لواحقین اور چھوٹے بچوں کی جانب کمپنی کے حصص کی خرید و فروخت عمل میں نہیں آئی۔

## بورڈ کے اجلاس

بورڈ آف ڈائریکٹرز نے مالی سال کے دوران چھ اجلاس منعقد کئے۔ ڈائریکٹرز کی حاضری ذیل میں درج ہے:

اجلاس میں شرکت کی تعداد	ڈائریکٹر کا نام
4	جناب جمیل یوسف (S.St.)
6	جناب علی جمیل (سی ای او)
5	وٹس ایپ مرل (ریٹائرڈ) محمد شفیع
4	Mr. Mark Dean Rousseau
4	جناب سعد ثار
4	جناب ندیم ارشد الہی
4	میجر جنرل (ریٹائرڈ) ظفر الحسن نقوی
4	جناب بلال علی بھائی

## اظہارِ تشکر

ہم کمپنی کے حصص یافتگان کا، ان کے ہم پر کئے جانے والے اعتماد کا شکریہ ادا کرتے ہیں۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، فیڈرل بورڈ آف ریونیو اور پاکستان اسٹاک ایکسچینج کی جانب سے گاہے بگاہے فراہم کی جانے والی معاونت اور رہنمائی پر ان کا بھی شکریہ ادا کرتے ہیں۔ ہم اپنے ملازمین، اسٹریٹیجک شراکت داروں، وینڈرز، سپلائرز اور صارفین کا بھی ادارے کے کارپوریٹ مقاصد کی تکمیل میں ساتھ دینے پر شکریہ ادا کرتے ہیں۔



Chief Executive



Director

(نوٹ: واضح رہے کہ کسی بھی ردوبدل، اصلاح یا ترمیم کی صورت میں ہمیشہ انگریزی کی دستاویز کو حتمی تصور کیا جائے گا)

# INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF TPL CORP LIMITED

## Review Report on the Statement of Compliance Contained in Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 (here-in-after referred to as 'Codes'), prepared by the Board of Directors of TPL Corp Limited for the year ended 30 June 2018 in accordance with the requirements of Regulation 40 of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

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

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

The Codes require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Codes as applicable to the Company for the year ended 30 June 2018.

Further, we highlight below instance of non-compliance with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2017 as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Reference	Description
i. 5	The Company's overall corporate strategy and defined level of materiality were approved subsequently by Board of Directors.
iii. 8	The formal policy for remuneration of directors is approved subsequently by Board of Directors.
iv. 12	The chairman of the HR and Remuneration committee is not an independent director.



**EY Ford Rhodes**

Chartered Accountants

**Audit Engagement Partner:** Arif Nazeer

Place: Karachi

Date: 24 September, 2018

# STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of Company: **TPL Corp Limited**

Year ended: **30 June 2018**

The Company has complied with the requirements of the Code of Corporate Governance, 2012 and the Listed Companies (Code Of Corporate Governance) Regulations, 2017 (here-in-after referred to as 'Codes') in the following manner:

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

a. Male: 08      b. Female: -

2. The composition of the Board is as follows:

<b>Category</b>	<b>Names</b>
<b>Independent director</b>	Nadeem Arshad Elahi
<b>Other Non-executive Directors</b>	1. Mr. Jameel Yousuf 2. Mr. Bilal Alibhai 3. Mr. Mark Dean Rousseau 4. Mr. Zafar-ul-Hasan Naqvi 5. Mr. Mohammad Shafi 6. Mr. Saad Nissar
<b>Executive Directors</b>	Mr. Mohammad Ali Jameel

- The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- 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.
- The Board has developed a vision/mission statement and significant policies of the Company. However, overall corporate strategy and defined level of materiality are not in place. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("Act") and Codes.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Codes with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Codes and the same is approved subsequently by the Board.

# STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

9. The Board has duly complied with the Directors' Training Program requirement and the criteria as prescribed in the Codes.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Codes.
11. The Chief Financial Officer and Chief Execution Officer have duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. However, the chairman of the HR and Remuneration committee is not an independent member.

<b>Audit Committee</b>	Mr. Nadeem Arshad Elahi – Chairman Mr. Zafar-ul-Hasan Naqvi – Member Mr. Saad Nissar – Member Mr. Yousuf Zohaib Ali – Secretary
<b>HR and Remuneration Committee</b>	Mr. Zafar-ul-Hasan Naqvi – Chairman Mr. Mohammad Ali Jameel – Member Mr. Nadeem Arshad Elahi – Member Mr. Nader Nawaz – Secretary

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

<b>Name of Committee</b>	<b>Frequency of Meeting</b>
<b>Audit Committee</b>	The Board Audit Committee has met on quarterly basis.
<b>HR and Remuneration Committee</b>	The HR and Remuneration Committee has met on yearly basis.

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that 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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Codes or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Codes have been complied with, except for matters as stated in points 4, 5, 8 and 12 above, towards which reasonable progress is being made by the Company to seek compliance shortly.



---

Jameel Yusuf (S.St)  
Chairman

# INDEPENDENT AUDITORS' REPORT

## To the members of TPL Corp Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of TPL Corp Limited (the Company), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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

**Following are the key audit matters:**

Key audit matter	How the matter was addressed in our audit
<b>1. Carved-out of businesses to wholly-owned subsidiaries</b>	
<p>(Refer note 1.5 to the accompanying financial statements)</p> <p>The principal activity of the Company was installation and sale of tracking devices, vehicle tracking and fleet management. However, on 17 November 2017, the Scheme of Arrangement was sanctioned / approved by the Honorable High Court of Sindh to split the Company business into the Retained Undertaking, Maps Undertaking and Trakker Undertaking on the effective date along with all its associated assets and liabilities, against the consideration of shares issued by respective entities i.e. TPL Maps (Pvt.) Limited and TPL Trakker Limited (here-in-after referred to as subsidiary companies).</p> <p>Due to significance of this event and its impact on the Company's financial position and performance, we considered this a key audit matter.</p>	<p>Our audit procedures amongst others included:</p> <ul style="list-style-type: none"> <li>- reviewed the Scheme of Arrangement Scheme) and checked its approval by the shareholders and sanctioned by the Honorable High Court of Sindh (the Court);</li> <li>- considered the accounting implications of implementing the Scheme, in particular, the basis of determining the assets and liabilities transferred to the subsidiary companies; and</li> <li>- reviewed the adequacy of related disclosures in the financial statements in accordance with the financial reporting standards.</li> </ul>
<b>2. Valuation of investment In subsidiaries</b>	
<p>(Refer notes 9 and 46.4 to the accompanying financial statements)</p> <p>The Company investment in subsidiaries represents the significant portion of its assets. These investments are measured at fair value on the basis of observable market prices, where such prices are available, and by applying valuation techniques, where quoted prices are not available.</p> <p>We considered valuation of subsidiaries as a key audit matter due to volatility in the quoted equity prices and the judgment involved in estimating future cashflows in relation to the subsidiaries for the purpose of applying valuation techniques.</p>	<p>Our audit procedures amongst others, comprised understanding the management process for valuation of investments, considered whether the application of methodologies are consistent with generally accepted valuation methodologies and prior periods, and that assumptions and inputs used are consistent, in all material respects, with the business' past performance and management business strategy.</p> <p>In addition, in respect of investments classified as available for sale, we considered the implications of impairment in accordance with the requirements of the applicable financial reporting standards and the accounting policies of the Company.</p> <p>We involved our internal specialists to assess the appropriateness of the methodology and assumptions used by the management to determine the fair value of investment in unquoted subsidiaries. As part of these audit procedures, our internal specialists:</p>

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>- assessed whether, for a selection of models, the model valuation methodology is appropriate;</li> <li>- reviewed the accuracy of key inputs used in the valuation such as the expected cash flows, discount and inflation rates used by benchmarking them with external data; and</li> <li>- evaluated the Company's assessment, whether objective evidence of impairment exists for individual investments.</li> </ul> <p>We tested the allocation of investments to the correct level (1 and 2) within the fair value hierarchy in line with the established policy, and that the policy classifications were appropriate.</p> <p>We also assessed the adequacy of the related disclosures in the financial statements in accordance with the financial reporting standards.</p>
<b>3. Preparation of financial statements under Companies Act, 2017</b>	
<p>(Refer note 3 to the accompanying financial statements)</p> <p>The Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in note 3 to the financial statements.</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.</p> <p>In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 5.5 to the financial statements; we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Company.</p>

Key audit matter	How the matter was addressed in our audit
<p>Further, the Company, has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 5.5 to the financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.</p>	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



**EY Ford Rhodes**  
Chartered Accountants

Date: 24 September 2018  
Karachi

# STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees (Restated)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	7	-	1,024,184,785
Intangible assets	8	<b>641,667</b>	1,647,655,672
		<b>641,667</b>	2,671,840,457
Long-term investments	9	<b>4,571,814,415</b>	828,492,161
Long-term loans	10	-	826,538
Long-term deposits	11	-	45,331,228
Interest accrued	12	-	17,363
Due from related parties	13	-	11,711,707
		<b>4,572,456,082</b>	3,558,219,454
<b>CURRENT ASSETS</b>			
Stock-in-trade	14	-	356,122,525
Trade debts	15	-	1,207,344,403
Loans and advances	16	<b>10,000,000</b>	9,768,879
Trade deposits and prepayments	17	<b>970,000</b>	36,582,040
Interest accrued	12	<b>7,900</b>	11,985,115
Other receivables	18	-	19,448,696
Short-term investments	19	<b>85,030,449</b>	758,780,449
Due from related parties	13	<b>68,036,252</b>	94,301,120
Taxation – net	20	<b>33,105,923</b>	46,721,208
Cash and bank balances	21	<b>1,747,962</b>	40,354,665
		<b>198,898,486</b>	2,581,409,100
<b>TOTAL ASSETS</b>		<b>4,771,354,568</b>	6,139,628,554

# STATEMENT OF FINANCIAL POSITION


AS AT JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees (Restated)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
330,000,000 (2017: 230,000,000) ordinary shares of Rs.10/- each		<b>3,300,000,000</b>	2,300,000,000
Issued, subscribed and paid-up capital	22	<b>2,372,977,630</b>	2,172,489,630
Capital reserve		<b>60,855,762</b>	-
Revenue reserves		<b>689,376,880</b>	789,218,929
Surplus on revaluation of property, plant and equipment		<b>-</b>	228,790,596
		<b>3,123,210,272</b>	3,190,499,155
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	24	<b>398,226,229</b>	622,968,751
Liabilities against assets subject to finance lease	25	<b>-</b>	10,975,935
Deferred income	26	<b>-</b>	2,444,444
Long-term loans	27	<b>-</b>	290,277,330
Deferred tax liability - net	28	<b>-</b>	1,161,733
		<b>398,226,229</b>	927,828,193
<b>CURRENT LIABILITIES</b>			
Trade and other payables	29	<b>4,200,000</b>	513,832,883
Accrued mark-up	30	<b>6,492,426</b>	49,228,099
Short-term financing	31	<b>-</b>	62,238,722
Running finance under mark-up arrangements	32	<b>-</b>	876,719,637
Current portion of non-current liabilities	33	<b>789,477,679</b>	259,892,691
Due to related parties	34	<b>445,000,000</b>	87,748,925
Unclaimed dividend		<b>1,747,962</b>	1,078,801
Unpaid dividend		<b>3,000,000</b>	3,000,000
Advance monitoring fees	35	<b>-</b>	167,561,448
		<b>1,249,918,067</b>	2,021,301,206
<b>CONTINGENCIES AND COMMITMENTS</b>			
	36		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,771,354,568</b>	6,139,628,554

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME


FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees (Restated)
Turnover - net	37	-	1,506,281,655
Cost of sales and services	38	-	(716,495,191)
<b>Gross profit</b>		-	789,786,464
Distribution expenses	39	-	(239,918,365)
Administrative expenses	40	<b>(41,079,823)</b>	(368,525,475)
<b>Operating (loss) / profit</b>		<b>(41,079,823)</b>	181,342,624
Other operating expenses	41	-	(1,359,659)
Finance costs	42	<b>(61,968,477)</b>	(149,727,603)
Other income	43	<b>7,900</b>	49,093,642
<b>(Loss) / profit before taxation</b>		<b>(103,040,400)</b>	79,349,004
Taxation	44	-	(22,445,698)
<b>(Loss) / profit for the year</b>		<b>(103,040,400)</b>	56,903,306
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)</i>			
Unrealised gain / (loss) on available-for-sale investments at fair value		<b>456,462,566</b>	(14,054,297)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</i>			
Surplus on revaluation of property, plant and equipment		-	229,088,489
<b>Other comprehensive income for the year - net of tax</b>		<b>456,462,566</b>	215,034,192
<b>Total comprehensive income for the year</b>		<b>353,422,166</b>	271,937,498
<b>(Loss) / earnings per share – basic and diluted</b>	45	<b>(0.43)</b>	0.26

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		(103,040,400)	79,349,003
Adjustment for non-cash charges and other items:			
Depreciation	7.11	-	136,247,540
Amortisation	8.1	18,333	50,103,602
Provision for doubtful debts	40	-	17,452,497
Finance costs	42	61,968,477	149,727,603
Gain on disposal of investment in TPL Life Insurance Limited	43	-	(18,500,707)
Gain on disposal of property, plant and equipment	43	-	(3,691,013)
Exchange loss – net	41	-	588,438
Deferred income	43	-	(2,933,336)
		61,986,810	328,994,624
<b>Operating (loss) / profit before working capital changes</b>		(41,053,590)	408,343,627
<b>(Increase) / decrease in current assets</b>			
Stock-in-trade		-	(118,824,188)
Trade debts		-	(187,202,066)
Loans and advances		(10,000,000)	(473,047)
Trade deposits and prepayments		(970,000)	261,356
Other receivables		-	(11,265,299)
Interest accrued		(7,900)	13,629,077
Due from related parties		(65,993,982)	222,324,881
		(76,971,882)	(81,549,286)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		(37,526,269)	155,262,189
Due to related parties		445,000,000	19,589,664
Advance monitoring fees		-	62,279,778
		289,448,259	563,925,972
Cash flows generated from operations			
Payments for:			
Finance costs		(47,760,964)	(204,018,549)
Income taxes – net	20	-	(68,663,762)
		(47,760,964)	(272,682,311)
<b>Net cash flows generated from operating activities</b>		241,687,295	291,243,661

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018


	Note	2018 Rupees	2017 Rupees
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of - property, plant and equipment	7.1	-	(299,866,037)
- capital work-in-progress	7.2	-	(23,271,293)
- intangible assets	8.1	(660,000)	(13,727,283)
- intangible assets under development	8.2	-	(253,695,713)
Sale proceeds from disposal of property, plant and equipment and intangible assets		-	3,832,248
Proceeds from disposal of investment in TPL Life Insurance Limited		-	76,550,000
Purchase of investments		(1,366,703,873)	(440,280,021)
Long-term loans		-	(396,072)
Long-term deposits		-	(14,851,186)
<b>Net cash flows used in investing activities</b>		<b>(1,367,363,873)</b>	<b>(965,705,357)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(53,643,080)	(24,495,872)
Long-term financing - net *		1,179,988,819	(112,421,253)
Obligations under finance leases repaid *		-	(9,877,116)
Long-term loans - net *		-	303,735,035
Short-term financing - net *		-	28,039,246
<b>Net cash flows from financing activities</b>		<b>1,126,345,739</b>	<b>184,980,040</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>669,161</b>	<b>(489,481,656)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>(836,364,972)</b>	<b>(346,883,316)</b>
<b>Cash and cash equivalents transferred under scheme of arrangement</b>	1.5	<b>837,443,773</b>	-
<b>Cash and cash equivalents at the end of the year</b>	50	<b>1,747,962</b>	<b>(836,364,972)</b>

\* No non-cash item is included in these activities

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF CHANGES IN EQUITY


FOR THE YEAR ENDED JUNE 30, 2018

	Capital reserve		Revenue reserves		Surplus on revaluation of property, plant and equipment (notes 5.5 & 23)	Total reserves	Total Equity
	Issued, subscribed and paid-up capital	Reserve created under Scheme of Arrangement (note 1.6)	Unappropriated profit	Available for sale reserve			
	Rupees						
<b>Balance as at July 1, 2017</b>	2,172,489,630	-	687,918,808	83,727,893	-	771,646,701	2,944,136,331
Profit for the year	-	-	56,903,305	-	-	56,903,305	56,903,305
Other comprehensive income / (loss) for the year, net of tax	-	-	-	(14,054,297)	229,088,489	215,034,192	215,034,192
Total comprehensive income for the year	-	-	56,903,305	(14,054,297)	229,088,489	271,937,497	271,937,497
Final dividend for the year ended June 30, 2016 @ Re.0.25 per share	-	-	(25,574,673)	-	-	(25,574,673)	(25,574,673)
Surplus on revaluation of property and equipment realised:							
- on account of incremental depreciation charged on related assets for the year (note 23)	-	-	425,561	-	(425,561)	-	-
- deferred tax thereon	-	-	(127,668)	-	127,668	-	-
	-	-	297,893	-	(297,893)	-	-
<b>Balance as at June 30, 2017 - restated (note 5.5)</b>	2,172,489,630	-	719,545,333	69,673,596	228,790,596	1,018,009,525	3,190,499,155
Reserves transferred under Scheme of Arrangement (note 1.5)	-	-	(398,951,974)	-	(228,790,596)	(627,742,570)	(627,742,570)
<b>Balance as at July 01, 2017</b>	<b>2,172,489,630</b>	<b>-</b>	<b>320,593,359</b>	<b>69,673,596</b>	<b>-</b>	<b>390,266,955</b>	<b>2,562,756,585</b>
Reserve arising as a consequence of Scheme of Arrangement (note 1.5)	-	60,855,762	-	-	-	60,855,762	60,855,762
Issuance of ordinary shares (notes 1.5 & 22.2)	200,488,000	-	-	-	-	-	200,488,000
Loss for the year	-	-	(103,040,400)	-	-	(103,040,400)	(103,040,400)
Other comprehensive income for the year, net of tax	-	-	-	456,462,566	-	456,462,566	456,462,566
Total comprehensive (loss) / income for the year	-	-	(103,040,400)	456,462,566	-	353,422,166	353,422,166
Final dividend for the year ended June 30, 2017 @ Re.0.25 per share	-	-	(54,312,241)	-	-	(54,312,241)	(54,312,241)
<b>Balance as at June 30, 2018</b>	<b>2,372,977,630</b>	<b>60,855,762</b>	<b>163,240,718</b>	<b>526,136,162</b>	<b>-</b>	<b>750,232,642</b>	<b>3,123,210,272</b>

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 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 repealed Companies Ordinance, 1984 (now Companies Act, 2017). In year 2009, the Company was converted into a public company and got listed on Pakistan Stock Exchange Limited on July 16, 2012. During the year, the name of the Company has been changed to TPL Corp Limited with effect from 24 November 2017. The registered office of the Company is situated at Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi. Currently, the principal activity of the Company is to make investment in group and other companies.

Geographical location and addresses of business units are as under:

<b>1.2 Location</b>	<b>Address</b>
Corporate office, Karachi	12th and 13th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange, Karachi.
<b>Regional offices:</b>	
Karachi office	20-B, Block 6, P.E.C.H.S., Karachi.
Hyderabad office	A-8 District Council Complex, Hyderabad.
Lahore office	51-M, Denim Road, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore.
Islamabad office	10th Floor (South) ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad.
Faisalabad office	P6161, West Canal road, Adjacent to Toyota Faisalabad Motors, Faisalabad.
Multan office	House No. 5, Suraj Miani Road, Opp. Ashraf Cardiac Clinic, Chungi No. 1, Multan.
Peshawar office	C-7 & C-8 3rd Floor, Jasmine Arcade, Fakh-e-Alam Road, Peshawar.

**1.3** TPL Holdings (Private) Limited is the parent company, which holds 135,244,574 (2017: 114,950,274) ordinary shares of the Company representing 56.99 percent (2017: 52.91 percent) shareholding as of the reporting date.

**1.4** During the year, the authorised share capital of the Company has been increased from 230,000,000 ordinary shares to 330,000,000 ordinary shares having face value of Rs.10 each.

**1.5** During the year, the Scheme of Arrangement (the Scheme) was executed on July 01, 2017 among the Company, TPL Maps (Pvt.) Limited [TMPL], TPL Trakker Limited (formerly known as TPL Vehicle Tracking (Private) Limited) [TTL] and TPL Holdings (Private) Limited [THPL] for:

- separating / demerging of the Company's Maps Undertaking and Trakker Undertaking and merging and amalgamating the same with and into TMPL and TTL against the issue of shares by respective entities to the Company; and
- separating / demerging the Properties Undertaking (i.e. 21,104,000 ordinary shares of TPL Properties Limited (TPLP) having face value of Rs.10 each) from THPL and merging and amalgamating the same with and into the Company, against the issue of shares of the Company to THPL, along with all ancillary matters.

The shareholders of the Company in their extra ordinary general meeting held on April 14, 2017 approved the Scheme under Sections 284 to 288 of the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Scheme was sanctioned / approved by the Honorable High Court of Sindh vide its order number J.C.M. Petition No.48 of 2016 dated November 17, 2017 and in accordance therewith, the effective date of Scheme was July 01, 2017. Accordingly:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- a) the undertaking comprising the assets, liabilities and obligations of the Company shall be split into three (03) separate segments i.e. Maps Undertaking (i.e. maps and navigation), Trakker Undertaking (i.e. trakker / vehicle tracking services) and the Retained Undertaking (i.e. investments, etc).
- b) the segment comprising all the assets, liabilities and obligations of the Maps Undertaking shall be carved out and, as at the effective date, stand merged with, transferred to, vested in, and be assumed by TMPL and ordinary shares of TMPL at par shall be issued to the Company.
- c) the segment comprising all the assets, liabilities and obligations of the Trakker Undertaking shall be carved out and, as at the effective date, stand merged with, transferred to, vested in, and be assumed by TTL and ordinary shares of TTL at par shall be issued to the Company.
- d) upon the merger and transfer of the Maps and Trakker Undertakings to TMPL and TTL in the manner prescribed under the Scheme, the Company shall continue to own and operate the Retained Undertaking, TMPL and TTL shall own and operate the Maps and Trakker Undertaking respectively, each as independent companies without any company being wound up.
- e) the assets, liabilities and obligations of THPL shall be split into two separate segments i.e. Properties Undertaking and Holdings Undertaking and accordingly, the Properties Undertaking shall be carved out and, as at the effective date, stand merged with, transferred to vested in, and be assumed by the Company. As consideration, the 20,048,800 ordinary shares of the Company at par shall be issued to THPL in a swap ratio of 0.95 of the Company shares for every one (01) shares of TPLP (note 22.2).
- f) the carrying values of assets and liabilities of Maps and Trakker Undertakings transferred to TMPL and TTL, consequent to the Scheme, as of effective date i.e. July 01, 2017 are as follows:

	Note	As at June 30, 2017 (Rupees)	Maps Undertaking (Rupees)	Trakker Undertaking (Rupees)	Retained Undertaking (Rupees)
<b>ASSETS</b>					
<b>NON - CURRENT ASSETS</b>					
Fixed assets					
Property, plant and equipment	7	1,024,184,785	3,442,032	1,020,742,753	-
Intangible assets	8	1,647,655,672	490,165,515	1,157,490,157	-
		<b>2,671,840,457</b>	<b>493,607,547</b>	<b>2,178,232,910</b>	<b>-</b>
Long-term investments	9	828,492,161	-	-	828,492,161
Long-term loans	10	826,538	-	826,538	-
Long-term deposits	11	45,331,228	140,000	45,191,228	-
Interest accrued	12	17,363	-	17,363	-
Due from related parties	13	11,711,707	-	11,711,707	-
		<b>3,558,219,454</b>	<b>493,747,547</b>	<b>2,235,979,746</b>	<b>828,492,161</b>
<b>CURRENT ASSETS</b>					
Stock-in-trade	14	356,122,525	59,660	356,062,865	-
Trade debts	15	1,207,344,403	28,100,677	1,179,243,726	-
Loans and advances	16	9,768,879	-	9,768,879	-
Trade deposits and prepayments	17	36,582,040	398,282	36,183,758	-
Interest accrued	12	11,985,115	-	11,985,115	-
Other receivables	18	19,448,696	-	19,448,696	-
Short-term investments	19	758,780,449	-	-	758,780,449
Due from related parties	13	94,301,120	-	92,258,850	2,042,270
Taxation - net	20	46,721,208	-	-	46,721,208
Cash and bank balances	21	40,354,665	-	39,275,864	1,078,801
		<b>2,581,409,100</b>	<b>28,558,619</b>	<b>1,744,227,753</b>	<b>808,622,728</b>
<b>Total assets</b>		<b>6,139,628,554</b>	<b>522,306,166</b>	<b>3,980,207,499</b>	<b>1,637,114,889</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	As at June 30, 2017 (Rupees)	Maps Undertaking (Rupees)	Trakker Undertaking (Rupees)	Retained Undertaking (Rupees)
<b>NON-CURRENT LIABILITIES</b>					
Long-term financing	24	622,968,751	-	622,968,751	-
Liabilities against assets subject to finance lease	25	10,975,935	10,975,935	-	-
Deferred income	26	2,444,444	-	2,444,444	-
Long-term loans	27	290,277,330	-	290,277,330	-
Deferred tax liability - net	28	1,161,733	-	1,161,733	-
		<b>927,828,193</b>	<b>-</b>	<b>927,828,193</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	29	517,911,684	13,040,754	445,450,574	59,420,356
Accrued mark-up	30	49,228,099	-	49,228,099	-
Short term financing	31	62,238,722	-	62,238,722	-
Running finance under mark-up arrangements	32	876,719,637	-	876,719,637	-
Current portion of non-current liabilities	33	259,892,691	-	259,892,691	-
Due to related parties	34	87,748,925	-	87,748,925	-
Advance monitoring fees	35	167,561,448	-	167,561,448	-
		<b>2,021,301,206</b>	<b>13,040,754</b>	<b>1,948,840,096</b>	<b>59,420,356</b>
<b>Total liabilities</b>		<b>2,949,129,399</b>	<b>13,040,754</b>	<b>2,876,668,289</b>	<b>59,420,356</b>
<b>Net assets before reserves</b>		<b>3,190,499,155</b>	<b>509,265,412</b>	<b>1,103,539,210</b>	<b>1,577,694,533</b>
<b>Revenue reserves - unappropriated profit</b>		<b>789,218,929</b>	<b>125,974,614</b>	<b>272,977,360</b>	<b>390,266,955</b>
<b>Surplus on revaluation of property, plant and equipment</b>	23	<b>228,790,596</b>	<b>-</b>	<b>228,790,596</b>	<b>-</b>
<b>Net assets transferred</b>		<b>2,172,489,630</b>	<b>383,290,798</b>	<b>601,771,254</b>	<b>1,187,427,578</b>

1.6 These financial statements are the separate financial statements of the Company, in which investments in the below mentioned subsidiaries and associates have been accounted for at fair value and cost less accumulated impairment losses, if any, respectively. As of reporting date, the Company has the following subsidiaries and associates:

	% of shareholding	
	2018	2017
<b>Subsidiaries</b>		
TPL Insurance Limited [TIL] - (note 9.1)	93.51	-
TPL Properties Limited [TPLP] - (note 9.2)	29.62	20.11
Centrepoint Management Services (Private) Limited (sub-subsidiary) [CMS]	29.62*	20.11*
HKC Limited (sub-subsidiary) [HKC]	29.62*	20.11*
G-18 (Private) Limited (sub-subsidiary) [G-18]	29.62*	-
TPL Life Insurance Limited [TPL Life] - (note 9.3)	86.43	86.02
TPL Maps (Pvt.) Limited [TMPL] - (note 9.4)	100	100
TPL Trakker Limited [TTL] - (note 9.5)	100	100
TPL Security Services (Private) Limited [TSS] - (note 9.6)	99.9	99.9
TPL Rupiya (Private) Limited [TRPL] - (note 9.7)	99.9	-
<b>Associates</b>		
TPL Insurance Limited [TIL] - (note 9.1)	-	24.39
Trakker Middle East LLC [TME] - (note 19.1)	29	29

\* Represents direct holding of TPLP as at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Following is the summary of significant transaction and events that have affected the Company's financial position and performance of the Company:

- a) Transferred businesses to TMPL and TTL and acquisition of additional investment of TPLP under the Scheme of Arrangement - note 1.5.
- b) Acquisition of additional shares of TPL Insurance Limited - note 9.1.
- c) Issue of term finance certificates - note 24.
- d) Adoption of Companies Act, 2017 - note 3.

## 3. STATEMENT OF COMPLIANCE

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

The Act has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, included change in nomenclature of primary statements and change in respect of presentation and measurement of surplus on revaluation of property, plant and equipment (note 5.5). Further, the disclosure requirements contained in the Fourth Schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRSs disclosure requirements and incorporation of additional amended disclosures including, but not limited to, particulars of immovable assets of the Company (note 7.1.6), management assessment of sufficiency of tax provision in the financial statements (note 44.2), change in threshold for identification of executives (notes 10 and 47), additional disclosure requirements for related parties (notes 6 and 48) etc.

## 4. BASIS OF PREPARATION

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

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 5.1 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 stated below:

#### Amended Standards

The Company has adopted the following amended standards which became effective for the current year:

- IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
- IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

The adoption of the above amendments to accounting standards did not have any material effect on these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 5.2 Significant accounting judgments, estimates and assumptions

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

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

### a) Investment in subsidiaries

The Company value its investment in subsidiaries at fair value using fair value hierarchy; Level 1 - quoted prices (unadjusted) in active markets, Level 2 - valuations based on directly or indirectly observable market input and Level 3 - valuations based on unobservable market input. The Company determines whether objective evidence of impairment exists for individual investments. In these cases, the difference between amortised cost and fair value is transferred from other comprehensive income to the profit or loss. In addition, the determination of fair value of unquoted subsidiaries involves inherent subjectivity, key assumptions (such as future cash flow forecasts, discount and growth rates and volatility), and estimation relation to valuation inputs and techniques. Any change in these assumptions and estimates may have significant impact on the fair value of investments with corresponding impact in other comprehensive income.

### b) Recognition of tax and deferred tax

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

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

## 5.3 Property, plant and equipment

### 5.3.1 Owned

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

Rates of depreciation which are disclosed in note 7.1 to these financial statements are designed to write-off the cost over the estimated useful lives of the assets.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2018

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

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

### 5.3.2 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 in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

### 5.3.3 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 or loss. Leased assets are depreciated on a straight line basis at the same rate as Company's owned assets as disclosed in note 7.1 to these financial statements.

## 5.4 Intangible assets

Intangible assets other than goodwill, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Goodwill, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite and are tested for impairment annually. For other intangibles, amortisation is charged to the profit or loss applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The amortisation rate of the intangible assets are stated in note 8.1 to these financial statements. Full month's amortisation is charged in the month of addition when the asset is available for use, whereas, amortisation on disposals is charged upto the month in which the disposal takes place.

### 5.4.1 Intangible assets under development

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

### 5.4.2 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2018

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 statement of profit and loss on the acquisition date.

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

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

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

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

During the year, the Company has changed its accounting policy for presentation and measurement of surplus on revaluation of property, plant and equipment, due to adoption of the Companies Act, 2017 (the Act), which became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of International Accounting Standard (IAS) 16 'Property, Plant and Equipment' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors. There is no impact of this change in accounting policy on the financial statements prior to 2017. Accordingly, the Company has not presented its statement of financial position as at the beginning of the earliest comparative period i.e., July 01, 2016, and related notes in accordance with requirement of IAS 1 'Presentation of Financial Statements' (Revised) (IAS 1). Had the accounting policy not been changed, the surplus on revaluation of property, plant and equipment would have been shown as a separate line item below equity in the statement of financial position amounting to Rs.228.791 million for the year ended 30 June 2017.

### 5.6 Investments

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

#### 5.6.1 Investments in subsidiaries

Investment in subsidiaries are stated at fair value (note 5.6.4).

#### 5.6.2 Investments in associates

Investments in associates are stated at cost less accumulated impairment losses, if any, in the value of

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2018

such investments. A reversal of impairment loss on associates is recognised as it arises provided the increased carrying value does not exceed cost.

### 5.6.3 At fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial instruments are classified as held-for-trading if they are acquired for the purpose of selling and repurchasing in near term. Held-for-trading assets are acquired principally for the purpose of generating profit from short-term fluctuations in price. Financial instruments are designated at fair value through profit or loss, if the Company manages such investments and makes sales and purchase decision based on their fair value in accordance with the Company's investment strategy.

All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. All transaction costs are recognised directly in profit or loss. At subsequent dates, these investments are measured at fair value, determined on the basis of prevailing market prices, with any resulting gain or loss recognised directly in the profit or loss.

### 5.6.4 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 or loss 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.

## 5.7 Impairment

### 5.7.1 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 or loss.

### 5.7.2 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

### 5.8 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.

### 5.9 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 5.10 Cash and cash equivalents

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

## 5.11 Staff retirement benefits - Defined contribution plan

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

## 5.12 Taxation

### Current

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

### Deferred

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax is charged or credited to the profit or loss.

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

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.

## 5.13 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 5.14 Provisions

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

## 5.15 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 or loss on a straight line basis over the lease / ijarah term.

## 5.16 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, equipment rental 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.
- Other income, if any, is recognised on accrual basis.

## 5.17 Foreign currency translation

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

## 5.18 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 or loss.

## 5.19 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position, 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. Income and expenses arising from such assets and liabilities are also offset accordingly.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 5.20 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.

## 5.21 Dividend and appropriation to reserves

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

## 5.22 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, plant and equipment and intangible assets.

## 5.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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

The following 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 standard or interpretation:

Standards	Effective date (annual periods beginning on or after)
IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with	
IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9 Financial Instruments	July 01, 2018
IFRS 9 Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 15 Revenue from Contracts with Customers	July 01, 2018
IFRS 16 Leases	January 01, 2019
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2018

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standards</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 14 Regulatory Deferral Accounts	01 January 2016
IFRS 17 Insurance Contracts	01 January 2021

### 6. DETAILS OF RELATED PARTIES

<b>Name of a related party</b>	<b>Basis of relationship</b>	<b>Shareholding</b>
TPL Holdings (Private) Limited	Parent company	
TPL Rupiya (Private) Limited	Wholly owned subsidiary	100%
TPL Trakker Limited	Wholly owned subsidiary	100%
TPL Maps (Pvt.) Limited	Wholly owned subsidiary	100%
TPL Security Services (Private) Limited	Subsidiary	99.90%
TPL Insurance Limited	Subsidiary	93.51%
TPL Life Insurance Limited	Subsidiary	86.43%
TPL Properties Limited [TPLP]	Subsidiary	29.62%
Centrepoint Management Services (Private) Limited	Sub-subsidiary of TPLP	29.62%
HKC (Private) Limited	Sub-subsidiary of TPLP	29.62%
G18 (Private) Limited	Sub-subsidiary of TPLP	29.62%
Trakker Middle East LLC	Associated company	29%
TPL E-Ventures (Pvt.) Limited	Associated undertaking	-
TPL Mobile (Private) Limited	Common directorship	-
TPL Tech Pakistan (Private) Limited	Common directorship	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Name of a related party	Basis of relationship	Shareholding
Sapphire Fibers Limited	Common directorship	-
IBEX Global Solutions (Private) Limited	Common directorship	-
Virtual World (Private) Limited	Common directorship	-
Digital Globe Services (Private) Limited	Common directorship	-
Afiniti Software Solutions (Private) Limited	Common directorship	-
Vestruue DMCC, Dubai, UAE	Common directorship	-
Vestruue Holdings Limited, Dubai, UAE	Common directorship	-
Kulsum Holdings Limited, Dubai, UAE	Common directorship	-
Brans Holdings Limited, Dubai, UAE	Common directorship	-
Rashwell Company LLC, Dubai, UAE	Common directorship	-
Slaide (Pty) Ltd	Common directorship	-
Macanta (Pty) Ltd	Common directorship	-
Fleetcam (Pty) Ltd	Common directorship	-
Cherosco (Pty) Ltd	Common directorship	-
Casi International (Pty) Ltd	Common directorship	-
TPL Direct Finance (Private) Limited	Common directorship	-
The Resource Group Pakistan Limited	Common directorship	-
TPL Logistics (Private) Limited	Common directorship	-
Trakker Energy (Pvt.) Ltd	Common directorship	-
TRG (Private) Limited	Common directorship	-

## 7. PROPERTY AND EQUIPMENT

Operating fixed assets  
Capital work-in-progress

Note	2018 Rupees	2017 Rupees
7.1	-	999,237,294
7.2	-	24,947,491
	-	<u>1,024,184,785</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 7.1 Operating fixed assets

	COST / REVALUED AMOUNT		ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE		Depreciation Rate %
	As at July 01, 2017	Transferred under Scheme (note 1.5)	As at June 30, 2018	As at July 01, 2017	Transferred under Scheme (note 1.5)	As at June 30, 2018	As at June 30, 2018	
----- (Rupees) -----								
<b>Owned</b>								
Leasehold land (note 7.14)	413,000,000	(413,000,000)	-	-	-	-	-	-
Building on leasehold land (note 7.14)	60,055,960	(60,055,960)	-	20,753,489	(20,753,489)	-	-	5
Computers and accessories	214,438,887	(214,438,887)	-	201,537,010	(201,537,010)	-	-	33.33
Generators	6,502,202	(6,502,202)	-	6,502,202	(6,502,202)	-	-	20
Electrical equipments (notes 7.1.2)	642,816,821	(642,816,821)	-	246,731,681	(246,731,681)	-	-	20-25
Furniture and fittings	156,158,720	(156,158,720)	-	82,158,320	(82,158,320)	-	-	20
Vehicles	101,972,245	(101,972,245)	-	65,327,874	(65,327,874)	-	-	20
Construction of shed	6,048,277	(6,048,277)	-	6,048,277	(6,048,277)	-	-	20
Mobile phones	24,051,161	(24,051,161)	-	17,491,749	(17,491,749)	-	-	33.33
	<b>1,625,044,273</b>	<b>(1,625,044,273)</b>	<b>-</b>	<b>646,550,602</b>	<b>(646,550,602)</b>	<b>-</b>	<b>-</b>	
<b>Leased</b>								
Computers and accessories	46,000,408	(46,000,408)	-	43,948,435	(43,948,435)	-	-	33.33
Electrical equipments	3,570,700	(3,570,700)	-	3,128,806	(3,128,806)	-	-	20
Vehicles	40,793,930	(40,793,930)	-	32,144,422	(32,144,422)	-	-	20
Generators	16,000,400	(16,000,400)	-	6,400,152	(6,400,152)	-	-	20
Mobile phones	279,800	(279,800)	-	279,800	(279,800)	-	-	20
	<b>106,645,238</b>	<b>(106,645,238)</b>	<b>-</b>	<b>85,901,615</b>	<b>(85,901,615)</b>	<b>-</b>	<b>-</b>	
<b>2018</b>	<b>1,731,689,511</b>	<b>(1,731,689,511)</b>	<b>-</b>	<b>732,452,217</b>	<b>(732,452,217)</b>	<b>-</b>	<b>-</b>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	COST / REVALUED AMOUNT		ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE		Depreciation Rate %
	As at July 01, 2016	Additions / (disposals) / transfers	As at June 30, 2017	As at July 01, 2016	Charge for the year / (disposals) / transfers note 7.1.1	As at June 30, 2017	As at June 30, 2017	
----- (Rupees) -----								
<b>Owned</b>								
Leasehold land (note 7.1.4)	194,124,965	218,875,035	413,000,000	-	-	-	413,000,000	-
Building on leasehold land (note 7.1.4)	45,465,312	14,590,648	60,055,960	18,031,203	2,722,286	20,753,489	39,302,471	5
Computers and accessories	206,403,199	5,186,157 *2,849,531	214,438,887	186,804,221	14,732,789	201,537,010	12,901,877	33.33
Generators	6,502,202	-	6,502,202	6,480,372	21,830	6,502,202	-	20
Electrical equipments (notes 7.1.2)	301,868,796	278,394,969 (1,014,810) *3,564,900 **60,002,966	642,816,821	184,529,066	63,217,425 (1,014,810)	246,731,681	396,085,140	20-25
Furniture and fittings	140,502,987	11,964,309 (311,801) *4,003,225	156,158,720	56,981,005	25,489,116 (311,801)	82,158,320	74,000,400	20
Vehicles	107,863,229	- (5,890,984)	101,972,245	56,904,570	14,314,288 (5,890,984)	65,327,874	36,644,371	20
Construction of shed	6,048,277	-	6,048,277	6,048,277	-	6,048,277	-	20
Mobile phones	19,526,409	4,320,602 (251,450) *455,600	24,051,161	13,399,188	4,202,776 (110,215)	17,491,749	6,559,412	33.33
	<b>1,028,305,376</b>	<b>533,331,720</b> <b>(7,469,045)</b> <b>*10,873,256</b> <b>**60,002,966</b>	<b>1,625,044,273</b>	<b>529,177,902</b>	<b>124,700,510</b> <b>(7,327,810)</b>	<b>646,550,602</b>	<b>978,493,671</b>	
<b>Leased</b>								
Computers and accessories	46,000,408	-	46,000,408	40,347,050	3,601,385	43,948,435	2,051,973	33.33
Electrical equipments	3,570,700	-	3,570,700	2,440,333	688,473	3,128,806	441,894	20
Vehicles	38,300,180	- *2,493,750	40,793,930	28,087,326	4,057,096	32,144,422	8,649,508	20
Generators	16,000,400	-	16,000,400	3,200,076	3,200,076	6,400,152	9,600,248	20
Mobile phones	279,800	-	279,800	279,800	-	279,800	-	20
	<b>104,151,488</b>	<b>-</b> <b>*2,493,750</b>	<b>106,645,238</b>	<b>74,354,585</b>	<b>11,547,030</b>	<b>85,901,615</b>	<b>20,743,623</b>	
<b>2017</b>	<b>1,132,456,864</b>	<b>533,331,720</b> <b>(7,469,045)</b> <b>*13,367,006</b> <b>**60,002,966</b>	<b>1,731,689,511</b>	<b>603,532,487</b>	<b>136,247,540</b> <b>(7,327,810)</b>	<b>732,452,217</b>	<b>999,237,294</b>	

\* Represents transfers from capital work-in-progress to owned and leased assets (note 7)

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>7.2 Capital work-in-progress</b>			
Opening balance		24,947,491	18,505,613
Additions during the year		-	23,271,293
Transferred during the year:			
- operating fixed assets	7.1	-	(13,367,006)
- TPL Insurance Limited (a subsidiary company)		-	(3,462,409)
- Transferred under the Scheme	15	(24,947,491)	-
Closing balance		-	24,947,491
<b>8. INTANGIBLE ASSETS</b>			
Intangible assets	8.1	641,667	1,333,128,920
Intangible assets under development	8.2	-	314,526,752
	15	641,667	1,647,655,672

## 8.1 Intangible assets

	COST		ACCUMULATED DEPRECIATION IMPAIRMENT			WRITTEN DOWN VALUE		Amortisation Rate %
	As at July 01, 2017	Additions *(transfers)	As at June 30, 2018	As at July 01, 2017	Charge for the year *transfers	As at June 30, 2018	As at June 30, 2018	
----- (Rupees) -----								
<b>Owned</b>								
Goodwill (8.4)	403,380,571*	(403,380,571)	-	-	-	-	-	-
Customers related intangible assets	453,635,249*	(453,635,249)	-	-	-	-	-	-
Marketing related intangible assets	289,021,582*	(289,021,582)	-	-	-	-	-	-
Internally generated computer softwares	25,840,000*	(25,840,000)	-	25,840,000*	(25,840,000)	-	-	13.33
Maps database	147,858,790*	(147,858,790)	-	60,991,745*	(60,991,745)	-	-	5
Softwares	288,289,819	660,000 (288,289,819)*	660,000	188,065,346	18,333 (188,065,346)	18,333	641,667	20-33.33
PTA license	1,000,500*	(1,000,500)	-	1,000,500*	(1,000,500)	-	-	6.67
Decarta maps	22,884,695*	(22,884,695)	-	22,884,695*	(22,884,695)	-	-	20
<b>2018</b>	<b>1,631,911,206*</b>	<b>(1,631,911,206)</b>	<b>660,000</b>	<b>298,782,286*</b>	<b>(298,782,286)</b>	<b>18,333</b>	<b>641,667</b>	
		<b>660,000</b>			<b>18,333</b>			

\*Represents assets transferred under Scheme (note 15).

	COST		ACCUMULATED DEPRECIATION IMPAIRMENT			WRITTEN DOWN VALUE		Amortisation Rate %
	As at July 01, 2016	Additions *(transfers)	As at June 30, 2017	As at July 01, 2016	Charge for the year *transfers	As at June 30, 2017	As at June 30, 2017	
----- (Rupees) -----								
<b>Owned</b>								
Goodwill	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	24,973,491	866,509	25,840,000	-	13.33
Maps database	147,858,790	-	147,858,790	53,598,805	7,392,940	60,991,745	86,867,045	5
Softwares	274,562,536	13,727,283	288,289,819	146,221,193	41,844,153	188,065,346	100,224,473	20-33.33
PTA license	1,000,500	-	1,000,500	1,000,500	-	1,000,500	-	6.67
Decarta maps	22,884,695	-	22,884,695	22,884,695	-	22,884,695	-	20
<b>2017</b>	<b>1,618,183,923</b>	<b>13,727,283</b>	<b>1,631,911,206</b>	<b>248,678,684</b>	<b>50,103,602</b>	<b>298,782,286</b>	<b>1,333,128,920</b>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>8.2 Intangible assets under development</b>			
Opening balance		314,526,752	60,831,039
Additions during the year		-	253,695,713
Transferred under Scheme	15	(314,526,752)	-
Closing balance		-	314,526,752

**8.3** Amortisation expense has been charged to cost of sales (note 38).

## 9. LONG-TERM INVESTMENTS

### Investment in subsidiary companies - available-for-sale at fair value

TPL Insurance Limited [TIL]	9.1	1,659,369,999	-
TPL Properties Limited [TPLP]	9.2	754,174,200	-
TPL Life Insurance Limited [TPL Life]	9.3	375,630,807	364,893,455
TPL Maps (Pvt.) Limited [TMPL]	15 & 9.4	460,187,842	100
TPL Trakker Limited [TTL]	15 & 9.5	1,224,751,713	100
TPL Security Services (Private) Limited [TSS]	9.6	65,341,794	61,098,613
TPL Rupiya (Private) Limited [TPLR]	9.7	32,358,060	-
		<u>4,571,814,415</u>	<u>425,992,268</u>

### Investment in associated company – at cost

TPL Insurance Limited [TIL]	9.1	-	402,499,893
		<u>4,571,814,415</u>	<u>828,492,161</u>

**9.1** The Company holds 77,323,859 (2017: 18,419,000) ordinary shares of Rs.10/- each, representing 93.51 percent (2017: 24.39 percent) of the share capital of TIL as of the reporting date. The market value per share of TIL is Rs.21.46 (2017: Rs.24.60). Out of 77,323,859 ordinary shares of TIL held by the Company, 12,066,900 ordinary shares are pledged with financial institutions against various financing facilities transferred to TTL (a subsidiary company), under the Scheme as disclosed in note 15 to these statements, and 65,256,314 ordinary shares are pledged against issue of term finance certificates (note 24).

During the year, the Company has purchased additional 52,196,397 ordinary shares (representing 69.12 percent shareholding) at a cost of Rs.1,252.714 million under the terms and conditions of Sale and Purchase Agreement (SPA) signed with Greenoaks Global Holding Limited (the seller) dated March 23, 2017. Resultantly, the shareholding of the Company in TIL has been increased, by virtue of which, TIL becomes a subsidiary company during the year.

**9.2** The Company holds 81,004,000 (2017: 55,000,000) ordinary shares of Rs.10/- each, representing 29.62 percent (2017: 20.1 percent) of the share capital of TPLP as of the reporting date. The market value per share is Rs. 9.30 (2017: Rs.12.25). Out of 81,004,000 ordinary shares of TPLP held by the Company, 72,600,000 ordinary shares are pledged against various financing facilities transferred to TTL under the Scheme as disclosed in note 1.5 to these financial statements.

During the year, the Company has been allotted 21,104,000 ordinary shares of TPLP under the Scheme as disclosed in note 1.5 to these financial statements, for which legal formalities to transfer the shares are in process. In addition, the Company has also changed its intention to dispose of investment in TPLP and considered the same as strategic investments. Accordingly, the same has been classified from current assets to non-current assets.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2018

As of reporting date, the Company has reassessed as to whether or not the Company alongwith the ultimate parent company and other related parties have a defacto control over TPLP as required under International Financial Reporting Standards 10 'Consolidated Financial Statements' (IFRS 10). Based on such assessment, the management has concluded that the Company alongwith other related parties has a defacto control over TPLP having the majority shareholding i.e. 45.54 percent (2017: 40.26 percent) and representation on the board of directors of TPLP (i.e. 05 out of 08 directors) to appoint majority of the directors on Board of TPLP. Accordingly, as of June 30, 2018, the Company continues to account for TPLP as it's subsidiary in these financial statements.

- 9.3** The Company holds 60,496,000 (2017: 58,500,000) ordinary shares of Rs.10/- each, representing 86.43 percent (2017: 86.02 percent) of the share capital of TPL Life as of the reporting date. The Company has calculated the fair value of investments based on value-in-use calculations, and the discount rate applied to cash flow projections is 17.2 percent and the growth rate use to extrapolate the cash flows beyond the five-year period is 5 percent.
- 9.4** The Company holds 38,329,090 (2017: 10) ordinary shares of Rs.10/- each, representing 100 percent (2017: 100 percent) of the share capital of TMPL as of the reporting date. The Company has calculated the fair value of investments based on value-in-use calculations and the discount rate applied to cash flow projections is 19.2 percent and the growth rate use to extrapolate the cash flows beyond the five-year period is 6 percent.
- 9.5** The Company holds 60,177,135 (2017: 10) ordinary shares of Rs.10/- each, representing 100 percent (2017: 100 percent) of the share capital of TTL as of the reporting date. The Company has calculated the fair value of investments based on value-in-use calculations, and the discount rate applied to cash flow projections is 18.9 percent and the growth rate use to extrapolate the cash flows beyond the five-year period is 4.1 percent.
- 9.6** The Company holds 2,099,900 (2017: 2,099,900) ordinary shares of Rs.10/- each, representing 99.99 percent (2017: 99.99 percent) of the share capital of TPL Security Services (Private) Limited as of the reporting date. The Company has calculated the fair value of investments based on value-in-use calculations, and the discount rate applied to cash flow projections is 15 percent (2017: 14.2 percent) and the growth rate use to extrapolate the cash flows beyond the five-year period is 4.0 percent (2017: 4.1 percent).
- 9.7** The Board of Directors of TTL in their meeting held on October 20, 2017 approved the transfer of net assets of their E-Ticketing business of Rs. 32.358 million to TPLR against shares issued to the Company for consideration other than in cash. The transaction is effective from July 01, 2017 and has been executed under the terms and conditions of Sale and Purchase Agreement dated November 01, 2017 signed among the Company, TPLR and TTL. In consideration of shares of TPLR received by the Company, the Company is required to pay Rs.32.358 million to TTL. Accordingly, as of the reporting date, the Company holds 3,235,806 ordinary shares of Rs.10/- each, representing 100 percent of the share capital of TPLR.

As of reporting date, the management do not expect any changes in the fair value of the subsidiary from its cost of investments and the same has been considered as its fair value in these financial statements with no corresponding impact in other comprehensive income.

		2018	2017
	Note	Rupees	Rupees
<b>10. LONG-TERM LOANS – secured, considered good</b>			
Employees		-	2,339,598
Less: Current portion	15	-	1,513,060
	10.1	-	826,538

- 10.1** The comparative figures have been restated to reflect the changes in the definition of executives as per Companies Act, 2017.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>11. LONG-TERM DEPOSITS</b>			
Security deposits - leased and ijarah assets		-	33,010,985
Less: Current portion		-	12,643,282
		-	20,367,703
Utilities		-	177,450
Rent deposits		-	2,998,921
Cash margin against guarantees		-	21,787,154
	1.5	-	45,331,228
<b>12. INTEREST ACCRUED - unsecured, considered good</b>			
<b>Accrued mark-up on current account with:</b>			
Subsidiary companies			
- TPL Security Services (Private) Limited		-	4,326,421
- TPL Properties Limited		-	17,363
		-	4,343,784
<b>Associated companies</b>			
- Trakker Middle East LLC.		-	2,653,161
<b>Others</b>			
- TPL E-Ventures (Pvt.) Limited		7,900	-
- Trakker Direct Finance (Private) Limited		-	791,624
- TPL Logistics (Private) Limited		-	323,475
- The Resource Group Pakistan Limited		-	3,666,381
- TPL Rupiya (Private) Limited		-	224,053
	1.5	7,900	5,005,533
		7,900	12,002,478
Less: Current portion		7,900	11,985,115
		-	17,363
<b>13. DUE FROM RELATED PARTIES – unsecured, considered good</b>			
<b>Subsidiary companies</b>			
- TPL Security Services (Private) Limited	1.5	-	66,165,870
- TPL Properties Limited	1.5	-	11,711,707
- TPL Life Insurance Limited	1.5	-	16,960,976
- TPL Trakker Limited	13.1	67,869,512	1,621,135
- TPL Maps (Pvt.) Limited	1.5	-	421,135
		67,869,512	96,880,823
<b>Others</b>			
- TPL E-Ventures (Pvt.) Limited	13.2	166,740	-
- Trakker Direct Finance (Pvt.) Limited	1.5	-	771,300
- TPL Logistic (Private) Limited	1.5	-	778,522
- TPL Rupiya (Private) Limited	1.5	-	1,697,610
- The Resource Group Pakistan Limited	1.5	-	5,884,572
		166,740	9,132,004
	13.3	68,036,252	106,012,827
Less: Current portion		68,036,252	94,301,120
		-	11,711,707

**13.1** Represents interest free current account balance repayable on demand.

**13.2** Represents current account balances carrying markup at the variable rate of 6 months KIBOR plus 3 percent per annum and is repayable on demand.

**13.3** These are neither past due nor impaired.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>13.4</b>			
The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:			
<b>Subsidiary companies</b>			
- TPL Security Services (Private) Limited		-	71,122,023
- TPL Properties Limited		-	248,995,135
- TPL Life Insurance Limited		-	16,960,976
- TPL Trakker Limited		67,869,512	1,621,135
- TPL Maps (Pvt.) Limited		-	421,135
<b>Others</b>			
- TPL E-Ventures (Pvt.) Limited		166,740	-
- Trakker Direct Finance (Pvt.) Limited		-	771,300
- TPL Logistic (Private) Limited		-	778,522
- TPL Rupiya (Private) Limited		-	1,697,610
- The Resource Group Pakistan Limited		-	5,884,572
<b>14.</b>	<b>STOCK-IN-TRADE</b>		
Tracking devices		-	347,658,183
Spare parts		-	8,464,342
	15	-	356,122,525
<b>15.</b>	<b>TRADE DEBTS - unsecured</b>		
Considered good	15.1	-	1,207,344,403
Considered doubtful		-	29,418,010
Less: Provision for doubtful debts	15.3	-	(29,418,010)
		-	-
	15	-	1,207,344,403

**15.1** The ageing analysis of trade debts as of June 30, 2017 are as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
----- (Rupees) -----					
<b>Related parties</b>					
TPL Insurance Limited	10,061,362	4,981,068	1,137,301	524	3,942,469
The Resource Group Pakistan Limited	32,739	32,739	-	-	-
	10,094,101	5,013,807	1,137,301	524	3,942,469
Other than related parties	1,197,250,302	501,957,748	494,563,323	75,602,993	125,126,238
<b>2017</b>	<b>1,207,344,403</b>	<b>506,971,555</b>	<b>495,700,624</b>	<b>75,603,517</b>	<b>129,068,707</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>15.2</b>	The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:		
	TPL Insurance Limited	-	35,026,807
	The Resource Group Pakistan Limited	-	32,739
<b>15.3</b>	<b>Provision for doubtful debts</b>		
	Opening balance	29,418,010	26,476,168
	Provision for the year	15.4 -	17,452,497
	Written off during the year	-	(14,510,655)
	Transferred under Scheme	1.5 (29,418,010)	-
	Closing balance	-	29,418,010

**15.4** Includes amount written off of Nil (2017: Rs. 0.005 million) of TPL Insurance Limited (a related party).

## 16. LOANS AND ADVANCES

Loans – secured, considered good  
Current portion of long-term loans

Advances – unsecured, considered good  
- against issue of shares  
- suppliers  
- others

		-	1,513,060
16.1	10,000,000	-	-
16.2	-	-	8,175,333
	-	-	80,486
	10,000,000		8,255,819
	10,000,000		9,768,879

**16.1** Represents advance paid to TPL E-Ventures (Pvt.) Limited (a related party) for the purchase of shares.

**16.2** Includes advances paid to the following foreign companies as of June 30, 2017:

Name of the company and jurisdiction	Name and address of investee company	Amount of advance (Rupees)	Terms & conditions / period
Esun Industrial Company Limited	No.702,Building F1, Jinbi Yushui Shanzhuang, Shanqian Lvyou Avenue,Huadu district, Guangzhou,China.	909,725	For purchase of goods to be settled within 90 days
Traclogis Co. Ltd.	7/F block, 80 Bldg Huanan Industrial Park, Liaobu Town Dongguan Guangdong China	682,175	For purchase of goods to be settled within 90 days
Sectrack	75 International Blvd, Suite 100, Toronto, ON, Canada, M9W 6L9	666,339	For receiving of services to be settled within 90 days
		<u>2,258,239</u>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>17. TRADE DEPOSITS AND PREPAYMENTS</b>			
<b>Trade deposits</b>			
- security deposits		100,000	1,221,220
- LC margins		-	2,599,531
- current portion of leased and ijarah deposits		-	12,643,282
- others		-	711,516
	15 & 17	<b>100,000</b>	<b>17,175,549</b>
<b>Prepayments</b>			
- insurance		-	4,244,198
- rent		-	6,938,358
- maintenance		-	8,223,935
- others		870,000	-
	15	<b>870,000</b>	<b>19,406,491</b>
		<b>970,000</b>	<b>36,582,040</b>

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

## 18. OTHER RECEIVABLES – unsecured, considered good

Earnest money		-	15,326,939
Insurance claims		-	2,988,489
Others		-	1,133,268
	15	<b>-</b>	<b>19,448,696</b>

## 19. SHORT-TERM INVESTMENTS

**Investment in a subsidiary company**  
- available-for-sale at fair value  
TPL Properties Limited (TPLP)

9.2 - 673,750,000

**Investment in an associated companies – at cost**  
Trakker Middle East LLC (TME)

19.1 85,030,449 85,030,449

**85,030,449** **758,780,449**

19.1 The Company holds 1,644 (2017: 1,644) ordinary shares of AED 1,000 each, representing 29 percent (2016: 29 percent) of the share capital as of the reporting date. The book value per share amounts to AED 764 (2017: AED 1,441) equivalent to Rs. 25,284 (2017: Rs. 41,167) based on the latest available un-audited financial statements for the period ended June 30, 2018.

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

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

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

The auditors of the TME has expressed an unmodified opinion on the latest audited financial statement.

Based on the approval of Board of Directors of the Company in their meeting held on April 23, 2015 to consider and negotiate an offer to disinvest entire shareholding in TME, the Company has conditionally accepted an offer for disposal of its entire shareholding in TME, subject to obtaining the necessary approvals, compliance of legal formalities and signing of a binding sale agreement to execute the transaction.

19.2 Investment in associated companies have been made in accordance with the requirements of the Act

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>20. TAXATION - net</b>			
Opening balance – (refundable) / payable		46,721,208	(866,482)
Provision for current and prior taxation		-	(21,076,072)
Income tax paid and deducted at source		-	68,663,762
Workers' Welfare Fund adjustment	29	(13,615,285)	-
Closing balance – (refundable)		33,105,923	46,721,208

## 21. CASH AND BANK BALANCES

Cash in hand		-	646,139
At banks in:			
current accounts		1,747,962	39,572,712
saving accounts		-	135,814
	15	1,747,962	40,354,665

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

2018	2017		Note	2018	2017
Number of shares				Rupees	Rupees
30,009,900	30,009,900	Ordinary shares of Rs.10/- each		300,099,000	300,099,000
		- issued for cash			
		- issued for consideration other than cash			
187,239,063	187,239,063	- opening balance	22.1	1,872,390,630	1,872,390,630
20,048,800	-	- issued during the year	22.2	200,488,000	-
207,287,863	187,239,063			2,072,878,630	1,872,390,630
237,297,763	217,248,963		23.2	2,372,977,630	2,172,489,630

**22.1** During the year ended June 30, 2009, the shareholders of the Company, namely Ali Bhai Group (AB) and Ali Jameel Group (AJ) 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.

**22.2** Represents ordinary shares allotted under the Scheme as disclosed in note 1.5 to these financial statements, for which legal formalities related to issuance are in process.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>23. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
Surplus on revaluation of operating fixed assets recognized during the year:			
- Leasehold land		-	218,875,035
- Building on leasehold land		-	14,590,648
		-	233,465,683
Transfer to unappropriated profit on account of incremental depreciation charged for the year		-	(425,561)
		-	233,040,122
Deferred tax:			
- On account of surplus of revaluation of building on leasehold land		-	(4,377,194)
- Impact of deferred tax on incremental depreciation charged for the year		-	127,668
		-	(4,249,526)
	1.5	-	228,790,596
<b>24. LONG-TERM FINANCING – secured</b>			
Term finance certificates	24.1	<b>1,187,703,908</b>	-
Banking companies and other financial institution			
Project finance		-	114,843,751
Diminishing musharika		-	11,297,605
Sukuk financing		-	600,000,000
	1.5	-	726,141,356
		<b>1,187,703,908</b>	726,141,356
Less: Current portion shown under current liabilities		<b>789,477,679</b>	103,172,605
	1.5	<b>398,226,229</b>	622,968,751

**24.1** Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs.1,200 million having face value of Rs.100,000/- each issued by the Company to various parties for a period of 2 years for the acquisition of shares as disclosed in note 9.1 to these financial statements. These carry markup at the rate of 3 months KIBOR plus 1.5 percent per annum and are redeemable in 3 equal installments at the end of 12, 18 and 24 months and are secured by way of pledge of 65.256 million shares of TPL Insurance Limited held by the Company (note 9.1). The Company is liable to pay participation fee at the average rate of 0.5 percent of investment amount to the investors and annual trustee fee of Rs.1.0 million to trustee under the terms of the contract. The Company has incurred transaction cost of Rs. 19.876 million to issue TFCs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 25. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Note	2018		2017	
		Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments (MLP)	Present Value of MLP
Within one year		-	-	14,477,453	13,209,257
After one year but not more than five years		-	-	9,660,005	9,042,318
Total minimum lease payments		-	-	24,137,458	22,251,575
Less: Finance charges		-	-	1,885,883	-
Present value of minimum lease payments	22.1	-	-	22,251,575	22,251,575
Less: Current portion shown under current liabilities		-	-	11,275,640	11,275,640
	1.5	-	-	10,975,935	10,975,935

## 26. DEFERRED INCOME

	Note	2018 Rupees	2017 Rupees
Opening balance		2,444,444	5,377,780
Less: Amortisation for the year	43	-	2,933,336
Transferred under Scheme	1.5	2,444,444	-
		-	2,444,444

26.1 Represents sale and leaseback transactions with conventional financial institutions as per the requirements of IAS – 17 “Leases” and shall be recognised over the lease term of the leased assets.

## 27. LONG-TERM LOANS

Term finance I		-	79,166,668
Term finance II		-	56,555,108
Term finance III		-	200,000,000
Term finance IV		-	100,000,000
	1.5	-	435,721,776
Less: Current portion shown under current liabilities		-	145,444,446
		-	290,277,330

## 28. DEFERRED TAX LIABILITY

Deferred tax liabilities on taxable temporary differences:

- accelerated tax depreciation on owned and leased assets
- intangible assets

Deferred tax assets on deductible temporary differences:

- liabilities against assets subject to finance lease
- surplus on revaluation of fixed assets
- trade debts
- deferred income

	-	16,002,704
	-	5,642,765
	-	21,645,469
	-	(6,675,473)
	-	(4,249,526)
	-	(8,825,403)
	-	(733,334)
	-	(20,483,736)
	-	1,161,733

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>29. TRADE AND OTHER PAYABLES</b>			
Creditors	29.1	-	277,093,232
Accrued liabilities		<b>4,200,000</b>	59,810,367
Unearned equipment rentals		-	112,878,453
Other liabilities			
Sales commission payable		-	2,606,657
Sales tax payable		-	10,798,360
Withholding tax payable		-	30,927,909
Workers' Welfare Fund		-	13,615,286
Provident fund		-	4,440,821
Others		-	1,661,798
		-	64,050,831
	1.5	<b>4,200,000</b>	<b>513,832,883</b>
<b>29.1</b>	It includes an amount of Nil (2017: Rs. 24.040 million and Rs. 6.104 million) payable to Centrepont Management Services (Private) Limited (sub-subsidiary Company) and TPL Properties Limited (a subsidiary Company).		
<b>30. ACCRUED MARK-UP</b>			
Long-term financing	24	<b>3,775,714</b>	19,646,099
Long-term loans		-	5,089,202
Short-term financing		-	8,591,626
Running finance under mark-up arrangement		-	15,901,172
Due to related parties	34	<b>2,716,712</b>	-
	1.5	<b>6,492,426</b>	<b>49,228,099</b>
<b>31. SHORT-TERM FINANCING</b>			
Trust receipts	1.5	-	<b>62,238,722</b>
<b>32. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS</b>			
Running finance under mark-up arrangements	1.5	-	<b>876,719,637</b>
<b>33. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long-term financing	24	<b>789,477,679</b>	103,172,605
Liabilities against assets subject to finance lease		-	11,275,640
Long-term loans		-	145,444,446
	1.5	<b>789,477,679</b>	<b>259,892,691</b>
<b>34. DUE TO RELATED PARTIES - unsecured</b>			
Holding company			
- TPL Holdings (Private) Limited	34.1	<b>445,000,000</b>	69,143,564
Subsidiary company			
- TPL Insurance Limited (TIL)	1.5	-	18,275,776
Associated company			
- Trakker Middle East LLC. (TME)	1.5	-	329,585
		<b>445,000,000</b>	<b>87,748,925</b>
<b>34.1</b>	Represents current account balance carrying markup at the variable rate of 6 months KIBOR plus 3 percent (2017: 6 months KIBOR plus 3 percent) per annum and is repayable on demand.		

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>35. ADVANCE MONITORING FEES</b>			
Opening balance		<b>167,561,448</b>	105,281,670
Additions during the year		-	650,639,953
Less: Transferred to income during the year		-	(588,360,175)
Transferred under Scheme	1.5	<b>(167,561,448)</b>	-
Closing balance		<u>-</u>	<u>167,561,448</u>

## 36. CONTINGENCIES AND COMMITMENTS

### 36.1 Contingencies

Consequent to transfer of businesses by the Company under the Scheme as disclosed in note 1.5 to these financial statements, the contingent liabilities and commitments relating to Maps and Trakker Undertakings were transferred to TMPL and TTL.

		2018	2017
		Rupees	Rupees
<b>37. TURNOVER - net</b>			
Equipment installation and sales		-	305,443,830
Monitoring fees		-	731,162,223
Equipment rentals		-	553,196,517
Navigation services		-	107,464,058
Other services		-	79,254,541
		<u>-</u>	<u>1,776,521,169</u>
Less: Sales tax		-	270,239,514
		<u>-</u>	<u>1,506,281,655</u>

## 38. COST OF SALES AND SERVICES

### Cost of equipment sold

Opening stock	-	293,838,894
Purchases	-	144,339,220
	<u>-</u>	<u>438,178,114</u>

Closing stock	-	(356,122,525)
	<u>-</u>	<u>82,055,589</u>

### Direct expenses

Salaries, wages and benefits	-	224,303,390
Activation and connection charges	-	179,728,918
Insurance	-	9,497,199
Vehicle running and maintenance	-	15,706,499
Depreciation	-	77,736,399
Amortisation	-	50,103,602
License renewal fee	-	2,674,312
Telephone	-	7,145,689
Travelling and conveyance	-	12,888,046
Electricity, gas and water	-	15,482,159
Rent, rates and taxes	-	33,176,476
Computer expenses	-	5,996,913
	<u>-</u>	<u>634,439,602</u>

	<u>-</u>	<u>716,495,191</u>
--	----------	--------------------

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>39. DISTRIBUTION EXPENSES</b>			
Salaries, wages and benefits		-	71,929,226
Commission expense		-	53,235,922
Outsourcing expense		-	13,224,384
Depreciation		-	24,928,375
Sales promotion and publicity expenses		-	35,442,875
Computer expenses		-	1,923,089
Electricity, gas and water		-	4,964,792
Postage and courier		-	6,750,869
Printing and stationery		-	2,257,612
Telephone		-	2,291,467
Rent, rates and taxes		-	10,638,975
Vehicle running and maintenance		-	5,036,733
Insurance		-	3,045,545
Travelling and conveyance		-	4,132,917
Newspapers and periodicals		-	115,584
		-	239,918,365
		-	239,918,365
<b>40. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits		27,952,742	96,714,115
Legal and professional		6,552,336	36,514,374
Depreciation		-	33,582,766
Amortisation		18,333	-
Provision for doubtful debts		-	17,452,497
Electricity, gas and water		-	6,675,526
Rent, rates and taxes		-	14,304,882
Travelling and conveyance		69,453	5,581,749
Repairs and maintenance		-	16,427,931
Security service charges		-	12,726,440
Vehicle running and maintenance		-	6,772,257
Computer expenses		9,000	2,771,026
Telephone		-	3,081,046
Training		-	3,419,281
Auditors' remuneration	40.1	5,505,600	7,823,275
Insurance		-	4,094,959
Entertainment		-	24,657,410
Printing and stationery		352,359	3,116,807
Postage and courier		-	9,077,038
Donations	402 & 403	-	7,556,000
Ijarah rentals		-	45,485,200
Subscription		-	3,383,740
Others		620,000	7,307,156
		41,079,823	368,525,475
		41,079,823	368,525,475

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
<b>40.1 Auditors' remuneration</b>		
Audit fee – standalone	800,000	2,750,000
Audit fee – consolidated	1,200,000	275,000
Code of corporate governance	250,000	175,000
Half yearly review and other assurance services	2,890,100	4,323,800
Out of pocket expenses	365,500	299,475
	<b>5,505,600</b>	<b>7,823,275</b>

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

**40.3** Donations to the following donees are equal to or exceeds Rs. 0.5 million:

Sindh Insitute of Urology and Transplantation	-	2,500,000
The Indus Hospital	-	2,500,000
	<b>-</b>	<b>5,000,000</b>

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

	2018	2017
	Rupees	Rupees
<b>41. OTHER OPERATING EXPENSES</b>		
Workers' Welfare Fund	-	771,221
Exchange loss – net	-	588,438
	<b>-</b>	<b>1,359,659</b>

## **42. FINANCE COSTS**

Mark-up on:

- long-term financing	59,235,292	67,985,122
- liabilities against assets subject to finance lease	-	2,855,909
- long-term loans	-	12,540,355
- short-term financing	-	4,534,834
- running finance under mark-up arrangements	-	49,235,863
- due to related parties	2,733,185	8,895,446
Bank and other charges	-	3,680,074
	<b>61,968,477</b>	<b>149,727,603</b>

## **43. OTHER INCOME**

Income from financial assets:

Interest income on loan given to employees	-	83,555
Income on term deposits	-	1,140,111
Mark-up on saving account	-	1,457,655
Gain on disposal of investment in TPL Life Insurance Limited	-	18,500,707
	<b>-</b>	<b>21,182,028</b>

Income from related parties:

Mark-up on current account with related parties	7,900	18,293,643
---	-------	------------

Income from assets other than financial assets:

Deferred income	-	2,933,336
Gain on disposal of property, plant and equipment	-	3,691,013
Others	-	2,993,622
	<b>-</b>	<b>9,617,971</b>
	<b>7,900</b>	<b>49,093,642</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
<b>44. TAXATION</b>		
Current	-	30,125,633
Prior	-	(9,049,561)
	-	21,076,072
Deferred	-	1,369,626
	-	22,445,698

**44.1** The returns of the total income of the Company have been filed for and upto tax year 2017 which are considered as deemed assessments. However, the case of the Company for the tax year 2017 has been selected for total audit u/s 177 of the Income Tax Ordinance, 2001.

**44.2** The comparison of tax provisions as per financial statements and tax assessments for last three years are as follows:

Tax Year	Note	Tax Provisions (Rupees)	Tax Assessments (Rupees)	Excess / (short) provision (Rupees)
2015		34,046,711	38,082,455	(4,035,744)
2016		52,232,447	42,418,815	9,813,632
2017	44.1	30,125,633	30,125,633	-

The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Company has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Company.

**44.3** As of June 30, 2018, the Company has accounting and taxable losses, and no revenue for the year. Accordingly no provision has been made in these financial statements.

	2018	2017
	Rupees	Rupees
<b>45. (LOSS) / EARNINGS PER SHARE – basic and diluted</b>		
(Loss) / profit attributable to the ordinary shareholders	<b>(103,040,400)</b>	56,903,306
	----- Number of shares -----	
Weighted average number of ordinary shares in issue	<b>237,297,763</b>	217,248,963
(Loss) / earnings per share – basic and diluted	<b>(0.43)</b>	0.26

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

## 46. 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, 2018. The policies for managing each of these risks are summarised below:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 46.1 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, 2018.

### 46.1.1 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.

### 46.1.2 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)
2018	+100	(16,325,372)
	-100	<u>16,325,372</u>
2017	+100	(20,748,049)
	-100	<u>20,748,049</u>

### 46.1.3 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. As of balance sheet, the Company is not exposed to currency risk, since the Company do not have any assets and liabilities in foreign company.

### 46.1.4 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 reporting date, the Company is exposed to equity price risk to the extent of its investment in its listed subsidiaries (note 9).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 46.2 Credit risk

**46.2.1** 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. 4,770 million (2017: Rs. 3,036 million), the financial assets which are subject to credit risk amounted to Rs. 80.23 million (2017: Rs.1,447 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 15.1 to these financial statements. As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

**46.2.2** 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	2018 Rupees	2017 Rupees
Long-term loans	10	-	2,339,598
Long-term deposits	11	-	45,331,228
Interest accrued	12	7,900	12,002,478
Due from related parties	13	68,036,252	106,012,827
Trade debts	15	-	506,971,555
Loans and advances	16	10,000,000	-
Trade deposits	17	100,000	17,175,549
Other receivables	18	-	19,448,696
Bank balances	21	1,747,962	39,708,526
		<b>79,892,114</b>	<b>748,990,457</b>

**46.2.3** 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	2018 Rupees	2017 Rupees
A-1+	JCR-VIS	-	4,337,307
A-1	PACRA	-	13,733,118
A-1	JCR-VIS	1,747,962	-
A2	JCR-VIS	-	200,500
A1+	PACRA	-	21,255,234
A1	PACRA	-	182,367
		<b>1,747,962</b>	<b>39,708,526</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 46.3 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, 2018 and 2017 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) -----					
<b>June 30, 2018</b>					
Long-term financing	-	-	398,226,229	789,477,679	1,187,703,908
Trade and other payables	-	4,200,000	-	-	4,200,000
Accrued markup	2,716,712	3,775,714	-	-	6,492,426
Unclaimed dividend	1,747,962	-	-	-	1,747,962
Unpaid dividend	3,000,000	-	-	-	3,000,000
Due to related parties	445,000,000	-	-	-	445,000,000
	<b>452,464,674</b>	<b>7,975,714</b>	<b>398,226,229</b>	<b>789,477,679</b>	<b>1,648,144,296</b>

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
<b>June 30, 2017</b>					
Long-term financing	1,622,794	29,842,599	71,707,213	622,968,750	726,141,356
Liabilities against assets subject to finance lease	-	2,655,772	10,553,485	9,042,318	22,251,575
Long-term loans	16,911,220	34,476,833	103,430,947	280,902,776	435,721,776
Trade and other payables	112,878,453	341,172,054	-	-	454,050,507
Accrued markup	49,228,099	-	-	-	49,228,099
Short-term financing	62,238,722	-	-	-	62,238,722
Running finance under markup arrangements	876,719,637	-	-	-	876,719,637
Unpaid dividend	3,000,000	-	-	-	3,000,000
Due to related parties	87,748,925	-	-	-	87,748,925
	<b>1,210,347,850</b>	<b>408,147,258</b>	<b>185,691,645</b>	<b>912,913,844</b>	<b>2,717,100,597</b>

## 46.4 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.

### 46.4.1. Fair value hierarchy

Financial Instruments carried at fair value are categorized as follows:

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

46.4.2. The Company held the following financial instruments measured at fair value:

	Total	Level 1	Level 2	Level 3
	(Rupees)			
<b>Financial assets</b>				
<b>June 30, 2018</b>				
Available-for-sale investments	4,571,814,415	2,413,544,199	2,158,270,216	-
<b>June 30, 2017</b>				
Available-for-sale investments	1,099,742,268	673,750,000	425,992,268	-

## 46.5 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 maximise shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2018.

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, 2018 and 2017 are as follows:

		2018	2017
	Note	Rupees	Rupees
Long-term financing	24	398,226,229	622,968,751
Liabilities against assets subject to finance lease	25	-	10,975,935
Long-term loans	27	-	290,277,330
Accrued mark-up	30	6,492,426	49,228,099
Short-term financing	31	-	62,238,722
Running finance under mark-up arrangements	32	-	876,719,637
Current portion of non-current liabilities	33	789,477,679	259,892,691
<b>Total debts</b>		<b>1,194,196,334</b>	<b>2,172,301,165</b>
Less: Cash and bank balances	21	1,747,962	40,354,665
<b>Net debt</b>		<b>1,192,448,372</b>	<b>2,131,946,500</b>
Share capital	22	2,372,977,630	2,172,489,630
Capital reserve		60,855,762	-
Revenue reserves		689,376,880	789,218,929
Surplus on revaluation of property, plant and equipment		-	228,790,596
Total equity		<b>3,123,210,272</b>	<b>3,190,499,155</b>
<b>Total capital</b>		<b>4,315,658,644</b>	<b>5,322,445,655</b>
<b>Gearing ratio</b>		<b>27.63%</b>	<b>40.06%</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

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

	Chief Executive		Director		Executives	
	2018 (note 47.1)	2017	2018 (note 47.1)	2017	2018 (note 47.1)	2017
	----- Rupees -----					
Basic salary	<b>6,193,536</b>	7,741,920	-	-	<b>9,582,180</b>	39,864,563
Allowances and benefits:						
- House rent	<b>2,787,072</b>	3,483,840	-	-	<b>4,311,944</b>	17,939,065
- Utilities	-	774,240	-	-	-	3,986,672
Medical	<b>619,392</b>	-	-	-	<b>958,276</b>	-
Vehicle allowance	-	-	-	-	<b>1,851,000</b>	-
Staff retirement benefits	<b>515,922</b>	644,902	-	-	<b>798,196</b>	3,320,718
	<b>10,115,922</b>	12,644,902	-	-	<b>17,501,596</b>	65,111,018
Number of person(s)	<b>1</b>	1	-	-	4	22

**47.1** No remuneration is paid / payable to Directors of the Company.

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

**47.3** During the year, the Company has paid Rs. 0.34 million (2017: Rs. Rs. 0.24 million) to a non - executive Director on account of board meeting fees.

**47.4** The comparative figures have been restated to reflect the changes in the definition of executives as per Companies Act, 2017.

## 48. TRANSACTIONS WITH RELATED PARTIES

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

	2018	2017
	Rupees	Rupees
<b>TPL Holdings (Private) Limited – (Holding Company)</b>		
Acquisition of TPLP shares under Scheme	<b>261,343,762</b>	-
Loan received by the Company	<b>445,000,000</b>	-
Amount received by the Company	-	284,698,834
Expenses incurred / paid by the Company	-	371,244
Mark-up on current account (net)	<b>2,716,712</b>	4,801,527
Mark-up amount received by the Company (net)	-	6,014,470
Amount paid / repaid by the Company	-	190,379,944
<b>TPL Security Services (Private) Limited – (Subsidiary Company)</b>		
Expenses incurred / paid by the Company	-	114,461,079
Services acquired by the Company	-	12,296,044
Amount received by the Company	-	85,971,096
Adjustment on account of amount payable on behalf of the Company for services received	-	7,362,613

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
<b>TPL Properties Limited – (Subsidiary Company)</b>		
Expenses incurred / paid by the Company	-	35,126,409
Amount paid by the Company	-	119,245,996
Amount received by the Company	-	385,968,500
Mark-up amount received by the Company	-	24,524,090
Mark-up on current account	-	11,058,507
	<hr/> <hr/>	<hr/> <hr/>
<b>TPL Insurance Limited – (Subsidiary Company) (TIL)</b>		
Sales made to TDIL	-	508,076,841
Amount refunded by the the Company	-	66,871,092
Expenses incurred / paid by the Company on behalf of TDIL	-	74,338,590
Amount received from TDIL	-	142,354,835
Mark-up on current account	-	7,284,585
Payment made by the Company	-	68,944,229
Assets purchased by the Company	-	319,986,104
Expenditure incurred / paid by TDIL on behalf of the Company	-	5,591,857
	<hr/> <hr/>	<hr/> <hr/>
<b>TPL Life Insurance Limited – (Subsidiary Company)</b>		
Expenses incurred by the Company	-	28,616,942
Expenses paid on behalf of the Company	-	4,800,190
Advance paid against expenses	-	18,000,000
Amount received by the Company	-	4,697,776
Assets purchased by the Company	-	158,000
Payments made by the Company	-	16,000,000
	<hr/> <hr/>	<hr/> <hr/>
<b>TPL Trakker Limited – (Subsidiary Company)</b>		
Expenses incurred on behalf of the Company	105,911,938	1,621,235
Amount received by the Company	181,032,586	-
Amount paid to the Company	395,000,000	-
Amount paid on behalf of the Company	42,061,494	-
	<hr/> <hr/>	<hr/> <hr/>
<b>TPL Maps (Private) Limited (Subsidiary Company)</b>		
Expenses incurred by the Company	-	421,235
	<hr/> <hr/>	<hr/> <hr/>
<b>Centrepoint Management Services (Private) Limited – (Sub-subsidiary)</b>		
Payment received by the Company	-	33,415,422
Services rendered to the Company	-	51,465,545
	<hr/> <hr/>	<hr/> <hr/>
<b>TPL Rupiya (Private) Limited – (Subsidiary Company)</b>		
Expenses incurred by the Company.	-	168,562
Markup on current account	-	140,768
	<hr/> <hr/>	<hr/> <hr/>
<b>Trakker Middle East LLC. – (Associated Company)</b>		
Expenses incurred / paid on behalf of the Company	-	28,009
	<hr/> <hr/>	<hr/> <hr/>
<b>Trakker Direct Finance (Pvt) Limited (Common directorship)</b>		
Expenses incurred / paid by the Company	-	13,875
Mark-up on current account	-	69,619
	<hr/> <hr/>	<hr/> <hr/>
<b>The Resource Group Pakistan Limited – (Common directorship)</b>		
Mark-up on current account	-	535,769
	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
<b>TPL Logistics (Private) Limited – (Common directorship)</b>		
Expenses incurred / paid by the Company	-	43,717
Markup on current account	-	71,896
<b>Staff retirement benefit</b>		
TPL Trakker Limited – Provident fund Employer contribution	<b>1,314,118</b>	15,006,666

**48.2** The related parties status of outstanding receivables and payables as at June 30, 2018 and 2017 are disclosed in respective notes to these financial statements.

**48.3** Employees of the following group companies provide services to the Company and their cost are proportionately charged to the Company:

- TPL Holdings (Private) Limited
- TPL Trakker Limited
- TPL Maps (Pvt.) Limited
- TPL Rupiya (Private) Limited

## 49. INFORMATION ABOUT OPERATING SEGMENTS

Consequent to the Scheme of Arrangement as disclosed in note 1.5 to these financial statements, the businesses of the Company has been transferred. Accordingly, for management purposes, the activities of the Company are organised into one operating segment i.e. Company, as whole.

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

		2018	2017
	Note	Rupees	Rupees
Pakistan	1.5	-	1,506,281,654

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, plant and equipment, intangible assets, long-term investments, loans, deposits and receivables.

Revenue from TPL Insurance Limited (a customer and subsidiary company) aggregating to Nil (2017: Rs. 221.317 million) comprises more than 10 percent of the Company's overall revenue related to tracking equipment installation, sales and monitoring fees.

		2018	2017
	Note	Rupees	Rupees
<b>50. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	21	<b>1,747,962</b>	40,354,665
Running finance under mark-up arrangements	32	-	(876,719,637)
		<b>1,747,962</b>	(836,364,972)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 51. SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on 17th August, 2018 have recommended cash dividend @ Nil percent amounting to Rs. Nil million (2017: Rs. 54.31 million) 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 October 17, 2018.

## 52. DATE OF AUTHORISATION OF ISSUE

These financial statements were authorised for issue on 17th August, 2018 by the Board of Directors of the Company.

## 53. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Following major reclassification has been made during the year:

	Reclassified		Amount
	From	To	in Rupees
Unclaimed dividend	Trade and other payable	Statement of financial position	1,078,801
Unpaid dividend	Trade and other payable	Statement of financial position	3,000,000


## 54. GENERAL

54.1 Number of employees as at June 30, 2018 was 5 (2017: 897) and average number of employees during the year was 5 (2017: 871).

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



Chief Executive



Chief Financial Officer



Director

# INDEPENDENT AUDITORS' REPORT

## To the members of TPL Corp Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the annexed consolidated financial statements of TPL Corp Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
<p><b>1. Impairment of goodwill and intangible assets</b></p> <p>(Refer note 10 to the accompanying consolidated financial statements)</p> <p>The intangible assets includes goodwill, indefinite life and under development intangible assets having carrying value of Rs.2,443 million as of 30 June 2018, and tested for impairment at least on an annual basis.</p>	<p>Our audit procedures amongst others, included review of Group's intangible assets impairment process and evaluating the Group's assumptions used in assessing the recoverability of intangible assets, in particular, revenue and cash flow projections, useful economic lives and discount rates.</p>

Key audit matter	How the matter was addressed in our audit
<p>The determination of recoverable amount requires judgement in both identifying and then valuing the relevant CGUs, and the impairment assessment for such assets involves significant judgments and estimates about future business performance, with key assumptions including cash flows, inflation rates, the overall long-term growth rates, discount rates used and to the extent relevant, the fair value less costs to dispose. Changes in these assumptions might lead to a significant change in the carrying values of the related assets, for such reasons we considered this as a key audit matter.</p>	<p>We involved our internal specialist to:</p> <ul style="list-style-type: none"> <li>• assessed the key assumptions and methodologies used in the impairment analysis, in particular growth rates, inflation rate and discount rate applied;</li> <li>• examined the business plans approved and assumptions used by management, including forecasted revenue base, profit from operations margin, working capital for terminal value calculations and cash flows necessary for the continuing use of the CGU's assets and allocated goodwill; and</li> <li>• evaluated the sensitivity analysis performed by management around the key assumptions for various CGU's as well as performing break-even analysis on key assumptions, and challenged the outcomes of the assessment.</li> </ul> <p>We also assessed the adequacy of disclosures in the consolidated financial statements in accordance with the financial reporting standards.</p>
<b>2. Acquisition of TPL Insurance Limited</b>	
<p>(Refer note 8 to the accompanying consolidated financial statements)</p> <p>The Group has purchased additional 69.12 percent shareholding in TPL Insurance Limited (TIL) from Greenoaks Global Holding Limited (the seller) under the terms of sale and purchase agreement (SPA).</p> <p>As a result of this transaction, the Group shareholding in TIL increased from 24.39 percent to 93.51 percent, by virtue of which, TIL becomes a subsidiary company on acquisition date i.e. 19 December 2017.</p> <p>The said acquisition have been accounted for as a business combination under International Financial Reporting Standard (IFRS) 3 'Business Combinations' and as a result, the Group has a recognized provisional goodwill amounting to Rs.661 million.</p> <p>As this acquisition represents a significant transaction for the year due to its impact on the current year's consolidated financial statements, we considered this as a key audit matter.</p>	<p>With respect to the accounting for the acquisition of the subject transaction, we have, amongst others:</p> <ul style="list-style-type: none"> <li>- analysed the transaction and the acquisition of control and discussed this with the management and those charged with governance;</li> <li>- reviewed relevant underlying documents, including the minutes of Board of Directors meeting and SPA for related terms and conditions including consideration paid for acquired assets and liabilities assumed;</li> <li>- assessed whether the accounting treatment complies with the requirements of IFRS 3 for identification, valuation and accounting of acquired assets and liabilities assumed against the consideration paid, and the recognition of provisional goodwill at acquisition date; and</li> <li>- tested payment made to the seller from bank statements and transfer of shares from custodian statement.</li> </ul> <p>We also reviewed the adequacy of disclosures in the consolidated financial statements in accordance with the financial reporting standards.</p>

Key audit matter	How the matter was addressed in our audit
<b>3. Valuation of investment properties</b>	
<p>(Refer note 11 to the accompanying consolidated financial statements)</p> <p>The investment properties comprises Centrepont Project', principally given as rented office premises to related parties and other companies and is accounted by the Group under fair value model. As of 30 June 2018, the fair value of investment properties amounted to Rs. 5,298 million constituting 31% of total assets of the Group.</p> <p>In determining the fair value in respect of investment properties, the Group engaged an independent external valuer to perform the valuation, which involves use of assumptions and estimates in terms of estimated selling price, occupancy, condition, market projections, market rents and currency valuation. Changes in any of these key assumptions can have a material impact on the valuation of investment properties.</p> <p>Due to significant management judgment and estimation relating to valuation assumptions that are inherently complex and require specialist input, and the investment properties value being material to the total assets, we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others, comprised understanding the management valuation process, including the involvement of independent external valuer in performing the valuation of investment properties.</p> <p>We assessed the competence of the management independent external valuer and reviewed the valuation report prepared by them to understand the basis and methodology used for valuation.</p> <p>We involved our specialists to review the valuation report of management independent external valuer and to assess the appropriateness of the methodology, assumptions and estimates used to determine the fair value of investment properties under IAS 40 Investment Property' (IAS 40).</p> <p>We also assessed the adequacy of the related disclosures in the consolidated financial statements in accordance with the financial reporting standards.</p>
<b>4. Liabilities against insurance contracts</b>	
<p>(Refer note 35 to the accompanying consolidated financial statements)</p> <p>The Group operates life and general insurance businesses. The liabilities in respect of insurance contracts issued as of 30 June 2018 amounts to Rs. 453 million, which represent 3% of Groups total liabilities.</p> <p>The methods used and significant assumptions applied in determining the insurance contract liabilities relating to life and general insurance business are disclosed in note 6.19 to the financial statements. We considered valuation of insurance liabilities as a key audit matter due to significant judgment involved in estimating the liabilities and use of experts in this regard.</p>	<p>In obtaining sufficient audit evidence: we tested controls over recording and settlement of claims both in respect of life and general insurance business.</p> <p>for policy holders' liabilities in respect of life insurance business we assessed the professional competence of the actuary appointed by the management, the methods used and key assumptions applied in estimating the life insurance contract liabilities. In this regard, we also reviewed the accuracy and completeness of the data used for the actuarial valuation of insurance liabilities;</p> <p>- in respect of general insurance contract liabilities (including IBNR and premium deficiency reserve) which are measured on the basis of undiscounted value of expected future payments, we reviewed historical loss experience and other factors considered by the actuary in developing the expectations of future claim liabilities based on the contract issued at the reporting date;</p>

Key audit matter	How the matter was addressed in our audit
	<p>for general insurance claims we also evaluated the management estimates regarding cost of claims settlements by considering reports of independent surveyors and the estimates regarding salvage values of insured assets; and</p> <p>we assessed the adequacy of disclosures made in respect of insurance contract liabilities in accordance with the approved accounting standards as applicable in Pakistan.</p>
<p><b>5. Preparation of financial statements under Companies Act, 2017</b></p>	
<p>(Refer note 3 to the accompanying consolidated financial statements)</p> <p>The Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Group and amongst others, prescribes the nature and content of disclosures in relation to various elements of the consolidated financial statements.</p> <p>In the case of the Group, specific additional disclosures and changes to the existing disclosures have been included in note 3 to the consolidated financial statements.</p> <p>Further, the Group has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 6.5 to the consolidated financial statements.</p> <p>The above changes and enhancements in the consolidated financial statements are considered important and a key audit matter because of the volume and significance of the changes in the consolidated financial statements resulting from the transition to the new reporting requirements under the Act.</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the consolidated financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the consolidated financial statements.</p> <p>In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 6.5 to the consolidated financial statements; we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Group</p>

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



**EY Ford Rhodes**  
Chartered Accountants

Date: 24 September 2018  
Karachi

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees (Restated)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	9	2,214,071,587	1,799,520,629
Intangible assets	10	2,627,633,102	1,749,481,140
		<b>4,841,704,689</b>	3,549,001,769
Investment properties	11	5,322,678,273	4,348,453,273
Development properties	12	1,090,147,420	888,738,740
Long-term investments	13	-	536,285,330
Long-term loans	14	436,577	826,538
Long-term deposits	15	69,917,932	45,518,147
Deferred tax asset - net	16	113,639,834	83,451,967
		<b>11,438,524,725</b>	9,452,275,764
<b>CURRENT ASSETS</b>			
Stock-in-trade	17	326,691,767	357,216,927
Trade debts	18	1,412,187,469	1,280,586,976
Loans and advances	19	147,837,318	28,989,687
Trade deposits and prepayments	20	352,558,825	145,391,626
Interest accrued	21	23,913,319	7,658,694
Other receivables	22	684,474,624	19,448,697
Short-term investments	23	1,387,681,407	314,120,415
Due from related parties	24	11,706,548	9,132,004
Premiums due but unpaid		-	61,284,561
Deferred commission expense		124,090,599	-
Taxation - net		161,761,130	181,497,171
Cash and bank balances	25	952,449,788	490,104,431
		<b>5,585,352,794</b>	2,895,431,189
<b>TOTAL ASSETS</b>		<b>17,023,877,519</b>	12,347,706,953

The annexed notes from 1 to 60 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees (Restated)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
330,000,000 (2017: 230,000,000) ordinary			
shares of Rs.10/- each		<b>3,300,000,000</b>	2,300,000,000
Issued, subscribed and paid-up capital	26	<b>2,372,977,630</b>	2,172,489,630
Capital reserves		<b>60,855,762</b>	-
Revenue reserves		<b>565,180,315</b>	548,301,049
Surplus on revaluation of property, plant and equipment	27	<b>228,061,064</b>	228,790,596
		<b>3,227,074,771</b>	2,949,581,275
Non-controlling interest		<b>4,220,902,795</b>	3,978,088,025
		<b>7,447,977,566</b>	6,927,669,300
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	28	<b>3,287,127,280</b>	2,523,542,514
Liabilities against assets subject to finance lease	29	<b>504,016</b>	10,975,935
Long-term loans	30	<b>308,133,420</b>	290,277,330
Deferred liabilities	31	<b>6,206,490</b>	11,729,338
Accrued mark-up		<b>-</b>	4,326,432
		<b>3,601,971,206</b>	2,840,851,549
<b>CURRENT LIABILITIES</b>			
Trade and other payables	32	<b>1,431,299,859</b>	757,916,747
Accrued mark-up	33	<b>131,603,069</b>	105,627,379
Short-term financing	34	<b>419,181,204</b>	62,238,722
Liabilities against insurance contracts	35	<b>453,328,693</b>	24,950,923
Underwriting provisions	36	<b>824,732,832</b>	-
Running finance under mark-up arrangements	37	<b>939,871,844</b>	876,719,637
Current portion of non-current liabilities	38	<b>1,226,350,997</b>	492,142,691
Due to related parties	39	<b>504,988,182</b>	87,949,756
Unclaimed dividend		<b>1,747,962</b>	1,078,801
Unpaid dividend		<b>3,000,000</b>	3,000,000
Advance monitoring fees	40	<b>37,824,105</b>	167,561,448
		<b>5,973,928,747</b>	2,579,186,104
<b>CONTINGENCIES AND COMMITMENTS</b>	41		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,023,877,519</b>	12,347,706,953

The annexed notes from 1 to 60 form an integral part of these consolidated financial statements.

3,601,971,206 2,840,851,549



Chief Executive



Chief Financial Officer



Director

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees (Restated)
Turnover - net	42	3,471,416,104	2,168,433,363
Cost of sales and services	43	(1,960,688,714)	(1,168,704,303)
<b>Gross profit</b>		<b>1,510,727,390</b>	999,729,060
Distribution expenses	44	(282,607,965)	(214,246,828)
Administrative expenses	45	(1,009,139,957)	(501,505,198)
<b>Operating profit</b>		<b>218,979,468</b>	283,977,034
Other expenses	46	(97,311,519)	(1,359,659)
Finance costs	47	(507,568,032)	(334,819,965)
Other income	48	1,141,482,096	348,374,235
Share of (loss) / profit from investment in associates - net	132 & 232	(13,147,234)	16,962,359
<b>Profit before taxation</b>		<b>742,434,779</b>	313,134,004
Taxation	49	(72,229,151)	(44,853,506)
<b>Profit for the year</b>		<b>670,205,628</b>	268,280,498
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Unrealised loss on available-for-sale investments at fair value		(12,325,742)	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Surplus on revaluation of property, plant and equipment		-	229,088,489
Other comprehensive (loss) / income for the year, net of tax		(12,325,742)	229,088,489
<b>Total comprehensive income for the year</b>		<b>657,879,886</b>	497,368,987
<b>Earnings per share - basic and diluted</b>	50	<b>0.07</b>	0.09
<b>Total comprehensive income attributable to:</b>			
Owners of the Holding Company		15,949,396	19,746,261
Non-controlling interest		654,256,232	248,534,237
		<b>670,205,628</b>	268,280,498

The annexed notes from 1 to 60 form an integral part of these consolidated financial statements.



Chief Executive



Chief Financial Officer



Director

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		742,434,779	313,134,004
Adjustment for non-cash charges and other items:			
Depreciation	9.1	197,437,309	173,540,920
Amortisation	10.1	52,391,122	54,076,217
Provision for doubtful debts	18.4	14,979,058	19,252,497
Finance costs	47	507,568,032	334,819,965
Gain on disposal of property, plant and equipment	48	(16,454,245)	(3,691,013)
Gain on bargain purchase	48	-	(86,282,392)
Valuation gain on investment property	48	(944,646,887)	(202,928,224)
Share of profit from investment in associates - net	13.2	13,147,234	(29,868,123)
Loss on acquisition of TPL Insurance Limited	46	79,494,134	-
Reversal of provision for gratuity	31.2	(3,078,404)	-
Exchange loss - net	46	17,280,153	588,438
Deferred income	31.1	(2,444,444)	4,378,914
		(84,326,938)	263,887,199
<b>Operating profit before working capital changes</b>		658,107,841	577,021,203
<b>(Increase) / decrease in current assets</b>			
Stock-in-trade		30,525,160	(63,091,560)
Trade debts		(146,579,551)	(187,260,924)
Loans and advances		146,500,801	4,136,302
Trade deposits and prepayments		(13,925,741)	(104,960,634)
Interest accrued		(15,591,611)	163,484
Other receivables		(125,598,960)	(37,820,996)
Due from related parties		(2,574,544)	18,563,457
Premiums due but unpaid		61,284,560	(61,284,560)
Deferred commission expense		(18,513,632)	-
		(84,473,518)	(431,555,431)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		407,273,023	166,438,338
Liabilities against insurance contracts		181,409,223	-
Underwriting provisions		(24,612,215)	-
Due to related parties		417,038,426	(35,842,092)
Advance monitoring fees		(129,737,343)	62,279,778
		851,371,114	192,876,024
Cash flows from operations		1,425,005,437	351,247,566
Finance costs paid		(485,918,773)	(408,826,857)
Income taxes paid		(91,407,145)	(141,410,609)
		(577,325,918)	(550,237,466)
<b>Net cash flows from / (used in) operating activities</b>		847,679,519	(198,989,900)

# CONSOLIDATED STATEMENT OF CASH FLOWS


FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Note	Rupees	Rupees
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of - property, plant and equipment	(318,283,111)	(409,261,102)
- capital work-in-progress (net)	(261,014,678)	(23,271,292)
- investment property	(32,951,900)	-
- development property	(201,408,680)	-
- intangible assets	(29,765,776)	(29,027,283)
- intangible assets under development	(231,496,244)	(253,695,713)
Sale proceeds from disposal of property, plant and equipment and intangible	58,880,164	-
Purchase of investments	(1,225,935,477)	(139,680,059)
Long-term loans	389,961	(396,072)
Long-term deposits	(15,377,273)	(9,310,242)
<b>Net cash flows used in investing activities</b>	<b>(2,256,963,014)</b>	(864,641,763)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(53,643,080)	-
Proceeds from share issue by TPL Properties Limited (net)	-	300,000,004
Long-term financing (net)*	1,396,439,840	(220,083,852)
Obligation under finance lease repaid (net)*	(18,428,140)	(45,762,473)
Long-term loans (net)*	127,165,543	320,920,256
Short-term financing (net)*	356,942,482	(171,960,752)
<b>Net cash flows from financing activities</b>	<b>1,808,476,645</b>	183,113,183
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>399,193,150</b>	(893,424,250)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(386,615,206)</b>	506,809,044
<b>Cash and cash equivalents at the end of the year</b>	<b>12,577,944</b>	(386,615,206)
	54	
* No non-cash item is included in these activities		

The annexed notes from 1 to 60 form an integral part of these consolidated financial statements.



Chief Executive



Chief Financial Officer



Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Surplus on revaluation of property, plant and equipment (note 27)	Total reserves	Non-controlling interest	Total Equity
		Reserve created under Scheme of Arrangement (note 1.6)	Unappropriat ed profit	Available for sale reserve				
<b>Balance as at July 1, 2016</b>	2,172,489,630	-	533,816,997	-	-	533,816,997	2,525,420,572	5,231,727,199
Profit for the year	-	-	19,746,261	-	-	19,746,261	248,534,237	268,280,498
Other comprehensive income for the year, net of tax	-	-	-	-	229,088,489	229,088,489	-	229,088,489
Total comprehensive income for the year	-	-	19,746,261	-	229,088,489	248,834,750	248,534,237	497,368,987
Disposal of shares of subsidiary	-	-	20,014,571	-	-	20,014,571	-	20,014,571
Final dividend for the year ended June 30, 2016 @ Re.0.25 per share	-	-	(25,574,673)	-	-	(25,574,673)	-	(25,574,673)
Acquisition of subsidiaries resulting in increase in non-controlling interest	-	-	-	-	-	-	1,204,133,216	1,204,133,216
Surplus on revaluation of property, plant and equipment realised on account of incremental depreciation charged on related assets - net of tax (note 27)	-	-	297,893	-	(297,893)	-	-	-
<b>Balance as at June 30, 2017 - restated (note 6.5)</b>	<b>2,172,489,630</b>	<b>-</b>	<b>548,301,049</b>	<b>-</b>	<b>228,790,596</b>	<b>777,091,645</b>	<b>3,978,088,025</b>	<b>6,927,669,300</b>
Reserve arising as a consequence of Scheme of Arrangement (note 1.6)	-	60,855,762	-	-	-	60,855,762	-	60,855,762
Issuance of ordinary shares (note 2.6)	200,488,000	-	-	-	-	-	-	200,488,000
Profit for the year	-	-	15,949,396	-	-	15,949,396	654,256,232	670,205,628
Other comprehensive loss for the year, net of tax	-	-	-	(11,534,008)	-	(11,534,008)	(791,586)	(12,325,594)
Total comprehensive income / (loss) for the year	-	-	15,949,396	(11,534,008)	-	4,415,388	653,464,646	657,880,034
Final dividend for the year ended June 30, 2017 @ Re.0.25 per share	-	-	(54,312,241)	-	-	(54,312,241)	-	(54,312,241)
Acquisition of a subsidiary resulting in increase in non-controlling interest	-	-	-	-	-	-	72,772,758	72,772,758
Increase in shareholding in subsidiaries due to decrease in shareholding of non-controlling interest	-	-	66,046,587	-	-	66,046,587	(483,422,634)	(417,376,047)
Surplus on revaluation of property, plant and equipment realised on account of incremental depreciation charged on related assets - net of tax (note 27)	-	-	729,532	-	(729,532)	-	-	-
<b>Balance as at June 30, 2018</b>	<b>2,372,977,630</b>	<b>60,855,762</b>	<b>576,714,323</b>	<b>(11,534,008)</b>	<b>228,061,064</b>	<b>854,097,141</b>	<b>4,220,902,795</b>	<b>7,447,977,566</b>

The annexed notes from 1 to 60 form an integral part of these consolidated financial statements.



Chief Executive



Chief Financial Officer



Director

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 1. LEGAL STATUS AND OPERATIONS

1.1 The Group consists of TPL Corp Limited (the Holding Company) and its subsidiary companies i.e. TPL Insurance Limited, TPL Properties Limited and its subsidiaries [i.e. Centrepont Management Services (Private) Limited, HKC Limited and G-18 (Private) Limited], TPL Life Insurance Limited, TPL Maps (Pvt.) Limited, TPL Trakker Limited, TPL Security Services (Private) Limited and TPL Rupiya (Private) Limited that have been consolidated in these financial statements.

### 1.2 Holding Company

TPL Trakker Limited was incorporated in Pakistan on December 04, 2008 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). In year 2009, the Holding Company was converted into a public company and got listed on Pakistan Stock Exchange Limited on July 16, 2012. During the year, the name of the Holding Company has been changed to TPL Corp Limited with effect from November 24, 2017. Currently, the principal activity of the Company is to make investment in group and other companies. TPL Holdings (Private) Limited is the ultimate parent company by virtue of 56.99 percent (2017: 52.91 percent) shareholding as of the reporting date.

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

	% of shareholding	
	2018	2017
<b>Subsidiaries</b>		
TPL Insurance Limited [TIL]	93.51	-
TPL Properties Limited [TPLP]	29.62	20.11
Centrepont Management Services (Private) Limited (sub-subsidiary) [CMS]	29.62*	20.11*
HKC Limited (sub-subsidiary) [HKC]	29.62*	20.11*
G-18 (Private) Limited (sub-subsidiary) [G-18]	29.62*	-
TPL Life Insurance Limited [TPLL]	86.43	86.02
TPL Maps (Pvt.) Limited [TMPL]	100	100
TPL Trakker Limited [TTL]	100	100
TPL Security Services (Private) Limited [TSS]	99.90	99.90
TPL Rupiya (Private) Limited [TPLR]	99.99	-
<b>Associates</b>		
TPL Insurance Limited [TIL]	-	24.39
Trakker Middle East LLC [TME]	29	29

\* Represents direct holding of TPLP as at the reporting date.

#### 1.3.1 TPL Insurance Limited [TIL]

TIL was incorporated in Pakistan in 1992 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). During the year, the name of a subsidiary has been changed to TPL Insurance Limited (TIL). The principal activity of TIL is to carry on general insurance business. TIL is listed on Pakistan Stock Exchange Limited with effect from September 22, 2011. The financial year end of TIL is December 31.

In addition to general insurance business, TIL also operate as Window Takaful Operator (WTO) under permission from Securities and Exchange Commission of Pakistan (SECP). In this regard, the TIL has formed a Waqf / Participant Takaful Fund (PTF) which is managed by TIL under the Waqf deed. As of reporting date, the assets, liabilities, income and expenses of PTF are as follows

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Note	Rupees	Rupees
Total assets	<b>738,479,779</b>	669,372,723
Total liabilities	<b>935,329,589</b>	822,532,982
Underwriting results	<b>(61,177,212)</b>	(46,639,042)
Deficit for the year	<b>(53,697,667)</b>	(43,684,723)
Total comprehensive loss for the year	<b>(61,689,551)</b>	(43,519,646)

### 1.3.2 TPL Properties Limited [TPLP]

TPLP was a private limited company incorporated in Pakistan on February 14, 2007 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently in 2016, TPLP has changed its status from private limited company to public company and got listed on Pakistan Stock Exchange Limited. The principal activity of TPLP 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 financial year end of TPLP is June 30.

As of reporting date, the Holding Company has reassessed as to whether or not the Holding Company alongwith the ultimate parent company and other related parties have a defacto control over TPLP as required under International Financial Reporting Standards 10 'Consolidated Financial Statements' (IFRS 10). Based on such assessment, the management has concluded that the Holding Company alongwith other related parties has a defacto control over TPLP having the majority shareholding of 45.54 percent (2017: 40.26 percent) and representation on the board of directors of TPLP (i.e. 05 out of 08 directors) to appoint majority of the directors on Board of TPLP. Accordingly, as of June 30, 2018, the Holding Company continues to account for TPLP as it's subsidiary in these consolidated financial statements.

### 1.3.3 Centrepoint Management Services (Private) Limited (sub-subsidiary) [CMS]

CMS was incorporated in Pakistan as a private limited company on August 10, 2011 under repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of CMS is to provide building maintenance services to all kinds and description of residential and commercial buildings. The financial year end of CMS is June 30.

### 1.3.4 HKC Limited (sub-subsidiary) [HKC]

HKC was incorporated in Pakistan on September 13, 2005 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). HKC is principally engaged in the acquisition and development of real states and renovation of buildings and letting out. The financial year end of HKC is June 30. As of reporting date, HKC is not generating revenue as it is in the process of developing the property, therefore it is fully supported by the financial support of the TPLP to activate its full potential in order to make adequate profits and generate positive cashflows.

### 1.3.5 G-18 (Private) Limited (sub-subsidiary) [G-18]

G-18 is a private limited company incorporated during the year for the purpose of property development. However, as of the reporting date no share capital has been injected and G-18 has not commenced its operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 1.3.6 TPL Life Insurance Limited [TPLL]

TPLL was incorporated on March,19 2008 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited company and is registered as a life insurance company with the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. TPLL obtained license to carry on life and related lines of insurance business on March 2, 2009. TPLL is engaged in life insurance business including ordinary life business, accidental and health business. The financial year end of TPLL is December 31.

## 1.3.7 TPL Maps (Pvt.) Limited

TPLM was incorporated in Pakistan on December 27, 2016 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the TPLM is provide navigation services. The financial year end of TPLM is June 30.

## 1.3.8 TPL Trakker Limited [TTL]

TTL was incorporated in Pakistan on December 27, 2016 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the TTL is installation and sale of tracking devices, vehicle tracking and fleet management. The financial year end of TPLL is June 30.

## 1.3.9 TPL Security Services (Private) Limited [TSS]

TSS is a private limited company incorporated on May 01, 2000 in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of TSS is to provide security services. The financial year end of TSS is June 30. TSS is fully supported by the financial assistance of the Holding Company for smooth running of business operations.

## 1.3.10 TPL Rupiya (Private) Limited [TPLR]

TPLR is incorporated as a private limited company in Pakistan on April 7, 2015 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the TPLR is to establish and operate as a Mobile Payment Switch that allows mobile payment users to make payment using Near Field Communication (NFC) enabled tag cards, under the Payment Systems Operators (PSOs) and Payment Service Providers (PSPs) Rules issued by State Bank of Pakistan (SBP) under Payment System and Electronic Fund Transfer Act, 2007. In this regard, SBP vide their letter No. PSD PR-03 (vii)/010743/2016 dated April 29, 2016 has granted conditional in-principle approval to TPLR which was further extended for three months valid till March 02, 2017 vide letter No. PSD PR-03 (vii)/001573/2017 dated January 20, 2017. TPLR is discussing various aspects of the approval with SBP and expects to receive the extension in due course of time. Currently, TPLR is engaged in the business of E-ticketing services transferred from one of the group companies. The financial year end of TPLR is June 30.

## 1.3.11 Trakker Middle East L.L.C. (TME)

TME is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of TME is at P.O. Box 52331, Abu Dhabi, United Arab Emirates. The principal activities of TME are the selling, marketing and distribution of products and services in the field of wireless, fleet management, tracking and telemetry services. The book value per share amounts to AED. 764 (2017: AED 1,441) based on the latest available un-audited financial statements for the period ended June 30, 2018.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

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

The auditors of the TME has expressed an unqualified opinion on the latest audited financial statement. Based on the approval of Board of Directors of the Holding Company in their meeting held on April 23, 2015 to consider and negotiate an offer to disinvest entire shareholding in TME, the Holding Company had conditionally accepted an offer for disposal of its entire shareholding in TME, subject to obtaining the necessary approvals, compliance of legal formalities and signing of a binding sale agreement to execute the transaction.

## 1.4 Geographical location and addresses of business units of the Group are as under:

Location	Addresses
a) Holding Company	
Corporate office, Karachi	12th and 13th Floor, Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange, Karachi.
Regional offices:	
Karachi office	20-B, Block 6, P.E.C.H.S., Karachi.
Hyderabad office	A-8 District Council Complex, Hyderabad.
Lahore office	51-M, Denim Road, Quaid-e-Azam Industrial Estate Kot Lakhpat, Lahore.
Islamabad office	10th Floor (South) ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad.
Faisalabad office	P6161, West Canal road, Adjacent to Toyota Faisalabad Motors, Faisalabad.
Multan office	House No. 5, Suraj Miani Road, Opp. Ashraf Cardiac Clinic, Chungi No. 1, Multan.
Peshawar office	C-7 & C-8 3rd Floor, Jasmine Arcade, Fakhr-e-Alam Road, Peshawar.

### b) Subsidiary companies

Location	Addresses
Corporate / registered office at Karachi	
TPL Insurance Limited	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

TPL Properties Limited	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
Centrepoint Management Services (Private) Limited (sub-subsidiary)	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
HKC Limited (sub-subsidiary)	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
Development property site	Plot No 22/7, Street CL-9, Civil Lines Quarter, Karachi
G-18 (Private) Limited (sub-subsidiary)	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Life Insurance Limited	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Maps (Pvt.) Limited	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Trakker Limited	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Security Services (Private) Limited	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Rupiya (Private) Limited	Centrepoint Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.

**1.5** During the year, the authorised share capital of the Holding Company has been increased from 230,000,000 ordinary shares to 330,000,000 ordinary shares having face value of Rs.10 each.

**1.6** During the year, the Scheme of Arrangement (the Scheme) was executed on July 01, 2017 among the Holding Company, TPL Maps (Pvt.) Limited, TPL Trakker Limited (formerly known as TPL Vehicle Tracking (Private) Limited) and TPL Holdings (Private) Limited [THPL, the ultimate parent company] for:

- separating / demerging of the Holding Company's Maps Undertaking and Trakker Undertaking and merging and amalgamating the same with and into TMPL and TTL against the issue of shares by respective entities to the Holding Company; and
- separating / demerging the Properties Undertaking (i.e. 21,104,000 ordinary shares of TPL Properties Limited (TPLP) having face value of Rs.10 each) from THPL and merging and amalgamating the same with and into the Holding Company, against the issue of shares of the Holding Company to THPL, along with all ancillary matters.

The shareholders of the Holding Company in their extra ordinary general meeting held on April 14, 2017 approved the Scheme under Sections 284 to 288 of the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Scheme was sanctioned / approved by the Honorable High Court of Sindh vide its order number J.C.M. Petition No.48 of 2016 dated November 17, 2017 and in accordance therewith, the effective date of Scheme was July 01, 2017.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Following is the summary of significant transactions and events that have affected the Group financial position and performance:

- a) Scheme of arrangement - note 1.6
- b) Acquisition of additional shares of TPL Insurance Limited - note 8
- c) Issue of term finance certificates - note 28
- d) Adoption of Companies Act 2017 - note 3

## 3. STATEMENT OF COMPLIANCE

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

The Act has also brought certain changes with regard to the preparation and presentation of these consolidated financial statements. These changes, amongst others, included change in nomenclature of primary statements and change in respect of presentation and measurement of surplus on revaluation of property, plant and equipment (note 6.5). Further, the disclosure requirements contained in the Fourth Schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRSs disclosure requirements and incorporation of additional amended disclosures including, but not limited to, particulars of immovable assets of the Company (note 9.1.7), management assessment of sufficiency of tax provision in the financial statements (note 49.2), change in threshold for identification of executives (notes 14 and 52), additional disclosure requirements for related parties (notes 7 and 53), etc.

## 4. BASIS OF PREPARATION

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

## 5. BASIS OF CONSOLIDATION

These consolidated financial statements comprises the financial statements of the Holding Company and its subsidiaries as at June 30, 2018, here-in-after referred to as 'the Group'.

### Subsidiaries

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

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

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## Associates

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

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

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

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

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

## 6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 6.1 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 stated below:

#### Amended Standards

The Group has adopted the following amended standards which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

The adoption of the above amendments to accounting standards did not have any material effect on these consolidated financial statements.

### 6.2 Significant accounting judgments, estimates and assumptions

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

**a) Operating fixed assets and intangible assets**

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

**b) Investment property**

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. An independent valuation specialist is engaged by the Group to assess fair value of investment property based on values with reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

**c) Classification of property**

The Group determines whether a property is classified as investment property or development property. Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Development property comprises property that is held for sale in the ordinary course of business and principally covers residential property that the Group is developing and intends to sell before or on completion of construction.

**d) Stock-in-trade / development property**

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

**e) Provision for doubtful debts**

The Group assesses the recoverability of its trade debts and other receivables if there is an objective evidence that the Group will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indicators that the trade debts and other receivables are impaired.

**f) Investment at fair value**

The Group value its investment at fair value using fair value hierarchy; Level 1 - quoted prices (unadjusted) in active markets, Level 2 - valuations based on directly or indirectly observable market input and Level 3 - valuations based on unobservable market input. The Group determines whether objective evidence of impairment exists for individual investments. In these cases, the

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

difference between amortised cost and fair value is transferred from other comprehensive income to the profit or loss. In addition, the determination of fair value of unquoted investments involves inherent subjectivity, key assumptions and estimation relation to valuation inputs and techniques. Any change in these assumptions and estimates may have significant impact on the fair value of investments with corresponding impact in other comprehensive income.

## g) Recognition of tax and deferred tax

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

## l) Policyholders liabilities

Policyholders' liabilities are calculated by the appointed actuary on the basis of assumptions. calculation for premium deficiency reserve and claims incurred but not reported (IBNR) is calculated by the appointed actuary on the basis of assumptions that the claim lag patterns will follow the historical trend experience. If for any policy the reserve is negative, the negative value is excluded and the reserves for the policies is set equal to zero.

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

## 6.3 Property, plant and equipment

### 6.3.1 Owned

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

Rates of depreciation which are disclosed in note 9.1 to these consolidated financial statements are designed to write-off the cost over the estimated useful lives of the assets.

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

During the year, TTL has revised its accounting estimate regarding the depreciation of electrical equipment. The said assets would now be depreciated at the rate of 20 percent, as against 25 percent due to low wear and tear in tracking units and no major changes in technology. The above change has been accounted for as change in accounting estimate in accordance with IAS – 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Had there been no change in the aforesaid accounting estimate, the profit for the year would have been lower by Rs.27.709 million whereas the carrying value of property, plant and equipment of the Group would have been lower by the same amount.

## 6.3.2 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 in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

## 6.3.3 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 or loss. Leased assets are depreciated on a straight line basis at the same rate as Group's owned assets as disclosed in note 9.1 to these consolidated financial statements.

## 6.4 Intangible assets

Intangible assets other than goodwill, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Goodwill, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite and are tested for impairment annually. For other intangibles, amortisation is charged to the profit or loss applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The amortisation rate of the intangible assets are stated in note 10.1 to these consolidated financial statements. Full month's amortisation is charged in the month of addition when the asset is available for use, whereas, amortisation on disposals is charged upto the month in which the disposal takes place.

### 6.4.1 Intangible assets under development

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 6.4.2 Business combinations and Goodwill

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

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

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

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

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

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

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

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

During the year, the Group has changed its accounting policy for presentation and measurement of surplus on revaluation of property, plant and equipment, due to adoption of the Companies Act, 2017 (the Act), which became applicable for the first time for the preparation of the Group's annual financial statements for the year ended June 30, 2018. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of International Accounting Standard (IAS) 16 'Property, Plant and Equipment' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors. There is no impact of this change in accounting policy on the consolidated financial statements prior to 2017. Accordingly, the Group has not presented its consolidated statement of financial position as at the beginning of the earliest comparative period i.e., July 01, 2016, and related notes in accordance with requirement of IAS 1 'Presentation of Financial Statements' (Revised) (IAS 1). Had the accounting policy not been changed, the surplus on revaluation of property, plant and equipment would have been shown as a separate line item below equity in the consolidated statement of financial position amounting to Rs.228.061 million for the year ended June 30, 2018.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 6.6 Investment property

Investment property comprises completed property and property under construction that is held to earn rentals or for capital appreciation or both.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria is met.

Subsequent to initial recognition, investment property is stated at fair value which reflects market condition at reporting date. Gains or losses arising from changes in the fair values are included in the profit or loss in the year in which they arise, including the corresponding tax effect, if any. Fair values are determined based on an annual valuation performed by an accredited independent valuer.

Investment property under construction is measured at cost less accumulated impairment losses, if any. Cost includes the cost of land acquired for the development of project and other purchase cost, related government taxes, construction cost, borrowing cost and other overheads necessary to bring the premises for capital appreciation or rental earnings.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the derecognition of investment property are recognised in the profit or loss in the year of retirement or disposal. Gain or loss on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Transfers are made to or from the investment property only when there is a change in use. For a transfer from investment property to owner-occupied, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment upto the date of change in use.

Maintenance and normal repairs are charged to profit or loss, as and when incurred. Major renewals and improvements, if any, are capitalised, if recognition criteria is met.

## 6.7 Investments

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

### 6.7.1 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 or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 6.7.2 At fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial instruments are classified as held-for-trading if they are acquired for the purpose of selling and repurchasing in near term. Held-for-trading assets are acquired principally for the purpose of generating profit from short-term fluctuations in price. Financial instruments are designated at fair value through profit or loss, if the Group manages such investments and makes sales and purchase decision based on their fair value in accordance with the Group's investment strategy.

All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. All transaction costs are recognised directly in profit or loss. At subsequent dates, these investments are measured at fair value, determined on the basis of prevailing market prices, with any resulting gain or loss recognised directly in the profit or loss.

## 6.7.3 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 or loss 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.

## 6.8 Impairment

### 6.8.1 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 or loss.

### 6.8.2 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

## 6.9 Stock-in-trade

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

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

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.

## 6.10 Development properties

Property acquired, constructed or in the course of construction for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as development properties. The Group will sell the completed housing units and not providing any construction services as a contractor engaged by the buyer. In addition, the buyer of housing units does not have an ability to specify the major structural elements of the design or major structural changes before construction and / or construction is in progress. All project costs incurred or to be incurred till the completion of project are capitalised as development properties and is stated in lower of cost and net realisable value. Accordingly, the cost of development properties under construction includes:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- a) cost of leasehold land;
- b) amounts paid to contractors for construction; and
- c) planning and design costs, cost of site preparation, professional fee for legal services, property transfer taxes, development charges, construction overheads and other related costs necessary to bring the premises in saleable condition.
- d) contractors for developing inner perimeter, including but not limited to road development, amenities and utilities and other infrastructure.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices less costs to completion and the estimated costs of sale.

## 6.11 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. 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.

## 6.12 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.

## 6.13 Staff retirement benefits

### 6.13.1 Defined contribution plan

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

### 6.13.2 Defined benefit plan

TSS and TPLL operates an unfunded gratuity scheme covering all its employees completing the minimum qualifying period of under the scheme.

## 6.14 Taxation

### Current

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## Deferred

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax is charged or credited to the profit or loss.

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

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

## 6.15 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.

## 6.16 Provisions

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

## 6.17 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 or loss on a straight line basis over the lease / ijarah term.

## 6.18 Revenue recognition

Revenue is recognised 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 recognised:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- Revenue from sales is recognised when risks and rewards are transferred, i.e., when tracking devices / goods are installed.
- Monitoring fees, rental income, service income from rendering of security, maintenance and other services are recorded on an accrual basis.
- Service income from rendering of security services are recorded, when they are rendered to the customer.
- Rental income receivable from operating leases are recognized at straight-line basis over the lease term except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Incentives for lessee to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the profit or loss when the right to receive them arises.
- Revenue from sale of residential property is recognised when both: (i) construction is complete; and (ii) legal title to the property has been transferred.
- The revenue recognition policies for premium and commission from reinsurer are given under the notes 6.19.2 and 6.19.6 below.
- Gain / loss on sale / redemption of investments is taken to consolidated profit or loss in the year of sale / redemption.
- Income from held to maturity investments is recognised on a time proportionate basis taking account the effective yield on the investments.
- Dividend income is recognised when the right to receive the dividend is established.
- Income on bank accounts is recorded using effective interest rate.

## 6.19 Insurance related policies

### 6.19.1 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 policyholders 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 liabilities are extinguished or expired.

The Group underwrites non-life insurance contracts that can be categorised into fire and property damage, marine, aviation and transport, health, motor and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those which fall under Treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Group as insurer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Fire and property insurance contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Marine, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships and liabilities to third parties and passengers arising from their use.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other insurances like cash in hand, cash in transit, personal accident, travel are included under miscellaneous insurance cover.

The Group neither issues investments contracts nor does it issue insurance contracts with discretionary participation features (DPF).

These contracts are made with group companies, corporate clients and individuals residing or located in Pakistan.

## 6.19.2 Premium

### *General insurance*

Premium income under a policy is recognized, evenly over the period of insurance from the date of issuance of the policy till the date of its expiry. Administrative surcharge is recognised as income at the time policies are written.

Revenue from premiums is determined after taking into account the unearned portion of premium by applying 1/24th method as prescribed by the Insurance Rules, 2017. The unearned portion of premium income is recognised as liability.

Premium due but unpaid under insurance contracts 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 recognizes it as impairment loss.

### *Life insurance*

- First year individual life and individual accident & health premiums are recognized once the related policy have been issued and premiums received. Renewal premiums are recognized upon receipt of premium provided the policy is still in force.
- Premiums for group life, group health business are recognized as and when due. Receivables under insurance contracts are recognized 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 recognizes it as impairment loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 6.19.3 Reinsurance contracts

Insurance contracts 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 arrangement contracts and are classified in same categories of insurance contracts for the purpose of these consolidated financial statements. The Group recognises 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. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers 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.

Reinsurance premiums are recognized at the same time when the premium income is recognized. It is measured in line with the terms and condition of the reinsurance treaties.

The deferred portion of reinsurance premium ceded is recognised as a prepayment which is calculated by using 1/24th method as prescribed by the Insurance Rules, 2017.

The Group assesses its reinsurance assets for impairment on reporting 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 recognises that impairment loss in the profit or loss.

## 6.19.4 Claims expense

### *General insurance*

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

The Group recognises liability in respect of all claims incurred upto the reporting 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 claims include amounts 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.

The provision for claims incurred but not reported (IBNR) is made at the reporting date. In accordance with SECP circular no. 9 of 2016, the Group takes actuarial advice for the determination of IBNR claims. Provision for IBNR claims have been determined by analyzing the lag between the incurrence and reporting of motor and health business claims. For fire and marine businesses, as the Group has started these businesses during the current year, no historical data is available, therefore, industry wide-data has been used to calculate provision of IBNR claims. For travel business, in absence of credible industry wide-data, an average of all other classes has been used to determine provision for IBNR claims.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## *Life insurance*

Claim expenses are recognized on the date the insured event is intimated except for individual life unit linked where claim expenses are recognized earlier of the date the policy cease to participate in the earnings of the fund and the date insured event is intimated. A liability for outstanding claims is recognized in respect of all claims incurred up to the reporting period, as soon as reliable estimates of the claim amount can be made. The liability for claims "Incurred But Not Reported"(IBNR) is included in policyholders' liabilities. Claims recoveries receivable from reinsurers are recognized as assets at the same time when the corresponding claims are recorded in accordance with the terms of the re-insurance contracts.

### **6.19.5 Reinsurance recoveries against outstanding claims**

Claims recoveries against outstanding claims from the reinsurer and salvage are recognised 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.

### **6.19.6 Commission**

Commission expense incurred in obtaining and recording policies is deferred and recognised in profit or loss as an expense in accordance with the pattern of recognition of premium revenue. 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 or loss as revenue in accordance with the pattern of recognition of the reinsurance premiums.

### **6.19.7 Premium deficiency reserve**

The Group is required as per Insurance Rules, 2017, SEC (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, commissions and other underwriting expenses, expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The charge for premium deficiency reserve is recorded as an expense in the profit or loss and the same shall be recognized as a liability.

For this purpose, loss ratios 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. Further actuarial valuation has been carried out to determine the amount of premium deficiency reserve in respect of Health insurance as required by SRO 16 (I) / 2012 issued by Securities and Exchange Commission of Pakistan on 9 January 2012.

### **6.19.8 Acquisition cost**

Acquisition cost comprise of commission and other costs incurred in acquiring insurance policies and include without limitation all forms of remuneration paid to insurance agents. These are recognized as an expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except those which are directly referable to the acquisition or renewal of specific contracts that are recognised not later than the period in which the premium to which they refer is recognized as revenue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 6.19.9 Policyholders' liabilities

Policyholders' liabilities including IBNR are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out at each reporting date, in accordance with section 50 of the Insurance Ordinance, 2000. In determining the value both acquired policy values as well as estimated values which will be payable against risks which the Group underwrites are considered. The basis used are applied consistently from year to year. Calculation for premium deficiency reserve and claims incurred but not reported (IBNR) is calculated by the appointed actuary on the basis of assumptions that the claim pattern will follow the historical trend experience.

## 6.19.10 Receivables and payables related to insurance contract

Receivables and payables are recognised when due. These include amounts due to and from agents and policyholders.

## 6.19.11 Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities. Any deficiency is immediately charged to profit or loss initially by writing off the deferred policy acquisition costs, if any, and by subsequently establishing a provision for losses arising from liability adequacy tests.

## 6.19.12 Statutory funds

The Group maintains statutory funds for accident and health businesses, conventional business and individual life unit linked. Assets, liabilities, revenues and expenses are recorded in the fund, if referable or, on the basis of actuarial advice if not referable. Other assets, liabilities, revenue and expenses are allocated to shareholders' funds. Policyholders' liabilities have been included in statutory funds on the basis of actuarial valuation carried out by the appointed actuary of the Group on the reporting date as required by Section 50 of the Insurance Ordinance, 2000. A capital transfer provided to statutory funds by the shareholders' funds is recorded as a reduction in the shareholders' equity.

## 6.20 Foreign currency translation

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

## 6.21 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 or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 6.22 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position, 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. Income and expenses arising from such assets and liabilities are also offset accordingly.

## 6.23 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.

## 6.24 Dividend and appropriation to reserves

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

## 6.25 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, plant 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.

## 6.26 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

The following 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 standard or interpretation:

Standards	Effective date (annual periods beginning on or after)
IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with	
IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9 Financial Instruments	July 01, 2018
IFRS 9 Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 15 Revenue from Contracts with Customers	July 01, 2018
IFRS 16 Leases	January 01, 2019
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Group's financial statements in the period of initial application, except for IFRS 15, for which management assessment is in process of evaluating the impact.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 respectively. The Group expects that such improvements to the standards will not have any impact on the Group's financial statements in the period of initial application.

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

<b>Standards</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 14 Regulatory Deferral Accounts	01 January, 2016
IFRS 17 Insurance Contracts	01 January, 2021

## 7. DETAILS OF RELATED PARTIES

Name of a related party	Basis of relationship	Shareholding
TPL Holdings (Private) Limited	Parent company	-
TPL Rupiya (Private) Limited	Wholly owned subsidiary	99.99%
TPL Trakker Limited	Wholly owned subsidiary	100%
TPL Maps (Pvt.) Limited	Wholly owned subsidiary	100%
TPL Security Services (Private) Limited	Subsidiary	99.90%
TPL Insurance Limited	Subsidiary	93.51%
TPL Life Insurance Limited	Subsidiary	86.43%
TPL Properties Limited [TPLP]	Subsidiary	29.62%
Centrepont Management Services (Private) Limited	Sub-subsidiary of TPLP	29.62%
HKC (Private) Limited	Sub-subsidiary of TPLP	29.62%
G18 (Private) Limited	Sub-subsidiary of TPLP	29.62%
Trakker Middle East LLC	Associated company	29%
TPL E-Ventures (Pvt.) Limited	Associated undertaking	-
TPL Mobile (Private) Limited	Common directorship	-
TPL Tech Pakistan (Private) Limited	Common directorship	-
Sapphire Fibers Limited	Common directorship	-
IBEX Global Solutions (Private) Limited	Common directorship	-
Virtual World (Private) Limited	Common directorship	-
Digital Globe Services (Private) Limited	Common directorship	-
Afiniti Software Solutions (Private) Limited	Common directorship	-
Vestruie DMCC, Dubai, UAE	Common directorship	-
Vestruie Holdings Limited, Dubai, UAE	Common directorship	-
Kulsum Holdings Limited, Dubai, UAE	Common directorship	-
Brans Holdings Limited, Dubai, UAE	Common directorship	-
Rashwell Company LLC, Dubai, UAE	Common directorship	-
Slaide (Pty) Ltd	Common directorship	-
Macanta (Pty) Ltd	Common directorship	-
Fleetcam (Pty) Ltd	Common directorship	-
Cherosco (Pty) Ltd	Common directorship	-
Casi International (Pty) Ltd	Common directorship	-
TPL Direct Finance (Private) Limited	Common directorship	-
The Resource Group Pakistan Limited	Common directorship	-
TPL Logistics (Private) Limited	Common directorship	-
Trakker Energy (Pvt.) Ltd	Common directorship	-
TRG (Private) Limited	Common directorship	-
Watan Foundation	Common directorship	-
Agriauto Industries Limited	Common directorship	-
Pakistan Oxygen Limited (formerly Linde Pakistan Limited)	Common directorship	-
Engo Corporation Limited	Common directorship	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Adira Capital Holding (Private) Ltd.	Common directorship	-
Noesis (Private) Ltd.	Common directorship	-
Institute of Business Administration	Common directorship	-
The i-care Pakistan	Common directorship	-
State Bank of Pakistan	Common directorship	-
Shakarganj Food Products Limited	Common directorship	-
KASB Investment Management (Private) Limited	Common directorship	-
Merit Packaging Limited	Common directorship	-
Grant Thornton Consulting (Private) Limited	Common directorship	-
JS Investment Limited	Common directorship	-
Oosman Brothers (Private) Limited	Common directorship	-
Paradigm Re	Common directorship	-
Paradigm Services (Private) Capital Limited	Common directorship	-
Clifton Land Limited	Common directorship	-
TPL Properties Limited - Employees' Provident Fund	Retirement benefit fund	-
Centrepoint Management Services (Private) Limited - Employees' Provident Fund	Retirement benefit fund	-
Trakker (Private) Limited Staff Provident Fund	Retirement benefit fund	-

## 8. BUSINESS COMBINATION

The Holding Company has further acquired 52,196,397 ordinary shares of TPL Insurance Limited during the year representing 69.12 percent shareholding at a consideration of Rs.1,252.714 million under the terms and conditions of Sale and Purchase Agreement (SPA) signed with Greenoaks Global Holding Limited (the seller) dated March 23, 2017. Resultantly, the shareholding of the Company in TIL has been increased, by virtue of which, TIL becomes a subsidiary company at the acquisition date i.e. December 19, 2017. The Holding Company acquired TIL to support its tracking business with the insurance facilities for its customers.

The fair value of the identifiable assets acquired and liabilities assumed of TIL as at the date of acquisition were:

	Fair value recognised on acquisition Rupees	Carrying value as at date of acquisition Rupees
<b>Assets:</b>		
Property, plant and equipment	79,476,151	79,476,151
Intangible assets	11,913,934	11,913,934
Investments	1,069,460,891	1,069,460,891
Loans and other receivables	274,370,944	274,370,944
Insurance / reinsurance receivables	258,493,866	258,493,866
Reinsurance recoveries against outstanding claims	21,515,947	21,515,947
Salvage recoveries accrued	40,201,885	40,201,885
Deferred commission expense	61,621,674	61,621,674
Deferred taxation	21,237,574	21,237,574
Prepayments	193,241,458	193,241,458
Cash and bank balances	133,592,489	133,592,489
Total assets of general takaful	<b>335,497,378</b>	335,497,378
Total assets	<b>2,500,624,191</b>	2,500,624,191

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## Liabilities:

Underwriting provisions	805,746,745	805,746,745
Premium received in advance	2,779,623	2,779,623
Insurance / reinsurance payables	114,673,701	114,673,701
Other creditors and accruals	219,116,925	219,116,925
Taxation - provision less payment	2,733,398	2,733,398
Total liabilities of general takaful	234,267,828	234,267,828
<b>Total liabilities</b>	<b>1,379,318,220</b>	<b>1,379,318,220</b>
<b>Total identifiable net assets at estimated fair value</b>	<b>1,121,305,971</b>	<b>1,121,305,971</b>
<b>Purchase consideration paid</b>	<b>1,252,713,528</b>	
<b>Fair value of previously held equity interest at the acquisition date</b>	<b>456,791,196</b>	
<b>Fair value of non-controlling interest at the acquisition date</b>	<b>72,772,757</b>	
	<b>1,782,277,481</b>	
<b>Provisional goodwill at acquisition date</b>	<b>660,971,510</b>	
<b>Net cash outflow on acquisition is as follows:</b>		
Cash paid on acquisition	1,252,713,528	
Cash acquired in subsidiary	(133,592,489)	
<b>Net cash outflow</b>	<b>1,119,121,039</b>	

For determining the fair value of assets and liabilities at the time of acquisition as required by IFRS 3 'Business Combination', the management has assessed that the fair value of the assets and liabilities acquired approximates to its carrying value on date of the acquisition. However, the management has decided to finalize the determination of valuation of assets acquired and liabilities assumed within one year from the acquisition date, which is allowed under IFRS 3 "Business Combinations" as measurement period, therefore provisional figures based on latest available annual audited financial statements for the year ended December 31, 2017 have been considered for the acquisition accounting.

The Group has elected to measure non-controlling interest in TIL at the proportionate share in the recognised amount in the acquiree's net identifiable assets. As of June 30, 2018, the Holding Company holds 77,323,859 ordinary shares of TIL representing 93.51 percent of share capital of TIL.

		2018	2017
	Note	Rupees	Rupees
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	9.1	1,967,447,745	1,774,573,133
Capital work-in-progress	9.3	246,623,842	24,947,496
		<b>2,214,071,587</b>	<b>1,799,520,629</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE			
	As at July 01, 2017	Acquired under business combination (note 8)	Addition / (disposals) / transfers / write off	As at June 30, 2018	As at July 01, 2017	On acquisition under business combination (note 8)	Charge for the year / (On disposals) / transfers / write off	As at June 30, 2018	As at June 30, 2018	Depreciation rate %
<b>Leased</b>										
Computer and accessories	39,470,381	-	-	39,470,381	37,418,408	-	545,318	37,963,726	1,506,655	33.33
Electrical equipment	-	-	-	-	-	-	-	-	-	20
Mobile phones	279,800	-	-	279,800	279,800	-	-	279,800	-	20
Generators	16,000,400	-	(16,000,400)	-	6,400,152	-	1,866,713 (8,266,865)	-	-	20
Vehicles	40,054,630	-	24,200,000	64,254,630	31,405,122	-	4,057,096	35,462,218	28,792,412	20
	<b>95,805,211</b>	-	<b>(16,000,400)</b> <b>24,200,000</b>	<b>104,004,811</b>	<b>75,503,482</b>	-	<b>6,469,127</b> <b>(8,266,865)</b>	<b>73,705,744</b>	<b>30,299,067</b>	
<b>2018</b>	<b>2,634,322,851</b>	<b>123,211,493</b>	<b>96,975,655</b> <b>60,767,685</b> <b>197,107,456</b> <b>(110,618,158)</b> <b>(16,000,400)</b> <b>(123,081,529)</b>	<b>2,862,685,053</b>	<b>859,749,719</b>	<b>61,790,913</b>	<b>197,437,309</b> <b>(92,392,239)</b> <b>(8,266,865)</b> <b>(123,081,529)</b>	<b>895,237,308</b>	<b>1,967,447,745</b>	

\* Represents transfers from capital work-in-progress to owned assets (note 9.3).  
 \*\* Represents transfers from stock-in-trade to owned assets.  
 \*\*\* Represents assets derecognised on termination of lease.  
 \*\*\*\* Represents assets written off during the year.  
 \*\*\*\*\* Represents assets disposed off under sale and leaseback arrangement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	Depreciation Rate %
	As at July 01, 2016	Additions / (disposals) / transfers	As at June 30, 2017	As at July 01, 2016	Charge for the year / (disposals) / transfers (note 5.1.1)	As at June 30, 2017	As at June 30, 2017	
	(Rupees)							
<b>Owned</b>								
Leasehold land	194,124,965	218,875,035	413,000,000	-	-	-	413,000,000	-
Building on leasehold land	410,558,183	14,590,648	425,148,831	23,487,978	4,526,332	28,014,310	397,134,521	5
Machinery	8,588	-	8,588	6,660	1,928	8,588	-	10
Computers and accessories	208,531,579	20,243,018 (551,890) * 2,849,531 *** 6,530,027	237,602,265	188,324,990	25,820,229 (398,965) *** 6,530,027	220,276,281	17,325,984	33-33.33
Generators	6,502,202	-	6,502,202	6,480,372	21,830	6,502,202	-	20
Power generation unit	92,048,400	*** 6,892,240 61,718,512	160,659,152	5,766,671	*** 5,901,502 6,225,274	17,893,447	142,765,705	3.33-5
Electrical equipment and devices	475,733,604	297,872,047 (1,172,810) *** 82,187,741 * 3,564,900 ** 60,002,966	918,188,448	200,583,631	86,797,163 (1,014,810) *** 15,707,217	302,073,201	616,115,247	3.33-33.33
IT equipment	30,831,740	2,218,700	33,050,440	10,944,367	7,922,574	18,866,941	14,183,499	20
Furniture and fittings	147,859,459	31,631,309 (387,981) * 4,003,225	183,106,012	59,599,311	35,242,307 (387,341)	94,454,277	88,651,735	16.67-20
Vehicles (note 4.1.2)	111,611,714	3,634,649 (5,890,984)	109,355,379	59,580,683	15,796,545 (5,890,984)	69,486,244	39,869,135	20
Construction of shed	6,048,277	-	6,048,277	6,048,277	-	6,048,277	-	20
Mobile phones	20,509,087	4,905,602 (435,450) * 455,600	25,434,839	13,813,436	4,479,598 (126,884)	18,166,150	7,268,689	33.33
Weapons	3,966,033	-	3,966,033	1,711,483	397,023	2,108,506	1,857,527	10
ICOM based station	25,000	-	25,000	20,922	1,360	22,282	2,718	25
Leasehold improvements	-	5,007,000	5,007,000	-	127,760	127,760	4,879,240	10-33
Gym equipments	-	11,415,174	11,415,174	-	197,771	197,771	11,217,403	33.33
	1,708,358,831	617,285,422 (8,439,115) * 10,873,256 ** 60,002,966 *** 150,436,280	2,538,517,640	576,368,781	187,233,921 (7,818,984) *** 28,462,518	784,246,236	1,754,271,403	
<b>Leased</b>								
Computer and accessories	46,000,408	*** (6,530,027)	39,470,381	40,347,050	3,601,385 (6,530,027)	37,418,408	2,051,973	33.33
Power generation unit	61,718,512	*** (61,718,512)	-	4,871,829	1,353,445 (6,225,274)	-	-	20
Electrical equipment	82,187,741	*** (82,187,741)	-	12,731,792	2,975,425 (15,707,217)	-	-	20
Mobile phones	279,800	-	279,800	279,800	-	279,800	-	20
Generators	16,000,400	-	16,000,400	3,200,076	3,200,076	6,400,152	9,600,248	20
Vehicles	37,560,880	* 2,493,750	40,054,630	27,348,026	4,057,096	31,405,122	8,649,508	20
	243,747,741	v * 2,493,750 *** (150,436,280)	95,805,211	88,778,573	*** 15,187,427 (28,462,518)	75,503,482	20,301,729	
2017	1,952,106,572	617,285,422 (8,439,115) * 13,367,006 ** 60,002,966	2,634,322,851	665,147,354	*** 175,543,223 (7,818,984) **** 26,878,125	859,749,718	1,774,573,133	

\* Represents transfers from capital work-in-progress to owned and leased assets (note 9.3)

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

\*\*\* Represents transfers from leased to owned assets

\*\*\*\* Represents the opening accumulated depreciation of TPLL added into Charge for the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>9.1.1</b>	Depreciation charge for the year has been allocated as follows:		
	Cost of sales and services	43	126,481,893
	Distribution expenses	44	26,045,694
	Administrative expenses	45	44,909,722
			<b>197,437,309</b>
			112,512,604
			25,307,603
			37,723,016
			<b>175,543,223</b>

**9.1.2** During the year, the Group has transferred tracking devices from stock-in-trade at a cost of Rs. 197.107 million (2017: Rs. 329.98 million) to owned assets. As of reporting date assets costing Rs. 619.765 million (2017: Rs. 379.986 million) are in possession of third parties, on rental basis.

**9.1.3** Includes in operating fixed assets are fully depreciated assets having cost of Rs. 384.521 million (2017: Rs. 487.5 million).

**9.1.4** The Group carried out the revaluation exercise by an independent valuer during the year ended June 30, 2017, which has resulted in surplus on leasehold land and building on leasehold land of Rs. 218.875 million and Rs.14.591 million over their existing cost of Rs.194.125 million and Rs. 45.465 million and written down value of Rs. 194.125 million and Rs. 26.298 million, respectively.

Had there been no revaluation, the aggregated cost and written down value of revalued leasehold land and building on leasehold land would have been lower by Rs. 233.466 (2017: Rs. 233.466) million and 232.310 (2017: Rs. 233.040 million) and surplus on revaluation of fixed assets would have been lower by Rs. 228.061 (2017: Rs. 228.790 million).

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of leasehold land and building on leasehold land falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

**9.1.5** The forced sale value as per the last revaluation report are as follows:

	2018 Rupees	2017 Rupees
Leasehold land	340,550,000	340,550,000
Building on leasehold land	34,461,200	34,461,200
	<b>375,011,200</b>	<b>375,011,200</b>

**9.1.6** The immoveable assets of the Group are placed as security against various financing facilities obtained from commercial banks as stated in notes 28, 30 and 37 respectively to these consolidated financial statements.

**9.1.7** The details of immovable assets (i.e land and building) of the Group as at June 30, 2018 and 2017 are as follows:

Location	Addresses	Usage	Covered Area (sq.ft)
Lahore	51-M, Quaid-E-Azam Industrial Estate, Kot Lakhpat	Installation Centre	44,950
Karachi	Plot no. 20-B & 20-C, Block No. 6, P.E.C.H.S. Ltd., Survey sheet no. 35-P/1.	Installation Centre	3,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

Description	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposals	Mode of disposal	Particulars of buyers	Location
----- (Rupees) -----								
<b>Motor Vehicles</b>								
Land Cruiser (BN-0005)	16,000,000	11,200,000	4,800,000	11,250,000	(6,450,000)	Negotiation	TLI (a related party)	Karachi
Range Rover (BM-0005)	30,683,374	21,610,303	9,073,071	20,000,000	(10,926,929)	Negotiation	TLI (a related party)	Karachi
Mercedes Benz (Class S)	24,200,000	-	24,200,000	24,000,000	200,000	Under sale and lease back transactions	Meezan Bank	Karachi
	<b>70,883,374</b>	<b>32,810,303</b>	<b>38,073,071</b>	<b>55,250,000</b>	<b>(17,176,929)</b>			
<b>Aggregate amount of assets disposed off having written down value less than Rs. 500,000</b>								
<b>Owned</b>								
Computers and accessories	1,958,000	449,611	1,508,389	900,000	608,389	Various	Various	Karachi
Electrical equipment	6,235,430	5,627,751	607,679	220,000	387,679	Various	Various	Karachi
Furniture and fittings	7,193,611	5,584,511	1,609,100	1,974,401	(365,301)	Various	Various	Karachi
Mobile phones	2,137,780	1,638,100	499,680	407,763	91,917	Various	Various	Karachi
Leasehold improvements	128,000	-	128,000	128,000	-	Negotiation	Various	Karachi
Motor vehicles	46,281,963	46,281,962	-	-	-	Various	Various	Karachi
	<b>63,934,784</b>	<b>59,581,935</b>	<b>4,352,848</b>	<b>3,630,164</b>	<b>722,684</b>			
<b>2018</b>	<b>134,818,158</b>	<b>92,392,239</b>	<b>42,425,919</b>	<b>58,880,164</b>	<b>(16,454,245)</b>			
2017	8,439,115	8,439,115	-	3,832,248	3,832,248			

## 9.3 Capital work-in-progress

	2018	2017
Opening balance	24,947,491	18,505,613
Additions during the year	261,014,678	23,271,293
Acquired under business combination	21,429,358	-
Transfers during the year:		
- operating fixed assets	(60,767,685)	(13,367,006)
- TPL Insurance Limited	-	(3,462,409)
Closing balance	<b>246,623,842</b>	<b>24,947,491</b>

9.3.1. Represents expenses incurred and advances made by the Group in respect of procurement of computer equipment and software, office equipment, furniture and fixtures.

	2018	2017
Intangible assets	2,081,610,105	1,434,954,387
Intangible assets under development	546,022,997	314,526,753
	<b>2,627,633,102</b>	<b>1,749,481,140</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2018

### 10.1 Intangible assets

	COST			ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE	Amortisation rate %
	As at July 01, 2017	Additions / (disposals) / acquired under business combination	As at June 30, 2018	As at July 01, 2017	Charge for the year / (disposals) / acquired under business combination	As at June 30, 2018	As at June 30, 2018	
----- (Rupees) -----								
<b>Owned</b>								
Goodwill (notes 8 and 10.4)	493,042,630	660,971,510	1,154,014,140	-	-	-	1,154,014,140	-
Customers related intangible assets	453,635,249	-	453,635,249	-	175,135	175,135	453,460,114	-
Marketing related intangible assets	289,021,582	-	289,021,582	-	-	-	289,021,582	-
Internally generated computer softwares	25,840,000	-	25,840,000	25,840,000	-	25,840,000	-	13.33
Maps database	147,858,790	-	147,858,790	60,991,747	7,392,940	68,384,687	79,474,103	5
Software	325,883,507	29,765,776 (3,604,380) 18,900,233	370,945,136	213,495,624	44,823,047 6,986,299	265,304,970	105,640,166	20-33.33
PTA license	1,000,500	-	1,000,500	1,000,500	-	1,000,500	-	6.67
Decarta maps	22,884,695	-	22,884,695	22,884,695	-	22,884,695	-	20
<b>2018</b>	<b>1,759,166,953</b>	<b>690,737,286 (3,604,380) 18,900,233</b>	<b>2,465,200,092</b>	<b>324,212,566</b>	<b>52,391,122 - 6,986,299</b>	<b>383,589,987</b>	<b>2,081,610,105</b>	

\* Represents acquired under business combination (note 8).

	COST			ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE	Amortisation rate %
	As at July 01, 2017	Additions / (disposals) / acquired under business combination	As at June 30, 2018	As at July 01, 2017	Charge for the year / (disposals) / acquired under business combination	As at June 30, 2018	As at June 30, 2018	
----- (Rupees) -----								
<b>Owned</b>								
Goodwill (note 10.4)	493,042,630	-	493,042,630	-	-	-	493,042,630	-
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	24,973,490	866,508	25,840,000	-	13.33
Maps database	147,858,790	-	147,858,790	53,598,807	7,392,940	60,991,747	86,867,043	5
Software	282,229,224	43,654,283	325,883,507	153,625,177	59,870,447	213,495,624	112,387,883	20-33.33
PTA license	1,000,500	-	1,000,500	1,000,500	-	1,000,500	-	6.67
Decarta maps	22,884,695	-	22,884,695	22,884,695	-	22,884,695	-	20
<b>2017</b>	<b>1,715,512,670</b>	<b>43,654,283</b>	<b>1,759,166,953</b>	<b>256,082,669</b>	<b>50,191,168 17,938,727</b>	<b>324,212,566</b>	<b>1,434,954,387</b>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**10.2** Represents expenditure incurred for development of map database.

	Note	2018 Rupees	2017 Rupees
<b>10.3</b>	Amortisation charge for the year has been allocated as follows:		
Cost of sales and services	43	46,165,989	50,103,602
Administrative expenses	45	6,225,133	87,567
		<b>52,391,122</b>	<b>50,191,169</b>

## 10.4 Impairment testing of goodwill, intangibles with indefinite lives and under development

The Group has performed its annual impairment test on the following cash generating units as at June 30, 2018.

### 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 Group has performed its annual impairment test as at June 30, 2018.

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 discount rate applied to cash flow projections is 18.9 percent (2017: 16.1 percent). The growth rate used to extrapolate the cash flows beyond the five-year period is 4.1 percent (2017: 4.1 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/- and intangibles with indefinite useful lives are allocated.

### Real estate

Goodwill acquired through business combination have been allocated and monitored at the Group level (i.e. Real Estate business and related services). The Group calculated the recoverable amount of its investment based on the fair value less costs to sell using observable market prices less incremental costs to sell the asset including valuation of investment property, as prescribed under "Impairment of Assets" (IAS-36), which was higher than the carrying value. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs. 59,328,763/- is allocated.

### Insurance business

Goodwill acquired through business combinations have been allocated and monitored at the Group level (insurance business). The Group calculated the recoverable amount of its investment based on the fair value less cost to sell using observable market prices less incremental cost to sell the assets, as prescribed under IAS-36, which was higher than the carrying value. As a result of this assessment, the management did not identify any impairment for cash generating unit to which provisional goodwill of Rs. 660,971,510/- is allocated.

### Other business

Goodwill acquired through business combinations have been allocated and monitored at the Group level (other business i.e. security and maps / navigation services). The recoverable amount of security services is determined based on value in use calculations, which was higher than the carrying value. The discount rate applied to cash flow projections is 15.0 percent (2017: 13.6 percent). The growth rate use to extrapolate the cash flows beyond the five-year period is 4.0 percent (2017: 4.1 percent). As a result of this assessment, the management did not identify any impairment for the cash generating unit to which goodwill of Rs. 30,333,296/- is allocated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

In addition, the group has carried out an impairment assessment for Maps/Navigation business (including intangible assets under development) based on the value-in-use calculations and the discount rate applied to the cashflow projections is 19.2 percent and the growth rate used to extrapolate the cashflows beyond the prior year period is 6.0 percent. As a result of this assessment, the management did not identify any impairment in the carrying value of intangible assets under development of Rs. 546.023 million.

## Key assumptions used in value-in-use calculations

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

- Discount rates
- Key business assumptions

## Discount rates

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

## Key business assumptions

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

## 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	2018 Rupees	2017 Rupees
<b>11. INVESTMENT PROPERTIES</b>			
Investment property - completed	11.1	5,298,404,608	4,340,262,571
Investment property - under construction	11.2	24,273,665	8,190,702
		<b>5,322,678,273</b>	<b>4,348,453,273</b>
<b>11.1</b>	The movement in investment property during the year is as follows:		
As at 01 July		4,340,262,571	4,090,415,737
Add: Additions to investment property		16,868,937	46,918,610
Less: Transferred to property, plant and equipment (share of owner occupied property)		(3,373,787)	-
		<b>4,353,757,721</b>	<b>4,137,334,347</b>
Add: Remeasurement adjustment	48	944,646,887	202,928,224
As at June 30		<b>5,298,404,608</b>	<b>4,340,262,571</b>

**11.1.1** Investment property comprises of leasehold land having area of 2,914 square yards and building thereon, situated at 66/3-2, Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi, hereinafter referred to as Centrepont Project.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**11.1.2** An independent valuation of Centrepont Project was carried out by an independent professional valuer on June 30, 2018 and the fair value of Rs. 6,165 million (2017: Rs. 4,967 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment for the year of Rs. 944,646 million (2017: Rs. 202,928 million) [excluding the impact related to owner occupied property of Rs. 236.161 million (2017: Rs. 85,837 million)] property is recognised in the profit or loss. The fair value of investment property fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

**11.1.3** Forced sale value of the investment property is Rs. 5,911,053 million.

**11.2** Represents expenses incurred on various projects of the Group related to the construction of investment property.

		2018	2017
	Note	Rupees	Rupees
<b>12. DEVELOPMENT PROPERTIES</b>			
Land		801,225,879	801,225,879
Design and consultancy		120,730,826	27,083,115
Project management and ancillary costs		113,671,817	28,305,340
Other project costs		54,518,898	32,124,406
	12.1	1,090,147,420	888,738,740

**12.1** Represents Group project under construction at Plot No 22/7, Street CL-9, Civil Lines Quarter, Karachi and currently in the initial stages for approval of design followed by commencement of construction on receipt of approval.

		2018	2017
	Note	Rupees	Rupees
<b>13. LONG-TERM INVESTMENTS</b>			
<b>Investment in associated company – at equity method</b>			
TPL Insurance Limited	8	-	536,285,330
<b>13.1</b> Movement of investment in an associated company			
Balance at the beginning of the year		536,285,330	506,417,217
Share of profit for the current year (un-audited)		7,180,014	29,868,113
Less: Derecognition of investment on further acquisition		543,465,344	-
Balance at the end of the year	8	-	536,285,330

**13.2** The summarised financial information of an associate based on the financial statements for the year ended June 30, 2018 and 2017, is as follows:

		2018	2017
	Note	Rupees	Rupees
Total assets		-	2,426,809,165
Total liabilities		-	1,098,086,255
Revenues		-	1,276,616,522
Profit after tax		-	122,434,687

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>14. LONG-TERM LOANS – secured, considered good</b>			
Executives *	14.1 & 14.2	474,427	-
Employees		889,012	2,339,598
	14.3	1,363,439	2,339,598
Less: Current portion	19	926,862	1,513,060
		<b>436,577</b>	<b>826,538</b>

\* The comparative figures have been restated to reflect the changes in the definition of executives as per Companies Act, 2017.

	2018 Rupees	2017 Rupees
<b>14.1 Reconciliation of the carrying amount of loans to executives</b>		
Disbursements	687,098	-
Less: Repayments / adjustments	212,671	-
Balance as on June 30	<b>474,427</b>	<b>-</b>

**14.2** The maximum aggregate amount of loans due from the executives at the end of any month during the year was Rs. 2.184 million (2017: Rs. 3.380 million).

**14.3** 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 at the rate of 5 percent (2017: 5 percent) per annum. Further, it also includes loans provided on interest free basis amounting to Rs. 0.280 million (2017: Rs. 0.612 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.

	2018 Rupees	2017 Rupees
<b>15. LONG-TERM DEPOSITS</b>		
Security deposits - leased and ijarah assets	61,537,417	33,010,985
Less: Current portion	21,935,962	12,643,282
	<b>39,601,455</b>	<b>20,367,703</b>
Utilities	317,450	177,450
Rent deposits	3,662,756	2,998,921
Cash margin against guarantees	26,049,352	21,787,154
Others	286,919	186,919
	<b>69,917,932</b>	<b>45,518,147</b>

**15.1** Represents cash margin on guarantee issued by a commercial bank on behalf of the Group.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>16. DEFERRED TAX ASSET - NET</b>			
Deferred tax asset on deductible temporary differences:			
- unused tax losses		154,170,834	156,911,219
- surplus on revaluation of fixed assets		4,249,526	4,249,526
- liabilities against assets subject to finance lease - net		4,058,945	6,675,473
- provision for doubtful debts		16,320,628	8,825,403
- liabilities against insurance contracts		4,041,493	-
- unrealised loss on available for sale investments		15,776,474	-
- deferred income		733,334	733,334
- provision for gratuity		4,419,877	3,669,062
		<b>203,771,111</b>	181,064,017
Deferred tax liability on taxable temporary differences:			
- accelerated tax depreciation on owned and leased assets		(56,921,026)	(53,679,949)
- intangible assets		(5,642,765)	(5,695,305)
- advance against rent from tenants		(27,567,486)	(38,236,796)
		<b>(90,131,277)</b>	(97,612,050)
		<b>113,639,834</b>	83,451,967
<b>17. STOCK-IN-TRADE</b>			
Tracking devices	17.1 & 17.2	316,069,079	347,658,183
Spare parts	17.3	9,828,416	8,464,342
Tools		794,272	1,094,402
		<b>326,691,767</b>	357,216,927
<b>17.1</b>	Includes stock of Rs.42.731 million (2017: Rs. 13.149 million) held with third parties on account of stock given for demo and repair purposes.		
<b>17.2</b>	Includes stock of Rs. 79.956 million (2017: Rs. 95.646 million) held with third parties on account of on-site container tracking installations.		
<b>17.3</b>	Represents Bonnet Locks, Window Motors etc. which are held for sale.		
<b>18. TRADE DEBTS - unsecured</b>			
<b>Considered good</b>			
- tracking devices	18.1 & 18.2	1,342,441,724	1,206,636,562
- security services		39,379,872	31,120,422
- rent		14,272,037	26,555,792
- electricity, air conditioning and other services		16,093,836	16,274,200
		<b>1,412,187,469</b>	1,280,586,976
Considered doubtful		30,997,873	31,218,010
Less: Provision for doubtful debts	18.4	30,997,873	31,218,010
		-	-
		<b>1,412,187,469</b>	1,280,586,976

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**18.1** Represents amount 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.

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

	2018	2017
	Rupees	Rupees
TPL Insurance Limited	-	35,026,807
The Resource Group Pakistan Limited	<b>9,000</b>	397,100

**18.3** The ageing analysis of trade debts as of June 30, 2018 and 2017 are as follows:

Total	Neither past due nor impaired	Past due but not impaired			
		> 30 days upto 120 days	> 121 days upto 180 days	180 days and above	
----- (Rupees) -----					
<b>Related parties:</b>					
The Resource Group Pakistan Limited - a related party	9,000	-	9,000	-	-
Other than related parties	1,412,178,469	572,126,854	592,571,439	98,359,959	149,120,217
<b>2018</b>	<b>1,412,187,469</b>	<b>572,126,854</b>	<b>592,580,439</b>	<b>98,359,959</b>	<b>149,120,217</b>

Total	Neither past due nor impaired	Past due but not impaired			
		> 30 days upto 120 days	> 121 days upto 180 days	180 days and above	
----- (Rupees) -----					
<b>Related parties:</b>					
TPL Insurance Limited	11,896,467	-	10,413,362	334,105	1,149,000
The Resource Group Pakistan Limited	397,100	-	313,500	83,600	-
Other than related parties	1,268,293,409	516,407,847	538,561,899	83,474,020	129,849,643
<b>2017</b>	<b>1,280,586,976</b>	<b>516,407,847</b>	<b>549,288,761</b>	<b>83,891,725</b>	<b>130,998,643</b>

	Note	2018	2017
		Rupees	Rupees
<b>18.4 Provision for doubtful debts</b>			
Opening balance		<b>31,218,010</b>	26,476,168
Provision for the year	45	<b>14,979,058</b>	19,252,497
Less: Written off during the year	18.5	<b>15,199,195</b>	14,510,655
Closing balance		<b>30,997,873</b>	31,218,010

**18.5** Includes amount written of Nil (2017: Rs. 0.005 million) of TPL Insurance Limited (a related party).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>19. LOANS AND ADVANCES</b>			
<b>Loans – secured, considered good</b>			
Current portion of long-term loans	14	926,862	1,513,060
<b>Advances – unsecured, considered good</b>			
- suppliers	19.1 & 19.3	127,407,961	24,636,438
- advance against purchase of shares	19.2	10,000,000	1,122,437
- employees		3,222,347	-
- others		6,280,148	1,717,752
		146,910,456	27,476,627
		147,837,318	28,989,687

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

**19.2** Represents advance paid to TPL E-Ventures (Pvt.) Limited (a related party) for the purchase of shares.

**19.3** The details of advances paid to the following foreign companies are as follows:

Name of the Company and jurisdiction	Name and address of investee company	2018 Rupees	2017 Rupees	Terms, conditions and period
Esun Industrial Company Limited	No.702,Building F1, Jinbi Yushui Shanzhuang, Shanqian Lvyou Avenue,Huadu district, Guangzhou,China.	-	909,725	For purchase of goods to be settled within 90 days
Traclogis Co. Ltd.	7/F block, 80 Bldg Huanan Industrial Park, Liaobu Town Dongguan Guangdong China.	790,010	682,175	For purchase of goods to be settled within 90 days
Sectrack	75 International Blvd, Suite 100, Toronto, ON, Canada, M9W 6L9.	-	666,339	For receiving of services to be settled within 90 days
SPC - Orbcomm	395 W Passaic Street, Suite 325, Rochelle Park, NJ, United States.	14,174,005	-	For purchase of goods to be settled within 90 days
Digicore Technologies	37, Hillclimb Road, Westmead, Pinetown, KZN 3610, South Africa.	8,684,350	-	For purchase of goods to be settled within 90 days
		<u>23,648,365</u>	<u>2,258,239</u>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>20. TRADE DEPOSITS AND PREPAYMENTS</b>			
<b>Trade deposits</b>			
- security deposits		12,215,220	86,330,220
- suppliers and contractors		18,772,920	-
- hospital enlistment		5,290,000	-
- LC margin and cash margin against guarantee		3,406,270	2,599,531
- current portion of leased and ijarah deposits	15	21,935,962	12,643,282
- others		6,301,534	19,395,531
	201	67,921,906	120,968,564
<b>Prepayments</b>			
- monitoring charges		197,337,537	-
- insurance		10,336,778	8,629,309
- rent		24,964,737	6,938,358
- maintenance		10,210,994	2,685,965
- reinsurance		35,440,711	-
- security trustee and agency fees		-	1,695,000
- others		6,346,162	4,474,430
		284,636,919	24,423,062
		<b>352,558,825</b>	<b>145,391,626</b>
<b>20.1</b>	These are non-interest bearing and generally on an average term of 1 to 6 months.		
<b>21. INTEREST ACCRUED - unsecured, considered good</b>	Note	2018 Rupees	2017 Rupees
<b>Related parties</b>			
On current account with:			
- Trakker Middle East LLC.		2,723,847	2,653,162
- TPL Logistic (Private) Limited		395,666	323,474
- Trakker Direct Finance (Private) Limited		863,117	791,624
- The Resource Group Pakistan Limited		4,258,495	224,053
- TPL E-Ventures (Private) Limited		7,900	3,666,381
		8,249,025	7,658,694
<b>Other than related parties</b>			
On investments:			
- Pakistan Investment Bonds (PIBs)		3,378,596	-
- Treasury bills		3,149,863	-
- Term deposit receipts		7,083,835	-
- Investment income		2,052,000	-
		15,664,294	-
		<b>23,913,319</b>	<b>7,658,694</b>
<b>22. OTHER RECEIVABLES - unsecured, considered good</b>			
Earnest money		15,220,947	15,326,939
Claims receivable from insurance companies		2,570,201	2,988,489
Insurance / reinsurance receivables		311,001,585	-
Reinsurance recoveries against outstanding claims		68,103,437	-
Salvage recoveries accrued		57,756,797	-
Receivable from Participant's Takaful Fund		227,580,400	-
Others		2,241,257	1,133,269
	22.1	684,474,624	19,448,697

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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

		2018	2017
	Note	Rupees	Rupees
<b>23. SHORT-TERM INVESTMENTS</b>			
<b>Investment in an associated companies – equity method</b>			
Trakker Middle East LLC (TME)	23.1, 23.2 & 23.3	<b>111,339,232</b>	131,666,479
<b>Held-to-maturity</b>			
Pakistan Investment Bonds (PIBs)	23.4	<b>154,215,100</b>	85,054,000
Treasury bills	23.5	<b>73,968,126</b>	49,751,936
Term deposit receipts (TDRs)	23.6	<b>710,000,000</b>	-
		<b>938,183,226</b>	134,805,936
<b>Held-for-trading</b>			
Listed equity	23.7	<b>1,256,725</b>	37,370,000
Open ended mutual funds	23.8	<b>336,902,224</b>	10,278,000
		<b>1,387,681,407</b>	314,120,415

**23.1** The Company holds 1,644 (2017: 1,644) ordinary shares of AED 1,000 each, representing 29 percent (2017: 29 percent) of the share capital as of the reporting date. The book value per share amounts to AED 764 (2017: AED 1,441) equivalent to Rs. 25,284 (2017: Rs. 41,167) based on the latest available un-audited financial statements for the period ended June 30, 2018.

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

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

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

The auditors of the TME has expressed an unmodified opinion on the latest audited financial statement.

Based on the approval of Board of Directors of the Company in their meeting held on April 23, 2015 to consider and negotiate an offer to disinvest entire shareholding in TME, the Company has conditionally accepted an offer for disposal of its entire shareholding in TME, subject to obtaining the necessary approvals, compliance of legal formalities and signing of a binding sale agreement to execute the transaction. The management expects that this offer will be materialized and the said investment in TME will be disposed of in near future. Accordingly, it has been classified as short-term investments under current assets.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
<b>23.2 Movement of investment in an associated company</b>		
Balance at the beginning of the year	131,666,479	144,572,243
Share of loss for the current year (un-audited)	(20,327,247)	(12,905,764)
Balance at the end of the year	<u>111,339,232</u>	<u>131,666,479</u>

**23.3** The summarised financial information of an associate based on the financial statements for the year ended June 30, 2018 and December 31, 2017 are as follows:

Total assets	298,419,128	328,521,124
Total liabilities	155,056,955	95,778,673
Revenues	221,195,938	240,141,482
Loss after tax	(73,922,555)	(44,502,636)

**23.4** Includes 3 and 10 years PIBs having face value of Rs. 155 million carrying mark-up ranging from 7 percent to 12 percent per annum and will mature between September 03, 2019 to December 29, 2021. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance, 2000.

**23.5** Represents T-Bills having face value of Rs. 73.88 million for the period of 3 months. It carries yield of 4 percent to 6.72 percent per annum.

**23.6** Represents TDRs having face value of Rs. 710 million that carries mark-up at the rate ranging from 5.5 percent to 6.75 percent per annum.

**23.7** The Group has the following instruments in listed equities held for trading:

2018	2017		2018	2017
Number of Shares			Rupees	Rupees
16,000	360,000	Summit Bank Limited	34,400	36,000,000
7,731	-	Bank of Punjab Limited	93,313	-
10,000	-	Hub Power Company Limited	921,600	-
15,195	-	Bank of Khyber	207,412	-
-	200	Rafhan Maize Products Company Limited	-	1,370,000
			<u>1,256,725</u>	<u>37,370,000</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

23.8 The Group has the following instruments in open ended mutual funds held for trading:

	No. of Units		Cost		Carrying value	
	2018	2017	2018	2017	2018	2017
<b>Statutory Fund</b>						
PICIC Cash Fund	-	4,045	-	421,000	-	406,000
ABL Stock Fund	113,566	47,362	1,667,861	920,000	1,595,555	807,000
NAFA Stock Fund	121,024	61,840	1,905,561	1,118,000	1,769,764	1,003,000
Atlas Stock Market Fund	2,902	-	1,700,000	-	1,801,362	-
AKD Islamic Income Fund	995	-	50,000	-	50,532	-
AKD Islamic Stock Fund	945	-	50,000	-	44,430	-
HBL Energy Fund	124,146	-	1,867,006	-	1,823,056	-
MCB Pakistan Stock						
Market Fund	18,403	7,366	1,811,293	859,000	1,744,775	755,000
Alfalah GHP Stock Fund	-	6,108	-	1,028,000	-	958,000
JS Growth Fund	-	1,710	-	409,000	-	378,000
MCB Pakistan Sovereign Fund	-	6,316	-	350,000	-	336,000
Lakson Income Fund	-	9,047	-	948,000	-	911,000
ABL Income Fund	-	70,130	-	728,000	-	704,000
Atlas Income Fund	-	1,179	-	623,000	-	604,000
Alfalah GHP Income Fund	5,894	4,346	894,358	499,000	789,627	487,000
NAFA Government Securities						
Liquid Fund	-	49,179	-	527,000	-	500,000
Meezan Islamic Fund	1,862	4,939	124,137	421,000	117,898	377,000
Meezan Islamic Income Fund	6,115	11,721	324,096	621,000	327,644	602,000
MCB DCF Income Fund	-	3,773	-	418,000	-	402,000
JS Income Fund	-	10,935	-	1,097,000	-	1,048,000
AKD Aggressive Income	542,644	-	28,046,960	-	29,056,767	-
AKD Opportunity	996,410	-	95,312,797	-	82,558,450	-
Askari High Yield Scheme	491,162	-	50,738,889	-	52,493,517	-
Alfalah GHP Stock Fund	436,338	-	68,825,590	-	58,455,301	-
Faysal Asset Allocation	658,903	-	44,970,103	-	35,488,495	-
Faysal Money Market	244,141	-	25,000,000	-	26,027,832	-
HBL Cash Fund	260,587	-	26,416,396	-	27,612,672	-
UBL Stock Advantage	221,056	-	16,957,212	-	15,144,547	-
			<u>366,662,259</u>	<u>10,987,000</u>	<u>336,902,224</u>	<u>10,278,000</u>

		2018	2017
<b>24. DUE FROM RELATED PARTIES – unsecured, considered good</b>	Note	Rupees	Rupees
<b>Ultimate parent company</b>			
- TPL Holdings (Private) Limited	24.1	74,100	-
<b>Others</b>			
- Trakker Direct Finance (Private) Limited		790,100	771,300
- TPL E-Ventures (Private) Limited		166,740	-
- TPL Logistic (Private) Limited		801,827	778,522
- Trakker Middle Ease (LLC)		3,038,128	-
- TPL Rupiya (Private) Limited		-	1,697,610
- The Resource Group Pakistan Limited		6,835,653	5,884,572
	24.2	<u>11,632,448</u>	<u>9,132,004</u>
		<u>11,706,548</u>	<u>9,132,004</u>

24.1 Represents loan financing facility having a limit of Rs. 400 million, carrying mark-up at the variable rate of 3 months KIBOR and is repayable on or before August 31, 2021. As of reporting date, Rs. 399.926 million remained unutilised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**24.2** Represents current account balances carrying mark-up at the variable rate of 6 months KIBOR Plus 3 percent per annum and it is repayable on demand.

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

	2018	2017
	Rupees	Rupees
- TPL Holdings (Private) Limited	74,100	-
- Trakker Direct Finance (Private) Limited	790,100	771,300
- TPL E-Ventures (Private) Limited	166,740	-
- TPL Logistic (Private) Limited	801,827	778,522
- Trakker Middle Ease (LLC)	3,038,128	-
- The Resource Group Pakistan Limited	6,835,653	5,884,572
- TPL Rupiya (Private) Limited	-	1,697,610

## 25. CASH AND BANK BALANCES

Cash in hand

1,115,363

1,149,205

At banks in local currency:

- current accounts
- saving accounts

Note	2018	2017
	Rupees	Rupees
	360,249,717	166,845,925
25.1	591,084,708	322,109,301
	951,334,425	488,955,226
	952,449,788	490,104,431

**25.1** These accounts carry mark-up at a rate between 3.75 percent to 5.8 percent (2017: 3.8 percent to 5.9 percent) per annum.

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

2018	2017		2018	2017
Number of shares		Note	Rupees	Rupees
30,009,900	30,009,900	Ordinary shares of Rs.10/- each	300,099,000	300,099,000
187,239,063	187,239,063	- issued for cash	1,872,390,630	1,872,390,630
20,048,800	-	- issued for consideration other than cash	200,488,000	-
207,287,863	187,239,063	- issued during the year	2,072,878,630	1,872,390,630
237,297,763	217,248,963		2,372,977,630	2,172,489,630

**26.1** During the year ended June 30, 2009, the shareholders of the Holding Company, namely Ali Bhai Group (AB) and Ali Jameel Group (AJ) 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 Holding Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**26.2** Represents ordinary shares allotted under the Scheme as disclosed in note 16 to these consolidated financial statements, for which legal formalities related to issuance will be completed subsequent to the reporting date.

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

	Note	2018 Rupees	2017 Rupees
<b>27. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
Opening balance		228,790,596	-
Surplus on revaluation of operating fixed assets recognized during the year, net of deferred tax:			
- Leasehold land	9.1	-	218,875,035
- Building on leasehold land	9.1	-	10,213,454
		-	229,088,489
Transfer to unappropriated profit on account of incremental depreciation charged for the year, net of deferred tax		729,532	297,893
Closing balance	9.1.4	228,061,064	228,790,596
<b>28. LONG-TERM FINANCING – secured</b>			
Project finance	28.1	79,800,000	114,843,751
Term finance certificates I	28.2	1,187,703,908	-
Term finance certificates II	28.3	2,145,651,829	-
Diminishing musharika I	28.4	-	1,865,443,975
Diminishing musharika II	28.5	242,249,222	267,379,788
Diminishing musharika III	28.6	-	11,297,605
Sukuk financing	28.7	600,000,000	600,000,000
		4,255,404,959	2,858,965,119
Less: Current portion shown under current liabilities	38	968,277,679	335,422,605
		3,287,127,280	2,523,542,514

**28.1** The Holding Company had obtained a project financing facility of US Dollars 3.5 million (equivalent to Rs.367.663 million) for a period of five years from OPIC (a foreign financial institution) through an agreement dated November 27, 2013 to be read with amendment dated March 31, 2014 to the original loan agreement. As of reporting date, the Holding Company has utilised the aforementioned financing facility. The said facility amount is repayable in US Dollars in sixteen equal quarterly installments commencing from September 15, 2014 and ending no later than June 15, 2018 i.e. maturity date. It carries mark up at the rate of 5 year United States Treasury Rate plus 3.75 percent (i.e. 5.12 percent) per annum payable quarterly on 15th of each March, June, September and December after the receipt of first disbursement date i.e. December 24, 2013. The facility is secured against pledge of 35 million ordinary shares owned by TPLH in the Holding Company, guarantees of TPLH of US Dollars 2.70 million and charge on saving account. The Holding Company shall be liable to pay maintenance fee of US Dollars 7,500 per annum in arrears. Under the aforesaid agreement there are certain restrictive payments covenants.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- 28.2** During the year, the Holding Company has issued privately placed Term Finance Certificates (TFCs) aggregating to Rs.1,200 million having face value of Rs.100,000/- each issued by the Holding Company to various parties for a period of 2 years for the acquisition of further shares of TIL. These carry markup at the rate of 3 months KIBOR plus 1.5 percent per annum and are redeemable in 3 equal installments at the end of 12, 18 and 24 month and are secured by way of pledge of 65.256 million ordinary shares of TIL held by the Holding Company. The Holding Company is liable to pay participation fee at the average rate of 0.5 percent of investment amount to the investors and annual trustee fee of Rs.1 million to trustee under the terms of the contract. The Holding Company has incurred transaction cost of Rs. 19.876 million to issue TFCs.
- 28.3** During the year, TPLP (the subsidiary company) entered into an agreement with a commercial bank, dated March 14, 2018, for the issuance of Term Finance Certificates (TFCs) of Rs. 3,500 million having face value of Rs. 5,000/- each. Out of the total proposed issuance, the TFCs issued, during the year, and TFCs proposed to be issued, are detailed as follows:
- sum equal to Rs. 2,200 million as a first tranche (Series A TFC Issue) comprising of 440,000 TFCs, issued during the year for the purpose of prepaying the outstanding musharaka facility in the amount of Rs. 1,796 million availed by the TPLP; and for financing construction project of HKC. The amount received against issuance of Series A TFCs is repayable in semi-annual installments for a period of 10 years at the rate of 6 months KIBOR plus 1.25 percent per annum. This facility has been fully drawn during the current year and has been secured against the following:
    - First pari passu charge on present and future fixed assets (plant, machinery, fixtures and fittings, etc.)
    - First pari passu charge over land and building with 25 percent margin.
    - Assignment over rental agreements.
  - sum equal to Rs. 1,300 million as a second tranche (Series B TFC Issue), proposed to be issued for the purpose of making an equity investment upcoming new project/development.
- 28.4** TPLP, (the subsidiary company) entered into the musharaka facility agreement of Rs. 2,400 million with an Islamic bank through an agreement dated May 26, 2015. Out of which TPLP has utilized facility upto Rs. 2,100 million (2017: Rs. 2,100 million) as at reporting date. It carries mark-up at the rate of 6 months KIBOR plus 1.75 percent per annum (2017: 6 months KIBOR plus 1.75 percent), and is repayable semi-annually in arrears over a period of seven years including 1 year grace period. The facility is secured against hypothecation charge over hypothecated fixed and current assets of Rs. 2,800 million (2017: Rs. 2,800 million) and by way of personal and corporate guarantee of Chief Executive and a related party.
- 28.5** CMS, (the subsidiary company) has obtained a musharika finance facility aggregating Rs. 275 million (2017: Rs. 275 million) from a bank for a period of upto 6.3 years. The loan carries markup at the rate of 6 months KIBOR plus 2 percent (2017: 6 months KIBOR Plus 2 percent) per annum payable semi-annually in arrears and is repayable in 10 equal semi-annual installments of Rs. 27.5 million each latest by September 16, 2022. The first installment will become due after 15 months i.e. on March 16, 2018, from the date of first disbursement date i.e. December 20, 2016. This facility is secured against parri passu charge on present and future plant and machinery, assignment over maintenance agreements, corporate guarantee of TPLP (the subsidiary Company), personal guarantee of a director and equitable mortgage over and land and building of TPLP (the subsidiary Company).
- 28.6** The Holding Company had obtained diminishing musharaka financing facilities for electrical equipment, IT equipment and vehicles aggregating to Rs. 59.745 million (2017: Rs. 59.745 million) from a commercial bank for a period of 3 years, carrying mark-up at the rate of 6 months KIBOR plus 2 percent (2017: 6 months KIBOR plus 2 percent) per annum subject to half-yearly revision. The musharaka units are to be purchased during the period of 3 years in 36 monthly installments on various dates latest by November 2017 and are secured against first charge of Rs. 66.866 million (2017: Rs. 66.866 million) on electrical equipment, IT equipment and vehicles, ranking hypothecation charge over fixed assets of the Holding Company and personal guarantees of sponsoring directors.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**28.7** The Holding Company had issued Sukuk certificates of Rs. 600 million divided into 600 certificates of Rs. 1 million each for a period of 5 years under an agreement dated April 08, 2016 to be read with amendment agreement for Green Shoe Option dated May 08, 2016. The said certificates are redeemable in 4 equal quarterly installments starting from 14th quarter (i.e. October 2019) and ending no later than April 2021 i.e. redemption date. The rate for rental payment is 1 year KIBOR plus 3 percent per annum payable at the end of each April, July, October and January, after the date of agreement. These certificates are secured against pledge of 55 million (2017: Rs. 55 million) ordinary shares of TPLP, charge by way of hypothecation of Rs. 750 million (2017: Rs. 750 million) (inclusive of 20% margin) over the hypothecated assets in favour of the trustee and a ranking charge ranking subordinate and subservient to the charge in favour of the existing creditors.

## 29. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Note	2018		2017	
		Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments (MLP)	Present Value of MLP
----- (Rupees) -----					
Within one year		<b>3,407,198</b>	<b>3,319,419</b>	12,477,453	11,275,640
After one year but not more than five years		<b>506,251</b>	<b>504,016</b>	11,660,005	10,975,935
Total minimum lease payments		<b>3,913,449</b>	<b>3,823,435</b>	24,137,458	22,251,575
Less: Finance charges		<b>(90,014)</b>	-	1,885,883	-
Present value of minimum lease payments	29.1	<b>3,823,435</b>	<b>3,823,435</b>	22,251,575	22,251,575
Less: Current portion shown under current liabilities	38	<b>3,319,419</b>	<b>3,319,419</b>	11,275,640	11,275,640
		<b>504,016</b>	<b>504,016</b>	10,975,935	10,975,935

**29.1** Represents obligation in respect of assets acquired under finance lease arrangements from various financial institutions. Rentals are payable in equal monthly installments. Repairs and insurance costs are to be borne by lessee. Financing rate ranging from 10.48 percent to 12.07 percent (2017: 8.28 percent to 12.07 percent) per annum has been used as discounting factor. Overdue rental payments are subject to additional charge upto 0.1 percent (2017: 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.

## 30. LONG-TERM LOANS

	Note	2018 Rupees	2017 Rupees
Term finance I		-	41,666,668
Term finance II	30.1	<b>23,000,000</b>	37,500,000
Term finance III	30.2	<b>100,000,000</b>	-
Term finance IV		-	9,332,886
Term finance V	30.3	<b>30,555,555</b>	47,222,222
Term finance VI	30.4	<b>52,600,000</b>	-
Term finance VII	30.5	<b>139,231,764</b>	200,000,000
Term finance VIII	30.6	<b>200,000,000</b>	100,000,000
Term finance IX	30.7	<b>17,500,000</b>	-
		<b>562,887,319</b>	435,721,776
Less: Current portion shown under current liabilities	38	<b>254,753,899</b>	145,444,446
		<b>308,133,420</b>	290,277,330

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- 30.1** The Holding Company has obtained a term finance facility of Rs. 37.5 million for a period of three years from a commercial bank through an agreement dated January, 26 2017. The loan is repayable in 12 equal quarterly installments of Rs. 3.125 million each. The mark-up on the said facility is 3 months KIBOR plus 2.1 percent (2017: 3 months KIBOR plus 2.1 percent) per annum. The facility is secured against first pari passu charge over current assets to the tune of Rs. 120 million (2017: Rs. 120 million), first charge of an existing properties collateral to the extent of Rs. 216 million (2017: Rs. 216 million) and personal guarantee of all directors.
- 30.2** During the year, TTL (a related party), has obtained a term finance facility of Rs. 100 million for a period of three years from a commercial bank through an agreement dated November 27, 2017. The loan is repayable in equal quarterly installments of Rs. 8.3 million each from the date of disbursement. The mark-up on the said facility is 3 months KIBOR plus 2.1 percent per annum. The facility would be secured against first pari passu charge over the TTL stock and book debts to the extent of Rs. 144 million with 25 percent margin duly insured in bank's favor covering all risk.
- 30.3** The Holding Company has obtained a term finance of Rs. 50 million for a period of 3 years from a commercial bank through an agreement dated March 13, 2017. The loan is repayable in 36 equal monthly installments of Rs. 1.8 million each. It carries mark-up at the rate of 1 month KIBOR plus 3 percent (2017: 1 month KIBOR plus 3 percent) per annum and is secured ranking charge by way of hypothecation charge over Holding Company's all present and future books debts and receivables to the extent of Rs. 70 million (2017 Rs. 70 million).
- 30.4** The Holding Company has obtained a term finance facility of Rs. 70 million for a period of three from a commercial bank through an agreement dated March 02, 2017. The loan is repayable in 36 equal installments of Rs. 1.8 million latest by February 28, 2018. It carries mark-up at the rate of 1 month KIBOR plus 3 percent per annum and is secured against first pari passu hypothecation charge over the Holding Company's book debts of Rs. 100 million, first pari passu hypothecation charge over the fixed assets of the Holding Company of Rs. 70 million and pledge of the shares of TIL and TPLP (related parties), first exclusive charge over shares of Rs. 294 million duly registered with 50 percent margin.
- 30.5** The Holding Company has obtained a term finance facility of Rs. 200 million for a period of three years from a commercial bank through an agreement dated May, 9 2017. The loan is repayable in 36 equal monthly installments of Rs. 5.556 million each. The mark-up on the said facility is 1 month KIBOR plus 2.5 percent (2017: 1 month KIBOR plus 2.5 percent) per annum. The facility is secured against specific charge of Rs 300 million (2017: 300 million) over tracking devices owned by the Holding Company and assignment of receivables from customers and personal guarantee of all directors of the Holding Company.
- 30.6** The Holding Company has obtained a term finance facility having limit of Rs. 200 million for a period of two years from a commercial bank through an agreement dated June, 29 2017. The loan is repayable in 4 equal semi-annual installments of Rs. 50 million each from July 1, 2018. The mark-up on the said facility is 3 month KIBOR plus 4 percent (2017: 3 month KIBOR plus 4 percent) per annum and secured against first pari passu charge of Rs. 267 million (2017: Rs. 267 million) over a property located at Shaheed-e-Millat Expressway and personal guarantee of Rs. 267 million (2017: Rs. 267 million) from Chief Executive of the Holding Company and cross corporate guarantee of Rs. 267 million (2017: Rs. 267 million) from TPLP (related party).
- 30.7** During the year, TTL (a related party) has obtained a term finance facility of Rs. 35 million for a period of one year from a commercial bank through an agreement dated October 06, 2017 for the purpose of financing / security arrangement for a tender offer announced for acquiring shares of TIL held by the general public and to meet finance capital expenditure requirements related to container tracking. The loan is repayable in 4 equal quarterly installments of Rs. 8.75 million and carries mark-up at the rate of 3 month KIBOR plus 3 percent per annum. The facility is secured against 100 percent lien over TDRs in the name of TIL, cross corporate guarantee of Rs. 50 million from TIL and personal guarantee of Rs. 50 million from a director.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>31. DEFERRED LIABILITIES</b>			
Deferred income	31.1	-	2,444,444
Gratuity	31.2	6,206,490	9,284,894
		<b>6,206,490</b>	<b>11,729,338</b>

## 31.1 Deferred income

Represents sale and leaseback transactions with financial institutions as per the requirements of IAS-17 'Leases' and shall be recognised over the lease term of the leased assets. The movement in deferred income are as follows:

	2018 Rupees	2017 Rupees
Opening balance	2,444,444	5,377,780
Less: Amortisation for the year	2,444,444	2,933,336
Closing balance	-	2,444,444

## 31.2 Gratuity

Opening balance	9,284,894	5,360,300
(Reversal) / charge for the year	(3,078,404)	3,924,594
Closing balance	6,206,490	9,284,894

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

	Note	2018 Rupees	2017 Rupees
<b>32. TRADE AND OTHER PAYABLES</b>			
Creditors		468,235,136	316,224,024
Accrued liabilities		151,248,886	108,181,901
Unearned income		361,833,030	210,913,809
Retention money		8,762,007	15,473,152
Share application money		100,898,750	-
Margin deposit from customers		2,533,313	-
Advance premium from insurers		4,143,691	3,839,510
Other liabilities			
Sales commission		46,672,874	2,606,657
Amounts due to other insurers / reinsurers		146,437,465	12,149,684
Federal insurance fee		1,032,365	-
Sales tax		49,578,459	14,135,561
Withholding tax		54,570,436	31,980,830
Workers' Welfare Fund		10,362,178	22,906,232
Provident fund		20,909,531	4,440,821
Others	321 & 322	4,081,738	15,064,566
		<b>333,645,046</b>	<b>103,284,351</b>
		<b>1,431,299,859</b>	<b>757,916,747</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**32.1** Includes stale cheques amounting to Rs.1,647 million (2017: Rs.1,647 million).

**32.2** Includes an amount of Rs. Nil (2017: Rs. 24,973 million) received from TIL (an associated company) on account of rent and maintenance services

	Note	2018 Rupees	2017 Rupees
<b>33. ACCRUED MARK-UP</b>			
Long-term financing	28	87,837,457	70,927,589
Long-term loans	30	3,163,361	5,089,202
Due to related parties		2,801,603	9,444,222
Short-term financing	34	16,194,037	8,591,626
Running finance under mark-up arrangement	37	21,606,611	15,901,172
		<b>131,603,069</b>	109,953,811
Less: Current portion shown under current liabilities		<b>131,603,069</b>	105,627,379
		-	4,326,432

## 34. SHORT-TERM FINANCING

Trust receipts (FATR)	34.1	19,181,204	62,238,722
Musharakah	34.2	400,000,000	-
		<b>419,181,204</b>	62,238,722

**34.1** Represents FATR and Sight LCs facilities obtained by the Holding Company from various commercial banks having an aggregate limit of Rs. 210 million (2017: Rs. 310 million). It carries mark-up ranging from 3 month KIBOR plus 2.5 percent to 3.5 percent (2017: 3 month KIBOR plus 2.5 percent to 3.5 percent) per annum and is secured against first pari passu hypothecation charge of Rs. 403 million (2017: Rs. 403 million) over all present and future stocks, book debts and fixed assets excluding land and buildings of the Group with cash margins ranging from 5 percent to 15 percent. As of the reporting date, Rs. 190 million (2017: Rs. 227 million) remains unutilized.

**34.2** During the year, TPLP has entered into a musharakah agreement with an islamic bank to create joint ownership in the Centrepoint Project. Against bank's share of 6.49 percent, the Group received an amount of Rs. 400 million which is repayable through quarterly payments at the rate of 6 months KIBOR plus 1.5 percent, as consideration for use of bank's share by the TPLP. The said periodic payments are secured against equitable interest over the Centrepoint Project.

	Note	2018 Rupees	2017 Rupees
<b>35. LIABILITIES AGAINST INSURANCE CONTRACTS</b>			
Provisions against outstanding claims		217,800,693	24,950,923
Insurance liabilities		235,528,000	-
		<b>453,328,693</b>	24,950,923

## 36. UNDERWRITING PROVISIONS

Unearned premium reserves		677,709,564	-
Unearned reinsurance commission		4,990,140	-
Unearned wakala fee		142,033,128	-
		<b>824,732,832</b>	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 37. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

The facilities for short-term running finance are obtained from various commercial banks having aggregate limit of Rs. 912.5 million (2017: Rs. 812.5 million) out of which Rs. 43,077 million (2017: Rs. 60,0 million) was utilised as of the reporting date. These facilities carry markup ranging between 3 months KIBOR plus 1 percent to 2.5 percent (2017: 3 months KIBOR plus 1 percent to 2.5 percent) per annum. These are secured by way of registered hypothecation over stocks and book debts aggregating to Rs.1,093 million (2017: Rs. 1,042 million) and equitable first pari passu charge over property to the extent of Rs. 764 million (2017: Rs. 625 million).

		2018	2017
	Note	Rupees	Rupees
<b>38. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long-term financing	28	<b>968,277,679</b>	335,422,605
Liabilities against assets subject to finance lease	29	<b>3,319,419</b>	11,275,640
Long-term loans	30	<b>254,753,899</b>	145,444,446
		<b><u>1,226,350,997</u></b>	<u>492,142,691</u>

## 39. DUE TO RELATED PARTIES - unsecured

### Holding company

- TPL Holdings (Private) Limited

39.1

**504,988,182**

69,344,394

### Associated companies

- TPL Insurance Limited (TIL)

- Trakker Middle East LLC. (TME)

-	18,275,776
-	329,586
-	18,605,362
<b><u>504,988,182</u></b>	<u>87,949,756</u>

**39.1** Represents current account balance with a related party carrying markup at fixed rate of 18 percent per annum (2017: fixed rate of 18 percent per annum) and are repayable on demand.

		2018	2017
	Note	Rupees	Rupees
<b>40. ADVANCE MONITORING FEES</b>			
Opening balance		<b>167,561,448</b>	105,281,670
Additions during the year		<b>412,822,816</b>	650,639,953
Less: Transferred to income during the year	42	<b>542,560,159</b>	588,360,175
Closing balance	40.1	<b><u>37,824,105</u></b>	<u>167,561,448</u>

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

## 41. CONTINGENCIES AND COMMITMENTS

### 41.1 Contingencies

**41.1.1** On September 23, 2017, the TPLP has filed a petition in the High Court of Sindh (SHC) challenging the vires of Section 5A of Income Tax Ordinance, 2001 introduced through Finance Act, 2017. SHC passed interim order that no coercive action would be taken against the petitioner under the garb of the impugned section, as has been passed in similar other petitions pending adjudication. The matter is in its initial stages and management is confident of a favourable outcome. Accordingly, no provision has been made in these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**41.1.2** On February, 2018, the Sindh Revenue Board (SRB) has filed an appeal in the Supreme Court of Pakistan (SCP) against the decision of the SHC, whereby, the SHC was pleased to hold that no sales tax is applicable on immovable property where there is no element of services. The appeal is currently pending adjudication. The management is confident of a favorable outcome in this regard, therefore no provision has been made in these consolidated financial statements.

**41.1.3** In respect of matter of carry forward of minimum tax paid in the year of loss, the SHC through an order dated May 07, 2013 (now reported as 2013 PTD 420) has held that minimum tax paid in the year of loss is not eligible for adjustment in future years. In the opinion of SHC, only the 'excess' of minimum tax over normal tax (which must not be zero) can only be carried forward in future years. Therefore, where there is no tax payable, inter alia, due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability. The matter is currently pending before the SCP for final decision. TIL has adjusted minimum tax of Rs. 10.73 million against its income tax liability in prior years and based on its tax advisor's opinion, is confident that the ultimate outcome in this regard would be favourable. Hence, no provision in this respect has been made in these consolidated financial statements.

**41.1.4** Federal Government, through Finance Act 2017, has imposed a tax on undistributed profits at the rate of 7.5% of profit before tax, in case the company does not distribute at least 40% of its profit after tax to its shareholders either through cash dividend or issuance of bonus shares. The legislation requires tax to be paid for tax year 2017 and onwards. In respect of tax year 2017 (financial year 2016), TIL did not make distribution to its shareholders and has filed a constitutional petition in the SHC challenging the tax on undistributed reserves. The constitutional petition is pending in the SHC and the TIL has been granted stay order by the Court. The management believes that based on the opinion of its legal counsel, that outcome of this would be in its favour and accordingly, no provision for taxation on undistributed reserve of Rs. 11.162 million has been made in these consolidated financial statements.

**41.1.5** The Group is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs. 22.890 million (2017: Rs. 22.890 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in the favor of the Group and, accordingly, no provision has been made for any liability against these law suits in these consolidated financial statements. Details of these legal cases are given below:

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>41.1.6</b> Guarantees issued by banks on behalf of the Holding Company		15,232,250	17,303,620
<b>41.2 Commitments</b>			
<b>41.2.1</b> Letter of credit		19,181,204	20,751,715
<b>41.2.2</b> Revolving letter of credit		16,854,000	16,854,000
<b>41.2.3</b> Capital expenditure	41.2.4	12,328,458	10,854,372

**41.2.4** Represents TPLP contractual commitments in respect of Centrepoint Project at year end.

## 41.2.5 Ijarah agreements

The Holding Company has entered into various ijarah agreements with Standard Chartered Modaraba in respect of purchase of vehicles for a period of three years. Ijarah payments due under these agreements are Rs. 98.463 million (2017: Rs. 54.859 million) payable in monthly installments latest by April 26, 2020. Taxes and repairs are to be borne by the Holding Company, however, major repairs and insurance costs are to be borne by the lessor. These payments are secured against promissory notes in favour of lessor for entire amount of ijarah rentals and security deposit is Rs. 34.435 million (2017: Rs. 29.123 million). Future minimum rentals payable under ijarah agreements as at year end are as follows:

	2018	2017
	Rupees	Rupees
Not later than one year	56,218,042	37,785,926
Later than one year but not later than five years	42,244,554	17,072,096
	<b>98,462,596</b>	<b>54,858,022</b>

**41.2.6** TPLP (a related party), has entered into commercial property leases on its investment property with tenants. These non-cancellable leases have terms of five years. Future minimum rentals receivable under non-cancellable operating leases as at year end are as follows:

	2018	2017
	Rupees	Rupees
Not later than one year	216,650,910	376,620,867
Later than one year but not later than five years	1,236,256,176	740,412,157
	<b>14,529,070,806</b>	<b>11,170,330,247</b>

## 42. TURNOVER - net

	Note	2018	2017
		Rupees	Rupees
Equipment installation and sales	40	361,272,398	304,723,830
Monitoring fees		622,779,302	723,863,357
Rental income		1,108,138,218	876,978,402
Premium		1,172,818,095	121,033,000
Net wakala fee		177,851,801	-
Service income:			
- security		122,148,911	81,081,682
- navigation		105,787,194	107,465,058
- maintenance, electricity and air conditioning		143,446,494	159,178,960
- others		91,693,531	90,729,574
		<b>463,076,130</b>	<b>438,455,274</b>
		<b>3,905,935,944</b>	<b>2,465,053,863</b>
Less: Sales tax		434,519,840	296,620,000
		<b>3,471,416,104</b>	<b>2,168,433,863</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
<b>43. COST OF SALES AND SERVICES</b>			
<b>Cost of equipment sold</b>			
Opening stock	17	356,122,525	293,838,894
Purchases		244,877,007	465,793,279
		<b>600,999,532</b>	759,632,173
Rental units capitalised		(197,107,456)	(60,002,966)
Closing stock	17	(325,897,495)	(356,122,525)
		<b>77,994,581</b>	343,506,682
<b>Direct expenses</b>			
Salaries, wages and other benefits	43.1	501,975,707	338,442,880
Monitoring charges		112,307,257	-
Net insurance claims / deficit		560,337,793	-
Net insurance commission		129,850,082	-
Landscape and plantation		3,584,100	3,227,720
Activation and connection charges		177,920,359	179,728,918
Housekeeping and cleaning		13,525,272	9,971,793
Publicity		30,484,330	-
Insurance		21,629,995	18,905,246
Repairs and maintenance		27,198,571	6,446,602
Vehicle running and maintenance		26,392,967	15,706,498
Depreciation	9.11	126,481,893	112,512,604
Amortisation	10.3	46,165,989	50,103,602
Printing and stationery		5,928,275	-
License renewal fee		4,471,428	3,194,911
Communication		10,969,430	7,145,689
Travelling and conveyance		50,398,154	59,530,802
Utilities		220,468	2,998,133
Rent, rates and taxes		16,113,776	9,686,143
Uniform and liveries		1,056,518	856,335
Computer expenses		3,868,593	5,996,915
Others		11,813,176	742,830
		<b>1,882,694,133</b>	825,197,621
		<b>1,960,688,714</b>	1,168,704,303

**43.1** Includes Rs. 17.743 million (2017: Rs. 8.566 million) in respect of staff retirement benefits (provident fund contribution).

		2018	2017
	Note	Rupees	Rupees
<b>44. DISTRIBUTION EXPENSES</b>			
Salaries, wages and other benefits	44.1	99,226,850	85,153,610
Commission		59,798,975	53,235,922
Depreciation	9.11	26,045,694	25,307,603
Sales promotion and publicity		70,233,349	22,014,691
Computer expenses		1,146,792	1,923,089
Utilities		29,101	584,433
Postage and courier		6,195,107	6,750,869
Printing and stationery		2,908,630	2,257,612
Communication		2,051,758	2,291,467
Rent, rates and taxes		125,975	2,396,753
Vehicle running and maintenance		6,208,084	5,036,733
Insurance		3,624,501	3,045,545
Travelling and conveyance		4,798,363	4,132,917
Newspapers and periodicals		214,786	115,584
		<b>282,607,965</b>	214,246,828

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**44.1** Includes Rs. 3.426 million (2017: Rs. 2.746 million) in respect of staff retirement benefits (provident fund contribution).

		2018	2017
	Note	Rupees	Rupees
<b>45. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	45.1	<b>372,004,248</b>	175,903,002
Monitoring charges		<b>73,041,517</b>	-
Legal and professional		<b>145,154,431</b>	64,062,446
Depreciation	9.11	<b>44,909,722</b>	37,723,016
Amortisation	10.3	<b>6,225,133</b>	87,567
Provision for doubtful debts		<b>14,979,058</b>	19,252,497
Utilities		<b>11,138,189</b>	3,478,131
Rent, rates and taxes		<b>11,258,813</b>	13,928,997
Travelling and conveyance		<b>22,398,359</b>	14,230,324
Repairs and maintenance		<b>34,050,060</b>	23,845,452
Security		<b>13,625,421</b>	4,494,440
Vehicle running and maintenance		<b>19,786,147</b>	10,399,031
Computer expenses		<b>11,154,475</b>	2,771,026
Communication		<b>8,203,573</b>	3,555,212
Training		<b>5,122,775</b>	3,419,281
Auditors' remuneration		<b>18,932,854</b>	11,720,135
Insurance		<b>7,535,297</b>	4,724,062
Entertainment		<b>47,731,751</b>	19,151,181
Printing and stationery		<b>13,915,611</b>	6,094,840
Postage and courier		<b>9,562,685</b>	9,328,730
Donations	45.2 & 45.4	<b>19,624,091</b>	15,063,000
Ijarah rentals		<b>56,103,521</b>	45,485,200
Subscription		<b>16,706,213</b>	3,641,151
Fire, safety and security		<b>1,746,700</b>	-
Others		<b>24,229,313</b>	9,146,477
		<b>1,009,139,957</b>	501,505,198

**45.1** These include Rs. 8.494 million (2017: Rs. 3.693 million) in respect of staff retirement benefits (provident fund contribution).

		2018	2017
		Rupees	Rupees
<b>45.2 Auditors' remuneration</b>			
Audit fees		<b>8,998,060</b>	6,548,800
Half yearly review fee, CCG and other assurance services		<b>8,904,479</b>	4,871,860
Out of pocket expenses		<b>1,030,315</b>	299,475
		<b>18,932,854</b>	11,720,135

**45.3** Includes Rs. 86,775/- donation given to Panah Trust, where Mr. Jameel Yusuf, a director has interest in the capacity of Trustee.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
<b>45.4</b>	Donations to the following donees are equal to or exceeds Rs. 0.5 million:	
Patent Aid Foundation	5,000,000	-
Institute of Business Administration	3,250,000	-
Sindh Insitute of Urology and Transplantation	2,500,000	5,000,000
The Indus Hospital	2,500,000	5,000,000
The Aga Khan University Hospital (The Patient's Behbud Society for AKUH)	500,000	-
Pakistan Red Crescent Society	500,000	-
Al Umeed Rehabilitation Association	500,000	-
Jinnah Post Medical Centre Karachi (JPMC Karachi)	-	2,500,000
	<b>14,750,000</b>	<b>2,812,500,000</b>

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

	2018	2017
	Rupees	Rupees
<b>46. OTHER EXPENSES</b>		
	Note	
Workers' Welfare Fund	537,232	771,221
Exchange losses – net	17,280,153	588,438
Loss on acquisition of TPL Insurance Limited	79,494,134	-
	<b>97,311,519</b>	<b>1,359,659</b>

## 47. FINANCE COSTS

### Mark-up on:

- long-term financing	293,613,151	245,789,372
- liabilities against assets subject to finance lease	1,465,630	4,457,165
- long-term loans	55,067,610	12,540,355
- short-term financing	40,857,708	4,534,834
- running finance under mark-up arrangements	89,688,809	49,235,863
- due to related parties	24,078,617	13,470,032
Bank and other charges	2,796,507	4,792,344
	<b>507,568,032</b>	<b>334,819,965</b>

## 48. OTHER INCOME

### Income from financial assets:

Interest income on loan given to employees	14.3	39,319	83,555
Income on term deposits receipts		7,726,826	1,527,094
Mark-up on saving account		20,627,992	9,578,864
Investment Income		35,966,950	7,339,000
Gain on disposal of shares in TPL Life Insurance Limited		-	18,500,707
		<b>64,361,087</b>	<b>37,029,220</b>

### Income from related parties:

Mark-up on current account with related parties		26,695,786	7,680,543
Rentals from takaful operations		72,318,333	-

### Income from assets other than financial assets:

Deferred income		2,444,444	2,933,336
Gain on disposal of property, plant and equipment		16,454,245	3,728,013
Remeasurement adjustment on investment property		944,646,887	202,928,224
Gain on bargain purchase		-	86,282,392
Others		14,561,314	7,792,507
		<b>978,106,890</b>	<b>303,664,472</b>
		<b>1,141,482,096</b>	<b>348,374,235</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>49. TAXATION</b>			
Current		<b>76,737,114</b>	58,977,012
Prior		<b>547,800</b>	2,246,839
		<b>77,284,914</b>	61,223,851
Deferred		<b>(5,055,763)</b>	(16,370,345)
		<b>72,229,151</b>	44,853,506

**49.1** The returns of the total income of the Holding Company have been filed for and upto tax year 2017 which are considered as deemed assessments. However, the case of the Holding Company for the tax year 2017 has been selected for total audit u/s 177 of the Income Tax Ordinance, 2001.

**49.2** The comparison of tax provisions as per financial statements and tax assessments for last three years are as follows:

Tax Year	Note	Tax Provisions (Rupees)	Tax Assessments (Rupees)	Excess / (short) provision (Rupees)
2015		38,318,690	42,354,434	(4,035,744)
2016		58,472,305	48,429,428	10,042,877
2017	49.1	70,961,283	71,091,791	130,508

The Group computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient tax provision for the purpose of taxation is available. Accordingly, the management of the Group has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Group, other than matters as disclosed in notes 41.1 and 49.1 to these consolidated financial statements.

	2018 Rupees	2017 Rupees
<b>49.3 Relationship between accounting profit and tax expense</b>		
Profit before taxation	<b>742,434,779</b>	313,134,004
Applicable tax rate	<b>30%</b>	31%
Tax at the above rate	<b>222,730,434</b>	97,071,541
Tax effect of income / expenses that are not allowable for tax purposes	<b>(211,951,458)</b>	(110,582,242)
Alternate corporate tax / minimum tax	<b>55,680,561</b>	-
Tax effect of income subject to lower tax rate	-	8,369,492
Tax effect of prior year tax	<b>547,800</b>	42,982,396
Tax effect of change in tax rate	<b>11,504,923</b>	2,246,839
Effect of tax credit	<b>(6,283,109)</b>	4,765,480
Tax expense for the year	<b>72,229,151</b>	44,853,506
Effective tax rate	<b>10%</b>	14%

## 50. EARNINGS PER SHARE – basic and diluted

There is no dilutive effect on the basic earnings per share of the Group, which is based on:

Profit attributable to the ordinary shareholders of parent (Rupees)	<b>15,949,396</b>	19,746,261
Weighted average number of ordinary shares in issue	<b>237,297,763</b>	217,248,963
<b>Earnings per share – basic and diluted (Rupees)</b>	<b>0.07</b>	0.09

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 51. 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 insurance risk, market risk, credit risk, and liquidity risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2018. The policies for managing each of these risks are summarised below:

### 51.1 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, 2018 and 2017.

#### 51.1.1 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 and bank balances 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.

	(Increase) / decrease in basis points	Effect on profit before tax (Rupees)
2018	+100 -100	(60,833,657) 60,833,657
2017	+100 -100	(42,558,968) 42,558,968

#### 51.1.2 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 and borrowings in foreign currencies. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate. As at June 30, 2018 and 2017, 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)
2018	5% -5%	(4,117,776) 4,117,776
2017	5% -5%	(6,663,858) 6,663,858

## 51.1.3 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

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 and continuous monitoring of developments in equity market. As of reporting date, the Group is exposed to equity price risk in respect of investment in quoted securities. Change of 10 percent in equity prices will result in change in price of respective equity instruments by Rs. 0.126 million (2017: Rs. 3.370 million).

## 51.2 Credit risk

**51.2.1** 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.4,886 million (2017: Rs.2,854 million) the financial assets which are subject to credit risk amounted to Rs.3,213 million (2017: Rs. 2,001 million). The Group's credit risk is primarily attributable to its trade debts, other receivables, investments, insurance / reinsurance receivables 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 debts is limited. Further, the Group manages its credit risk by obtaining in advance payment for tracking devices, insurance premium, service charges, rent, and maintenance and other services.

The credit quality of financial assets that are past due but not impaired is disclosed in note 18.4 to these consolidated financial statements. As at the reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
Loan to employees	14	1,363,439	2,339,598
Long-term deposits	15	69,917,932	45,518,147
Trade debts	18	572,126,854	522,537,915
Trade deposits	20	67,921,906	120,968,564
Interest accrued	21	23,913,319	7,658,694
Other receivables	22	684,474,624	19,448,697
Due from related parties	24	11,706,548	9,132,004
Bank balances	25	951,334,425	488,955,226
		<b>2,382,759,047</b>	<b>1,216,558,845</b>

**51.2.3** 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	2018	2017
		Rupees	Rupees
A-1+	PACRA / JCR-VIS	103,218,179	370,447,871
A-1	PACRA / JCR-VIS	84,064,148	243,005
A-2	JCR-VIS	18,610	105,733,138
A2	JCR-VIS	50,473,289	-
A1+	PACRA / JCR-VIS	138,115,966	200,530
A1	PACRA / JCR-VIS	414,698,037	12,330,682
A	PACRA	239,862	-
A+	PACRA / JCR-VIS	1,503,557	-
AA-	PACRA / JCR-VIS	1,489,709	-
A-	JCR-VIS	18,775,103	-
AA	PACRA / JCR-VIS	1,998,312	-
AA+	PACRA / JCR-VIS	83,163,743	-
BBB	JCR-VIS	25,000,000	-
AAA	PACRA/JCR-VIS	28,575,910	-
		<b>951,334,424</b>	<b>488,955,226</b>

## 51.3 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 various financing facilities.

The table below summarises the maturity profile of the Group's financial liabilities at June 30, 2018 and 2017 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)				
<b>June 30, 2018</b>					
Long-term financing	79,800,000	99,000,000	1,753,708,280	2,322,896,679	4,255,404,959
Liabilities against assets subject to finance lease	1,938,427	612,881	1,116,511	155,616	3,823,435
Long-term loans	14,111,221	42,333,663	127,000,987	379,441,448	562,887,319
Due to related parties	504,988,182	-	-	-	504,988,182
Trade and other payables	20,909,539	777,814,388	517,032,502	-	1,315,756,429
Accrued markup	131,603,069	-	-	-	131,603,069
Running finance under markup arrangements	939,871,844	-	-	-	939,871,844
Short-term financing	-	419,181,204	-	-	419,181,204
Liabilities against insurance contracts	-	235,528,000	217,800,693	-	453,328,693
Underwriting provisions	-	824,732,832	-	-	824,732,832
	<b>1,693,222,282</b>	<b>2,399,202,968</b>	<b>2,616,658,973</b>	<b>2,702,493,743</b>	<b>8,471,706,122</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
<b>June 30, 2017</b>					
Long-term financing	1,622,794	29,842,599	303,957,212	2,523,542,514	2,858,965,119
Liabilities against assets subject to finance lease	-	2,818,910	8,456,730	10,975,935	22,251,575
Long-term loans	-	36,361,112	109,083,335	290,277,330	435,721,777
Due to related parties	87,949,755	-	-	-	87,949,755
Trade and other payables	190,420,698	596,497,577	-	-	786,918,275
Accrued markup	105,627,379	-	-	-	105,627,379
Running finance under markup arrangements	876,719,637	-	-	-	876,719,637
Short-term financing	62,238,722	-	-	-	62,238,722
Liabilities against insurance contracts	-	24,950,923	-	-	24,950,923
	<u>1,324,578,985</u>	<u>690,471,121</u>	<u>421,497,277</u>	<u>2,824,795,779</u>	<u>5,261,343,162</u>

## 51.4 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.

### Fair value hierarchy

Financial Instruments carried at fair value are categorized as follows:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non- market observables)

The Group held the following financial instruments measured at fair value other than those disclosed in note 9 and note 11 to these consolidated financial statements:

	Total	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Financial assets				
<b>June 30, 2018</b>				
Government securities	<b>228,183,226</b>	-	<b>228,183,226</b>	-
Term deposit receipts (TDRs)	<b>710,000,000</b>	-	<b>710,000,000</b>	-
Listed securities	<b>1,256,725</b>	<b>1,256,725</b>	-	-
Open ended mutual funds	<b>336,902,224</b>	<b>336,902,224</b>	-	-
	<u><b>1,276,342,175</b></u>	<u><b>338,158,949</b></u>	<u><b>938,183,226</b></u>	<u>-</u>
<b>June 30, 2017</b>				
Government securities	134,805,829	-	134,805,829	-
Listed securities	37,370,000	37,370,000	-	-
Open ended mutual funds	10,278,000	10,278,000	-	-
	<u>182,453,829</u>	<u>47,648,000</u>	<u>134,805,829</u>	<u>-</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 51.5 Risk related to insurance business

### 51.5.1 Insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of compensation to the insured. Generally most insurance contracts carry the insurance risk for a period of one year. The Group's major insurance contracts are in respect of motor vehicles through issuance of general insurance contracts relating to motor insurance. For these contracts the most significant risks arise from theft, accidents and terrorist activities.

The Group's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Group from individual to large or catastrophic insured events. Further, the Group adopts strict claim review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

### 51.5.2 Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy, reinsurance arrangements and proactive claim handling procedures. The reinsurance arrangements against major risk exposure include excess of loss, quota share, surplus arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on Group's net retentions.

### 51.5.3 Uncertainty in the estimation of future claim payments

Claims on motor insurance contracts are payable on a claim occurrence basis. The Group is liable for all insured events that occur during the term of the insurance contracts respectively, including the event reported after the expiry of the insurance contract term.

An estimated amount of the claim is recorded immediately on the intimation to the Group. The estimation of the amount is based on management judgment or preliminary assessment by the independence surveyor appointed for the purpose. The initial estimates include expected settlement cost of the claims. Provision for incurred but not reported (IBNR) is based on the management's best estimate which takes into account expected future patterns of reporting of claims and the claim actually reported subsequent to the reporting date. There are several variable factors which affect the amount and timing of recognized claim liabilities. The Group takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from initial recognized amount. Outstanding claims are reviewed on a periodic basis.

### 51.5.4 Key assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected income. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate case to case basis with due regard to the claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Core estimates are reviewed regularly and are updated as and when new information is available.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserves is that the Group's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. During the year, the Group has not changed its assumptions for the insurance contracts.

## 51.5.5 Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Group makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Group considers that the liability for claims recognized in the statement of financial position is adequate. However, actual experience may differ from the expected outcome.

The claim liabilities are sensitive to the incidence of insured events and severity / size of claims. As the Group enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of reinsurance. The impact of 10 percent increase / decrease in incidence of insured events on profit before tax and shareholder's equity is as follows:

	Profit before tax		Shareholder's equity	
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
<b>Average claim cost</b>				
Fire and property damage	348,784	-	247,637	-
Marine, aviation & transport	556,822	-	395,343	-
Motor business	23,917,506	-	16,981,429	-
Health	490,055	-	347,939	-
Miscellaneous	519,713	-	368,996	-
	<b>25,832,880</b>	<b>-</b>	<b>18,341,345</b>	<b>-</b>

## 51.6 Risk related to insurance business

The Group's overall risk management seeks to minimize potential adverse effects on the Group's financial performance of such risk. The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

The risks involved with financial instruments and the Group's approach to managing such risks are discussed below.

### 51.6.1 Insurance risk

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Group faces under such contracts is that the occurrence of the insured events and the severity of reported claims. The Group's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in single subset.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 51.6.2 Individual life unit linked

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Group may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Group may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Group faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Group being unable to recover expenses incurred at policy acquisition.

The Group manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Group has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Group to limit the maximum exposure on any one policyholder. To avoid poor persistency the Group applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders. For this, a regular monitoring of lapsation rates is conducted. On the claims handling side, the Group has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, claims committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Group maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. The Group reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

a) Frequency and severity of claims

The Group charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The Group manages these risks through its underwriting strategy and reinsurance arrangements.

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long – term unit linked insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder’s behavior.

c) Process used to decide on assumptions

For long-term unit linked insurance contracts, assumptions are made in two stages. At inception of the contract, the Group determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies.

d) Changes in assumptions

There has been no change in assumptions during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 51.6.3 Group life

The main risk written by the Group is mortality. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The Group also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Group manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The Group has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Group. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Group also maintains an MIS to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the Group to limit the maximum exposure to any life. At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Group ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor claim experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Group ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place in order to keep the outstanding balances of premium at a minimum, especially the ones that are overdue. The bulk of the assets held against liabilities of this line of business have a short duration, thus mitigating the risk of asset value deterioration.

a) Frequency and severity of claims

The risk is affected by several factors e.g. age, occupation, benefit structure and life style. The Group attempts to manage this risk through its underwriting, claims handling and reinsurance policy. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

Statistical methods are used to adjust the rates to a best estimate of mortality. Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

d) Changes in assumptions

There has been no change in assumptions during the year.

## 51.6.4 Accident and health

The main risk written by the Group is morbidity. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of high exposure in a particular geographical areas, medical expense inflation, fraudulent claims and catastrophic event. The Group potentially faces the risk of lack of adequate claims control (such as for very large groups). The Group also faces a risk of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

The Group manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Group has a well defined medical under-writing policy and avoids writing business for groups with potentially high health related risk exposure such as Government Schemes. Any pre-existing conditions are screened at this stage. Pricing is done as per actual experience of the Group's portfolio. The premium charged takes into account the actual experience of the client and an MIS is maintained to track the adequacy of the premium charged.

a) Frequency and severity of claims

Group measures risk accumulation in terms of potentially high exposure concentration in a particular geographical area (such as micro insurance policy in northern areas).

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate morbidity for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

An investigation into Group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. Where data is sufficient to be statistically credible, the statistics generated by the data are assigned appropriate credibility factors to account for the group's experience.

d) Changes in assumptions

There has been no change in assumptions.

Reserve risks are controlled by constantly monitoring the provisions for insurance claims that have been submitted but not yet settled and by amending the provision, if deemed necessary. There are several variable factors that affect the amount and timing of recognized claim liabilities. However the management considers that uncertainty about the amount and timing of claim payments is generally resolved within a year. As the Group enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below:

	Change in claims assumption	Impact on profit before taxation
	------(Rupees in '000)-----	
<b>June 30, 2018</b>		
Provision for current claims	<b>+10%</b>	<b>(6,593)</b>
	<b>-10%</b>	<b>6,593</b>
<b>June 30, 2017</b>		
Provision for current claims	+10%	2,495
	-10%	(2,495)

## 51.7 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, 2018

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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:

		2018	2017
	Note	Rupees	Rupees
Long-term financing	28	3,287,127,280	2,523,542,514
Liabilities against assets subject to finance lease	29	504,016	10,975,935
Long-term loans	30	308,133,420	290,277,330
Accrued mark-up	33	131,603,069	109,953,811
Short-term financing	34	419,181,204	62,238,722
Running finance under mark-up arrangements	37	939,871,844	876,719,637
Current portion of non-current liabilities	38	1,226,350,997	492,142,691
<b>Total debts</b>		<b>6,312,771,830</b>	<b>4,365,850,640</b>
Less: Cash and bank balances	25	952,449,788	490,104,431
<b>Net debt</b>		<b>5,360,322,042</b>	<b>3,875,746,209</b>
Share capital	26	2,372,977,630	2,172,489,630
Reserves		854,097,141	777,091,645
<b>Total equity</b>		<b>3,227,074,771</b>	<b>2,949,581,275</b>
<b>Total capital</b>		<b>8,587,396,813</b>	<b>6,825,327,484</b>
<b>Gearing ratio</b>		<b>62.42%</b>	<b>56.78%</b>

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

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

	Chief Executive		Directors		Executive	
	2018	2017	2018	2017	2018	2017
	Rupees					
Basic salary	59,823,622	36,944,246	4,235,088	3,065,806	219,961,048	95,352,282
Bonus	-	-	-	-	852,000	6,363,000
House rent allowance	16,739,604	16,619,189	1,905,528	1,379,513	85,566,556	33,244,643
Utilities	3,267,830	306,581	-	9,445,634	39,310,314	3,986,672
Allowances	5,497,579	1,980,000	1,683,384	1,260,000	14,324,517	5,599,290
Retirement benefits	2,674,009	-	352,783	-	17,053,794	6,910,009
Others	-	854,631	-	255,382	11,981,285	3,430,558
	<b>88,002,644</b>	<b>56,704,647</b>	<b>8,176,783</b>	<b>15,406,335</b>	<b>389,049,514</b>	<b>154,886,454</b>
Number of person(s)	<b>5</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>109</b>	<b>43</b>

52.1 Included herein aggregate remuneration of Chief Executive of Group Companies amounting to Rs. 77.886 million (2017: Rs. 47.459 million)

52.2 In addition, the 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.

52.3 Certain employees of the Group provides free of cost services to the ultimate parent company and the other group companies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**52.4** During the year, the Group has paid Rs. 1.96 million (2017: Rs. 0.24 million) to the non-executive directors on account of board meeting fees.

**52.5** The comparative figures have been restated to reflect the changes in the definition of executive as per Companies Act, 2017.

## 53. TRANSACTIONS WITH RELATED PARTIES

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

	2018	2017
	Rupees	Rupees
<b>TPL Holdings (Private) Limited – (Ultimate Parent Company)</b>		
Acquisition of TPLP shares under the Scheme	261,343,762	-
Amount received by the Group	58,649,675	395,748,834
Expenses incurred / paid by the Holding Company	-	371,245
Expenses incurred / paid by the Group	1,175,620	-
Mark-up on current account	14,618,158	4,801,527
Amount paid / repaid by the Holding Company	-	190,379,944
Amount paid / repaid by the Group	78,880,831	-
Loan received by the Holding Company	445,000,000	-
Payment made by TPLP	-	580,300,000
Mark-up on loan given to CMS	-	851
Advance paid by CMS	-	300,000
Mark-up received by the Group	66,558	-
Payment made by Group on account of accrued mark-up	12,050,565	-
<b>Trakker Middle East LLC. - (Associated Company)</b>		
Expenses incurred / paid on behalf of the Holding Company	3,367,713	28,009
<b>TPL Logistics (Private) Limited – (Common directorship)</b>		
Expenses incurred / paid by the Company	-	43,717
Markup on current account	-	71,896
<b>Trakker Direct Finance (Private) Limited - (Common directorship)</b>		
Expenses incurred / paid on behalf of the Company	18,800	13,875
Mark-up on current account	76,642	69,619
<b>The Resource Group of Pakistan Limited - (Common directorship)</b>		
Expenses incurred / paid by the Holding Company	951,081	-
Services rendered by TSS	1,884,000	1,439,500
Amount received by TSS	2,469,500	-
Mark-up on current account	592,115	535,769
<b>Virtual World (Private) Limited – (Common directorship)</b>		
Services received during the year from TIL	8,235,655	1,529,048
Outsourcing expense paid during the year to TIL	5,511,665	83,286
<b>Clifton Land Limited (CLL) – (Common directorship)</b>		
Loan made	-	430,731
Services rendered	-	272,000
Payment received	-	702,731

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
<b>Paradigm Re (Pre) - (Common directorship)</b>		
Services received	-	200,000
Payment made against services	-	200,000
<b>Paradigm Services (Private) Capital Limited (PSPL) - (Common directorship)</b>		
Services received	-	450,000
Payment made against services	-	600,000
<b>TPL Rupiya (Pvt.) Limited - (Common directorship)</b>		
Expenses incurred	-	168,562
Markup on current account	-	140,768
<b>Staff retirement benefit</b>		
Employer contribution	<b>15,713,059</b>	15,006,666

- 53.1** The related parties' status of outstanding receivables and payables as at June 30, 2018 and 2017 are disclosed in respective notes to these consolidated financial statements.

		2018	2017
	Note	Rupees	Rupees
<b>54. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	25	<b>952,449,788</b>	490,104,431
Running finance under mark-up arrangements	37	<b>(939,871,844)</b>	(876,719,637)
		<b>12,577,944</b>	(386,615,206)

## 55. 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 three reportable operating segments as follows:

- The 'Tracking and other digital services' segment relates to installation and sales of tracking devices, vehicle tracking and fleet management and services of monitoring, navigation and E-ticketing.
- The 'Insurance' segment includes activities relating to general and life insurance business.
- The 'Real estate and related services' includes premises given on rent and its related maintenance, electricity and air conditioning services provided to tenants.
- All other segments include investments in Group companies 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## Geographical information

	Note	2018 Rupees	2017 Rupees
Following is the geographical breakup of Group's gross turnover:			
Pakistan	42	<b>3,905,935,944</b>	2,465,053,863

Non-current assets of the Group are confined within Pakistan and consist of property and equipment, intangible assets, investment property, 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.

	Tracking and other digital services	Insurance	Real estate and related services	Others	Total
<b>2018</b>	----- (Rupees)				
<b>TURNOVER - NET</b>	<b>1,873,347,545</b>	<b>1,002,442,612</b>	<b>485,691,927</b>	<b>109,934,020</b>	<b>3,471,416,104</b>
<b>RESULT - (segment results)</b>	<b>15,602,091</b>	<b>(141,243,632)</b>	<b>964,059,531</b>	<b>(95,983,211)</b>	<b>742,434,779</b>
<b>Taxation</b>					<b>(72,229,151)</b>
<b>Profit for the year</b>					<b>670,205,628</b>
<b>OTHER INFORMATION</b>					
Total capital expenditure	249,228,609	736,141,394	55,553,699	728,560	1,041,652,262
Total depreciation and amortisation	183,391,551	26,382,761	39,261,056	793,062	249,828,431
<b>ASSETS AND LIABILITIES</b>					
Total segment assets	5,389,579,324	2,794,299,120	8,610,219,494	229,779,581	17,023,877,519
Total segment liabilities	3,152,686,030	1,385,844,266	3,081,565,017	1,955,804,640	9,575,899,953
<b>2017</b>					
<b>TURNOVER - NET</b>	1,505,561,071	135,986,548	453,101,377	73,784,331	2,168,433,327
<b>RESULT - (segment results)</b>	80,911,128	(119,496,008)	338,854,816	12,864,066	313,134,002
<b>Taxation</b>					(44,853,504)
<b>Profit for the year</b>					268,280,498
<b>OTHER INFORMATION</b>					
Total capital expenditure	606,701,692	42,203,682	32,078,302	314,400	681,298,076
Total depreciation and amortization	186,351,142	8,919,016	37,026,074	534,658	232,830,890
<b>ASSETS AND LIABILITIES</b>					
Total segment assets	2,890,134,386	504,660,734	8,140,828,727	812,083,106	12,347,706,953
Total segment liabilities	2,792,004,601	97,058,816	2,479,284,442	51,987,687	5,420,335,546

## 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

## 56. SUBSEQUENT EVENTS

The Board of Directors of the Holding Company in their meeting held on 17th August 2018 have recommended cash dividend @ Nil percent amounting to Rs. Nil million (2017: Rs. 54.31 million) 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 October 17, 2018.

## 57. DATE OF AUTHORISATION OF ISSUE

These consolidated financial statements were authorised for issue on 17th August 2018 by the Board of Directors of the Holding Company.

## 58. CORRESPONDING FIGURES

58.1 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Following major reclassification has been made during the year:

Description	Note	Reclassified		Amount in Rupees
		From	To	
Development property	14.4	Current assets	Non-current assets	888,738,740
Rent receivables	18	Other receivables	Trade debts	26,555,792
Provisions of outstanding claims	29	Trade and other payable	Liabilities against insurance contracts	24,950,923
Unclaimed dividend	29	Trade and other payable	Statement of financial position	1,078,801
Unpaid dividend	29	Trade and other payable	Statement of financial position	3,000,000

## 59. NUMBER OF EMPLOYEES

Number of employees as at June 30, 2018 was 2,017 (2017: 1,602) and average number of employees during the year was 1,976 (2017: 1,419).

## 60. GENERAL

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



Chief Executive



Chief Financial Officer



Director

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“AGM”) of TPL Corp Limited (“Company”) will be held on Wednesday October 17, 2018 at 11:00 a.m., at the Auditorium of the Institute of Chartered Accountants of Pakistan (ICAP) at Chartered Accountants Avenue, Clifton, Karachi, to transact following business:

## ORDINARY BUSINESS

1. To approve the minutes of the Annual General Meeting held on October 10, 2017.

**“RESOLVED THAT** the minutes of Annual General Meeting held on October 10, 2017 at 11:00 am of the TPL Corp Limited at the ICAP Auditorium, Clifton, Karachi be and are hereby approved”

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company together with the Directors’, Auditors’ and Chairman’s Review Report thereon for the year ended June 30, 2018.

**“RESOLVED THAT** the Annual Standalone and Consolidated Audited Financial Statements of TPL Corp Limited, the Directors’, Auditors’ and Chairman’s Review Report thereon for the year ended 30 June 2018 be and are hereby approved.”

3. To appoint Auditors for the year ending June 30, 2019 and fix their remuneration. M/s. EY Ford Rhodes, Chartered Accountants, retire and being eligible have offered themselves for re-appointment.

**“RESOLVED THAT** M/s EY Ford Rhodes, Chartered Accountants be and is hereby appointed as Auditors of M/s. TPL Corp Limited on the basis of consent received by them, at a fee mutually agreed for the period ending June 30, 2019.

4. To elect Directors of the Company for a three year term. The Board of Directors in the meeting held on August 17, 2018, fixed the number of Directors at (eight) 8 pursuant to the provisions of Section 159 of the Companies Act, 2017. The term of the office of the following eight (8) Directors will expire on October 31, 2018.

- i. Mr. Jameel Yusuf S.St.
- ii. Mr. Muhammad Ali Jameel
- iii. Maj Gen (R) Syed Zafar-Ul-Hasan Naqvi
- iv. Mr. Mark Roussaeu
- v. Mr. Nadeem Arshad Elahi
- vi. Vice Admiral (R) Mohammad Shafi, HI(M)
- vii. Bilal Alibhai
- viii. Mr. Saad Nissar

The appointment of Directors is subject to the regulatory approval from Securities and Exchange Commission of Pakistan.

Members who wish to contest election should notify Company Secretary of their intention at least fourteen days before the AGM.

**RESOLVED THAT** the shareholders hereby accord their approval for the appointment of Directors on the Board of TPL Corp Limited for a period of three years commencing from November 01, 2018 in accordance with the provisions of Section 159 of the Companies Act, 2017.”

**FURTHER RESOLVED THAT** the Company Secretary be and is hereby authorized singly to take any and all necessary steps for the appointment of the Director on the Board of TPL Corp Limited and file the requisite returns/notices in the Company Registration Office and / or to the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited, as the case may be.

## **SPECIAL BUSINESS**

5. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance of up to Rs. 200 million to the holding company, TPL Holdings (Private) Limited.

**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew of advance up to Rs.200 million to the holding company i.e. TPL Holdings (Private) Limited.

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

**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance of up to PKR. 100 Million to TPL Properties Limited.

7. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company to provide equity investment of Rs. 100 million to the associated company, TPL Properties Limited.

**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to make equity investment up to Rs. 100 million in the associated company i.e TPL Properties Limited.

8. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company for renewal advance upto invest Rs 200 million to the subsidiary company, TPL Rupiya (Private) Limited.

**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017 the Company be and is hereby authorized to renew advance up to Rs. 200 million to the subsidiary company i.e. TPL Rupiya (Private) Limited.

9. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs. 150 million to an associated company in UAE.

**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs. 150 million to an associated company in UAE.

10. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance upto Rs. 200 million to the associated company, TPL E-Ventures (Pvt.) Limited.

**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017 the Company be and is hereby authorized to renew advance up to Rs. 200 million to the associated company i.e. TPL E-Ventures (Pvt.) Limited.

11. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of upto Rs. 100 million to an associated Company TPL Mobile (Pvt.) Limited

**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company is authorized to renew advance up to Rs. 100 million to the associated company i.e. TPL Mobiles (Pvt.) Limited be and is hereby approved

*(A Statement of Material Facts under Section 134(3) of the Companies Act 2017, 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, 2018).*

## ANY OTHER BUSINESS

To consider any other business with the permission of Chairman.

**Danish Qazi**  
Company Secretary

**Dated: September 26th, 2018**

## Notes:

- 1) The Share Transfer Books of the Company will remain closed from October 09, 2018 to October 17, 2018 (both days inclusive).
- 2) A Member entitled to attend and vote at the AGM 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, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400., 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 the Securities and Exchange Commission of Pakistan for this purpose.

4) Members are requested to timely notify any change in their addresses and provide copies of their CNIC /NTN (if not provided earlier) to Bank's Registrar / Share Transfer Agent, M/s. THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400.

5) Election of Directors:

The number of Directors to be elected at the AGM has been fixed by the Board of Directors, at Eight (08) at its meeting held on August 17, 2018. Any person (including a retiring director) who seeks to contest election for directorship of the Company shall file with the Company at its registered office:

- i) A Notice of his/her intention to offer himself for election 14 days before the date of the above said AGM, in terms of Section 178(3) of the Companies Act, 2017;
- ii) Form 28 (consent to act as Director) prescribed under the Companies Act, 2017;
- iii) Detailed profile along with office / residential address
- iv) Declaration in respect of the eligibility criteria as set out in the Companies Act 2017 to act as Director of the Company; and
- v) Attested copy of valid CNIC and NTN.

#### **6) Procedure for Election of Directors:**

According to the Company's Articles of Association and the Companies Act, 2017, the following procedure is to be followed for nomination and election of Directors:

- i. The election of eight (8) Directors will be for a term of three year, commencing from November 01, 2018.
- ii. The Directors shall be elected from persons who offer themselves for election and are eligible as per the criteria given in the Companies Act 2017.
- iii. Any person wishing to participate in election (including a retiring Director) is required to file with the Company (not later than 14 days before the election date), a notice of his intention to participate in election, along with duly completed and signed Form 28 giving his consent to act as Director of the Company if elected, and certify that he is not ineligible to become a Director.
- iv. A person may withdraw his candidature any time before the election is held.
- v. If the number of candidates equals the number of vacancies, no voting will take place and all the candidates will be deemed to have been elected.
- vi. In case of voting, a Member shall have votes equal to the number of shares held by him multiplied by eight (i.e. the number of Directors to be elected).
- vii. A Member may cast vote/s in favour of a single candidate or for as many of the candidates and in such proportion as the Member may choose.

viii. The person receiving the highest number of votes will be declared elected, followed by the next highest, and so on, till all the vacancies are filled.

- 7) The Company shall provide video conference facility to its members for attending the AGM at places other than the town in which general meeting is taking place after considering the geographical dispersal of its members: provided that if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company shall arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video-link facility at least 5 days before the date of the AGM along with complete information necessary to enable them to access the facility.

In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the AGM:-

I/We, _____ of _____ being a member of TPL Corp Limited, holder of _____ Ordinary shares as per Register Folio No. _____ hereby opt for video conference facility at _____.
_____ Signature of member

- 8) 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**  
**1st Floor, 40-C, Block-6,**  
**P.E.C.H.S,**  
**KARACHI-75400.**  
**UAN 021-111-000-322.**  
**Direct # 021- 34168270**  
**Fax # 021- 34168271**

# STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 REGARDING SPECIAL BUSINESS

## Renewal of advance of Rs. 200 Million to TPL Holdings (Private) Limited

TPL Corp Limited (the "Company") is desirous to renew its advance made to TPL Holdings (Private) Limited. The advance amount was initially approved by the Board of Directors and its renewal approved by the members subsequently to a maximum amount of Rs. 200 million on 10th October 2017. The outstanding balance due to TPL Holdings (Private) Limited as at 30th June 2018 amounts to Rs. 445 million. The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on August 17, 2018.

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

Name of the associated company or associated undertaking	TPL Holdings (Private) Limited	
Basis of relationship	Subsidiary	
Earnings per share for the last three years of the Associated Company	2018: (2.26) , 2017: (12.58), 2016: 5.77	
Break-up value per share, based on latest audited financial statements	PKR 339.13 per share	
Financial position of the associated company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the year ended June 30, 2018 is as follows:	
	<b>Balance Sheet</b>	<b>Rupees</b>
	Non-current assets	1,472,904,832
	Other assets	1,124,702,103
	<b>Total Assets</b>	<b>2,597,606,935</b>
	<b>Total Liabilities</b>	<b>1,317,596,371</b>
	<i>Represented by:</i>	
	Paid up capital	37,744,000
	Accumulated Profit	1,242,266,564
	Surplus on Revaluation of Fixed Assets	-
	<b>Equity</b>	<b>1,280,010,564</b>
	<b>Profit and Loss</b>	
	Profit/(Loss) before interest and taxation	60,551,691

	Financial charges	(62,806,477)
	Profit/(Loss) before taxation	(2,254,786)
	Taxation	(6,292,843)
	<b>Profit/(Loss) after taxation</b>	<b>(8,547,629)</b>
In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable.	
Maximum amount of investment to be made	PKR 200 million	
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries	
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own source	
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not applicable	
Direct or indirect, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Ali Jameel, Mr. Jameel Yusuf and Mr. Bilal Alibhai are the directors of the Company, and TPL Holdings (Pvt.) Limited.	
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None	

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

### Renewal of advance of Rs. 100 million to the associated company TPL Properties Limited

The Company is desirous to renew its advance made to TPL Properties Limited. The advance amount was initially approved by the Board of Directors and reduction from the said advance from 250 Million to Rs. 100 Million was subsequently approved by the Members on 10th October 2017.

The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on August 17, 2018 and the information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

Name of the associated company or associated undertaking	TPL Properties Limited	
Basis of relationship	Associated	
Earnings per share for the last three years of the Associated Company	2018: 4.51, 2017: 1.68, 2016: 2.12	
Break-up value per share, based on latest audited financial statements	21.42	
Financial position of the associated company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the year ended June 30, 2018 is as follows:	
	<b>Balance Sheet</b>	<b>Rupees</b>
	Non-current assets	7,819,396,507
	Other assets	804,996,332
	<b>Total Assets</b>	<b>8,624,392,839</b>
	<b>Total Liabilities</b>	<b>2,766,574,458</b>
	<i>Represented by:</i>	
	Paid up capital	2,735,113,670
	Share Premium	560,563,555
	Accumulated Profit	2,562,141,156
	Surplus on Revaluation of Fixed Assets	-
	<b>Equity</b>	<b>5,857,818,381</b>
	Profit and Loss	
	Profit/(Loss) before interest and taxation	1,456,757,354

	Financial charges	(207,664,482)
	Profit/(Loss) before taxation	1,249,092,872
	Taxation	(14,463,127)
	<b>Profit/(Loss) after taxation</b>	<b>1,234,629,745</b>
In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable.	
Maximum amount of investment to be made	PKR 100 million	
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries	
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own sources	
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None	
Direct or indirect, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Ali Jameel, Mr. Jameel Yusuf and Mr. Bilal Alibhai, Mr. Zafar Naqvi, Mr. Muhammad Shafi are the directors of the company, are also the directors of TPL Properties Limited.	
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None	

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

**To provide equity investment of Rs. 100 million to the associated company TPL Properties Limited.**

TPL the Company is desirous make equity investment in TPL Properties Limited. The equity investment to a maximum amount of Rs. 100 Million has been approved by the Board of Directors of the Company in their meeting held on August 17, 2018.

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

Name of the associated company or associated undertaking	TPL Properties Limited	
Basis of relationship	Associated	
Earnings per share for the last three years of the Associated Company	2018: 4.51, 2017: 1.68, 2016: 2.12	
Break-up value per share, based on latest audited financial statements	21.42	
Financial position of the associated company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the year ended June 30, 2018 is as follows:	
	<b>Balance Sheet</b>	<b>Rupees</b>
	Non-current assets	7,819,396,507
	Other assets	804,996,332
	<b>Total Assets</b>	<b>8,624,392,839</b>
	<b>Total Liabilities</b>	<b>2,766,574,458</b>
	<i>Represented by:</i>	
	Paid up capital	2,735,113,670
	Capital Reserve	560,563,555
	Accumulated Profit	2,562,141,156
	Surplus on Revaluation of Fixed Assets	-
	<b>Equity</b>	<b>5,857,818,381</b>
	<b>Profit and Loss</b>	
	Profit/(Loss) before interest and taxation	1,456,757,354

	Financial charges	(207,664,482)
	Profit/(Loss) before taxation	1,249,092,872
	Taxation	(14,463,127)
	<b>Profit/(Loss) after taxation</b>	<b>1,234,629,745</b>
In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable.	
Maximum amount of investment to be made	PKR 100 million	
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries	
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own Source.	
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None	
Direct or indirect, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Ali Jameel, Mr. Jameel Yusuf and Mr. Bilal Alibhai, Mr. Zafar Naqvi, Mr. Muhammad Shafi are the common directors of the company and TPL Properties Limited.	
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None	
Any other important details necessary for the members to understand the transaction;	Investment will be made through right issue, whenever announced by the company.	

maximum price at which securities will be acquired;	None
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	None
maximum number of securities to be acquired	None
number of securities and percentage thereof held before and after the proposed investment	None
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities;	Current PKR 8.15 per share, preceding 12 month weeks Avg PKR 9 per share.
fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	None

#### **Renewal of advance of Rs. 200 million in the subsidiary company, TPL Rupiya (Pvt.) Limited.**

The Company is desirous to renew its advance made to TPL Rupiya (Pvt.) Limited. The advance amount was initially approved by the Board of Directors and its renewal approved by the members subsequently to a maximum amount of Rs. 200 million on 10th October 2017. The outstanding balance due to TPL Rupiya (Pvt.) Limited as at 30th June 2018 amounts to Rs. None. The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on August 17, 2018.

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

Name of the associated company or associated undertaking	TPL Rupiya (Pvt.) Limited	
Basis of relationship	Subsidiary	
Earnings per share for the last three years of the Associated Company	2018: (4.73)	
Break-up value per share, based on latest audited financial statements	PKR 4.64/-	
Financial position of the subsidiary company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the year ended June 30, 2018 is as follows:	
	<b>Balance Sheet</b>	<b>Rupees</b>
	Non-current assets	25,470,020
	Other assets	18,368,205
	<b>Total Assets</b>	<b>43,838,225</b>
	<b>Total Liabilities</b>	<b>28,813,156</b>

	<p><i>Represented by:</i></p> <table border="1"> <tbody> <tr> <td>Paid up capital</td> <td>32,358,260</td> </tr> <tr> <td>Accumulated Profit / (Loss)</td> <td>(17,333,191)</td> </tr> <tr> <td>Surplus on Revaluation of Fixed Assets</td> <td></td> </tr> <tr> <td><b>Equity</b></td> <td><b>15,025,069</b></td> </tr> <tr> <td colspan="2"><b>Profit and Loss</b></td> </tr> <tr> <td>Profit/(Loss) before interest and taxation</td> <td>(13,707,958)</td> </tr> <tr> <td>Financial charges</td> <td>(723,347)</td> </tr> <tr> <td>Profit/(Loss) before taxation</td> <td>(14,431,305)</td> </tr> <tr> <td>Taxation</td> <td>(860,429)</td> </tr> <tr> <td><b>Profit/(Loss) after taxation</b></td> <td><b>(15,291,734)</b></td> </tr> </tbody> </table>	Paid up capital	32,358,260	Accumulated Profit / (Loss)	(17,333,191)	Surplus on Revaluation of Fixed Assets		<b>Equity</b>	<b>15,025,069</b>	<b>Profit and Loss</b>		Profit/(Loss) before interest and taxation	(13,707,958)	Financial charges	(723,347)	Profit/(Loss) before taxation	(14,431,305)	Taxation	(860,429)	<b>Profit/(Loss) after taxation</b>	<b>(15,291,734)</b>
Paid up capital	32,358,260																				
Accumulated Profit / (Loss)	(17,333,191)																				
Surplus on Revaluation of Fixed Assets																					
<b>Equity</b>	<b>15,025,069</b>																				
<b>Profit and Loss</b>																					
Profit/(Loss) before interest and taxation	(13,707,958)																				
Financial charges	(723,347)																				
Profit/(Loss) before taxation	(14,431,305)																				
Taxation	(860,429)																				
<b>Profit/(Loss) after taxation</b>	<b>(15,291,734)</b>																				
<p>In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required:</p> <p>a) a description of the project and its history since conceptualization;</p> <p>b) starting date and expected date of completion;</p> <p>c) time by which such project shall become commercially operational;</p> <p>d) expected return on total capital employed in the project; and</p> <p>e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;</p>	Not applicable.																				
Maximum amount of investment to be made	PKR 200 million																				
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries																				
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis;</p>	Own Source																				

Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	
Direct or indirect, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Jameel Yusuf and Mr. Ali Jameel are common directors of the Company and TPL Rupiya (Pvt.) Limited.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	Not applicable
Any other important details necessary for the members to understand the transaction;	None
Category-wise amount of investment;	
Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	None
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	None
particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	On Demand
Sources of funds from where loans or advances will be given	Own Investment
Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable
Particulars of collateral or security to be obtained in relation to the proposed investment;	The loan is unsecured.

If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.
Repayment schedule and terms of loans or advances to be given to the investee company	Repayable on demand.

### Renewal of advance and / or invest Rs.150 million to an associated company in UAE (TPL International Limited)

The Company is desirous to renew its advance made to an associated company in UAE. The advance amount was initially approved by the Board of Directors and its renewal approved by the members subsequently to a maximum amount of Rs. 150 million on 10th October 2017. The outstanding balance due to the associated Company in UAE as at 30th June 2018 amounts to Rs. None. The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on August 17, 2018.

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

Name of the associated company or associated undertaking	TPL International Limited	
Basis of relationship	Subsidiary	
Earnings per share for the last three years of the Associated Company	Not applicable	
Break-up value per share, based on latest audited financial statements	Not applicable	
Financial position of the subsidiary company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the year ended June 30, 2018 is as follows:	
	<b>Balance Sheet</b>	<b>Rupees</b>
	Non-current assets	N.A.
	Other assets	N.A.
	<b>Total Assets</b>	N.A.
	<b>Total Liabilities</b>	N.A.
	<i>Represented by:</i>	
	Paid up capital	N.A.
	Accumulated Profit	N.A.

	Surplus on Revaluation of Fixed Assets	N.A.
	<b>Equity</b>	N.A.
	<b>Profit and Loss</b>	
	Profit/(Loss) before interest and taxation	N.A.
	Financial charges	N.A.
	Profit/(Loss) before taxation	N.A.
	Taxation	N.A.
	<b>Profit/(Loss) after taxation</b>	N.A.
In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable.	
Maximum amount of investment to be made	PKR 150 million	
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries	
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;		
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None	
Direct or indirect, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Ali Jameel is common director of the Company and TPL International Limited.	

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

**Renewal of advance and / or invest Rs. 200 million to an associated company TPL E-Ventures (Private) Limited.**

The Company is desirous to renew its advance made to TPL E-Ventures (Private) Limited. The advance amount was initially approved by the Board of Directors and its renewal approved by the members subsequently to a maximum amount of Rs. 200 million on 10th October 2017. The outstanding balance due to TPL E-Ventures (Private) Limited as at 30th June 2018 amounts to Rs. 0.166 million. The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on August 17, 2018.

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

Name of the associated company or associated undertaking	TPL E-Ventures (Private) Limited	
Basis of relationship	Subsidiary	
Earnings per share for the last three years of the Associated Company	Not applicable	
Break-up value per share, based on latest audited financial statements	Not applicable	
Financial position of the subsidiary company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the year ended June 30, 2018 is as follows:	
	<b>Balance Sheet</b>	<b>Rupees</b>
	Non-current assets	N.A.
	Other assets	N.A.
	<b>Total Assets</b>	N.A.
	<b>Total Liabilities</b>	N.A.
	<i>Represented by:</i>	
	Paid up capital	
	Accumulated Profit	N.A.
	Surplus on Revaluation of Fixed Assets	N.A.
	<b>Equity</b>	N.A.
	<b>Profit and Loss</b>	
	Profit/(Loss) before interest and taxation	N.A.
	Financial charges	N.A.

	Profit/(Loss) before taxation	N.A.
	Taxation	N.A.
	<b>Profit/(Loss) after taxation</b>	N.A.
In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable.	
Maximum amount of investment to be made	PKR 200 million	
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries	
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own Fund	
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None	
Direct or indirect, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration		
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	Not applicable	
Any other important details necessary for the members to understand the transaction;	None	
Category-wise amount of investment;		

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

**Renewal of advance Rs. 100 million in its associated company TPL Mobile (Private) Limited.**

The Company is desirous to renew its advance made to TPL Mobile (Private) Limited. The advance amount was initially approved by the Board of Directors and its renewal approved by the members subsequently to a maximum amount of Rs. 100 million on 10th October 2017. The outstanding balance due to TPL Mobile (Private) Limited as at 30th June 2018 amounts to Rs. None. The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on August 17, 2018.

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

Name of the associated company or associated undertaking	TPL Mobile (Private) Limited	
Basis of relationship	Subsidiary	
Earnings per share for the last three years of the Associated Company	Not applicable	
Break-up value per share, based on latest audited financial statements	Not applicable	
Financial position of the subsidiary company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the year ended June 30, 2018 is as follows:	
	<b>Balance Sheet</b>	<b>Rupees</b>
	Non-current assets	N.A.
	Other assets	N.A.
	<b>Total Assets</b>	N.A.
	<b>Total Liabilities</b>	N.A.
	<i>Represented by:</i>	
	Paid up capital	
	Accumulated Profit	N.A.
	Surplus on Revaluation of Fixed Assets	N.A.
	<b>Equity</b>	N.A.
	<b>Profit and Loss</b>	
	Profit/(Loss) before interest and taxation	N.A.
	Financial charges	N.A.

	Profit/(Loss) before taxation	N.A.
	Taxation	N.A.
	<b>Profit/(Loss) after taxation</b>	N.A.
In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable.	
Maximum amount of investment to be made	PKR 100 million	
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries	
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own Fund	
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None	
Direct or indirect, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Ali Jameel is the common director of the Company and TPL Mobile (Pvt.) Limited	
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	Not applicable	
Any other important details necessary for the members to understand the transaction;	None	
Category-wise amount of investment;		

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

# PROXY FORM

Annual General Meeting of TPL Corp Limited 2017-18

I/We \_\_\_\_\_ s/o, w/o, d/o \_\_\_\_\_  
resident of (full address) \_\_\_\_\_  
being member(s) of \_\_\_\_\_ and holder of \_\_\_\_\_  
number of Ordinary shares as per Share Register Folio No. \_\_\_\_\_  
and/or CDC Participant I.D No. \_\_\_\_\_ and Sub Account  
No. \_\_\_\_\_ hereby appoint \_\_\_\_\_  
s/o, w/o, d/o \_\_\_\_\_ resident of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ s/o, w/o d/o \_\_\_\_\_  
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 October 17, 2018 and at any adjournment thereof.  
Signature this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

## Witness 1:

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



## Witness 1:

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

(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.
- 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.

#### ہدایات:

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

# (نیابت) پراکسی فارم

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

\_\_\_\_\_ ہے، \_\_\_\_\_ کا نمبر ہوں/ہیں۔

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

\_\_\_\_\_ جن کارڈ نمبر \_\_\_\_\_

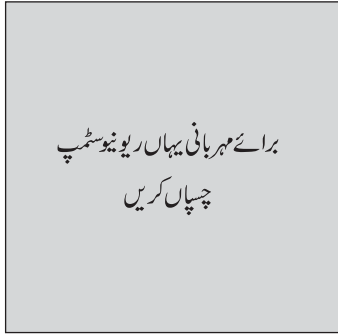
\_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ بذریعہ تقرر \_\_\_\_\_

\_\_\_\_\_ جس کا مکمل پتہ \_\_\_\_\_

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

میری جانب سے کمپنی کی سالانہ جنرل میٹنگ میں، جو کہ 17 اکتوبر 2018 کی میٹنگ، یا اس کے التواء کی صورت میں اس کے بعد جب بھی میٹنگ ہو، میری نیابت (پراکسی) میں میری طرف سے ووٹ دینے کا حق رکھتا/ رکھتی ہے۔

زیر دستخطی \_\_\_\_\_ دن \_\_\_\_\_ 2018



1- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_

پاسپورٹ نمبر \_\_\_\_\_

2- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_

پاسپورٹ نمبر \_\_\_\_\_

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



**CORPORATE OFFICE**

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

Email: [info@tplcorp.com](mailto:info@tplcorp.com), Website: [www.tplcorp.com](http://www.tplcorp.com)

