



 **TPLTrakker**
CONNECTING THE FUTURE

Annual Report |
2022-23



Connecting the Future

Our core expertise lies in bridging the gaps for businesses with Innovations, technology and telematics. The IoT and vehicle tracking solutions and services we offer are the epitome of commitment to establishing enduring connections with our clients, founded upon trust. Our services empower businesses to forge connections with the future, enabling them to maintain operations that are futuristic and driven by transformative ideas, seamless connectivity, and a shared vision of progress.

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IOT

TPL Trakker's comprehensive Internet of Things (IoT) solutions are customized for businesses seeking operational automation. Our expertise lies in establishing seamless connections between individuals and machinery, culminating in an intricate network of streamlined commands and swift actions. Our solutions cater to diverse industries, empowering them to efficiently manage remotely connected devices, leverage insightful analytics, and derive informed, data-driven results for impactful results. One of the most compelling advantages of our IOT solutions is the unparalleled potential for cost savings. Through real-time monitoring and data-driven insights, businesses can optimize their operations, leading to potential operational cost reductions of up to 25%.



Trakking

With an impressive track record spanning more than two decades in the GPS tracking industry, we excel in connecting the future for our clients. Our specialized services are dedicated to assisting clients in the precise acquisition of vehicle data, transforming this information into actionable insights. This strategic approach not only serves to mitigate costs and potential risks but also significantly elevates operational efficiency and safety standards, ensuring you're prepared for the challenges and opportunities of tomorrow. Our comprehensive suite of products and services is designed with customization in mind, allowing you to maintain vigilant control over your valuable assets while connecting you to the future.



Telematics

As trailblazers in the Telematics sector within Pakistan, we specialize in facilitating the seamless integration of smart devices and corporate entities. Our mission is to empower corporations to streamline their operational costs while harnessing data and information resources with utmost efficiency. With a track record of serving over half a million vehicles, we are committed to enabling businesses to forge connections with the cutting-edge technology and future prospects. Armed with cutting-edge technology and advanced analytics, we unleash the potential within data streams, transforming them into strategic resources that drive data-driven decisions.



Vision

Creating value through digital transformation.

Mission

Delivering telematics to connect mobile assets, people and businesses.



Core Values

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



Business Transformations



Innovative Solutions Driving Operational Efficiency

In a world increasingly reliant on uninterrupted power supply, TPL Trakker remains at the forefront, revolutionizing the industry with our state-of-the-art genset monitoring and power-saving solutions. As we reflect on the past year, we take pride in the strides we have made in enhancing operational efficiency, reducing costs, and supporting sustainable practices.

With up to 25% cost saving, our genset monitoring system, powered by cutting-edge IoT technology, has emerged as a cornerstone in ensuring reliable backup power solutions. Real-time data collection and analysis of critical parameters, including fuel levels, engine performance, and load dynamics, enable proactive maintenance and precise decision-making. Through continuous monitoring, we empower our clients to predict, prevent, and swiftly address any potential issues, minimizing downtime and maximizing performance.



A Sustainable Approach

At TPL Trakker, sustainability is at the heart of our operations. Our power-saving solutions are designed to not only optimize energy consumption but also minimize the environmental impact. By smartly implementing advanced technologies, we enable our clients to achieve significant cost saving without compromising productivity.

We are dedicated to further advancements in genset monitoring, integrating AI-driven analytics, expanding our IoT capabilities, and fostering strategic partnerships to offer comprehensive and reliable solutions to our esteemed clients.



Upgraded Digital Experience

Over the past year, we have proven a steadfast commitment to delivering an exceptional and seamless digital experience to our valued customers. We successfully launched a secure 24/7 digital online portal, enabling our customers to conduct transactions, purchase and pay for Trakker, upgrade their packages, and manage payments for pending dues and annual maintenance charges. This significant milestone was achieved to simplify the digital journey for our esteemed clientele.



Upgraded App

We undertook a comprehensive revamp of our mobile app, introducing a simplified interface to enrich our customers' experience. We also integrated a crucial 'SOS' button, reinforcing our dedication to their safety and well-being.



Units Tracked
550,000+



Stolen Vehicle Recovery
90%



Monthly Active Users
90,000+



Total Digital Users
180,000+



Scan QR Code to
Download App

TPL Maps

TPL Maps uses location data and AI to help enterprises optimize their supply chains and revenue channels. TPL Maps is Pakistan's only native location player and works with leading enterprises to drive operational, revenue, and cost optimizations to increase profitability. Moreover, TPL Maps launched Pakistan's first native navigation app, which provides hyperlocal solutions to everyday mobility challenges in Pakistan.

10+
Data
Scientists

50+
Geospatial
Analysts

S1
License from
Survey of
Pakistan

30M+
API Calls/Month

Key Product Offerings



Location Data

Hyper local data available through mapping, navigation and location APIs allowing you to make informed location-based decisions and scale effectively.



Location Intelligence

AI that drives profitability improvements through fraud prevention, supply chain optimization, and other white space analysis.



GIS as a Service

Custom platform development, field surveys, data gathering and digitizing capabilities in geospatial data sets and more.



Navigation App

Pakistan's first and only native navigation app, with hyperlocal maps of Pakistan, detailed directions, road works, fuel cost optimization and more.

Blue Chip Clients



Backed by Big Data



3M+
Homes & Residences



3M+
Businesses & Buildings



1M+ km
Road Network



380+
Cities Mapped



Data
Partnerships



Online
Sources



In House
Surveying

Data Collection

Dedicated Team Countrywide
Bespoke Customer Surveying
Frequent Data Refreshing
Targeted and Smart Surveying

Government Agencies
Telecom Companies
Credit Bureaus
Client & Other Partner Data

Crowdsourcing
Public Data
Other APIs

Most Popular APIs

Place Details

Opening times, contact information and other details on businesses

Directions

Provide directions for driving between multiple locations

Isochrone

Targetable area based on time and distance

Geocoding

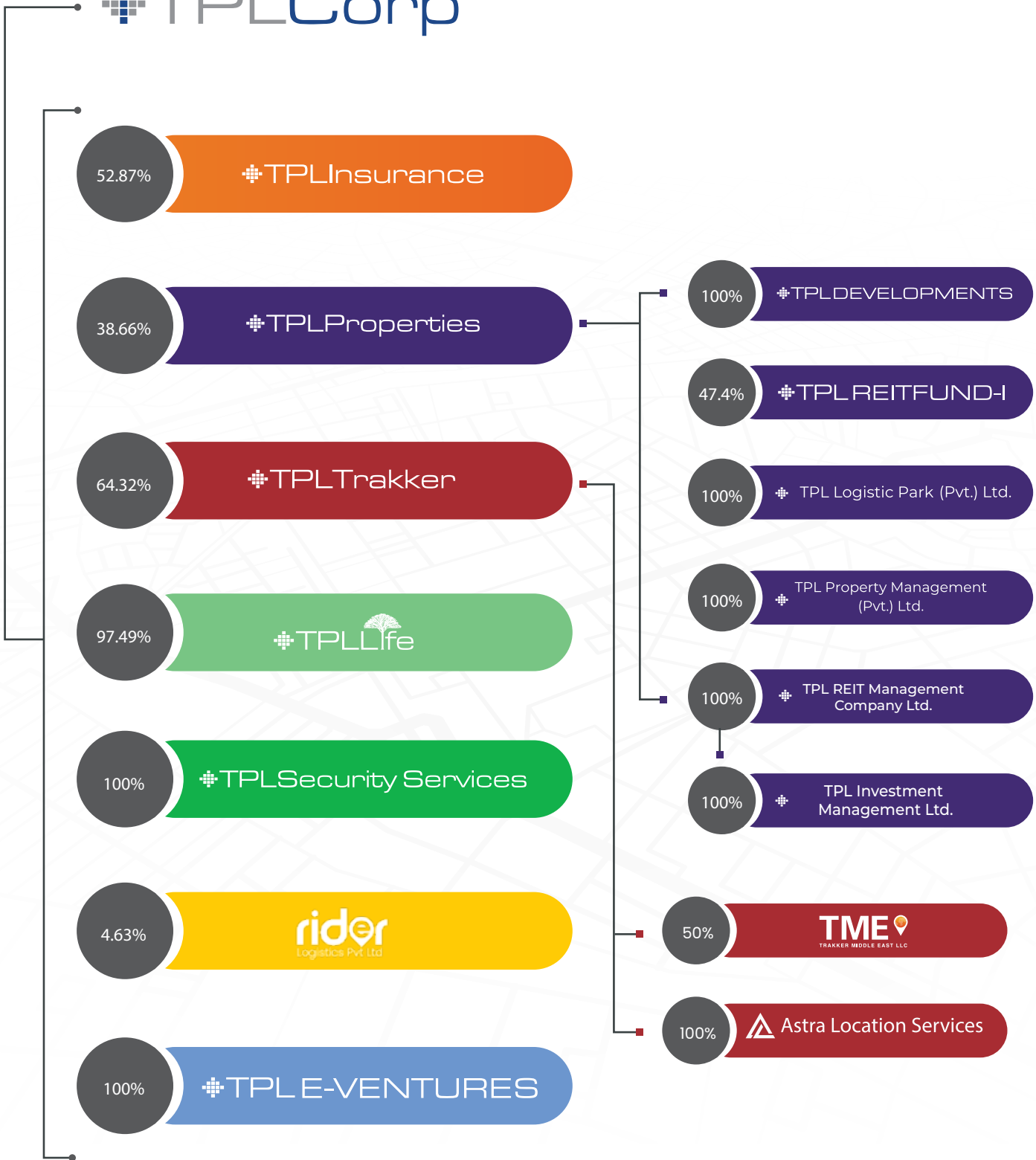
Convert addresses to geographic coordinates

Download Our App Now



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TPL Corp



Company Information

BOARD OF DIRECTORS

Jameel Yusuf Ahmed S.St

Nausheen Javaid Amjad

Mohammad Riaz

Brigadier (R) Muhammad Tahir Chaudhry

Omar Askari

Jamil Akbar

Amjad Waqar

Sarwar Ali Khan

Chairman

Director

Director

Director

Director

Director

Director

Director

CHIEF EXECUTIVE OFFICER

Rao Salman

CHIEF FINANCIAL OFFICER

Malik Ahmed Sheheryar

COMPANY SECRETARY

Shayan Mufti

AUDIT COMMITTEE

Omar Askari

Jamil Akbar

Mohammad Riaz

Hashim Sadiq Ali

Chairman

Member

Member

Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Omar Askari

Mohammad Riaz

Rao Salman

Nader Bashir Nawaz

Chairman

Member

Member

Secretary

AUDITORS

BDO Ebrahim & Co.

Chartered Accountants

LEGAL ADVISOR

Mohsin Tayebaly & Co

Bankers

Al Baraka Bank (Pakistan) Limited

Askari Bank Limited

Bank Al Habib Limited

Bank Alfalah Limited

BankIslami Pakistan Limited

Dubai Islamic Bank (Pakistan) Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Habib Metropolitan Bank Limited - Islamic Banking

JS Bank Limited

Mobilink Microfinance Bank Limited

National Bank of Pakistan

Silkbank Limited

Standard Chartered Bank (Pakistan) Limited

Summit Bank Limited

United Bank Limited

SHARE REGISTRAR

M/s THK Associates (Pvt.) Limited,

Plot No. 32-C, Jami Commercial Street 2, D.H.A.,

Phase VII, Karachi-75500 Pakistan

Tel: (021) 34168270

UAN: 111-000-322

FAX: (021) 34168271

REGISTERED OFFICE

Plot 1-A, Sector No. 24, near Shan Chowrangi,

Korangi Industrial Area, Karachi

Postal Code: 74900

CORRESPONDENCE OFFICE

20 Floor, Sky Tower-East Wing, Dolmen City,

HC-3, Block 4,

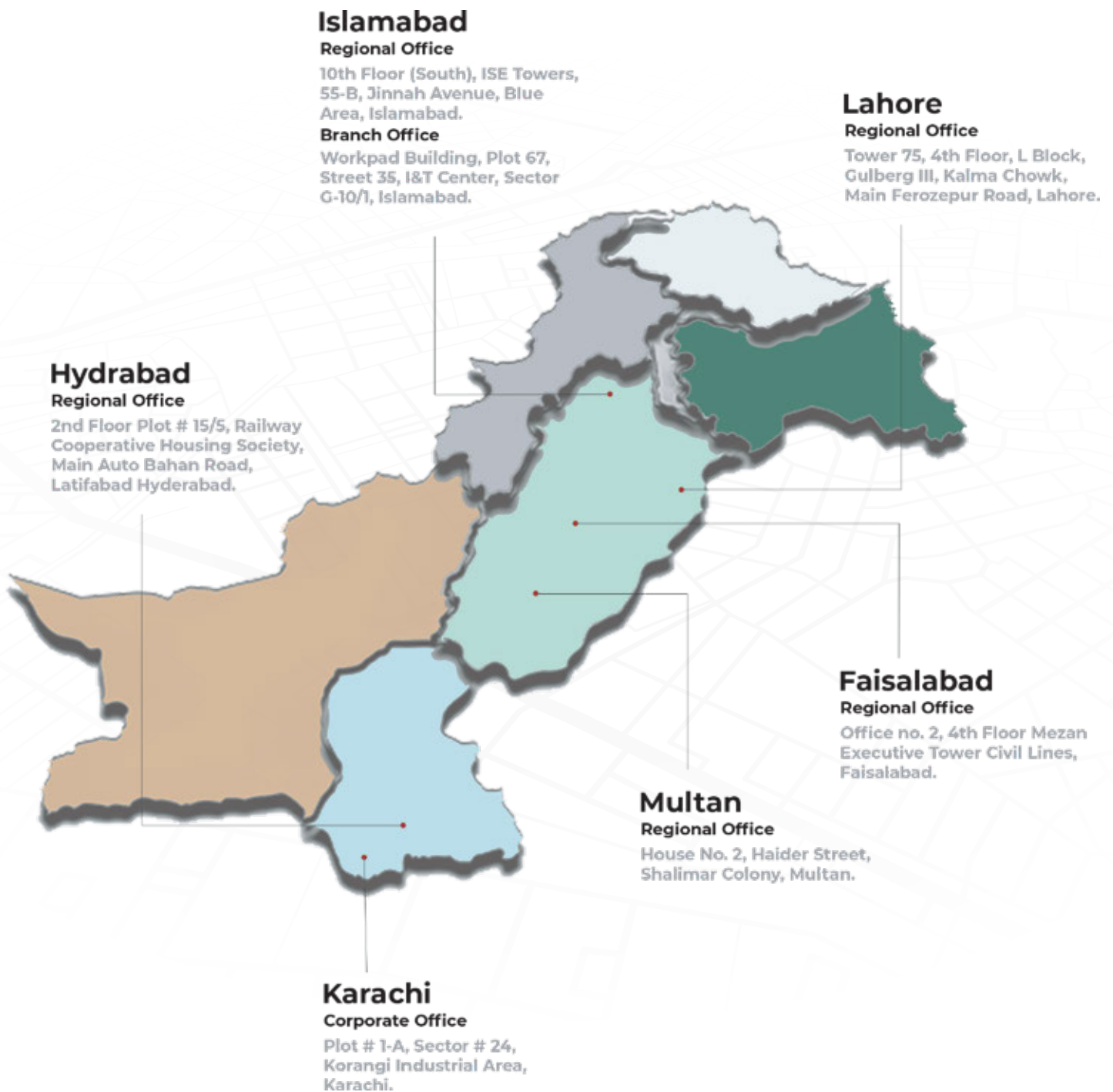
Abdul Sattar Edhi Avenue, Clifton, Karachi.

Postal Code: 75600

Web Presence

www.tpltrakker.com

Geographical Presence



Chairman's Review

I am privileged to announce to our esteemed members the performance of the Board of Directors of TPL Trakker Limited ("Company"). Despite the challenges posed by the country's economic downturn and currency devaluation, the Company has made significant strides in operational profitability, and the Board is pleased with the Company's progress.



Our Board comprises of individuals with diverse skills, knowledge, and industry experience, providing invaluable support to the Management team, which in turn, drives the consistent and positive growth of the Company. This enables the Board to consistently offer expert guidance and support to the management team. The Board is dedicated to upholding principles of transparency, accountability, and sound corporate governance as essential components of fulfilling its responsibilities. The Board sub-committees have met regularly throughout the year, ensuring the correct implementation of audit and remuneration structures and processes by the management.

On behalf of the Board, I would like to extend my gratitude to our valued shareholders, management, employees, and all other stakeholders of the Company. We hope that the Company continues to thrive and progresses toward a profitable future in the years ahead.

A handwritten signature in black ink, appearing to read "Jameel Yusuf S.St.", written over a white background.

Mr. Jameel Yusuf S.St.

Chairman of the Board

As of June 30, 2023

CEO's Message

Our journey from a vehicle tracking service provider to a leading force in telematics, IoT, and location-based intelligence is an homage to our ingenious spirit and global competitiveness. This legacy of ambition fills me with confidence for both our exceptional team and the future of our iconic brand.



As we navigate through the complexities of this age of data, our dedication fortifies harnessing technology's potential and efficiency for our valued clientele. Tracking over 1 billion kilometers and generating over 3 million alerts during the year, the power of our data analytics platforms provided our clients with real-time visibility and actionable intelligence to streamline their growing operations and serve their customers better.

Our IoT solutions present an array of compelling benefits, allowing users to analyze fuel consumption and optimize predictive schedules, ensuring seamless business operations, and enabling remote monitoring and control while simultaneously reducing costs and minimizing carbon footprints. I want to highlight how the power of innovation and persistence has allowed us to develop truly localized telematics and IoT solutions to help our fellow corporate citizens across Pakistan and the GCC.

The most recent milestone to highlight here is our localized Gen-Set Fuel Monitoring product. Deployed along with our proprietary digital dashboards and analytics, the solution provides a one-stop shop for all operational and cost optimization needs for valuable assets spread across any diverse network nationwide. We have already on-boarded and deployed this solution across major corporations, including banks, who are continuously validating the product while also providing new insights for continuous advancements and customization locally.

Additionally, our strategic alliances with government entities, such as FBR, SNGPL, and Punjab's municipal corporations and waste management companies, have further strengthened our presence and authority in the local market. Our Stolen Vehicle Recovery rate remained well above 90%, which is a testament to our Control Tower Task Force, which works round-the-clock to protect your valuable assets.

With PACRA reaffirming our A-/A2 rating along with a stable outlook, and TPL Trakker recently bagging the Brand of the Year Award for Excellence in Telematics, IOT, and Fleet Management Solutions, this is proof not only of the resilience of our business model but also of the financial discipline underpinning our exceptional growth.

Our presence in the GCC region has been growing stronger and bigger by the year. Trakker Middle East successfully achieved 99% 2G/4G conversion of its total fleet in compliance with UAE regulations this year. Moreover, new partnerships matured with organizations like Emirates Transports, Fast Riders, Gargash Equipment Solutions, Veolia, and Emirates Global Aluminum, to name a few.

As we begin a new chapter in our journey ahead, our corporate mission of connecting the future—which includes delivering cutting-edge telematics and IOT solutions and building sustainable value for businesses—remains steadfast. I have faith that our adaptability and resilient nature will continue to set us apart despite the challenges ahead.

Thank you for your trust and support.

A handwritten signature in black ink, appearing to read 'R. Salman'.

Rao Salman

Chief Executive Officer
TPL Trakker Limited

Board Of Directors



Mr. Jameel Yusuf S.St.
Chairman



Mr. Rao Salman
CEO



Ms. Nausheen Javaid Amjad
Director



Mr. Omar Askari
Director



Mr. Amjad Waqar
Director



Mr. Jamil Akbar
Director



Mr. Sarwar Ali Khan
Director



Brigadier (R) Muhammad Tahir Chaudhary
Director



Mr. Mohammad Riaz
Director

Profile of Directors

Mr. Jameel Yusuf S.St. - Chairman

A businessman by profession and the Chairman of TPL Corp Ltd. He is the founding 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 "PANAH", a shelter established for women in distress. Mr. Yusuf has also been a member of the Advisory Council Fellowship (WWC) since 2004. He was awarded the Presidential Award "Sitara-e-Shujaat" for gallant services in August 1992 and was also nominated for the First United Nations Vienna Civil Society Award in 1999. He has also been appointed as a Member of the Committee formulated by National Accountability Bureau for redressal of business community's grievances.

Rao Salman - CEO

Mr. Rao Salman is the Chief Executive Officer at TPL Trakker Limited & Trakker Middle East. With over 22 years of expertise in Leadership, Business Management, Customer Success, Organizational Development, and Business Transformation, he has consistently delivered sustainable growth and remarkable results throughout his career. His recent role as Director of Sales & International Business Development at Pakistan Cables Limited stands as a testament to his strategic insights and global partnership skills, which resulted in impressive sales contributions and historical bottom-line figures. Prior leadership roles at IBL Group and TCS Express & Logistics showcased his exceptional abilities in expanding organizational presence. With a Master's degree in Marketing from IoBM and a bachelor's degree in Engineering from NED University of Engineering, Mr. Salman's unique educational background complements his well-rounded business expertise.

Nausheen Javaid Amjad - Director

Ms. Nausheen has been in the Government Service for 36 years and retired as a Federal Secretary in April 2021. She held many key positions in the Federal Government including the Chairperson of the Federal Board of Revenue, also being the first female to finalize the Federal Budget 2021. She spent majority of her time in the Inland Revenue Services and held key positions in the field formation and at FBR headquarters including Member, Administration, Audit and Information Technology. She played a pivotal role in improving and formulating the Audit, IT along with external and internal Communication Policies. She has also garnered vast experience of working with international agencies including IMF, World Bank, OECD, DIFD and HMRC. Earlier, she has been the Chief Commissioner and Commissioner of largest tax jurisdictions of Pakistan i.e. Large Taxpayers Unit, Karachi.

She is a certified director from Pakistan Institute of Corporate Governance and is representing Government of Pakistan on many important boards including, Pakistan Media Regulatory Authority, National Council of Arts, Academy of Letters etc. Nausheen is part of non-profit organizations including Parveen Shakir Foundation and has been an advocate of Women Empowerment and Diversity.

Sarwar Ali Khan - Director

Mr. Sarwar Ali Khan is the Director of TPL Trakker Limited, which has for over 19 years been a pioneer in the Telematics + IoT industry in Pakistan. TPL Trakker helps customers extract and turn data about vehicles and their use into intelligence that improves operations and safety while reducing costs and risks. Trakker provides reliable end-to-end solutions for individuals, commercial fleets, businesses and automotive industry suppliers.

Sarwar started his career with Accenture, US where he worked for over 5 years. In 2010 he started working with National Bank of Pakistan where he headed the IT Department until 2012. On completion of his MBA in 2013 he was recruited by Samsung, Seoul to work for the Samsung Global Strategy Group which is part of the Samsung Chairman's Office.

Sarwar received his BS in Computer Science from the University of Wisconsin – Madison in 2005. He later went on to complete his MBA from INSEAD, France in 2013.

Brigadier (R) Muhammad Tahir Chaudhary - Director

Brigadier (R) Chaudhary is Non-Executive Director on the Board of the Company and comes along with more than 30 years of experience. Due to his known R & D skills and IT qualifications, he conceptualized and developed surveillance & Control system. He has also developed many projects related to Cyber Security recognized at national level.

Brigadier Chaudhary is MS (IT), M.Phil. Engineering Management and Ph.D. Scholar for Information Security Management. He is specialized in Engineering Project Management from Center for Advanced Studies in Engineering. Due to his acumen and highest qualification in the field of Information Technology and Information Security Management, he also framed "Pakistan's Cyber Security Policy".

Mohammad Riaz - Director

Mr. Mohammad Riaz holds a Master's degree in Development Economics from Williams College, Massachusetts USA and MSc in Defense and Strategic Studies from National Defense University.

He has served as Commercial and Economic Counselor in Paris and Counsel General, Turkey. Due to his active involvement in Public Affairs, he was posted as DG Social Sector at the Prime Minister's Secretariat. Mr. Riaz has also served as Member/ DG Customs for 4 years. He retired as the Federal Secretary and his last posting was Secretary, National Assembly of Pakistan. He also served as Director, State Bank of Pakistan (SBP) in 2016. Moreover, he was a member of the Monetary Policy Committee of Pakistan. Mr. Riaz has served the Government of Pakistan for over 37 years. He is presently the Independent director at Pakistan Tobacco Company.

Mr. Riaz is also serving as Director on the Board of TPL Life Insurance Limited, TPL REIT Management Company Limited and TPL Trakker Limited.

Jamil Akbar - Director

Mr. Jamil Akbar has more than 20 years of multinational experience as an investor and operator having led M&A and Strategy at Fauji Foundation, been Pakistan Country Head for Emaar, and spent a decade at the Abraaj Group, including an operational and turnaround role at K-Electric. His early career was spent in London with KPMG UK. Mr. Akbar holds an MBA from INSEAD, is a Chartered Accountant from the Institute of Chartered Accountants in England & Wales (ICAEW) and holds a BEng. (Mechanical) from Imperial College (UK).

Amjad Waqar - Director

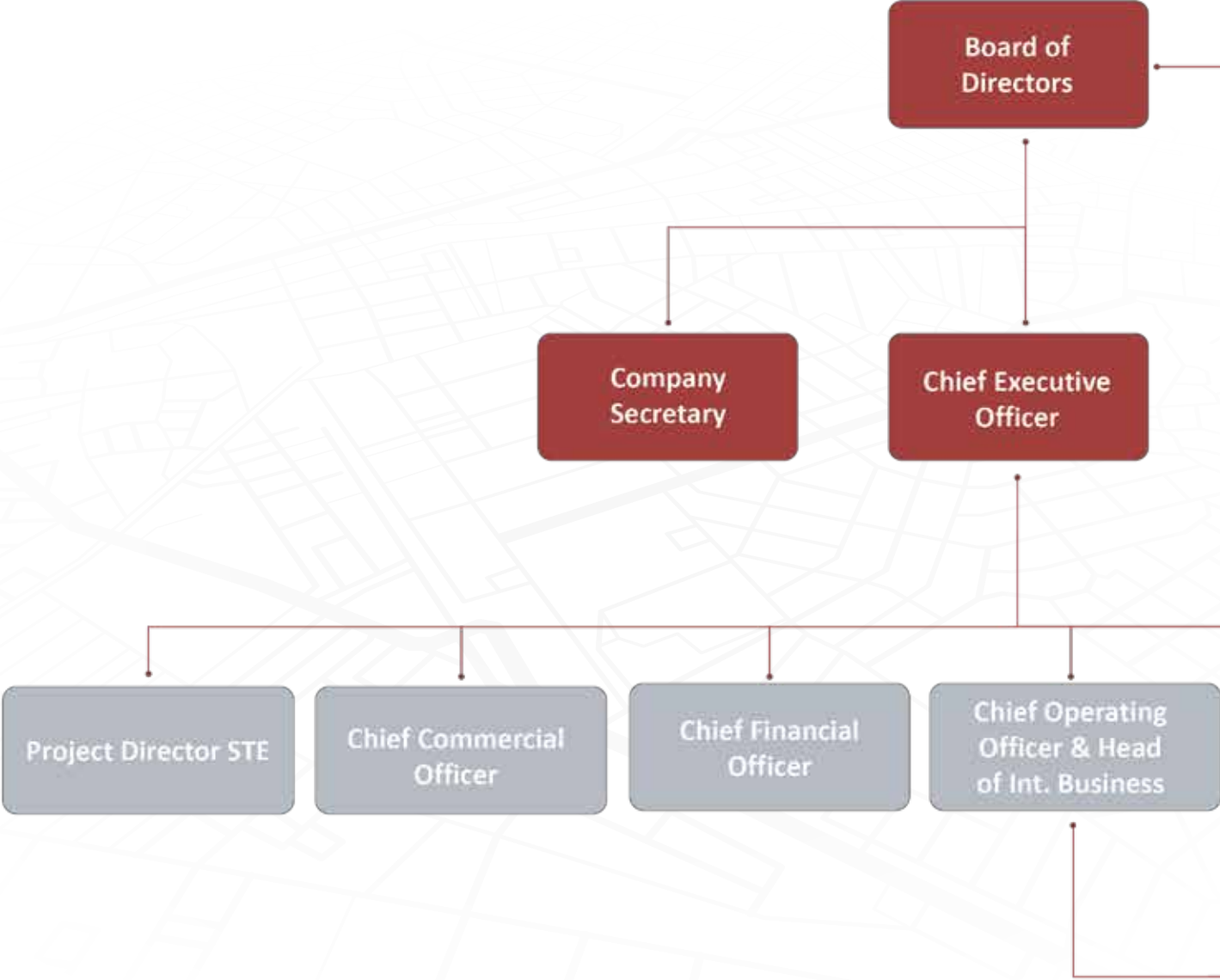
Mr. Amjad Waqar has nineteen (19) years of experience with various listed and unlisted companies as Group CFO, CFO and HOD of various departments in large business houses and conglomerates. Yunus Brother Group / Lucky Cement Ltd, Pioneer Cement Limited, Mega & Forbes Group, Abbas Steel Group are the few names where he served and supported organizations in achieving their business goals and objectives.

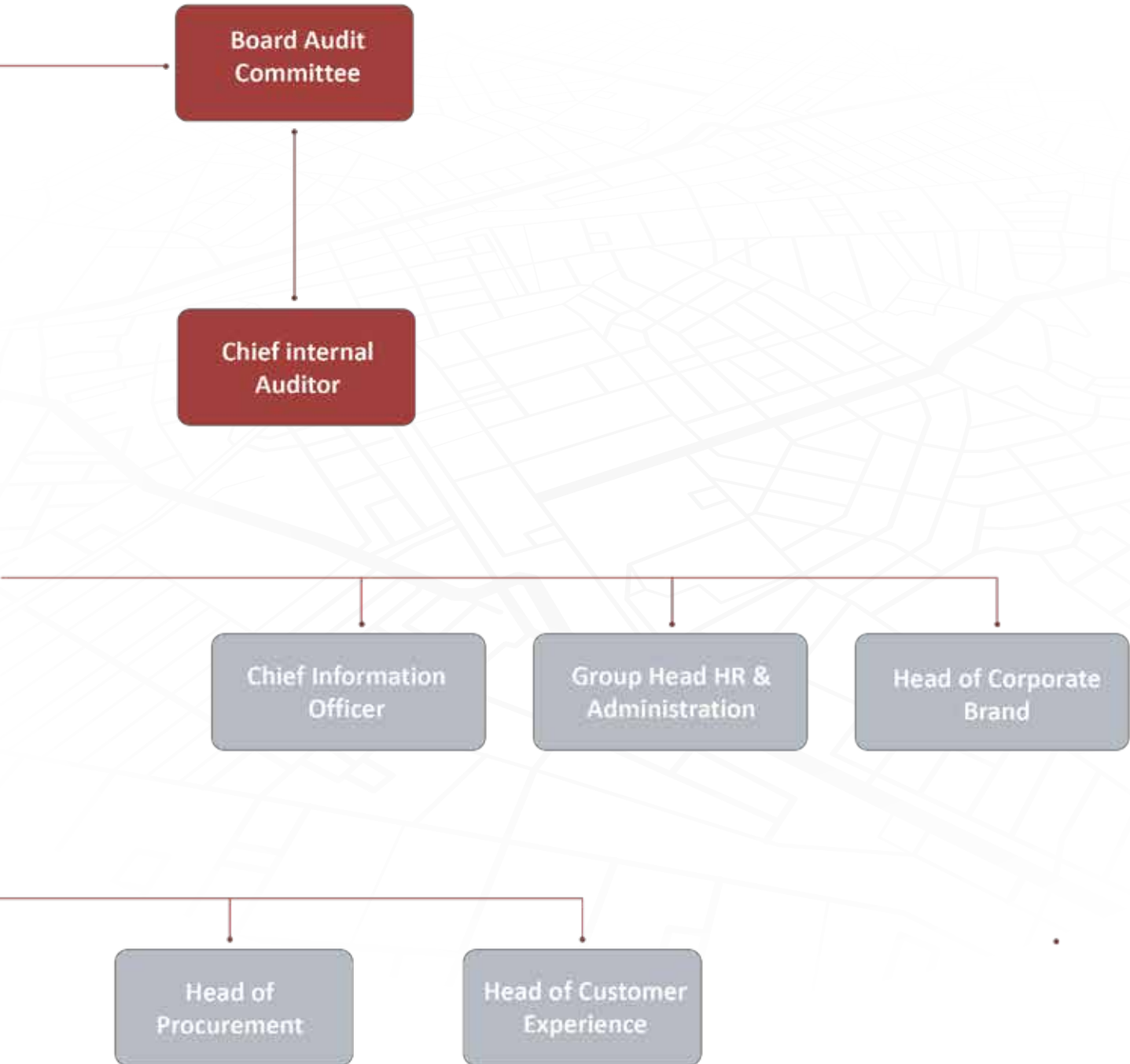
Amjad has vast experience of Investments, business expansions, merger & acquisitions within Pakistan and abroad. He is a fellow member ICAP (The Institute of Chartered Accountant of Pakistan) and ACCA (The Association of Chartered Certified Accountants, UK).

Omar Askari - Director

Mr. Askari is the founder and CEO of Wali Venture Technologies, a company that is making Islamic insurance and financing easily accessible for the Muslim world. Mr. Askari has previously been the global head of business development for Revolut in London and before that Head of Business for Uber in Pakistan. His career spans twenty years in investment banking, hedge fund asset management, real estate and energy. He has been a visiting lecturer in IBA and earned his MSC. from the London School of Economics and undergraduate degree from Brown University.

Organizational Structure





Sustainable Actions

Childlife Foundation

ChildLife is providing the full spectrum of medical care, from emergency rooms, to primary clinics, down to preventive practices. The Foundation has 11 state-of-the-art model emergency rooms in Pakistan. ChildLife Foundation also runs 30 primary care clinics in Karachi's slum area and runs a Preventive Healthcare Program that has reached over 190,000 families so far. Our contribution towards the Emergency Room (ER) has positively impacted approximately 1500 children's well-being.



Blood Donation Drive

In collaboration with the Indus Hospital & Health Network (IHHN), we organized a Blood Donation Drive at the TPL Trakker office in November where our employees voluntarily donated to save lives

30 Volunteers
 +20 Blood bags collected
 60 Lives saved

Diversity & Inclusion

Embracing the principles of diversity and inclusion, we have taken substantial strides to cultivate a work environment that values and welcomes individuals from all backgrounds.

TPL Women Leaders Award

We introduced the TPL Women Leaders Award with the primary objective of recognizing and celebrating the significant contributions of women within our organization. This award serves as a platform to honour the exceptional achievements, leadership qualities, and relentless dedication displayed by women at TPL.

Pehchaan Program

As an equal opportunity employer, we proudly welcomed a new cohort of uniquely-abled individuals for internships under the 'Pehchaan Program' in partnership with Ida Rieu. This not only embodies our commitment to promoting diversity and inclusion within the workplace but also reflects our values of empathy, empowerment, and equality.

Climate2Equal

TPL takes pride in its involvement in the Climate2equal initiative, a project led by the International Finance Corporation (IFC) and the Pakistan Business Council (PBC). This collaboration focuses on increasing the inclusion of women within the workplace and incorporating climate action to help boost Pakistan's economy. Our active participation focuses on promoting gender equality and recognizing its contribution towards climate action.

11th Annual International Women Leaders' Summit

The 11th Annual 'International Women Leaders' Summit, organized by New World Concepts, convened global leaders to share their success stories and inspire others to assume leadership roles. This year, a selected group of our female employees attended the conference to gain insights from prominent global and local women leaders.

Employee Friendly Policies

- Flexible Working Hours** We have implemented a flexible working hours policy exclusively designed for our female employees. The policy empowers new mothers to customize their work schedules and responsibilities when returning from maternity leave. It is a clear demonstration of our commitment to supporting our employees through various stages of life.
- Gender-Inclusive Hiring** TPL Insurance has established a policy to allocate a minimum of 30% of available positions to the hiring of female staff across all departments. This proactive measure aims to address gender imbalances in the economy and create equitable opportunities for both men and women.

Climate Change Conference

As the platinum sponsor of the conference; 'Climate Change And Karachi - Building Coastal Resilience', TPL provided the platform for key government officials and industry experts to address pressing environmental issues and the need to build a climate action roadmap. The conference also embraced sustainable practices by transitioning to eco-friendly giveaways for the attendees, limiting the use of plastics and choosing consumable items. Additionally, marketing materials like panaflex skins were recycled post-event.



Weekly Sustainability Tips

To empower our employees across TPL to take responsibility for their actions, we have initiated a series of weekly emails to share tips that can be used in everyday life to create a sustainable environment for future generations.

Approx. **1500** employees reached weekly

Hepatitis Screening

In partnership with The Health Foundation, we hosted a Hepatitis Screening Camp at our offices. The primary objective of this initiative was to promote awareness of the disease and provide a platform for early detection and timely treatment.



Approx. **200** employees tested

TPL Recharge

A cycling activity was organized under the TPL Recharge program which focuses on nurturing the holistic wellness of our employees and fostering a healthy workplace



Learning & Development Training

For the continuous growth of our employees in their professional endeavours, we regularly conduct trainings (soft and technical).



Awareness Sessions

Some of the well received awareness sessions in collaboration with Mentor Health were as follows:



Scaling for Impact

Over the years, TPL has supported over 50 non-profit organizations, educational institutes, and charitable trusts across Pakistan, ranging from local charities to international NGOs and universities. At TPL, we believe a collective change begins with understanding the challenges faced by our communities.



Horizontal Analysis Balance Sheet

| | 2023 | | 2022 | | 2021 | | 2020 | | 2019 | |
|--|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|
| | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % |
| Fixed Assets | 759,130,427 | 3% | 736,172,722 | -34% | 1,118,248,281 | 6% | 1,059,232,338 | -34% | 1,602,145,206 | 44% |
| Intangible Assets | 1,189,783,563 | -44% | 2,140,841,064 | 0% | 2,131,271,500 | 0% | 2,138,388,733 | 86% | 1,151,299,734 | 0% |
| Right-of-use assets | 80,436,222 | -32% | 118,591,439 | 10% | 107,974,195 | 49% | 72,269,178 | 100% | - | 0% |
| Long-term investments | 694,552,732 | 257% | 194,552,732 | 0% | 194,552,732 | 129% | 85,030,450 | 0% | 85,030,450 | 100% |
| Long-term Advances | 772,908,802 | 100% | - | 0% | - | 0% | - | 0% | - | 0% |
| Long term loans | 1,839,391 | 290% | 471,612 | 129% | 205,713 | -69% | 669,898 | 5% | 637,436 | 46% |
| Long term deposits | 49,234,317 | 31% | 37,699,947 | 44% | 26,194,868 | -23% | 33,953,962 | -28% | 47,100,425 | -11% |
| Deferred tax assets - net | 138,256,544 | -30% | 198,197,600 | 232% | 59,673,043 | -6% | 63,764,748 | 788% | 7,178,349 | 431% |
| Stock-in-trade | 334,168,757 | -10% | 369,984,768 | -12% | 420,445,073 | 71% | 246,221,725 | -8% | 266,339,657 | -18% |
| Trade debts | 983,315,742 | 20% | 819,745,922 | -27% | 1,123,767,028 | 10% | 1,022,872,997 | -22% | 1,309,502,023 | 1% |
| Loan and advances | 39,181,884 | 14% | 34,329,356 | -46% | 63,023,917 | -42% | 107,834,467 | 173% | 39,435,026 | -1% |
| Trade deposits and prepayments | 20,437,473 | -40% | 34,253,270 | 6% | 32,412,327 | -47% | 61,494,946 | 41% | 43,674,281 | -14% |
| Interest accrued | 482,530,361 | 36% | 355,675,133 | 22% | 291,255,846 | 127% | 128,444,634 | 76% | 73,054,250 | 131% |
| Other receivables | 28,737,788 | -1% | 29,158,769 | 66% | 17,607,533 | -40% | 29,339,542 | 111% | 13,934,042 | -26% |
| Due from related parties | 649,676,272 | -29% | 915,409,731 | -39% | 1,493,574,743 | 39% | 1,071,684,058 | 86% | 576,290,498 | 81% |
| Taxation - net | - | 0% | - | 0% | - | 0% | - | -100% | 42,478,304 | 220% |
| Cash and bank balances | 125,525,834 | 5% | 120,014,072 | -9% | 132,203,982 | 588% | 19,221,288 | -3% | 19,830,816 | 40% |
| TOTAL ASSETS | 6,349,716,109 | | 6,105,098,137 | | 7,212,410,781 | | 6,140,422,964 | | 5,277,930,497 | |
| Issued, subscribed and paid-up capital | 1,872,630,930 | 0% | 1,872,630,930 | 0% | 1,872,630,930 | 55% | 1,204,425,930 | 30% | 929,262,520 | 54% |
| Capital reserve | 202,650,046 | 0% | 202,650,046 | -13% | 232,690,046 | 58% | 146,817,136 | 100% | - | 0% |
| Revenue reserve | 1,953,782 | -96% | 44,227,795 | -123% | (189,432,169) | 131% | (82,063,384) | -164% | 128,476,899 | -65% |
| Other components of equity | 295,018,671 | 279% | 77,760,820 | -79% | 362,683,585 | 28% | 284,432,213 | -49% | 555,272,027 | 143% |
| Long-term financing | 476,140,219 | -38% | 769,301,702 | -27% | 1,049,650,530 | 167% | 393,263,634 | 31% | 300,000,000 | -50% |
| Lease liabilities | 44,286,102 | -51% | 89,833,930 | 10% | 81,889,252 | 210% | 26,419,021 | -49% | 52,145,571 | 10246% |
| Long-term loans | - | 0% | - | -100% | 68,367,855 | -70% | 227,448,306 | 53% | 148,888,890 | -52% |
| Government grant | - | 0% | - | -100% | 797,103 | -55% | 1,781,008 | 100% | - | 0% |
| Trade and other payables | 1,382,786,556 | 29% | 1,075,878,630 | -17% | 1,293,755,026 | 38% | 935,825,506 | 25% | 750,929,062 | 9% |
| Accrued mark-up | 107,845,033 | 49% | 72,529,878 | -25% | 96,437,639 | -31% | 140,061,771 | 106% | 68,100,451 | 11% |
| Short-term financing | 300,415,638 | 53% | 196,701,371 | -17% | 235,953,736 | -83% | 1,394,169,173 | 10846% | 12,737,305 | -34% |
| Running finance under mark-up arrangements | 794,368,862 | 4% | 767,102,058 | -28% | 1,062,507,117 | -4% | 1,105,194,287 | 12% | 988,025,014 | 5% |
| Current portion of non-current liabilities | 337,632,046 | -17% | 405,261,087 | -46% | 753,189,884 | 185% | 264,050,183 | -58% | 627,321,359 | 86% |
| Due to related parties | 335,365,141 | -19% | 414,753,666 | 85% | 224,422,893 | 370% | 47,772,963 | -93% | 670,119,700 | 53% |
| Taxation - net | 63,440,177 | 126% | 28,098,976 | -9% | 31,014,251 | 127% | 13,685,055 | 100% | - | 0% |
| Advance monitoring fees | 135,182,906 | 53% | 88,367,248 | 146% | 35,853,103 | -3% | 37,140,162 | -20% | 46,651,699 | 25% |
| TOTAL EQUITY AND LIABILITIES | 6,349,716,109 | | 6,105,098,137 | | 7,212,410,781 | | 6,140,422,964 | | 5,277,930,497 | |

Horizontal Analysis Profit And Loss Account

| | 2023 | | 2022 | | 2021 | | 2020 | | 2019 | |
|--|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|---------------|------------|
| | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % |
| Turnover - net | 2,253,139,790 | 7% | 2,106,468,500 | 12% | 1,886,241,808 | 18% | 1,605,235,951 | -9% | 1,771,864,595 | 7% |
| Cost of sales | (1,412,374,378) | 4% | (1,360,234,223) | 6% | (1,280,126,555) | 5% | (1,222,154,752) | 59% | (767,114,950) | 16% |
| Gross profit | 840,765,412 | 13% | 746,234,277 | 23% | 606,115,253 | 58% | 383,081,199 | -62% | 1,004,749,645 | 1% |
| Distribution expenses | (112,642,952) | 6% | (105,861,119) | 9% | (97,174,335) | -7% | (105,041,628) | -63% | (286,453,301) | 9% |
| Administrative expenses | (388,304,976) | 8% | (359,924,460) | 13% | (319,069,004) | -14% | (370,420,607) | 1% | (368,309,884) | -11% |
| Operating profit / (loss) | 339,817,484 | 21% | 280,448,698 | 48% | 189,871,914 | -306% | (92,381,036) | -126% | 349,986,460 | 8% |
| Other expenses | (44,675,853) | 190% | (15,422,317) | 100% | - | 0% | - | -100% | (30,822,802) | 62% |
| Research and development expenses | (76,550,311) | -1% | (77,654,755) | 0% | (77,725,874) | 238% | (23,028,138) | 100% | - | 0% |
| Finance costs | (535,751,382) | 72% | (311,535,697) | -20% | (389,542,836) | -24% | (515,317,204) | 66% | (309,959,166) | 38% |
| Other Income | 318,278,362 | 51% | 210,638,359 | 10% | 191,100,087 | 19% | 161,224,750 | 162% | 61,484,097 | 28% |
| Profit / (Loss) before taxation | 1,118,300 | -99% | 86,474,288 | -200% | (86,296,709) | -82% | (469,501,628) | -764% | 70,688,589 | -45% |
| Taxation | (43,392,313) | -139% | 110,640,723 | -426% | (33,905,584) | -409% | 10,984,235 | -132% | (34,825,647) | 11% |
| Profit / (Loss) after taxation | (42,274,013) | -121% | 197,115,011 | -264% | (120,202,293) | -74% | (458,517,393) | -1379% | 35,862,942 | -63% |
| Other comprehensive income / (loss) for the year | 217,257,851 | 100% | - | -100% | 77,760,820 | -915% | (9,538,644) | -103% | 327,456,882 | 100% |
| Total comprehensive income / (loss) for the year | 174,983,838 | -11% | 197,115,011 | -564% | (42,441,473) | -91% | (468,056,037) | -229% | 363,319,824 | 273% |

Vertical Analysis Of Balance Sheet

| | 2023 | | 2022 | | 2021 | | 2020 | | 2019 | |
|--|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % |
| Fixed Assets | 759,130,427 | 11.96% | 736,172,722 | 12.06% | 1,118,248,281 | 15.50% | 1,059,232,338 | 17.25% | 1,602,145,206 | 30.36% |
| Intangible Assets | 1,189,783,563 | 18.74% | 2,140,841,064 | 35.07% | 2,131,271,500 | 29.55% | 2,138,388,733 | 34.82% | 1,151,299,734 | 21.81% |
| Right-of-use assets | 80,436,222 | 1.27% | 118,591,439 | 1.94% | 107,974,195 | 1.50% | 72,269,178 | 1.18% | - | 0.00% |
| Long-term investments | 694,552,732 | 10.94% | 194,552,732 | 3.19% | 194,552,732 | 2.70% | 85,030,450 | 1.38% | 85,030,450 | 1.61% |
| Long-term Advances | 772,908,802 | 12.17% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Long term loans | 1,839,391 | 0.03% | 471,612 | 0.01% | 205,713 | 0.00% | 669,898 | 0.01% | 637,436 | 0.01% |
| Long term deposits | 49,234,317 | 0.78% | 37,699,947 | 0.62% | 26,194,868 | 0.36% | 33,953,962 | 0.55% | 47,100,425 | 0.89% |
| Deferred tax assets - net | 138,256,544 | 2.18% | 198,197,600 | 3.25% | 59,673,043 | 0.83% | 63,764,748 | 1.04% | 7,178,349 | 0.14% |
| Stock-in-trade | 334,168,757 | 5.26% | 369,984,768 | 6.06% | 420,445,073 | 5.83% | 246,221,725 | 4.01% | 266,339,657 | 5.05% |
| Trade debts | 983,315,742 | 15.49% | 819,745,922 | 13.43% | 1,123,767,028 | 15.58% | 1,022,872,997 | 16.66% | 1,309,502,023 | 24.81% |
| Loan and advances | 39,181,884 | 0.62% | 34,329,356 | 0.56% | 63,023,917 | 0.87% | 107,834,467 | 1.76% | 39,435,026 | 0.75% |
| Trade deposits and prepayments | 20,437,473 | 0.32% | 34,253,270 | 0.56% | 32,412,327 | 0.45% | 61,494,946 | 1.00% | 43,674,281 | 0.83% |
| Interest accrued | 482,530,361 | 7.60% | 355,675,133 | 5.83% | 291,255,846 | 4.04% | 128,444,634 | 2.09% | 73,054,250 | 1.38% |
| Other receivables | 28,737,788 | 0.45% | 29,158,769 | 0.48% | 17,607,533 | 0.24% | 29,339,542 | 0.48% | 13,934,042 | 0.26% |
| Due from related parties | 649,676,272 | 10.23% | 915,409,731 | 14.99% | 1,493,574,743 | 20.71% | 1,071,684,058 | 17.45% | 576,290,498 | 10.92% |
| Taxation - net | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | 42,478,304 | 0.80% |
| Cash and bank balances | 125,525,834 | 1.98% | 120,014,072 | 1.97% | 132,203,982 | 1.83% | 19,221,288 | 0.31% | 19,830,816 | 0.38% |
| TOTAL ASSETS | 6,349,716,109 | 100% | 6,105,098,137 | 100% | 7,212,410,781 | 100% | 6,140,422,964 | 100% | 5,277,930,497 | 100% |
| Issued, subscribed and paid-up capital | 1,872,630,930 | 29.49% | 1,872,630,930 | 30.67% | 1,872,630,930 | 25.96% | 1,204,425,930 | 19.61% | 929,262,520 | 17.61% |
| Capital reserve | 202,650,046 | 3.19% | 202,650,046 | 3.32% | 232,690,046 | 3.23% | 146,817,136 | 2.39% | - | 0.00% |
| Revenue reserve | 1,953,782 | 0.03% | 44,227,795 | 0.72% | (189,432,169) | -2.63% | (82,063,384) | -1.34% | 128,476,899 | 2.43% |
| Other components of equity | 295,018,671 | 4.65% | 77,760,820 | 1.27% | 362,683,585 | 5.03% | 284,432,213 | 4.63% | 555,272,027 | 10.52% |
| Long-term financing | 476,140,219 | 7.50% | 769,301,702 | 12.60% | 1,049,650,530 | 14.55% | 393,263,634 | 6.40% | 300,000,000 | 5.68% |
| Lease liabilities | 44,286,102 | 0.70% | 89,833,930 | 1.47% | 81,889,252 | 1.14% | 26,419,021 | 0.43% | 52,145,571 | 0.99% |
| Long-term loans | - | 0.00% | - | 0.00% | 68,367,855 | 0.95% | 227,448,306 | 3.70% | 148,888,890 | 2.82% |
| Government grant | - | 0.00% | - | 0.00% | 797,103 | 0.01% | 1,781,008 | 0.03% | - | 0.00% |
| Trade and other payables | 1,382,786,556 | 21.78% | 1,075,878,630 | 17.62% | 1,293,755,026 | 17.94% | 935,825,506 | 15.24% | 750,929,062 | 14.23% |
| Accrued mark-up | 107,845,033 | 1.70% | 72,529,878 | 1.19% | 96,437,639 | 1.34% | 140,061,771 | 2.28% | 68,100,451 | 1.29% |
| Short-term financing | 300,415,638 | 4.73% | 196,701,371 | 3.22% | 235,953,736 | 3.27% | 1,394,169,173 | 22.70% | 12,737,305 | 0.24% |
| Running finance under mark-up arrangements | 794,368,862 | 12.51% | 767,102,058 | 12.56% | 1,062,507,117 | 14.73% | 1,105,194,287 | 18.00% | 988,025,014 | 18.72% |
| Current portion of non-current liabilities | 337,632,046 | 5.32% | 405,261,087 | 6.64% | 753,189,884 | 10.44% | 264,050,183 | 4.30% | 627,321,359 | 11.89% |
| Due to related parties | 335,365,141 | 5.28% | 414,753,666 | 6.79% | 224,422,893 | 3.11% | 47,772,963 | 0.78% | 670,119,700 | 12.70% |
| Taxation - net | 63,440,177 | 1.00% | 28,098,976 | 0.46% | 31,014,251 | 0.43% | 13,685,055 | 0.22% | - | 0.00% |
| Advance monitoring fees | 135,182,906 | 2.13% | 88,367,248 | 1.45% | 35,853,103 | 0.50% | 37,140,162 | 0.60% | 46,651,699 | 0.88% |
| TOTAL EQUITY AND LIABILITIES | 6,349,716,109 | 100% | 6,105,098,137 | 100% | 7,212,410,781 | 100% | 6,140,422,964 | 100% | 5,277,930,497 | 100% |

Vertical Analysis Of Profit And Loss Account

| | 2023 | | 2022 | | 2021 | | 2020 | | 2019 | |
|--|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|---------------|------------|
| | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % | Rupees | Variance % |
| Turnover - net | 2,253,139,790 | 100% | 2,106,468,500 | 100% | 1,886,241,808 | 100% | 1,605,235,951 | 100% | 1,771,864,595 | 100% |
| Cost of sales | (1,412,374,378) | -63% | (1,360,234,223) | -65% | (1,280,126,555) | -68% | (1,222,154,752) | -76% | (767,114,950) | -43% |
| Gross profit | 840,765,412 | 37% | 746,234,277 | 35% | 606,115,253 | 32% | 383,081,199 | 24% | 1,004,749,645 | 57% |
| Distribution expenses | (112,642,952) | -5% | (105,861,119) | -5% | (97,174,335) | -5% | (105,041,628) | -7% | (286,453,301) | -16% |
| Administrative expenses | (388,304,976) | -17% | (359,924,460) | -17% | (319,069,004) | -17% | (370,420,607) | -23% | (368,309,884) | -21% |
| Operating profit / (loss) | 339,817,484 | 15% | 280,448,698 | 13% | 189,871,914 | 10% | (92,381,036) | -6% | 349,986,460 | 20% |
| Other expenses | (44,675,853) | -2% | (15,422,317) | -1% | - | 0% | - | 0% | (30,822,802) | -2% |
| Research and development expenses | (76,550,311) | -3% | (77,654,755) | -4% | (77,725,874) | -4% | (23,028,138) | -1% | - | 0% |
| Finance costs | (535,751,382) | -24% | (311,535,697) | -15% | (389,542,836) | -21% | (515,317,204) | -32% | (309,959,166) | -17% |
| Other Income | 318,278,362 | 14% | 210,638,359 | 10% | 191,100,087 | 10% | 161,224,750 | 10% | 61,484,097 | 3% |
| Profit / (Loss) before taxation | 1,118,300 | 0.05% | 86,474,288 | 4% | (86,296,709) | -5% | (469,501,628) | -29% | 70,688,589 | 4% |
| Taxation | (43,392,313) | -2% | 110,640,723 | 5% | (33,905,584) | -2% | 10,984,235 | 1% | (34,825,647) | -2% |
| Profit / (Loss) after taxation | (42,274,013) | -2% | 197,115,011 | 9% | (120,202,293) | -6% | (458,517,393) | -29% | 35,862,942 | 2% |
| Other comprehensive income / (loss) for the year | 217,257,851 | 10% | - | 0% | 77,760,820 | 4% | (9,538,644) | -1% | 327,456,882 | 18% |
| Total comprehensive income / (loss) for the year | 174,983,838 | 8% | 197,115,011 | 9% | (42,441,473) | -2% | (468,056,037) | -29% | 363,319,824 | 21% |

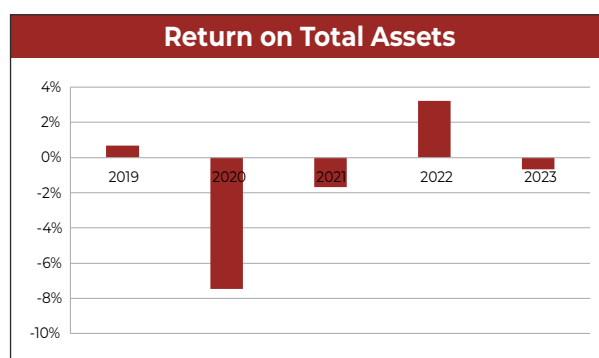
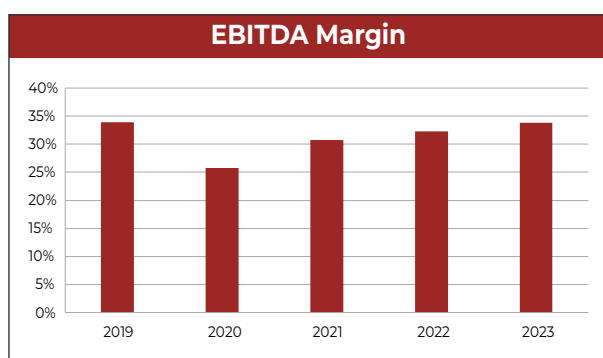
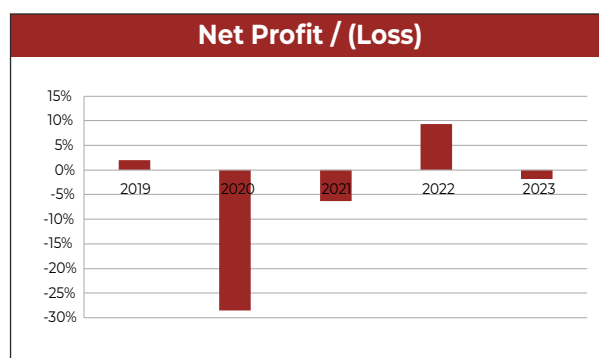
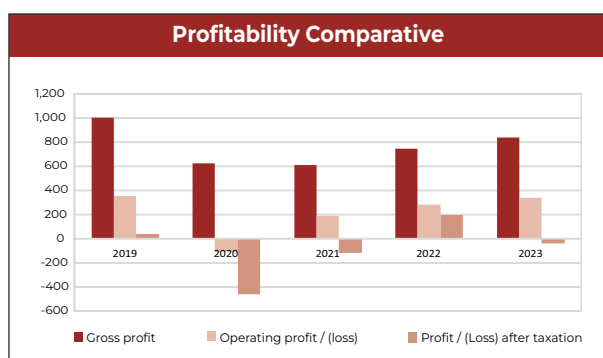
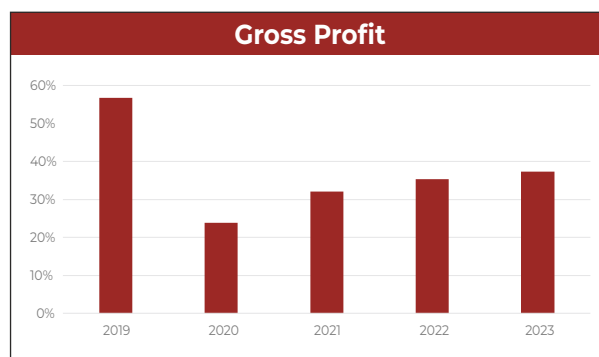
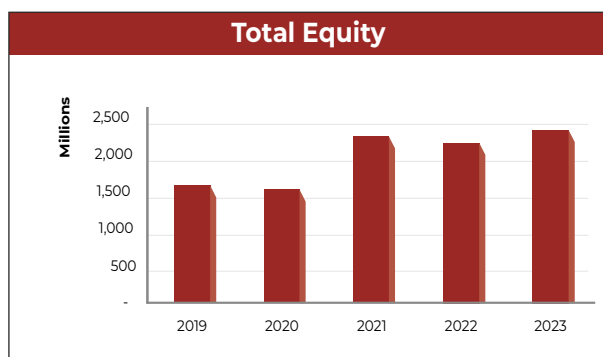
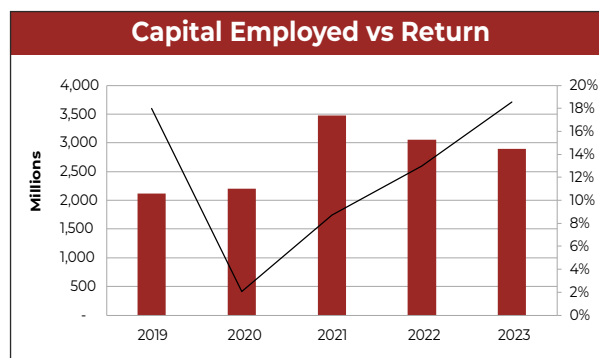
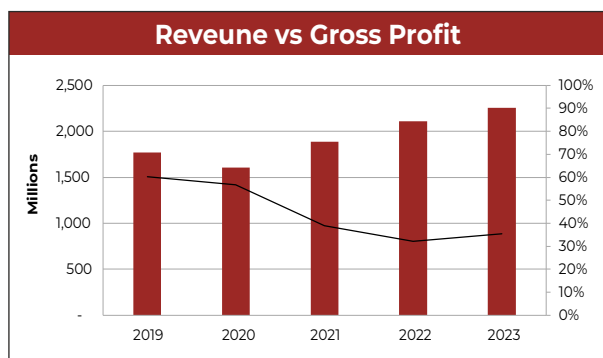
Cash Flow Analysis

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|----------------------|----------------------|------------------------|------------------------|----------------------|
| ------(Rupees)----- | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit / (Loss) before taxation | 1,118,300 | 86,474,288 | (86,296,709) | (469,501,628) | 70,688,589 |
| Adjustment for non cash charges and other items: | | | | | |
| Depreciation on operating fixed assets | 220,865,713 | 250,020,167 | 254,267,804 | 240,308,576 | 216,323,634 |
| Depreciation on Right-of-use assets | 49,373,063 | 69,110,403 | 66,938,503 | 82,131,716 | - |
| Allowance / (Reversal) for expected credit loss (ECL) | 4,560,252 | 4,025,029 | (4,814,014) | (21,406,034) | 4,150,708 |
| Amortisation of intangible assets | 3,823,731 | 15,635,790 | 22,557,366 | 45,282,814 | 3,637,431 |
| Finance cost | 535,751,382 | 311,535,697 | 389,542,836 | 515,317,204 | 309,959,166 |
| Gain on disposal of property, plant and equipment | (6,589,536) | (44,636,606) | (39,300) | (344,817) | (3,034,752) |
| Reversal of Deferred Tax asset on surplus of revaluation of PPE | - | 2,642,191 | - | - | - |
| Amortization of government grant | (797,103) | (5,950,600) | (10,472,666) | (2,416,771) | - |
| Share based payment | - | (30,040,000) | 30,040,000 | - | - |
| Exchange loss / (gain) - net | 44,675,853 | 15,422,317 | (3,173,759) | (639,152) | 11,151,268 |
| | 851,663,355 | 587,764,388 | 744,846,770 | 858,233,536 | 542,187,455 |
| Operating profit before working capital changes | 852,781,655 | 674,238,676 | 658,550,061 | 388,731,908 | 612,876,044 |
| (Increase) / decrease in current assets | | | | | |
| Stock-in-trade | (124,939,759) | (144,402,615) | (259,608,692) | 20,117,932 | (141,029,292) |
| Trade debts | (168,130,072) | 299,996,077 | (96,080,017) | 278,242,209 | (48,890,303) |
| Loans and advances | (4,852,528) | 28,694,561 | 44,810,550 | (68,399,441) | 532,099 |
| Trade deposits and prepayments | 13,815,797 | (1,840,943) | 29,082,619 | (15,588,899) | (4,319,719) |
| Other receivables | 420,981 | (11,551,236) | 11,732,009 | 1,594,500 | 4,990,375 |
| Interest Accrued | (126,855,228) | (64,419,287) | (162,811,212) | (108,680,690) | (41,419,482) |
| Due from related parties | 265,733,459 | 578,165,012 | (421,890,685) | (985,890,100) | (257,654,734) |
| | (144,807,350) | 684,641,569 | (854,765,428) | (878,604,489) | (487,791,056) |
| Increase / (decrease) in current liabilities | | | | | |
| Trade and other payables | 262,232,073 | (233,298,713) | 354,755,761 | 169,508,573 | 63,471,387 |
| Due to a related party | (79,388,525) | 190,330,773 | 176,649,930 | (623,577,070) | 233,262,538 |
| Advance monitoring fees | 46,815,658 | 52,514,145 | (1,287,059) | (9,511,537) | 9,188,023 |
| | 229,659,206 | 9,546,205 | 530,118,632 | (463,580,034) | 305,921,948 |
| Cash generated from operations | 937,633,511 | 1,368,426,450 | 333,903,265 | (953,452,615) | 431,006,936 |
| Receipts / (payments) for : | | | | | |
| Finance cost | (489,044,764) | (320,045,485) | (413,001,954) | (411,482,742) | (303,416,232) |
| Income taxes | (36,849,178) | (33,441,300) | (44,045,779) | 9,753,822 | (71,902,319) |
| Long-term deposits | (12,024,370) | (11,505,079) | (26,846,688) | 18,146,463 | 5,868,076 |
| | (537,918,312) | (364,991,864) | (483,894,421) | (383,582,457) | (369,450,475) |
| Net cash generated / (used in) from operating activities | 399,715,199 | 1,003,434,586 | (149,991,156) | (1,337,035,072) | 61,556,461 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchase of - property and equipment | (27,077,939) | (76,174,886) | (110,161,786) | (17,379,690) | (50,853,791) |
| - capital work-in-progress | (73,787,380) | (23,466,625) | (83,426,500) | - | (50,459,257) |
| - intangible | (42,336,567) | (25,205,354) | (15,440,133) | (87,974,492) | (2,929,530) |
| Sale proceed from fixed assets | 8,407,157 | 222,818,617 | 334,965 | 323,464,876 | 3,427,814 |
| Long-term loans | (1,367,779) | (265,899) | 464,185 | (32,462) | (200,859) |
| Sale proceed from encashment of term deposit receipts | - | - | - | - | 200,000,000 |
| Net cash (used in) / generated from investing activities | (136,162,508) | 97,705,853 | (208,229,269) | 218,078,232 | 98,984,377 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Lease liabilities repaid | (58,595,756) | (84,761,115) | (70,205,689) | (90,639,000) | (9,176,330) |
| Proceeds from issuance of ordinary shares | - | - | 801,846,000 | - | - |
| Long-term loans - net | (55,760,703) | (137,097,578) | (122,331,194) | (82,715,125) | (152,252,399) |
| Long term financing - net | (274,665,541) | (556,814,232) | 1,127,280,639 | (205,807,641) | (35,157,167) |
| Share issuance cost | - | - | (64,484,030) | (13,324,060) | - |
| Short-term financing | 103,714,267 | (39,252,365) | (1,158,215,437) | 1,381,431,868 | (6,443,899) |
| Net cash (used in) / generated from financing activities | (285,307,733) | (817,925,290) | 513,890,289 | 988,946,042 | (203,029,795) |
| Net (decrease) / increase in cash and cash equivalents | (21,755,042) | 283,215,149 | 155,669,864 | (125,520,749) | (42,488,957) |
| Cash and cash equivalents at the beginning of the year | (647,087,986) | (930,303,135) | (1,085,972,999) | (968,194,198) | (925,705,241) |
| Cash and cash equivalents transferred under the scheme | - | - | - | 7,741,948 | - |
| Cash and cash equivalents at the end of the year | (668,843,028) | (647,087,986) | (930,303,135) | (1,085,972,999) | (968,194,198) |

Ratio Analysis Profit And Loss Account

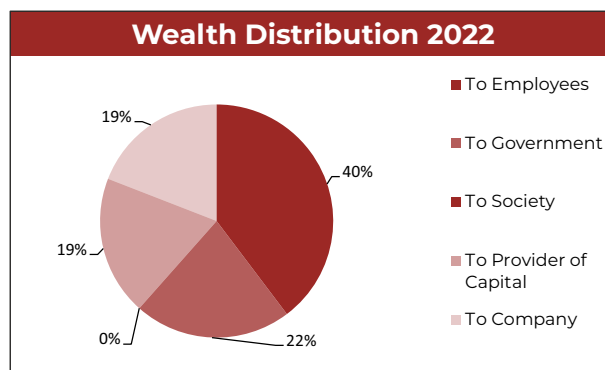
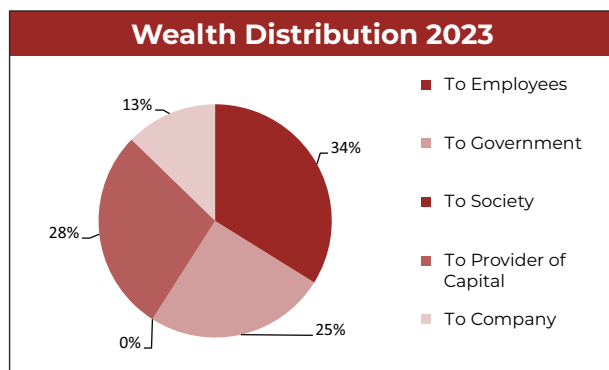
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-----------------|-------|-------|-------|-------|-------|
| <u>Profitability Ratios</u> | | | | | | |
| Gross Profit to Sales | percent | 37% | 35% | 32% | 24% | 57% |
| Net Profit to Sales | percent | -2% | 9% | -6% | -29% | 2% |
| EBITDA Margin to sales | percent | 34% | 32% | 31% | 26% | 34% |
| Return on Equity | percent | -2% | 9% | -5% | -30% | 2% |
| Return on Capital Employed | percent | 19% | 13% | 9% | 2% | 18% |
| <u>Liquidity Ratios</u> | | | | | | |
| Current Ratio | Ratio | 0.77 | 0.88 | 0.96 | 0.68 | 0.75 |
| Quick / Acid test ratio | Ratio | 0.67 | 0.76 | 0.84 | 0.62 | 0.67 |
| Cash to Current Liabilities | Ratio | 0.036 | 0.039 | 0.035 | 0.005 | 0.006 |
| Cashflow from Operations to Sales | Ratio | 0.18 | 0.48 | -0.08 | -0.83 | 0.03 |
| <u>Activity/ Turnover Ratios</u> | | | | | | |
| Inventory turnover | Number of times | 7 | 6 | 4 | 7 | 7 |
| No of days in inventory (Days) | Number of days | 54 | 64 | 81 | 56 | 55 |
| Debtor turnover | Number of times | 2.29 | 2.57 | 1.68 | 1.57 | 1.35 |
| No of days in Receivables (Days) | Number of days | 159 | 142 | 217 | 233 | 270 |
| Credit turnover | Number of times | 1.02 | 1.26 | 0.99 | 1.31 | 1.02 |
| No of days in Payables | Number of days | 357 | 289 | 369 | 279 | 357 |
| Net Operating cycle | Number of days | -144 | -83 | -70 | 9 | -33 |
| Total asset turnover | percent | 35% | 35% | 26% | 26% | 34% |
| Fixed assets turnover | percent | 61% | 61% | 52% | 46% | 61% |
| <u>Investment Valuation Ratios</u> | | | | | | |
| Earnings / Loss per Share | Ratio | -0.23 | 1.05 | -0.64 | -3.81 | 0.30 |
| <u>Capital structure Ratios</u> | | | | | | |
| Financial leverage Ratio | Ratio | 0.78 | 0.95 | 1.37 | 2.14 | 1.27 |
| Debt Equity Ratio | Ratio | 0.44 | 0.49 | 0.58 | 0.68 | 0.56 |
| Interest cover Ratio | Ratio | 1.00 | 1.28 | 0.78 | 0.09 | 1.23 |

Graphical Presentation of Key Financial Ratios



Statement Of Value Addition And Its Distribution

| | 2023 | | 2022 | |
|---|----------------------|-------------|----------------------|-------------|
| | Rupees | % | Rupees | % |
| WEALTH GENERATED | | | | |
| Total revenue inclusive of sales tax other income | 2,977,538,864 | | 2,638,041,041 | |
| Cost of Sales and services (excluding salaries) | (1,078,930,508) | | (1,028,771,756) | |
| | <u>1,898,608,356</u> | <u>100%</u> | <u>1,609,269,285</u> | <u>100%</u> |
| WEALTH DISTRIBUTION | | | | |
| To Employees | | | | |
| Salaries, benefits and other costs | 642,721,415 | 34% | 638,902,210 | 40% |
| To Government | | | | |
| Income tax, sales tax, excise duty and others | 478,311,091 | 25% | 351,460,207 | 22% |
| To Society | | | | |
| Donation towards education, health and environment | - | 0% | - | 0% |
| To Provider of Capital | | | | |
| Dividend to shareholders | - | | - | |
| Markup / Interest expenses on borrowed funds | 535,751,382 | 28% | 311,535,697 | 19% |
| To Company | | | | |
| Depreciation, amortization & accumulated profits / losses | 241,824,468 | 13% | 307,371,171 | 19% |
| | <u>1,898,608,356</u> | <u>100%</u> | <u>1,609,269,285</u> | <u>100%</u> |



Directors' Report

On behalf of the Board of Directors of TPL Trakker Limited, we are pleased to present the annual financial statements with the performance review of the Company for the year ended June 30, 2023.

1. ECONOMIC OUTLOOK

Inflation, natural disasters and currency depreciation marked the theme of the year 2022-2023, which in turn resulted in a meagre real GDP growth of 0.29%. As highlighted by the Pakistan Economic Survey 2022-23, an average inflation of around 29% was witnessed by the country, which prompted the SBP to raise its key interest rate to 22% in June 2023 to support bringing down inflation to 5 – 7% by end of FY2025. Furthermore, Pakistan's rupee against US Dollar depreciated by almost 28% relative to the beginning of the year.

Owing to the above, the sales volumes of automobiles and POL remained subdued. The sale of cars during the fiscal year 2022-23, has dropped by almost 59% as compared to last year, according to the latest data released by the Pakistan Automobile Manufacturing Association (PAMA).

2. GROUP PERFORMANCE

Business Performance

| | Unconsolidated | | | Consolidated | |
|-------------------|--------------------------|-----------------|------------------|--------------------------|-----------------|
| | YE Jun 30, 2023 | YE Jun 30, 2022 | | YE Jun 30, 2023 | YE Jun 30, 2022 |
| | ----- Rs. In 000's ----- | | | ----- Rs. In 000's ----- | |
| Turnover - net | 2,253,140 | 2,106,469 | Turnover - net | 2,784,560 | 2,342,487 |
| Gross Profit | 840,765 | 746,234 | Gross Profit | 1,068,766 | 809,480 |
| Operating Profit | 339,817 | 280,449 | Operating Profit | 259,300 | 120,415 |
| Finance cost | (535,751) | (311,536) | Finance cost | (558,736) | (311,907) |
| Profit before Tax | 1,118 | 86,474 | Loss before Tax | (179,886) | (87,777) |

For the financial year 2022-2023 ended, the Company achieved consolidated revenues of Rs. 2.784 billion representing a growth of 19% when compared with last year. The Company also witnessed an improvement in its operating profit by 115% relative to the last year. The STE segment contributed 46% to the topline of the Company, whereas the Industrial Internet of Things (IIOT) far exceeded expectations by achieving 211% over last year. The Company reported operating profit of PKR 339.817 million and PKR 259.300 million on unconsolidated and consolidated basis respectively. Growth in revenue is contributed by both the Company and its subsidiaries.

Future Outlook – Telematics, IIoT & Trakker Middle East LLC (TME)

Due to the debilitating economic downturn that was witnessed throughout the year, the Telematics segment was impacted but the overall performance improved due to the offset by significant growth that was achieved in the STE and IIOT segments. Despite a slowdown that was witnessed in Q3 due to trade restrictions and border closures, the volumes picked up significantly in the last quarter to give the required push to double the revenue growth in STE relative to last year. For IIOT, we continued to penetrate the market with more advanced solutions and analytics, which helped our clients manage the escalating costs and the growing complexity of their businesses. As a result, the IIOT topline quadrupled compared to last year. Our main focus remained on customer retention and value selling to ensure that we remained the trusted partner of choice.

TME exceeded its annual topline and bottom line targets in the current year. We continue our focus on increasing our international revenue mix on both product and integrated solutions. Key clients included the full spectrum from global blue-chip accounts to start-ups in hyper growth mode. Some of these clients are expected to allow us to expand towards other GCC markets over the coming years and therefore are a key focus area in our pipeline.

On the technology front, we had completely digitized the Technician journey in Q3 and in the first quarter of the upcoming year, we upgraded our Trakker App to further enrich the customer journey and experience by enhancing In-App notifications and digitizing customer service. It also provides greater control and benefits from deeper analytics and intelligence. Furthermore, the development of our SaaS platform is on track to start commercial trials by end of Q4 FY2023. The platform will drive significant operational synergies at TPLT while also opening a significantly larger addressable market both in Pakistan and in the region.

Future Outlook – Digital Mapping & Location Based Services (LBS)

In FY23, we made significant progress in repositioning our business towards a recurring revenue model and expanded our product offering across enterprise and consumer. Over the year, we made notable improvements to the quality of our location data APIs, improving our competitive edge in the Pakistani market. During the period, we continued to optimise our location database, with over 8 million POIs and close to 1 million KMs of road network digitised and collected. We were able to successfully do this by continuing to enhance our data collection and digitisation infrastructure outside of traditional surveying activities, and via online collection and data bartering partnerships with local and foreign players. We've also partnered with global partners to make it easier to integrate our APIs on websites and mobile applications.

Over the year, we added blue chip names to our portfolio, including KFC, Dominos, Metro, Faysal Bank and Kravemart. We are also in advanced stages of integration with other industry leaders, such as McDonald's, UBL, and Cheezious, amongst others. As part of our growth initiatives, we are also in advanced discussions with various local partners for reseller partnerships to expand our sales efforts.

In our Location Intelligence division, we are finalising development of our two most popular platforms, Supply Intelligence and Fraud Prevention. Our proprietary algorithms for both products are currently in POC stage with multiple clients, and we hope to begin monetization towards Q3 of the ongoing fiscal year.

In August 2023, we successfully launched our Navigation App Beta, which is Pakistan's first native navigation app. Our core focus with the navigation app over Q2 will be to optimise our UI / UX following which we intend to launch our two USPs of 1) Fuel cost tracking and optimized cost routing and 2) Public and private bus routing.

COMPOSITION OF THE BOARD AND THE BOARD COMMITTEES

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

| Male | Female |
|------|--------|
| 7 | 1 |

The composition of the Board is as follows:

| Category | Names |
|-------------------------------|---|
| Independent Directors | Mr. Omar Askari |
| Executive Director | Mr. Amjad Waqar Brigadier (R) Muhammad Tahir Chaudhary |
| Non -Executive Directors | Mr. Jameel Yusuf Ahmed Mr. Muhammad Riaz Mr. Jamil Akbar Mr. Sarwar Ali Khan |
| Female Director (Independent) | Ms. Nausheen Javaid Amjad |

The Board has formed committees comprising of members given below:

| | |
|--------------------------------------|--|
| Audit Committee | Mr. Omar Askari- Chairman Mr. Muhammad Riaz - Member Mr. Jamil Akbar- Member Mr. Hashim Sadiq Ali – Secretary |
| HR and Remuneration Committee | Mr. Omar Askari- Chairman Mr. Muhammad Riaz - Member Mr. Muhammad Harris Jamali - Member Mr. Nader Nawaz- Secretary |

BOARD MEETINGS

The Board of Directors held 5 meetings during the financial year. Attendance of Directors is indicated below;

| Name of Director | Meetings Attended |
|--|-------------------|
| Mr. Jameel Yusuf | 4 |
| Ms. Nausheen Javaid Amjad | 5 |
| Mr. Sarwar Ali Khan | 5 |
| Brigadier (R) Muhammad Tahir Chaudhary | 5 |
| Mr. Muhammad Riaz | 5 |
| Mr. Jamil Akbar* | 2 |
| Mr. Amjad Waqar* | 3 |
| Mr. Omar Askari | 4 |
| Mr. Ahmed Zuberi* | 2 |
| Mr. Ali Asgher* | 2 |

During the financial year, Mr. Ali Asgher and Mr. Ahmed Zuberi were replaced by Mr. Jamil Akbar and Mr. Amjad Waqar respectively in the election of directors held on October 24, 2022.

DIRECTORS' REMUNERATION

A formal Director's Remuneration policy approved by the Board is in place. The policy includes transparent procedure for remuneration of directors in accordance with the Companies Act, 2017 and the Listed Companies Code of Corporate Governance, 2019. As per the said policy, Directors are paid a remuneration of PKR. 100,000 for attending each meeting of the Board or its sub-committees. Appropriate disclosure for remuneration/bonuses/incentives/stock options paid during the year to Directors and the Chief Executive has been provided in Note 49 to the unconsolidated financial statements.

DIRECTOR'S TRAINING

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

AUDITORS

M/s BDO Ebrahim & Co., Chartered Accountants have retired and have offered themselves for reappointment. The board of directors have recommended their appointment as Auditors for the year ending June 30, 2024 at a fee to be mutually agreed.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

- The financial statements, prepared by the Company present its state of affairs fairly the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under Companies Act, 2017.

- The Company has followed consistently appropriate accounting policies in the preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure there from have been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Fundamentals of the Company are strong and there are no doubts about Company's ability to continue as a going concern.
- The company has followed best practices of the Code of Corporate Governance as laid down in the listing regulation
- Key operating and financial data for the last four years in summarized form, is included in this annual report.
- Outstanding levies and taxes are given in the respective notes to the financial statements.

PATTERN OF SHAREHOLDING

A statement of pattern of shareholding of the Company as at 30 June 2023 is as follows:

| Particulars | No of Folio | Balance Share | Percentage |
|---------------------------------------|-------------|--------------------|------------|
| SPONSORS, DIRECTORS, CEO AND CHILDREN | 4 | 4 | 0.00 |
| ASSOCIATED COMPANIES | 4 | 121,352,588 | 64.80 |
| MODARABAS, MUTUTAL AND OTHER | 13 | 26,365,000 | 14.08 |
| GENERAL PUBLIC (LOCAL) | 985 | 12,346,478 | 6.59 |
| GENERAL PUBLIC (FOREIGN) | 106 | 4,872,023 | 2.60 |
| OTHERS | 11 | 22,327,000 | 11.92 |
| Company Total | 1123 | 187,263,093 | 100 |

Pattern of holding shares held by the shareholders of the Company as at June 30, 2023:

| NO. OF SHAREHOLDERS | From | To | SHARES HELD | PERCENTAGE |
|---------------------|--------|--------|-------------|------------|
| 59 | 1 | 100 | 366 | 0.0002 |
| 368 | 101 | 500 | 183,456 | 0.098 |
| 223 | 501 | 1,000 | 222,521 | 0.1188 |
| 275 | 1,001 | 5,000 | 759,700 | 0.4057 |
| 69 | 5,001 | 10,000 | 613,319 | 0.3275 |
| 14 | 10,001 | 15,000 | 181,500 | 0.0969 |
| 20 | 15,001 | 20,000 | 379,143 | 0.2025 |
| 15 | 20,001 | 25,000 | 364,000 | 0.1944 |
| 4 | 25,001 | 30,000 | 118,000 | 0.063 |
| 9 | 30,001 | 35,000 | 299,500 | 0.1599 |
| 2 | 35,001 | 40,000 | 76,500 | 0.0409 |

| NO. OF SHAREHOLDERS | From | To | SHARES HELD | PERCENTAGE |
|----------------------------|-------------|-----------|--------------------|-------------------|
| 4 | 40,001 | 45,000 | 169,000 | 0.0902 |
| 10 | 45,001 | 50,000 | 496,000 | 0.2649 |
| 1 | 50,001 | 55,000 | 55,000 | 0.0294 |
| 1 | 55,001 | 60,000 | 59,500 | 0.0318 |
| 2 | 65,001 | 70,000 | 134,000 | 0.0716 |
| 2 | 70,001 | 75,000 | 150,000 | 0.0801 |
| 1 | 80,001 | 85,000 | 83,000 | 0.0443 |
| 4 | 95,001 | 100,000 | 400,000 | 0.2136 |
| 1 | 120,001 | 125,000 | 125,000 | 0.0668 |
| 1 | 135,001 | 140,000 | 140,000 | 0.0748 |
| 1 | 145,001 | 150,000 | 150,000 | 0.0801 |
| 1 | 150,001 | 155,000 | 154,000 | 0.0822 |
| 2 | 175,001 | 180,000 | 353,000 | 0.1885 |
| 2 | 195,001 | 200,000 | 397,500 | 0.2123 |
| 1 | 205,001 | 210,000 | 210,000 | 0.1121 |
| 1 | 245,001 | 250,000 | 250,000 | 0.1335 |
| 1 | 265,001 | 270,000 | 270,000 | 0.1442 |
| 1 | 295,001 | 300,000 | 296,500 | 0.1583 |
| 1 | 320,001 | 325,000 | 325,000 | 0.1736 |
| 1 | 355,001 | 360,000 | 358,000 | 0.1912 |
| 1 | 375,001 | 380,000 | 377,500 | 0.2016 |
| 2 | 450,001 | 455,000 | 908,000 | 0.4849 |
| 1 | 460,001 | 465,000 | 463,500 | 0.2475 |
| 1 | 465,001 | 470,000 | 470,000 | 0.251 |
| 1 | 545,001 | 550,000 | 550,000 | 0.2937 |
| 1 | 560,001 | 565,000 | 561,000 | 0.2996 |
| 2 | 655,001 | 660,000 | 1,316,000 | 0.7028 |
| 2 | 995,001 | 1,000,000 | 1,995,500 | 1.0656 |
| 1 | 1,550,001 | 1,555,000 | 1,551,500 | 0.8285 |
| 1 | 1,665,001 | 1,670,000 | 1,667,000 | 0.8902 |
| 1 | 1,810,001 | 1,815,000 | 1,813,000 | 0.9682 |
| 1 | 1,995,001 | 2,000,000 | 2,000,000 | 1.068 |

| NO. OF SHAREHOLDERS | From | To | SHARES HELD | PERCENTAGE |
|---------------------|--------------|-------------|--------------------|------------|
| 1 | 2,275,001 | 2,280,000 | 2,279,500 | 1.2173 |
| 1 | 2,305,001 | 2,310,000 | 2,309,000 | 1.233 |
| 1 | 2,555,001 | 2,560,000 | 2,559,000 | 1.3665 |
| 1 | 2,820,001 | 2,825,000 | 2,824,500 | 1.5083 |
| 1 | 3,245,001 | 3,250,000 | 3,250,000 | 1.7355 |
| 1 | 3,870,001 | 3,875,000 | 3,875,000 | 2.0693 |
| 1 | 4,150,001 | 4,155,000 | 4,152,000 | 2.2172 |
| 1 | 5,570,001 | 5,575,000 | 5,574,000 | 2.9766 |
| 1 | 8,330,001 | 8,335,000 | 8,333,000 | 4.4499 |
| 1 | 10,540,001 | 10,545,000 | 10,543,000 | 5.63 |
| 1 | 120,115,001 | 120,120,000 | 120,117,588 | 64.1438 |
| 1123 | Total | | 187,263,093 | 100 |

ADDITIONAL INFORMATION

| Associated Companies, Undertaking and Related Parties (name wise details) | No of shares held (June 30, 2023) |
|---|-----------------------------------|
| TPL CORP LIMITED | 120,442,588 |
| TPL HOLDINGS (PRIVATE) LIMITED | 660,000 |
| TPL DIRECT INSURANCE LIMITED EMPLOYEES PROVIDENT FUND | 250,000 |
| Modarabas, Mutual and other Funds (name wise details) | |
| CDC - TRUSTEE HBL INVESTMENT FUND | 5,574,000 |
| CDC - TRUSTEE HBL GROWTH FUND | 10,543,000 |
| CDC - TRUSTEE AKD OPPORTUNITY FUND | 1,667,000 |
| CDC - TRUSTEE HBL - STOCK FUND | 1,551,500 |
| CDC - TRUSTEE HBL MULTI - ASSET FUND | 210,000 |
| CDC - TRUSTEE AL HABIB STOCK FUND | 125,000 |
| CDC - TRUSTEE HBL ISLAMIC STOCK FUND | 656,000 |
| CDC - TRUSTEE HBL EQUITY FUND | 3,875,000 |
| CDC - TRUSTEE HBL IPF EQUITY SUB FUND | 296,500 |

| | |
|--|---------|
| Modarabas, Mutual and other Funds (name wise details) | |
| CDC - TRUSTEE HBL PF EQUITY SUB FUND | 358,000 |
| MULTILINE SECURITIES LIMITED - MF | 50,000 |
| CDC - TRUSTEE HBL ISLAMIC EQUITY FUND | 995,500 |
| CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND | 463,500 |
| Directors, CEO and their Spouse and Minor Children (name wise details) | |
| Following directors are the non-executive / nominee directors of the Company as of June 30, 2023 | |
| Mr. Jameel Yusuf | 1 |
| Mr. Muhammad Riaz | 1 |
| Mr. Sarwar Ali Khan | 1 |
| Mr. Jamil Akbar | |
| Following directors are the independent directors of the Company and do not have any shares of the Company as of June 30, 2023. | |
| Mr. Omar Askari | |
| Ms. Nausheen Javed Amjad | |
| Following directors are the executive directors of the Company and have shares of the Company as of June 30, 2023. | |
| Mr. Amjad Waqar | |
| Brigadier (R) Muhammad Tahir Chaudhry | 1 |
| Details of trading in the shares by the directors, CEO, CFO, Company Secretary, and their spouses and minor Children | |
| NONE OF DIRECTORS, CEO, COMPANY SECRETARY, AND THEIR SPOUSES AND MINOR CHILDREN HAS TRADED IN THE SHARES OF THE COMPANY DURING THE YEAR. | |

ACKNOWLEDGEMENT

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



RAO SALMAN
CHIEF EXECUTIVE OFFICER



JAMEEL YUSUF (S.ST)
CHAIRMAN

ڈائریکٹر رپورٹ:

یہ ہمارے لئے باعث مسرت ہے کہ ہم ٹی ایل ٹریڈر لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے سالانہ مالیاتی اسٹیٹمنٹ بمعہ کمپنی کارکردگی جائزہ رپورٹ برائے سال اختتام ۲۰۲۳ جون ۲۰۲۳ پیش کریں۔

۱۔ معاشی جائزہ:

مہنگائی، قدرتی آفات اور کرنسی کی قدر میں کمی یہ ہے سال ۲۰۲۲-۲۰۲۳ء جس کے نتیجے میں ۲۹ فیصد کی معمولی حقیقی GDP گروتھ ہوئی۔ جیسا کہ پاکستان اکنامک سروے ۲۰۲۲-۲۳ میں نمایاں کیا گیا ہے، ملک میں اوسطاً 29 فیصد افراط زر دیکھنے میں آیا، جس کی وجہ سے اسٹیٹ بینک نے جون ۲۰۲۳ میں اپنی کلیدی شرح سود کو بڑھا کر ۲۲ فیصد کر دیا تاکہ افراط زر کو مالی سال ۲۰۲۵ کے آخر تک ۵-۷ فیصد تک کم کرنے میں مدد مل سکے۔ مزید برآں، سال کے آغاز کے مقابلے میں امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں تقریباً 28 فیصد کمی واقع ہوئی۔

مندرجہ بالا کی وجوہات کے باعث، آٹوموبائلز اور POL کی فروخت کا حجم کم رہا۔ پاکستان آٹوموبائل مینوفیکچرنگ ایسوسی ایشن (PAMA) کے جاری کردہ تازہ ترین اعداد و شمار کے مطابق، مالی سال ۲۰۲۲-۲۳ کے دوران کاروں کی فروخت میں گزشتہ سال کے مقابلے میں تقریباً ۵۹ فیصد کمی واقع ہوئی ہے۔

۲۔ گروپ کی کارکردگی:

| متفقہ | | غیر متفقہ | | کاروباری کارکردگی: | |
|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|--------------------|
| سال اختتام ۲۰۲۲، جون ۲۰۲۰ | سال اختتام ۲۰۲۳، جون ۲۰۲۰ | سال اختتام ۲۰۲۲، جون ۲۰۲۰ | سال اختتام ۲۰۲۳، جون ۲۰۲۰ | روپے ۱۰۰۰ میں | روپے ۱۰۰۰ میں |
| ۲۳۴۲۴۸۷ | ۲۷۸۴۵۶۰ | ۲۱۰۶۳۶۹ | ۲۲۵۳۱۴۰ | ٹرن اوور-نیٹ آمدنی | ٹرن اوور-نیٹ آمدنی |
| ۸۰۹۴۸۰ | ۱۰۶۸۷۶۶ | ۷۴۶۲۳۴ | ۸۴۰۷۶۵ | مجموعی منافع | مجموعی منافع |
| ۱۲۰۴۱۵ | ۲۵۹۳۰۰ | ۲۸۰۴۴۹ | ۳۳۹۸۱۷ | انتظامی منافع | انتظامی منافع |
| (۳۱۱۹۰۷) | (۵۵۸۷۳۶) | (۳۱۱۵۳۶) | (۵۳۵۷۵۱) | مالیاتی اخراجات | مالیاتی اخراجات |
| (۸۷۷۷۷) | (۱۷۹۸۸۶) | ۸۶۴۷۴ | ۱۱۱۸ | نقصان قبل از ٹیکس | نفع قبل از ٹیکس |

ختم ہونے والے مالی سال ۲۰۲۳-۲۰۲۲ کے لیے، کمپنی نے ۷۸۳.۷۷ بلین روپے کی مجموعی آمدنی حاصل کی۔ جو گزشتہ سال کے مقابلے میں ۱۹ فیصد اضافہ کی نمائندگی کرتا ہے۔ کمپنی نے اپنے آپریٹنگ منافع میں بھی پچھلے سال کے مقابلے میں ۱۱۵ فیصد بہتری دیکھی۔ STE سیگمنٹ نے کمپنی کی ٹاپ لائن میں ۳۶ فیصد حصہ ڈالا، جب کہ انڈسٹریل انٹرنیٹ آف تھنگز (IIOT) نے گزشتہ سال کے مقابلے میں ۲۱۱ فیصد منافع حاصل کر کے توقعات سے کہیں زیادہ اضافہ کیا۔ کمپنی نے بالترتیب ۷۸۱.۳۳۹ بلین روپے اور ۲۵۹.۳۰۰ بلین روپے کا آپریٹنگ منافع غیر متفقہ اور متفقہ بنیادوں پر رپورٹ کیا۔ آمدنی میں اضافہ کمپنی اور اس کے ذیلی اداروں دونوں کی طرف سے تعاون کیا گیا ہے۔

مستقبل کا جائزہ۔ کنیکٹڈ کار اور انڈسٹریل انٹرنیٹ آف تھنگز (IIOT)

سال بھر میں دیکھی جانے والی کمزور معاشی بد حالی کی وجہ سے، ٹیلی میٹکس سیگمنٹ متاثر ہوا لیکن STE اور IIOT سیگمنٹس میں حاصل کی گئی نمایاں گروتھ کی وجہ سے مجموعی کارکردگی میں بہتری آئی۔ تجارتی پابندیوں اور سرحدوں کی بندش کی وجہ سے تیسری سہ ماہی میں دیکھنے میں آنے والی سست روی کے باوجود، گزشتہ سہ ماہی کے مقابلے میں نمایاں اضافہ ہوا کیونکہ STE میں گزشتہ سال کے مقابلے میں آمدنی میں دوگنا اضافہ ہوا۔ IIOT کے لیے، ہم نے مزید ایڈوانس سلوشنز اور انا لیکس کے ساتھ مارکیٹ میں رسائی جاری رکھی، جس سے ہمارے کلائنٹس کو بڑھتے ہوئے اخراجات اور ان کے کاروبار کی بڑھتی ہوئی پیچیدگی کو سنبھالنے میں مدد ملی۔ نتیجے کے طور پر، IIOT ٹاپ لائن پچھلے سال کے مقابلے میں چار گنا بڑھ گئی۔ ہماری بنیادی توجہ کسٹمرز کو برقرار رکھنے اور ویلیو سیلنگ پر رہی تاکہ اس بات کو یقینی بنایا جاسکے کہ ہم ان کے

ڈائریکٹر رپورٹ:

انتخاب کے قابل بھروسہ ساتھی ہیں۔

TME نے موجودہ سال میں اپنے سالانہ ٹاپ لائن اور باٹم لائن اہداف سے تجاوز کیا۔ ہم مصنوعات اور انٹیگرٹڈ سلو شیڈز دونوں پر اپنے بین الاقوامی آمدنی کے ملا کر بڑھانے پر اپنی توجہ جاری رکھے ہوئے ہیں۔ کلیدی کلائنٹس نے گلوبل بلیو چپ اکاؤنٹس سے لے کر ہائپر گروتھ موڈ میں اسٹارٹ اپس تک مکمل اسپیکٹرم شامل کیا۔ ان میں سے کچھ کلائنٹس سے توقع کی جاتی ہے کہ وہ ہمیں آنے والے سالوں میں دیگر GCC مارکیٹوں کی طرف بڑھنے کی اجازت دیں گے اور اس وجہ سے وہ ہماری پائپ لائن میں ایک اہم توجہ کا مرکز ہیں۔

ٹیکنالوجی کے محاذ پر، ہم نے تیسری سہ ماہی میں ٹیکنیشن کے سفر کو مکمل طور پر ڈیجیٹائز کیا تھا اور آنے والے سال کی پہلی سہ ماہی میں، ہم نے اپنی Trakker ایپ کو اپ گریڈ کیا تاکہ ان ایپ نوٹیفیکیشنز کو بڑھا کر اور کسٹمر سروس کو ڈیجیٹل بنا کر کسٹمر کے سفر اور تجربے کو مزید تقویت بخش سکے۔ یہ گہرے انالیکس اور انٹیلی جنس سے زیادہ کنٹرول اور فوئند بھی فراہم کرتا ہے۔ مزید برآں، ہمارے SaaS پلیٹ فارم کی ڈیولپمنٹ مالی سال ۲۰۲۳ کی چوتھی سہ ماہی کے اختتام تک تجارتی ٹرانزیکشنز شروع کرنے پر ہے۔ یہ پلیٹ فارم TPLT میں اہم آپریشنل ہم آہنگی پیدا کرے گا جبکہ پاکستان اور خطے دونوں میں ایک نمایاں طور پر بڑی قابل شناخت مارکیٹ بھی کھولے گا۔

مستقبل کا جائزہ - ڈیجیٹل میننگ اور لوکیشن سروسز۔

مالی سال ۲۳ میں، ہم نے اہم پیش رفت کرتے ہوئے اپنے کاروبار کو بار بار آنے والے ریونیو ماڈل کی طرف تبدیل کرنے میں اور انٹر پرائز اور صارفین کے درمیان اپنی مصنوعات کی پیشکش کو بڑھایا۔ ایک سال کے دوران، ہم نے پاکستانی مارکیٹ میں اپنی مسابقتی برتری کو بہتر کرتے ہوئے اپنے لوکیشن ڈیٹا APIs کے معیار میں قابل ذکر بہتری کی ہے۔ اس عرصے کے دوران، ہم نے ۸ ملین سے زیادہ POIs اور تقریباً 1 ملین کلومیٹر روڈ نیٹ ورک کو ڈیجیٹائزڈ اور اکٹھا کرنے کے ساتھ، اپنے لوکیشن ڈیٹا بیس کو بہتر بنانا جاری رکھا۔ ہم روایتی سروس کی سرگرمیوں سے ہٹ کر ڈیٹا اکٹھا کرنے اور ڈیجیٹائزیشن کے بنیادی ڈھانچے کو جاری رکھتے ہوئے اور مقامی اور غیر ملکی کھلاڑیوں کے ساتھ آن لائن جمع کرنے اور ڈیٹا بارٹرنگ پارٹنرشپ کے ذریعے کامیابی کے ساتھ ایسا کرنے میں کامیاب رہے۔ ویب سائٹس اور موبائل اسپیکٹریٹ پر اپنے APIs کو ضم کرنا آسان بنانے کے لیے ہم نے عالمی شراکت داروں کے ساتھ بھی شراکت کی ہے۔

سال بھر میں، ہم نے اپنے پورٹ فولیو میں بلیو چپ کے نام شامل کیے، جن میں KFC Dominos Metro Faysal Bank اور Kravemart شامل ہیں۔ ہم انڈسٹری کے دیگر لیڈرز، جیسے UBL، McDonald's اور Cheezious کے ساتھ انضمام کے ایڈوانس لیول مراحل میں بھی ہیں۔ اپنی گروتھ کے اقدامات کے ایک حصے کے طور پر، ہم اپنی فروخت کی کوششوں کو بڑھانے کے لیے ری سیلر پارٹنرشپ کے لیے مختلف مقامی شراکت داروں کے ساتھ اعلیٰ درجے کی بات چیت بھی کر رہے ہیں۔

ہمارے لوکیشن انٹیلی جنس ڈویژن میں، ہم اپنے دو مقبول ترین پلیٹ فارمز، سپلائی انٹیلی جنس اور فراڈ کی روک تھام کو حتمی شکل دے رہے ہیں۔ دونوں پروڈکٹس کے لیے ہمارے ملکیتی الگورتھم اس وقت متعدد کلائنٹس کے ساتھ POC مرحلے میں ہیں، اور ہم امید کرتے ہیں کہ جاری مالی سال کی تیسری سہ ماہی سے مونیٹائزیشن شروع کر دیں گے۔

اگست 2023 میں، ہم نے کامیابی کے ساتھ اپنی نیوگیٹیشن ایپ Beta لانچ کیا، جو پاکستان کی پہلی مقامی نیوگیٹیشن ایپ ہے۔ دوسری سہ ماہی پر نیوگیٹیشن ایپ کے ساتھ ہماری بنیادی توجہ اپنے UI/UX کو بہتر بنانا ہوگی جس کے بعد ہم اپنے دو USPs (۱) ایندھن کی لاگت سے باخبر رہنے اور لاگت کی بہترین روٹنگ اور (۲) پبلک اور پرائیویٹ بس روٹنگ شروع کرنے کا ارادہ رکھتے ہیں۔

بورڈ اور بورڈ کمیٹیوں کی تشکیل:

درج ذیل کے مطابق ڈائریکٹر کی کل تعداد آٹھ (۸) ہے۔

| مرد | خواتین |
|-----|--------|
| ۷ | ۱ |

ڈائریکٹرز رپورٹ:

بورڈ کی تشکیل درج ذیل ہے۔

| نام | کیٹیگری |
|--|------------------------|
| جناب عمر عسکری | آزاد ڈائریکٹرز |
| جناب امجد وقار بریگیڈیئر (ریٹائرڈ) محمد طاہر چوہدری | ایگزیکٹو ڈائریکٹرز |
| جناب جمیل یوسف ایس۔ ایس۔ ٹی جناب محمد ریاض جناب جمیل اکبر جناب سرور علی خان | غیر ایگزیکٹو ڈائریکٹرز |
| محترمہ نوشین جاوید امجد | خاتون آزاد ڈائریکٹرز |

بورڈ نے درج ممبران پر مشتمل کمیٹیاں تشکیل دی ہیں۔

| | |
|---|-------------------------|
| جناب عمر عسکری۔ چیئرمین جناب محمد ریاض۔ ممبر جناب جمیل اکبر۔ ممبر جناب ہاشم صادق علی۔ سیکریٹری | آڈٹ کمیٹی |
| جناب عمر عسکری۔ چیئرمین جناب محمد ریاض۔ ممبر محمد حارث جمالی۔ ممبر جناب نادر نواز۔ سیکریٹری | ایچ آر اور معاوضہ کمیٹی |

بورڈ کی میٹنگز:

بورڈ آف ڈائریکٹرز نے اس مالی سال کے دوران 5 میٹنگز منعقد کیں۔ جس میں ڈائریکٹرز کی حاضری درج ذیل بیان کی گئی ہے۔

| ڈائریکٹر کے نام | حاضری میٹنگز |
|--------------------------------------|--------------|
| جناب جمیل یوسف ایس۔ ایس۔ ٹی۔ | ۳ |
| محترمہ نوشین جاوید امجد | ۵ |
| جناب سرور علی خان | ۵ |
| بریگیڈیئر (ریٹائرڈ) محمد طاہر چوہدری | ۵ |
| جناب محمد ریاض | ۵ |

ڈائریکٹرز رپورٹ:

| | |
|---|------------------|
| ۲ | جناب جمیل اکبر * |
| ۳ | جناب امجد وقار * |
| ۴ | جناب عمر عسکری |
| ۲ | جناب احمد زبیری |

* مالی سال کے دوران، ۲۴ اکتوبر ۲۰۲۲ کو ہونے والے ڈائریکٹرز کے الیکشن میں جناب علی اصغر اور جناب احمد زبیری کو بالترتیب جناب جمیل اکبر اور جناب امجد وقار سے تبدیل کر دیا گیا۔

ڈائریکٹرز کا معاوضہ / مشاہرہ:

بورڈ آف ڈائریکٹرز کے ذریعہ منظور شدہ، ایک باضابطہ ڈائریکٹرز کی معاوضہ پالیسی موجود ہے۔ اس پالیسی میں کمپنیز ایکٹ، ۲۰۱۷ اور کارپوریٹ گورننس کے درج شدہ کمپنیز کوڈ ۲۰۱۹ کے مطابق ڈائریکٹروں کے معاوضے کے لئے ایک شفاف طریقہ کار شامل ہے۔ بورڈ اور سب کمیٹی / زیریں کمیٹی کے ہر اجلاس میں شرکت کرنے یا اس کے سب میٹنگ میں شرکت کرنے کے لئے ڈائریکٹرز کو ۱۰۰،۰۰۰ پاکستانی روپے کا معاوضہ دیا جاتا ہے۔ سال کے دوران ڈائریکٹرز اور چیف ایگزیکٹو کو ادا کیے گئے معاوضے / بونس / مراعات / اسٹاک آپشنز کے لیے مناسب معلومات نوٹ ۴۹ میں غیر متفقہ مالیاتی گوشواروں میں فراہم کیا گیا ہے۔

ڈائریکٹرز کی تربیت:

بورڈ ممبران کی اکثریت نے اپنا سرٹیفیکیشن مکمل کر لیا ہے جبکہ وہ ڈائریکٹرز جن کے پاس سرٹیفیکیشن نہیں ہے، لسٹڈ کمپنی کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ تاہم، کمپنی کا مقصد باقی ڈائریکٹرز کی حوصلہ افزائی کرنا ہے، تاکہ وہ اپنے سرٹیفیکیشن کو مکمل کریں۔

آڈیٹرز:

میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۲ کو ختم ہونے والے سال کے لیے بطور آڈیٹران کی تقرری کی سفارش کی ہے جس کی فیس باہمی رضامندی سے کی جائے گی۔

کارپوریٹ اور مالی رپورٹنگ فریم ورک پر بیان / بیانیہ:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعہ مقرر کردہ کوڈ آف کارپوریٹ گورننس کے تحت بورڈ کو اپنی کارپوریٹ ذمہ داریوں سے بخوبی آگاہی حاصل ہے اور اس بات کی تصدیق کرنے پر خوشی محسوس کرتے ہیں کہ:

- فائنانشل اسٹیٹمنٹ، جو کہ کمپنی کی طرف سے پیش کئے گئے ہیں اس کی کاروائیوں، نقد بہاؤ اور ایکویٹی میں بدلاؤ کا نتیجہ منصفانہ طور پر پیش کیا گیا ہے۔
- کمپنی نے بک آف اکاؤنٹس کو مناسب طریقے سے برقرار رکھا ہے جو کہ کمپنیز آرڈیننس ۲۰۱۷ تحت ہے۔
- کمپنی نے فائنانشل اسٹیٹمنٹ کی تیاری میں مستقل اکاؤنٹنگ کی پالیسیوں کی پیروی کی ہے اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہے۔
- بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ، جو کہ پاکستان میں بھی جیسا قابل اطلاق ہے، مالی بیانات کی تیاری میں اس پر عمل کیا گیا ہے اور رپورٹنگ میں کسی بھی طرح کی روانگی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔
- اندرونی انتظام کو کنٹرول کرنے کا نظام بہت ہی بہترین طریقے سے تیار کیا گیا اور کافی موثر طریقے سے اس کا نفاذ بھی کیا گیا اور اس کی نگرانی بھی کی جا رہی ہے۔
- کمپنی کے بنیادی اصول مضبوط ہیں اور کمپنی کی صلاحیتوں کے بارے میں کوئی شک نہیں ہونا چاہئے جیسا کہ کچھ تشویش ظاہر کی جا رہی تھی۔

- کمپنی نے تمام کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں کی پیروی و عمل کیا ہے جیسا کہ لسٹنگ ریگولیشن میں درج ہے۔
- گذشتہ چار سالوں سے جاری اہم آپریٹنگ اور مالی اعداد و شمار کو خلاصہ کی شکل میں، اس سالانہ رپورٹ میں شامل کیا گیا ہے۔
- فنانسئل اسٹیٹمنٹ کے متعلقہ نوٹ میں بقایا محصول اور ادا کرنے والے ٹیکس کو ظاہر کیا گیا۔

شیئر ہولڈنگ کی ساخت / طریقہ کار:

۳۰ جون ۲۰۲۳ کو کمپنی کی شیئر ہولڈنگ کی ساخت کا ایک گوشوارہ درج ذیل ہے۔

| تفصیلات | فولیو کی تعداد | بیلنس شیئر | فیصد |
|-------------------------------------|----------------|-------------|-------|
| معاونین ڈائریکٹرز، سی ای او اور بچے | ۴ | ۴ | ۰.۰۰۰ |
| ایسوسی ایٹڈ کمپنیاں | ۴ | ۱۲۱،۳۵۲،۵۸۸ | ۶۴.۸۰ |
| مضاربہ اور میچوئل فنڈز | ۱۳ | ۲۶،۳۶۵،۰۰۰ | ۱۴.۸۰ |
| عام لوگ (مقامی) | ۹۸۵ | ۱۲،۳۳۶،۰۴۸ | ۶.۵۹ |
| عام لوگ (غیر مقامی) | ۱۰۶ | ۴،۸۷۲،۰۲۳ | ۲.۶۰ |
| دیگر | ۱۱ | ۲۲،۳۲۷،۰۰۰ | ۱۱.۹۲ |
| کمپنی کا کل مجموعہ | ۱۱۲۳ | ۱۸۷،۲۶۳،۰۹۳ | ۱۰۰ |

۳۰ جون ۲۰۲۳ کو کمپنی کے شیئر ہولڈرز کی تحویل میں موجود ہولڈنگ شیئر کی ساخت:

| فیصد | زیر تحویل شیئرز | اختتامی تعداد | ابتدائی تعداد | شیئرز ہولڈرز کی تعداد |
|--------|-----------------|---------------|---------------|-----------------------|
| ۰.۰۰۰۲ | ۳۶۶ | ۱۰۰ | ۱ | ۵۹ |
| ۰.۰۹۸۰ | ۱۸۳۴۵۶ | ۵۰۰ | ۱۰۱ | ۳۶۸ |
| ۰.۱۱۸۸ | ۲۲۲۵۲۱ | ۱۰۰۰ | ۵۰۱ | ۲۲۳ |
| ۰.۳۰۵۷ | ۷۵۹۷۰۰ | ۵۰۰۰ | ۱۰۰۱ | ۲۷۵ |
| ۰.۳۲۷۵ | ۶۱۳۳۱۹ | ۱۰۰۰۰ | ۵۰۰۱ | ۶۹ |
| ۰.۰۹۶۹ | ۱۸۱۵۰۰ | ۱۵۰۰۰ | ۱۰۰۰۱ | ۱۴ |
| ۰.۲۰۲۵ | ۳۷۹۱۴۳ | ۲۰۰۰۰ | ۱۵۰۰۱ | ۲۰ |
| ۰.۱۹۴۴ | ۳۶۴۰۰۰ | ۲۵۰۰۰ | ۲۰۰۰۱ | ۱۵ |

ڈائریکٹر ز رپورٹ:

| | | | | |
|----|--------|--------|--------|--------|
| ۴ | ۲۵۰۰۱ | ۳۰۰۰۰ | ۱۱۸۰۰۰ | ۰.۰۶۳۰ |
| ۹ | ۳۰۰۰۱ | ۳۵۰۰۰ | ۲۹۹۵۰۰ | ۰.۱۵۹۹ |
| ۲ | ۳۵۰۰۱ | ۴۰۰۰۰ | ۷۶۵۰۰ | ۰.۰۴۰۹ |
| ۴ | ۴۰۰۰۱ | ۴۵۰۰۰ | ۱۶۹۰۰۰ | ۰.۰۹۰۲ |
| ۱۰ | ۴۵۰۰۱ | ۵۰۰۰۰ | ۴۹۶۰۰۰ | ۰.۲۶۴۹ |
| ۱ | ۵۰۰۰۱ | ۵۵۰۰۰ | ۵۵۰۰۰ | ۰.۰۴۹۴ |
| ۱ | ۵۵۰۰۱ | ۶۰۰۰۰ | ۵۹۵۰۰ | ۰.۰۳۱۸ |
| ۲ | ۶۵۰۰۱ | ۷۰۰۰۰ | ۱۳۴۰۰۰ | ۰.۰۷۱۶ |
| ۲ | ۷۰۰۰۱ | ۷۵۰۰۰ | ۱۵۰۰۰۰ | ۰.۰۸۰۱ |
| ۱ | ۸۰۰۰۱ | ۸۵۰۰۰ | ۸۴۰۰۰ | ۰.۰۴۴۳ |
| ۴ | ۹۵۰۰۱ | ۱۰۰۰۰۰ | ۴۰۰۰۰۰ | ۰.۲۱۳۶ |
| ۱ | ۱۲۰۰۰۱ | ۱۲۵۰۰۰ | ۱۲۵۰۰۰ | ۰.۰۶۶۸ |
| ۱ | ۱۳۵۰۰۱ | ۱۴۰۰۰۰ | ۱۴۰۰۰۰ | ۰.۰۷۴۸ |
| ۱ | ۱۴۵۰۰۱ | ۱۵۰۰۰۰ | ۱۵۰۰۰۰ | ۰.۰۸۰۱ |
| ۱ | ۱۵۰۰۰۱ | ۱۵۵۰۰۰ | ۱۵۴۰۰۰ | ۰.۰۸۲۲ |
| ۲ | ۱۷۵۰۰۱ | ۱۸۰۰۰۰ | ۳۵۴۰۰۰ | ۰.۱۸۸۵ |
| ۲ | ۱۹۵۰۰۱ | ۲۰۰۰۰۰ | ۳۹۷۵۰۰ | ۰.۲۱۲۳ |
| ۱ | ۲۰۵۰۰۱ | ۲۱۰۰۰۰ | ۲۱۰۰۰۰ | ۰.۱۱۲۱ |
| ۱ | ۲۲۵۰۰۱ | ۲۵۰۰۰۰ | ۲۵۰۰۰۰ | ۰.۱۳۳۵ |
| ۱ | ۲۶۵۰۰۱ | ۲۷۰۰۰۰ | ۲۷۰۰۰۰ | ۰.۱۴۴۲ |
| ۱ | ۲۹۵۰۰۱ | ۳۰۰۰۰۰ | ۲۹۶۵۰۰ | ۰.۱۵۸۳ |
| ۱ | ۳۲۰۰۰۱ | ۳۲۵۰۰۰ | ۳۲۵۰۰۰ | ۰.۱۷۳۶ |
| ۱ | ۳۵۵۰۰۱ | ۳۶۰۰۰۰ | ۳۵۸۰۰۰ | ۰.۱۹۱۲ |
| ۱ | ۳۷۵۰۰۱ | ۳۸۰۰۰۰ | ۳۷۷۵۰۰ | ۰.۲۰۱۶ |

ڈائریکٹر ز رپورٹ:

| | | | | |
|------|-----------|-----------|-----------|---------|
| ۲ | ۴۵۰۰۰۱ | ۴۵۵۰۰۰ | ۹۰۸۰۰۰ | ۰.۴۸۴۹ |
| ۱ | ۴۶۰۰۰۱ | ۴۶۵۰۰۰ | ۴۶۳۵۰۰ | ۰.۴۴۷۵ |
| ۱ | ۴۶۵۰۰۱ | ۴۷۰۰۰۰ | ۴۷۰۰۰۰ | ۰.۴۵۱۰ |
| ۱ | ۵۴۵۰۰۱ | ۵۵۰۰۰۰ | ۵۵۰۰۰۰ | ۰.۴۹۳۷ |
| ۱ | ۵۶۰۰۰۱ | ۵۶۵۰۰۰ | ۵۶۱۰۰۰ | ۰.۴۹۹۶ |
| ۲ | ۶۵۵۰۰۱ | ۶۶۰۰۰۰ | ۱۳۱۶۰۰۰ | ۰.۷۰۲۸ |
| ۲ | ۹۹۵۰۰۱ | ۱۰۰۰۰۰۰ | ۱۹۹۵۵۰۰ | ۱.۰۶۵۶ |
| ۱ | ۱۵۵۰۰۰۱ | ۱۵۵۵۰۰۰ | ۱۵۵۱۵۰۰ | ۰.۸۲۸۵ |
| ۱ | ۱۶۶۵۰۰۱ | ۱۶۷۰۰۰۰ | ۱۶۶۷۰۰۰ | ۰.۸۹۰۲ |
| ۱ | ۱۸۱۰۰۰۱ | ۱۸۱۵۰۰۰ | ۱۸۱۳۰۰۰ | ۰.۹۶۸۲ |
| ۱ | ۱۹۹۵۰۰۱ | ۲۰۰۰۰۰۰ | ۲۰۰۰۰۰۰ | ۱.۰۶۸۰ |
| ۱ | ۲۲۷۵۰۰۱ | ۲۲۸۰۰۰۰ | ۲۲۷۹۵۰۰ | ۱.۲۱۷۳ |
| ۱ | ۲۳۰۵۰۰۱ | ۲۳۱۰۰۰۰ | ۲۳۰۹۰۰۰ | ۱.۲۳۳۰ |
| ۱ | ۲۵۵۵۰۰۱ | ۲۵۶۰۰۰۰ | ۲۵۵۹۰۰۰ | ۱.۳۶۶۵ |
| ۱ | ۲۸۲۰۰۰۱ | ۲۸۲۵۰۰۰ | ۲۸۲۲۵۰۰ | ۱.۵۰۸۳ |
| ۱ | ۳۲۲۵۰۰۱ | ۳۲۵۰۰۰۰ | ۳۲۵۰۰۰۰ | ۱.۷۳۵۵ |
| ۱ | ۳۸۷۰۰۰۱ | ۳۸۷۵۰۰۰ | ۳۸۷۵۰۰۰ | ۲.۰۶۹۳ |
| ۱ | ۴۱۵۰۰۰۱ | ۴۱۵۵۰۰۰ | ۴۱۵۲۰۰۰ | ۲.۲۱۷۲ |
| ۱ | ۵۵۷۰۰۰۱ | ۵۵۷۵۰۰۰ | ۵۵۷۲۰۰۰ | ۲.۹۷۶۶ |
| ۱ | ۸۳۳۰۰۰۱ | ۸۳۳۵۰۰۰ | ۸۳۳۳۰۰۰ | ۴.۴۴۹۹ |
| ۱ | ۱۰۵۴۰۰۰۱ | ۱۰۵۴۵۰۰۰ | ۱۰۵۴۳۰۰۰ | ۵.۶۳۰۰ |
| ۱ | ۱۲۰۱۱۵۰۰۱ | ۱۲۰۱۲۰۰۰۰ | ۱۲۰۱۱۷۵۸۸ | ۶۴.۱۴۳۸ |
| ۱۱۲۳ | | ٹوٹل | ۱۸۷۲۶۳۰۹۳ | ۱۰۰.۰۰۰ |

ڈائریکٹر رپورٹ:

اضافی معلومات:

| زیر تحویل شیئرز کی تعداد (۳۰ جون ۲۰۲۳) | ایسوسی ایٹڈ کمپنیاں، ضمانت اور متعلقہ فریقین (تفصیلات بلحاظ نام) |
|--|--|
| ۱۲۰۴۳۵۸۸ | ٹی پی ایل کارپوریشن لمیٹڈ |
| ۶۶۰۰۰۰ | ٹی پی ایل ہولڈنگز (پرائیوٹ) لمیٹڈ |
| ۲۵۰۰۰۰ | ٹی پی ایل ڈائریکٹ انشورنس لمیٹڈ ایسپلائز پروویڈنٹ فنڈ |
| | میو چل فنڈز (تفصیلات بلحاظ نام) |
| ۵۵۷۴۰۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل انویسٹمنٹ فنڈ |
| ۱۰۵۳۳۰۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل گروتھ فنڈ |
| ۱۶۶۷۰۰۰ | سی ڈی سی - ٹرسٹی اے کے ڈی آپریٹیوٹیٹی فنڈ |
| ۱۵۵۱۵۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل اسٹاک فنڈ |
| ۲۱۰۰۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل ملٹی ایسٹ فنڈ |
| ۱۲۵۰۰۰ | سی ڈی سی - ٹرسٹی الحیب اسٹاک فنڈ |
| ۶۵۶۰۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل اسلامک اسٹاک فنڈ |
| ۳۸۷۵۰۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل ایکویٹی فنڈ |
| ۲۹۶۵۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل پی ایف ایکویٹی سب فنڈ |
| ۳۵۸۰۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل پی ایف ایکویٹی سب فنڈ |
| ۵۰۰۰۰ | ملٹی لائن سیکورٹیز لمیٹڈ - ایم ایف |
| ۹۹۵۵۰۰ | سی ڈی سی - ٹرسٹی ایچ بی ایل اسلامک ایکویٹی فنڈ |
| ۴۶۳۵۰۰ | سی ڈی سی - ٹرسٹی الحیب ایسٹ ایلوکیشن فنڈ |
| | ڈائریکٹرز، سی ای او اور ان کے شریک حیات اور نابالغ بچے (تفصیلات بلحاظ نام) |
| | درج ذیل ڈائریکٹر کمپنی کے نان ایگزیکٹو / نامزد ڈائریکٹر ہیں اور ۳۰ جون ۲۰۲۳ کو کمپنی کے شیئرز رکھتے ہیں۔ |
| ۱ | جناب جمیل یوسف |
| ۱ | جناب محمد ریاض |
| ۱ | جناب سرور علی خان |
| | جناب جمیل اکبر |

ڈائریکٹر ز رپورٹ:

| | |
|--|---|
| درج ذیل ڈائریکٹر کمپنی کے خود مختار ڈائریکٹر ہیں اور ۳۰ جون ۲۰۲۳ کو کمپنی کے کوئی شیئرز نہیں رکھتے ہیں۔ | |
| جناب عمر عسکری | |
| محترمہ نوشین جاوید امجد | |
| درج ذیل ڈائریکٹر کمپنی کے ایگزیکٹو ڈائریکٹر ہیں اور ۳۰ جون ۲۰۲۳ کو کمپنی کے شیئرز رکھتے ہیں۔ | |
| جناب امجد وقار | |
| بریکڈیٹرز (ریٹائرڈ) محمد طاہر چوہدری | ۱ |
| ڈائریکٹر، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے شیئرز میں ٹریڈنگ کی تفصیلات | |
| کسی بھی ڈائریکٹر، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے اس سال کمپنی کے شیئرز میں ٹریڈنگ نہیں کی گئی۔ | |

اظہارِ تشکر:

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



جلیل یوسف (ایس۔ ایس۔ ٹی)
چیئرمین



راؤ سلمان
چیف ایگزیکٹو آفیسر



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pl

2nd Floor, Block-C,
Lakson Square
Building No. 1,
Sarwar Shaheed Road,
Karachi - 74200
Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of TPL Trakker Limited on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of TPL Trakker Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions 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.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

KARACHI

Dated: September 12, 2023

UDIN: CR2023100675Op7j9YfK

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of company TPL Trakker Limited
Year ended: June 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

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

| Male | Female |
|------|--------|
| 7 | 1 |

- The composition of the Board is as follows:

| Category | Names |
|--------------------------------------|---|
| Independent Directors | Mr. Omar Askari |
| Executive Director | Mr. Amjad Waqar Brigadier (R)Muhammad Tahir Chaudhary |
| Non-Executive Directors | Mr. Jameel Yusuf Ahmed Mr. Muhammad Riaz Mr. Jamil Akbar Mr. Sarwar Ali Khan |
| Female Director (Independent) | Ms. Nausheen Javaid Amjad |

NOTE: With regard to compliance with Regulation 6 of the CCG, it may be noted that the Company has not rounded up the fraction, as one, since the Board considers it already has a satisfactory representation of Independent Directors. There are currently six non-executive directors, who are not involved in the day-to-day management of the company, compared to only two executive directors who hold executive positions within the company. By highlighting this distinction, the company aims to emphasize the significant presence of independent perspectives on the Board, ensuring a balanced and diverse decision-making process that takes into account the interests of various stakeholders.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of

particulars of significant policies along with the dates on which they were approved or amended has been maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (“**Act**”) and the Listed Companies (Code of Corporate Governance), 2019 (“**Regulations**”).
7. The meetings of the Board were presided over by the Chairman and in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board is in the process of compliance with the Directors’ Training Program as required under Regulation 19 of the Listed Companies Code of Corporate Governance, 2019. Six of the Board members have completed their certification while the directors, who do not hold the certification, are well conversant with their duties and responsibilities as directors of a listed company. The Company, however, aims to encourage the remaining directors, to complete their certification.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Chief Financial Officer and Chief Execution Officer have duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

| | |
|--------------------------------------|--|
| Audit Committee | Mr. Omar Askari - Chairman Mr. Muhammad Riaz - Member Mr. Jamil Akbar - Member Mr. Hashim Sadiq Ali - Secretary |
| HR and Remuneration Committee | Mr. Omar Askari - Chairman Mr. Muhammad Riaz - Member Mr. Muhammad Harris Jamali - 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:

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

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the 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 and that they and the partners of the firm involved in the audit are not close relative (spouse, parents, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.



RAO SALMAN
 CHIEF EXECUTIVE OFFICER



JAMEEL YUSUF (S.ST)
 CHAIRMAN



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pl

2nd Floor, Block-C,
Lakson Square
Building No. 1,
Sarwar Shaheed Road,
Karachi - 74200
Pakistan

Independent Auditor's Report

To the Members of TPL Trakker Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of TPL Trakker Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 June 30, 2023 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

| S. No. | Key audit matters | How the matter was addressed in our audit |
|--------|---|--|
| 1 | <p>Revenue recognition</p> <p>(Refer note 36 to the accompanying unconsolidated financial statements)</p> <p>The Company has four main streams of revenue which are equipment installation and sales, monitoring fees, rentals from tracking devices and navigation revenue.</p> <p>The recognition of revenue against each stream involved complex IT systems including system integration. In addition, the amount of revenue recognized is material to the unconsolidated financial statements.</p> <p>Based on the above factors, we have considered revenue recognition as a key audit matter.</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process of revenue recognition including the design and implementation of internal controls. • Tested the operating effectiveness of the controls to ensure that they operated throughout the year as designed and implemented. • Involved our internal IT department to perform tests on IT general controls. • Performed test of details by obtaining a sample of transaction of revenue streams and checked the agreements with customers for terms and conditions. • Performed procedures on revenue to ensure that revenue is recognized according to IFRS and cut off procedures to ensure that revenue has been recorded in the correct accounting period. |
| 2 | <p>Impairment of goodwill and intangible assets</p> <p>(Refer note 7 to the accompanying unconsolidated financial Statements)</p> <p>The intangible assets include goodwill, intangible assets with indefinite life and intangible assets under development having carrying value aggregating to Rs. 42.337 million as of June 30, 2023 and tested for impairment at least on an annual basis.</p> <p>The determination of recoverable amount requires judgement in both identifying and then valuing the relevant Cash Generating Units (CGUs).</p> <p>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. Based on the above factors we considered this as a key audit matter.</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • Evaluating the Company's assumptions used in assessing the recoverability of intangible assets, in particular, revenue and cash flow projections, useful economic lives and discount rates. • Assessing the methodologies used by the management in the impairment analysis and determination of CGUs, to which it relates. • involved our specialist to: <ul style="list-style-type: none"> ➤ assess the key assumptions and methodologies used in the impairment analysis, in particular growth rates, inflation rate and discount rate applied; ➤ examine the approved business plans and assumptions used by management, including forecasted revenue base, profit from operations, capital calculations and cash flows necessary for the continuing use of the CGU's assets and allocated goodwill; and |

| S. No. | Key audit matters | How the matter was addressed in our audit |
|----------|--|---|
| | | <ul style="list-style-type: none"> ➤ evaluate 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. |
| 3 | Investments in Subsidiaries | |
| | <p>(Refer notes 9 to the accompanying unconsolidated financial statements)</p> <p>The Company has investments in Subsidiaries namely Trakker Middle East LLC and Astra Location Services (Private) Limited which 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 the valuation of the Subsidiaries as a key audit matter due to the judgment involved in estimating future cashflows in relation to the Subsidiary for the purpose of applying valuation techniques.</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • Obtained understanding of the management process for valuation of investments, considering 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. • Involved our specialists to: <ul style="list-style-type: none"> ➤ assess the appropriateness of the methodology and assumptions used by the management to determine the fair value of the investment in the unquoted Subsidiary. As part of these audit procedures, our specialists: ➤ assess whether, for a selection of models, the model valuation methodology is appropriate; ➤ check 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 • Checked the allocation of investments to the correct level (1, 2 and 3) within the fair value hierarchy in line with the established policy, and that the policy classifications were appropriate. • Assessed the adequacy of the related disclosures in the financial statements in accordance with the financial reporting standards. |

Information Other than the Unconsolidated Financial Statements and Auditor's 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 unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 unconsolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 unconsolidated 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 unconsolidated 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 auditor's report to the related disclosures in the unconsolidated 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 auditor's 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 unconsolidated 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 unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

Dated: September 12, 2023

UDIN: AR202310067JBnjDXgwN



BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Unconsolidated Statement of Financial Position

As at June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|------|---------------|---------------|
| | Note | Rupees | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 759,130,427 | 736,172,722 |
| Intangible assets | 7 | 1,189,783,563 | 2,140,841,064 |
| Right-of-use assets | 8 | 80,436,222 | 118,591,439 |
| Long-term investments | 9 | 694,552,732 | 194,552,732 |
| Long-term advances | 10 | 772,908,802 | - |
| Long-term loans | 11 | 1,839,391 | 471,612 |
| Long-term deposits | 12 | 49,234,317 | 37,699,947 |
| Deferred tax assets - net | 13 | 138,256,544 | 198,197,600 |
| | | 3,686,141,998 | 3,426,527,116 |
| CURRENT ASSETS | | | |
| Stock-in-trade | 14 | 334,168,757 | 369,984,768 |
| Trade debts | 15 | 983,315,742 | 819,745,922 |
| Loans and advances | 16 | 39,181,884 | 34,329,356 |
| Trade deposits and prepayments | 17 | 20,437,473 | 34,253,270 |
| Interest accrued | 18 | 482,530,361 | 355,675,133 |
| Other receivables | 19 | 28,737,788 | 29,158,769 |
| Due from related parties | 20 | 649,676,272 | 915,409,731 |
| Cash and bank balances | 21 | 125,525,834 | 120,014,072 |
| | | 2,663,574,111 | 2,678,571,021 |
| TOTAL ASSETS | | 6,349,716,109 | 6,105,098,137 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | | |
| Authorized capital | | | |
| 285,000,000 (2022: 285,000,000) ordinary shares of Rs.10/- each | | 2,850,000,000 | 2,850,000,000 |
| Issued, subscribed and paid-up capital | 22 | 1,872,630,930 | 1,872,630,930 |
| Capital reserves | | 202,650,046 | 202,650,046 |
| Revenue reserve | | 1,953,782 | 44,227,795 |
| Other components of equity | | 295,018,671 | 77,760,820 |
| | | 2,372,253,429 | 2,197,269,591 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing | 24 | 476,140,219 | 769,301,702 |
| Lease liabilities | 25 | 44,286,102 | 89,833,930 |
| | | 520,426,321 | 859,135,632 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 27 | 1,382,786,556 | 1,075,878,630 |
| Accrued mark-up | 28 | 107,845,033 | 72,529,878 |
| Short-term financing | 29 | 300,415,638 | 196,701,371 |
| Running finance under mark-up arrangements | 30 | 794,368,862 | 767,102,058 |
| Current portion of non-current liabilities | 31 | 337,632,046 | 405,261,087 |
| Due to related parties | 32 | 335,365,141 | 414,753,666 |
| Taxation - net | 33 | 63,440,177 | 28,098,976 |
| Advance monitoring fees | 34 | 135,182,906 | 88,367,248 |
| | | 3,457,036,359 | 3,048,692,914 |
| TOTAL EQUITY AND LIABILITIES | | 6,349,716,109 | 6,105,098,137 |
| CONTINGENCIES AND COMMITMENTS | 35 | | |

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Unconsolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|--|------|-----------------|-----------------|
| | Note | Rupees | |
| Turnover – net | 36 | 2,253,139,790 | 2,106,468,500 |
| Cost of sales and services | 37 | (1,412,374,378) | (1,360,234,223) |
| Gross profit | | 840,765,412 | 746,234,277 |
| Distribution expenses | 38 | (112,642,952) | (105,861,119) |
| Administrative expenses | 39 | (388,304,976) | (359,924,460) |
| Operating profit | | 339,817,484 | 280,448,698 |
| Research and development expenses | 40 | (76,550,311) | (77,654,755) |
| Other expenses | 41 | (44,675,853) | (15,422,317) |
| Finance costs | 42 | (535,751,382) | (311,535,698) |
| Other income | 43 | 318,278,362 | 210,638,359 |
| Profit before taxation | | 1,118,300 | 86,474,288 |
| Taxation | 44 | (43,392,313) | 110,640,723 |
| (Loss) / profit for the year | | (42,274,013) | 197,115,011 |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Deficit on revaluation of property, plant & equipment realized | | - | (248,377,812) |
| Remeasurement gain on investment in subsidiaries | | 217,257,851 | - |
| Total comprehensive income / (loss) for the year | | 174,983,838 | (51,262,801) |
| (Loss) / earnings per share – basic and diluted | 45 | (0.23) | 1.05 |

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2023

| | Capital reserves | | | | Other components of equity | | | | Total equity |
|--|--------------------|---|---------------|-----------------------|----------------------------|---|---|----------------|---------------|
| | Share Capital | Reserve created under Scheme of Arrangement | Share premium | Other capital reserve | Revenue reserve | Surplus on revaluation of property, plant and equipment | Fair value reserve of financial assets designated at FVTOCI | Total reserves | |
| | ----- Rupees ----- | | | | | | | | |
| Balance as at July 01, 2021 | 1,872,630,930 | 146,817,136 | 55,832,910 | 30,040,000 | (189,432,169) | 284,922,765 | 77,760,820 | 405,941,462 | 2,278,572,392 |
| Total comprehensive income for the year | | | | | | | | | |
| Profit for the year | - | - | - | - | 197,115,011 | - | - | 197,115,011 | 197,115,011 |
| Other comprehensive loss for the year | | | | | | | | | |
| Deficit on revaluation of property, plant and equipment realised | - | - | - | - | - | (248,377,812) | - | (248,377,812) | (248,377,812) |
| Transfer of revaluation on surplus on disposal | - | - | - | - | 36,544,953 | (36,544,953) | - | - | - |
| | - | - | - | - | 233,659,964 | (284,922,765) | - | (51,262,801) | (51,262,801) |
| Transactions with owners of the Company | | | | | | | | | |
| Share based payment reserve | - | - | - | (30,040,000) | - | - | - | (30,040,000) | (30,040,000) |
| Balance as at June 30, 2022 | 1,872,630,930 | 146,817,136 | 55,832,910 | - | 44,227,795 | - | 77,760,820 | 324,638,661 | 2,197,269,591 |
| Balance as at July 01, 2022 | 1,872,630,930 | 146,817,136 | 55,832,910 | - | 44,227,795 | - | 77,760,820 | 324,638,661 | 2,197,269,591 |
| Total comprehensive income for the year | | | | | | | | | |
| Loss for the year | - | - | - | - | (42,274,013) | - | - | (42,274,013) | (42,274,013) |
| Other comprehensive income for the year | | | | | | | | | |
| Fair value gain on investment revaluation | - | - | - | - | - | - | 217,257,851 | 217,257,851 | 217,257,851 |
| | - | - | - | - | (42,274,013) | - | 217,257,851 | 174,983,838 | 174,983,838 |
| Balance as at June 30, 2023 | 1,872,630,930 | 146,817,136 | 55,832,910 | - | 1,953,782 | - | 295,018,671 | 499,622,499 | 2,372,253,429 |

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|--|------|---------------|---------------|
| | Note | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 1,118,300 | 86,474,288 |
| Adjustment for non-cash charges and other items: | | | |
| Depreciation on operating fixed assets | 6.1 | 220,865,713 | 250,020,167 |
| Depreciation on right of use assets | 8.1 | 49,373,063 | 69,110,404 |
| Amortisation | 7.1 | 3,823,731 | 15,635,790 |
| Allowance for expected credit loss (ECL) | | 4,560,252 | 4,025,029 |
| Finance costs | 42 | 535,751,382 | 311,535,697 |
| Gain on disposal of property, plant and equipment – net | 43 | (6,589,536) | (44,636,606) |
| Reversal of deferred tax asset on surplus of revaluation of PPE | 13.1 | - | 2,642,191 |
| Amortisation of government grant | 43 | (797,103) | (5,950,600) |
| Share based payment | | - | (30,040,000) |
| Exchange loss - net | 41 | 44,675,853 | 15,422,317 |
| | | 851,663,355 | 587,764,389 |
| Operating profit before working capital changes | | 852,781,655 | 674,238,677 |
| (Increase) / decrease in current assets | | | |
| Stock-in-trade | | (124,939,759) | (144,402,616) |
| Trade debts | | (168,130,072) | 299,996,077 |
| Loans and advances | | (4,852,528) | 28,694,561 |
| Trade deposits and prepayments | | 13,815,797 | (1,840,943) |
| Interest accrued | | (126,855,228) | (64,419,287) |
| Other receivables | | 420,981 | (11,551,236) |
| Due from related parties | | 265,733,459 | 578,165,012 |
| | | (144,807,350) | 684,641,568 |
| Increase in current liabilities | | | |
| Trade and other payables | | 262,232,073 | (233,298,713) |
| Due to related parties | | (79,388,525) | 190,330,773 |
| Advance monitoring fees | | 46,815,658 | 52,514,145 |
| | | 229,659,206 | 9,546,205 |
| Net cash flows from operations | | 937,633,511 | 1,368,426,450 |
| Payments for: | | | |
| Finance costs | | (489,044,764) | (320,045,485) |
| Income taxes | 33 | (36,849,178) | (33,441,300) |
| Long-term deposits | | (12,024,370) | (11,505,079) |
| | | (537,918,312) | (364,991,864) |
| Net cash flows from operating activities | | 399,715,199 | 1,003,434,586 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions in - property, plant and equipment | 6.1 | (27,077,939) | (76,174,886) |
| - capital work-in-progress | 6.2 | (73,787,380) | (23,466,625) |
| - intangible assets | 7.3 | (42,336,567) | (25,205,354) |
| Sale proceeds from disposal of property, plant and equipment | | 8,407,157 | 222,818,617 |
| Long-term loans | | (1,367,779) | (265,899) |
| Net cash (used in) / generated from investing activities | | (136,162,508) | 97,705,853 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long-term financings – net | 24.5 | (274,665,541) | (556,814,232) |
| Lease liabilities repaid | 25.1 | (58,595,756) | (84,761,115) |
| Long-term loans – net | | (55,760,703) | (137,097,578) |
| Short-term financings – net | 29.3 | 103,714,267 | (39,252,365) |
| Net cash used in financing activities | | (285,307,733) | (817,925,290) |
| Net (decrease) / increase in cash and cash equivalents during the year | | (21,755,042) | 283,215,149 |
| Cash and cash equivalents at beginning of the year | | (647,087,986) | (930,303,135) |
| Cash and cash equivalents at end of the year | 46 | (668,843,028) | (647,087,986) |

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

1. LEGAL STATUS AND OPERATIONS

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

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

- 1.2 In the meeting held on September 18, 2021, the Board had approved the demerger of the mapping segment of the business from the Company by creating a separate entity in Pakistan and transferred the net assets to the same. During the year dated July 05, 2022, the Company has incorporated this new Company by the name of Astra Location Services (Private) Limited (ALS) under Companies Act, 2017 and transferred the net assets amounting to Rs. 194 million to the same. The following is the details of Net Assets as at June 30, 2022:

| | Rupees |
|--|--------------------|
| Assets: | |
| Property, plant and equipment | 15,980,050 |
| Intangible assets | 989,570,337 |
| Right-of-use assets | 4,368,331 |
| Long-term deposits | 490,000 |
| | 1,010,408,718 |
| Liabilities: | |
| Long-term financing | 18,334,150 |
| Accrued mark-up | 245,708,976 |
| Current portion of non-current liabilities | 24,796,244 |
| Due to related parties | 527,566,321 |
| | 816,405,691 |
| Net Assets | 194,003,027 |

Moreover, the Board has also authorized the management to incorporate a foreign entity in a suitable jurisdiction for investments in the mapping business.

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

| Location | Address |
|---------------------------|--|
| Corporate office, Karachi | Plot No. 1, Sector #24, near Shan Chowrangi, Korangi Industrial Area, Karachi – 74900. |
| Regional offices: | |
| Lahore office | Tower 75, 4th Floor, L Block, Gulberg III, Kalma Chowk, Main Ferozpur Road, Lahore. |
| Islamabad office | 10th floor (South) ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad. |
| Faisalabad office | Office No. 2, 4th Floor, Meezan Executive Tower, Liaquat Road, Faisalabad. |
| Multan office | House No. 2, Shalimar Colony, Haider Street, Bosan Road, near Northern Bypass, Multan. |
| Hyderabad office | 2nd Floor, Plot # 15/5, Railway Cooperative Housing Society, Main Auto Bhan Road Latifabad, Hyderabad. |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

1.4 Details of related parties

| Name of related party | Basis of relationship | Shareholding |
|---|-------------------------|--------------|
| TPL Holdings (Private) Limited | Ultimate Parent Company | - |
| TPL Corp Limited | Parent Company | - |
| Trakker Middle East LLC | Subsidiary Company | 50% |
| Astra Location Services (Private) Limited | Subsidiary Company | 100% |
| TPL Insurance Limited | Common Directorship | - |
| TPL Security Services (Private) Limited | Associated Company | - |
| TPL Properties Limited | Common Directorship | - |
| TPL Property Management (Private) Limited | Common Directorship | - |
| HKC (Private) Limited | Common Directorship | - |
| TPL Technology Zone Phase - 1 (Private) Limited | Common Directorship | - |
| TPL Direct Finance (Private) Limited | Common Directorship | - |
| The Resource Group Pakistan Limited | Common Directorship | - |
| TPL Logistic Park (Private) Limited | Common Directorship | - |
| TPL Logistics (Private) Limited | Common Directorship | - |
| TPL Life Insurance Limited | Common Directorship | - |
| TPL E-Ventures (Private) Limited | Associated Company | - |
| TPL Mobile (Private) Limited | Common Directorship | - |
| TPL Tech Pakistan (Private) Limited | Common Directorship | - |
| Trakker Energy (Private) Limited | Associated Company | - |
| Trakker (Private) Limited Staff Provident Fund | Retirement Benefit Fund | - |

1.5 Utilization of proceeds from initial public offering

At the time of listing, the Company received Rs. 801.846 million by issuing 66.82 million ordinary shares under Initial Public Offering (IPO). Since, the IPO was bridged by issuance of a short-term commercial paper, the proceeds of IPO paid off the commercial paper, the funds of which has been utilised as follows:

| | Disclosed in prospectus | Utilization till date |
|---|-------------------------|-----------------------|
| | Rupees | |
| Procurement of CSD Devices | 322,983,288 | 96,766,373 |
| Infrastructure cost: IT capital expenditure | 94,782,420 | 109,790,990 |
| Digital Mapping cost: Computer Equipment | 80,000,000 | 12,186,572 |
| Working Capital: Video Vehicle Telematics & Genset Monitoring Devices | 100,914,000 | 72,943,062 |
| Servicing cost: Commercial paper - Finance cost / discount on par | 89,954,292 | 89,902,179 |
| Payment due to related party: TPL Corp Limited | 113,212,000 | 113,212,000 |
| | | <u>494,801,176</u> |

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial and Accounting standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 and;
- Provisions of and directives issued under the Companies Act, 2017.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

Where provisions of and directives issued under the Act differ from IFRSs or IFAs, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee ('Rupees' or 'Rs. '), which is the Company's functional and presentation currency.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|---|--|
| Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework | January 01, 2023 |
| Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use | January 01, 2023 |
| Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract | January 01, 2023 |

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|--|--|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements | January 01, 2024 |
| Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions | January 01, 2024 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current | January 01, 2024 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies | January 01, 2024 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | Effective date (annual periods beginning on or after) |
|--|--|
| Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants | January 01, 2024 |
| Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements | January 01, 2024 |
| Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates | January 01, 2024 |
| Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction | January 01, 2024 |
| Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes | January 01, 2024 |

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

a) Operating fixed assets and intangible assets

The Company reviews the useful lives, methods of depreciation / amortisation and residual values of operating fixed assets on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets and intangible assets with a corresponding effect on the depreciation / amortisation charge and impairment.

The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the profit or loss, unless the asset is carried at revalued amount. Any impairment loss of revalued assets is treated as revaluation decrease.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

b) Investment in subsidiaries

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

c) Stock-in-trade

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

d) Provision for expected credit losses (ECL) of certain financial assets

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

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

e) Recognition of tax and deferred tax

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

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

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Property, plant and equipment

5.1.1 Owned

Property, plant and equipment (except for leasehold land and buildings on leasehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Leasehold land and buildings on leasehold land are stated at revalued amounts, which are the fair value at the date of revaluation. Subsequently, these are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Depreciation is charged to the statement of 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 6.1 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 the statement of profit or loss, as and when incurred.

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

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

An item of property, 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 the statement profit or loss.

5.1.2 Capital work-in-progress

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

5.2 Surplus on revaluation of property, plant and equipment

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

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

5.3 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 7.1 to these unconsolidated 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.

5.3.1 Intangible assets under development

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

5.4 Leases

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

5.4.1 Company as a lessee

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

a) Right-of-use assets

The Company recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, on the rates as disclosed in the note 8.1 to these unconsolidated financial statements. ROU assets are subject to impairment.

b) Lease liabilities

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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

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

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

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

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

5.4.2 Company as a lessor

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

5.5 Financial instruments

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

5.5.1 Financial assets

5.5.1.1 Initial recognition and measurement

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

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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

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

5.5.1.2 Subsequent measurement

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

a) Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

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

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

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

recognised as dividend income in the profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

d) Financial assets at fair value through profit or loss

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

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

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

5.5.1.3 Derecognition

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

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

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

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

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

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5.5.1.4 Impairment

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

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

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

5.5.2 Financial liabilities

5.5.2.1 Initial recognition and measurement

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

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

5.5.2.2 Subsequent measurement

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

a) Financial liabilities at fair value through profit or loss

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

b) Loans and borrowings

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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

5.5.2.3 Derecognition

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

5.5.3 Offsetting of financial instruments

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

5.6 Impairment of non-financial assets

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

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

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

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

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

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

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

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

5.7 Investments in subsidiaries and associates

5.7.1 Investments in subsidiaries

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

5.7.2 Investments in associates

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

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

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 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 statement of cash flows, cash and cash equivalents comprise of bank balances including short-term deposits net of bank overdraft, if any.

5.10 Staff retirement benefits - Defined contribution plan

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

5.11 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.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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 statement of 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.

5.12 Provisions

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

5.13 Ijarah arrangements

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

5.14 Revenue recognition

5.14.1 Revenue from contracts with customers

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

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

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

5.14.2 Other revenues

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

5.15 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. Exchange gains and losses are recognised in the statement of 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.

5.16 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.

5.17 Dividend and appropriation to reserves

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

5.18 Government grant

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

5.19 Segment reporting

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

5.20 Employees share option plan

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|------|-------------|-------------|
| | Note | Rupees | |
| 6. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 6.1 | 646,829,180 | 551,014,458 |
| Capital work-in-progress | 6.2 | 112,301,247 | 185,158,264 |
| | | 759,130,427 | 736,172,722 |

6.1 Operating fixed assets

| | COST / REVALUED AMOUNT | | | ACCUMULATED DEPRECIATION | | | WRITTEN DOWN VALUE | Depreciation Rate |
|---------------------------|------------------------|---|---------------------|--------------------------|---|---------------------|---------------------|-------------------|
| | As at July 01, 2022 | Additions / (disposals) / transfers | As at June 30, 2023 | As at July 01, 2022 | Charge for the year / (disposals) / transfers | As at June 30, 2023 | As at June 30, 2023 | |
| | (Rupees) | | | | | | | % |
| Owned | | | | | | | | |
| Leasehold improvement | - | 71,921,817 | 71,921,817 | - | 11,986,969 | 11,986,969 | 59,934,848 | 20 |
| Computers and accessories | 266,567,421 | 18,855,497 (14,911,840) *** (9,867,025) | 260,644,053 | 226,254,446 | 39,526,007 (15,262,433) (14,275,405) *** (6,587,425) | 229,655,190 | 30,988,863 | 33.33 |
| Generators | 6,723,705 | (1,728,165) | 4,995,540 | 4,758,471 | 475,108 (1,728,165) | 3,505,414 | 1,490,126 | 20 |
| Electrical devices | 1,227,842,587 | ** 172,386,132 (8,378,533) * (19,446,050) 77,336,925 *** (43,500) | 1,449,697,561 | 793,370,801 | 14,236,513 (7,982,585) * (7,815,688) 141,675,858 *** (31,300) | 933,453,599 | 516,243,962 | 20 |
| Furniture and fittings | 134,436,315 | 1,256,485 (1,093,908) | 134,598,892 | 120,052,486 | 8,189,804 (1,070,158) | 127,172,132 | 7,426,760 | 20 |
| Vehicles | 69,039,623 | 3,791,600 (14,129,506) *** (14,355,000) | 44,346,717 | 9,281,861 | 4,420,811 15,262,433 (13,413,247) *** (1,674,750) | 13,877,108 | 30,469,609 | 20 |
| Mobile phones | 5,089,840 | 560,012 (5,317,137) *** (32,000) | 300,715 | 4,966,968 | 354,643 (5,271,908) *** (24,000) | 25,703 | 275,012 | 50 |
| | 1,709,699,491 | 256,805,804 | 1,966,505,295 | 1,158,685,033 | 160,991,082 | 1,319,676,115 | 646,829,180 | |

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

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

*** Represents transfer to new subsidiary company - ALS

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | COST / REVALUED AMOUNT | | | ACCUMULATED DEPRECIATION | | | WRITTEN DOWN VALUE | Depreciation Rate |
|----------------------------|------------------------|---|----------------------|--------------------------|---|----------------------|---------------------|-------------------|
| | As at July 01, 2021 | Additions / (disposals) / transfers | As at June 30, 2022 | As at July 01, 2021 | Charge for the year / (disposals) / transfers | As at June 30, 2022 | As at June 30, 2022 | |
| | (Rupees) | | | | | | | % |
| Owned | | | | | | | | |
| Leasehold land | 411,000,000 | (165,000,000) **(246,000,000) | - | - | - | - | - | - |
| Building on leasehold land | 16,406,766 | (9,000,000) (5,028,954) **(2,377,812) | - | 4,892,231 | 136,723 (5,028,954) | - | - | 5 |
| Computers and accessories | 289,171,671 | 38,400,420 (61,004,670) | 266,567,421 | 225,133,450 | 60,900,972 (59,779,976) | 226,254,446 | 40,312,975 | 33.33 |
| Generators | 5,123,665 | 1,600,040 | 6,723,705 | 4,390,032 | 368,439 | 4,758,471 | 1,965,234 | 20 |
| Electrical devices | 1,109,240,926 | 1,664,705 ** 214,904,960 * (43,573,391) (54,394,613) | 1,227,842,587 | 699,781,111 | 8,931,063 142,559,692 ** 19,763,144 * (23,531,351) (54,132,858) | 793,370,801 | 434,471,786 | 20 |
| Furniture and fittings | 181,566,630 | 1,844,218 (48,974,533) | 134,436,315 | 157,410,836 | 11,554,770 (48,913,120) | 120,052,486 | 14,383,829 | 20 |
| Vehicles | 44,427,620 | 31,969,003 (7,357,000) | 69,039,623 | 9,260,792 | 4,816,878 (4,795,809) | 9,281,861 | 59,757,762 | 20 |
| Construction of shed | 6,048,277 | (6,048,277) | - | 6,048,277 | (6,048,277) | - | - | 20 |
| Mobile phones | 8,459,977 | 696,500 (4,066,637) | 5,089,840 | 7,972,161 | 988,486 (3,993,679) | 4,966,968 | 122,872 | 33.33 |
| | <u>2,071,445,532</u> | <u>(361,746,041)</u> | <u>1,709,699,491</u> | <u>1,114,888,890</u> | <u>43,796,143</u> | <u>1,158,685,033</u> | <u>551,014,458</u> | |

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

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

*** Represents revaluation loss booked during the year

| Note | Rupees | |
|---|--------|--------------------|
| | ▶ 2023 | ▶ 2022 |
| 6.1.1 Depreciation charge for the year has been allocated as follows: | | |
| Cost of sales and services | 37 | 185,549,285 |
| Distribution expenses | 38 | 5,985,461 |
| Administrative expenses | 39 | 10,464,104 |
| Research and development | 40 | 18,866,863 |
| | | <u>220,865,713</u> |
| | | <u>210,041,942</u> |
| 6.1.2 During the year, the Company has transferred tracking devices from stock-in-trade at a cost of Rs. 172.386 million (2022: Rs. 214.904 million) to owned assets. As of the reporting date, assets costing Rs. 892.101 million (2022: Rs. 1,041.700 million) are in possession of third parties, on rental basis. The particulars of these assets have not been disclosed due to several numbers of parties involved. | | |
| 6.1.3 These includes fully depreciated operating fixed assets having cost of Rs. 41.772 million (2022: Rs. 421.938 million). | | |
| 6.1.4 During the year, the Company has written off fully depreciated assets costing Rs. 27.309 million (2022: Rs. 1.795 million). | | |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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

| | Original / revalued cost | Accumulated depreciation | Written down value (Rupees) | Sale proceeds | Gain / (loss) on disposals | Mode of disposal | Particulars of buyers | Location |
|--|-----------------------------|-----------------------------|-----------------------------------|--------------------|-------------------------------|---------------------|--------------------------|----------|
| Aggregate amount of assets disposed off not having WDV more than Rs. 5,000,000 each | | | | | | | | |
| Computers and accessories | 14,911,840 | 14,275,405 | 636,435 | 817,497 | 181,062 | Various | Various | Karachi |
| Electrical devices | 8,378,533 | 7,982,585 | 395,948 | 199,660 | (196,288) | | | |
| Vehicles | 14,129,506 | 13,413,247 | 716,259 | 7,390,000 | 6,673,741 | | | |
| Generators | 1,728,165 | 1,728,165 | - | - | - | | | |
| Furniture and fittings | 1,093,908 | 1,070,158 | 23,750 | - | (23,750) | | | |
| Mobile phones | 5,317,137 | 5,271,908 | 45,229 | - | (45,229) | | | |
| 2023 | 45,559,089 | 43,741,468 | 1,817,621 | 8,407,157 | 6,589,536 | | | |
| 2022 | 355,845,730 | 177,663,719 | 178,182,011 | 222,818,617 | 44,636,606 | | | |

| | | ▶ 2023 | ▶ 2022 |
|-----|---|---------------|-------------|
| | Note | Rupees | |
| 6.2 | Capital work-in-progress | | |
| | Balance as at July 01 | 185,158,264 | 161,691,639 |
| | Add: Additions during the year | 73,787,380 | 23,466,625 |
| | Less: Transfers to operating fixed assets during the year | (146,644,397) | - |
| | Balance as at June 30 | 112,301,247 | 185,158,264 |
| | 6.2.1 | | |

6.2.1 This represents expenditure in respect of leasehold improvements and renovation of office premises.

| | | ▶ 2023 | ▶ 2022 |
|-----------|-------------------------------------|---------------|---------------|
| | Note | Rupees | |
| 7. | INTANGIBLE ASSETS | | |
| | Intangible assets - operations | 1,147,446,996 | 1,200,776,343 |
| | Intangible assets under development | 42,336,567 | 940,064,721 |
| | | 1,189,783,563 | 2,140,841,064 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

7.1 Operating intangible asset

| | COST | | | ACCUMULATED AMORTISATION | | | WRITTEN DOWN VALUE | Amortisation rate % |
|--|----------------------|-------------------------|----------------------|--------------------------|-----------------------------------|---------------------|----------------------|---------------------|
| | As at July 01, 2022 | Additions / (transfers) | As at June 30, 2023 | As at July 01, 2022 | Charge for the year / (transfers) | As at June 30, 2023 | As at June 30, 2023 | |
| (Rupees) | | | | | | | | |
| Owned | | | | | | | | |
| Goodwill - note 7.2 | 403,380,571 | - | 403,380,571 | - | - | - | 403,380,571 | - |
| Customers related intangible assets - note 7.2 | 453,635,249 | - | 453,635,249 | - | - | - | 453,635,249 | - |
| Marketing related intangible assets - note 7.2 | 289,021,582 | - | 289,021,582 | - | - | - | 289,021,582 | - |
| Internally generated computer softwares | 25,840,000 | - | 25,840,000 | 25,840,000 | - | 25,840,000 | - | 13.33 |
| Softwares | 327,552,022 | - | 327,552,022 | 322,318,697 | 3,823,731 | 326,142,428 | 1,409,594 | 20-33.33 |
| PTA license | 1,000,500 | - | 1,000,500 | 1,000,500 | - | 1,000,500 | - | 6.67 |
| Decarta maps | 22,884,695 | - | 22,884,695 | 22,884,695 | - | 22,884,695 | - | 20 |
| Maps database | 147,858,790 | *(147,858,790) | - | 98,353,174 | *(98,353,174) | - | - | 5 |
| | <u>1,671,173,409</u> | <u>(147,858,790)</u> | <u>1,523,314,619</u> | <u>470,397,066</u> | <u>(94,529,443)</u> | <u>375,867,623</u> | <u>1,147,446,996</u> | |

* Represents transfer to Astra Location Services (Private) Limited (Refer: Note 1.2)

| | COST | | | ACCUMULATED AMORTISATION | | | WRITTEN DOWN VALUE | Amortisation rate % |
|--|----------------------|-------------------------|----------------------|--------------------------|-----------------------------------|---------------------|----------------------|---------------------|
| | As at July 01, 2021 | Additions / (transfers) | As at June 30, 2022 | As at July 01, 2021 | Charge for the year / (transfers) | As at June 30, 2022 | As at June 30, 2022 | |
| (Rupees) | | | | | | | | |
| Owned | | | | | | | | |
| Goodwill - note 7.2 | 403,380,571 | - | 403,380,571 | - | - | - | 403,380,571 | - |
| Customers related intangible assets - note 7.2 | 453,635,249 | - | 453,635,249 | - | - | - | 453,635,249 | - |
| Marketing related intangible assets - note 7.2 | 289,021,582 | - | 289,021,582 | - | - | - | 289,021,582 | - |
| Internally generated computer softwares | 25,840,000 | - | 25,840,000 | 25,840,000 | - | 25,840,000 | - | 13.33 |
| Softwares | 327,552,022 | - | 327,552,022 | 314,208,091 | 8,110,606 | 322,318,697 | 5,233,325 | 20-33.33 |
| PTA license | 1,000,500 | - | 1,000,500 | 1,000,500 | - | 1,000,500 | - | 6.67 |
| Decarta maps | 22,884,695 | - | 22,884,695 | 22,884,695 | - | 22,884,695 | - | 20 |
| Maps database | 147,858,790 | - | 147,858,790 | 90,827,990 | 7,525,184 | 98,353,174 | 49,505,616 | 5 |
| | <u>1,671,173,409</u> | <u>-</u> | <u>1,671,173,409</u> | <u>454,761,276</u> | <u>15,635,790</u> | <u>470,397,066</u> | <u>1,200,776,343</u> | |

7.2 Impairment testing of goodwill and intangibles with indefinite lives

Goodwill acquired through business combinations and intangibles with indefinite useful lives have been allocated and monitored at the Company level (tracking business - excluding non-operating assets). Intangible assets with indefinite useful lives include customer and marketing related intangibles assets. The Company has performed its annual impairment test as at June 30, 2023. The recoverable amount of the Company is determined based on using cash flow projections from financial budgets approved by the senior management covering a five year period. The discount rate applied to cash flow projections is 22.9% (2022: 15.7%). The growth rate used to extrapolate the cash flows beyond the five-year period is 8% (2022: 5.8%). As a result of this assessment, the management did not identify any impairment for the cash generating unit to which these assets are allocated.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

Key assumptions used in discounted cashflow calculations

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

- Discount rates
- Key business assumptions

Discount rates

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

Key business assumptions

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

Sensitivity to changes in assumptions

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

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

| | | ▶ 2023 | ▶ 2022 |
|------|--|---------------|-------------|
| Note | | Rupees | |
| 7.3 | Intangible assets under development | | |
| | Balance as at July 01 | 940,064,721 | 914,859,367 |
| | Add : Additions during the year | 42,336,567 | 25,205,354 |
| | Less: Transfer to new Subsidiary Company - ALS | (940,064,721) | - |
| | Balance as at June 30 | 42,336,567 | 940,064,721 |

7.3.1 This represents expenditure incurred for the development of a SaaS Platform encompassing the SaaS Core System, Fleet Telematics and IoT Platform, APIs, and Mobile Apps for both Android and iOS. This cloud-based solution aims to empower both entities and individuals in managing, overseeing, and governing their devices and information through a centralized software application. The anticipated culmination is in the last quarter of the fiscal year 2023-2024. The Company's projection indicates that the complete outlay for the development of these intangible assets will sum up to Rs. 120 million, out of which Rs. 42.336 million has already been incurred by the Company as of the reporting date.

7.3.2 The management has carried out an annual impairment assessment for intangible assets under development based on the discounted cashflow calculations. The discount rate applied to the cashflow projections is 22.9% (2022: 15.7%) and the growth rate used to extrapolate the cashflows beyond the five year period is 8% (2022: 5.8%). As a result of this assessment, the management did not identify any impairment in the carrying value of intangible assets under development as of the reporting date.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

Key assumptions used in discounted cashflow calculations

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

- Discount rates
- Key business assumptions

Discount rates

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

Key business assumptions

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

Sensitivity to changes in assumptions

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

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

7.4 Amortisation charge for the year has been allocated as follows:

| | | ▶ 2023 | ▶ 2022 |
|----------------------------|------|-----------|------------|
| | Note | Rupees | |
| Cost of sales and services | 37 | 3,212,317 | 13,135,627 |
| Distribution expenses | 38 | 103,623 | 423,730 |
| Administrative expenses | 39 | 507,791 | 2,076,433 |
| | | 3,823,731 | 15,635,790 |

7.5 This includes fully amortized intangible assets having cost of Rs. 374.077 million (2022: Rs. 355.581 million).

8. RIGHT-OF-USE ASSETS

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

Net carrying value basis June 30, 2023

| | Vehicles | Computers and accessories | Regional offices | Total |
|--|----------|---------------------------|------------------|--------------|
| | (Rupees) | | | |
| Balance as at July 01, 2022 | - | - | 118,591,439 | 118,591,439 |
| Add : Additions during the year | - | - | 15,586,178 | 15,586,178 |
| Less: Depreciation charge for the year | - | - | (49,373,063) | (49,373,063) |
| Less: Transfer to new Subsidiary - ALS | - | - | (4,368,332) | (4,368,332) |
| Balance as at June 30, 2023 | - | - | 80,436,222 | 80,436,222 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

Net carrying value basis June 30, 2022

| | Vehicles | Computers and accessories | Regional offices | Total |
|--|-----------|---------------------------|------------------|--------------|
| | (Rupees) | | | |
| Balance as at July 01, 2021 | 397,690 | 16,819,589 | 90,756,916 | 107,974,195 |
| Add : Additions during the year | - | - | 79,727,647 | 79,727,647 |
| Less: Depreciation charge for the year | (397,690) | (16,819,589) | (51,893,124) | (69,110,403) |
| Balance as at June 30, 2022 | - | - | 118,591,439 | 118,591,439 |

| | | ▶ 2023 | ▶ 2022 |
|---|------|---------------|---------------|
| | Note | Rupees | |
| Gross carrying value basis | | | |
| Cost | | 407,900,517 | 400,378,950 |
| Less: Accumulated depreciation | | (327,464,295) | (281,787,511) |
| Net book value | | 80,436,222 | 118,591,439 |
| 8.1 Depreciation charge for the year has been allocated as follows: | | | |
| Cost of sales and services | 37 | 41,478,310 | 58,059,650 |
| Distribution expenses | 38 | 1,338,010 | 1,872,892 |
| Administrative expenses | 39 | 6,556,743 | 9,177,861 |
| | | 49,373,063 | 69,110,403 |
| 9. LONG-TERM INVESTMENTS | | | |
| Designated at FVTOCI | | | |
| Investment in a subsidiaries | | | |
| Trakker Middle East LLC (TME) | 9.1 | 194,552,732 | 194,552,732 |
| Astra Location Services (Private) Limited | 9.2 | 500,000,000 | - |
| | | 694,552,732 | 194,552,732 |

9.1 The Company has calculated the fair value of its investment based on discounted cash flow technique by discounting cashflows projections using discount rate 11 percent and the growth rate to extrapolate the cashflows beyond the five-year period is 3 percent. The Company holds 50% (2022 : 50%) of shares in subsidiary.

9.1.1 Trakker Middle East LLC is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of the Company is at Dubai, United Arab Emirates. The principal activities of Trakker Middle East LLC are selling, marketing and distribution of products and services in the field of wireless, fleet management, tracking and telemetry services.

9.1.2 The beneficial owners of the Company with address to as follows:

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

9.2 The Company has calculated the fair value of its investment based on market comparable valuation. The Company holds 100% of shares in subsidiary.

9.2.1 Astra Location Services (Private) Limited was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017. The registered office of the Company is situated at 20th Floor, Sky Tower East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi. Currently, the principal activity of the Company include digital mapping and location based services.

9.3 Investment in subsidiary companies has been made in accordance with the requirement of Companies Act, 2017.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | | ► 2023 | ► 2022 |
|---|--------|--------------------|----------|
| Note | Rupees | | |
| 10. LONG-TERM ADVANCES | | | |
| Astra Location Services (Private) Limited | | | |
| Principal | | 527,566,321 | - |
| Interest accrued on advance | | 245,342,481 | - |
| 10.1 | | <u>772,908,802</u> | <u>-</u> |

10.1 This represents advances transferred under scheme of arrangement of demerger of the mapping segment of the Company, refer note 1.2 to these unconsolidated financial statements.

| | | ► 2023 | ► 2022 |
|---|--------|------------------|------------------|
| Note | Rupees | | |
| 11. LONG-TERM LOANS (secured, considered good) | | | |
| Executives | 11.1 | 110,451 | 122,076 |
| Employees | 11.1 | 3,869,976 | 2,738,896 |
| | | <u>3,980,427</u> | <u>2,860,972</u> |
| Less: current portion of long-term loans | 16 | (2,141,036) | (2,389,360) |
| | | <u>1,839,391</u> | <u>471,612</u> |

11.1 The maximum aggregate amount of loans due from the executives and employees at the end of any month during the year were Rs. 0.120 million and Rs 3.869 respectively (2022: Rs. 0.421 million and Rs 3.968 million respectively).

11.2 The loans are provided to employees of the Company for the purchase of furniture and fixtures, renovation of house and marriage of self / children in accordance with the terms of employment and carrying mark up at the rate of 5% (2022: 5%) per annum. Further, it also includes loans provided on interest free basis amounting to Rs. 1.875 million (2022: Rs. 0.936 million). All loans are repayable over a period of two years in equal monthly installments and are secured against salaries and provident fund balances of the employees. The management of the Company has not discounted these loans to their present value, as they consider the impact is immaterial to these unconsolidated financial statements taken as whole.

| | | ► 2023 | ► 2022 |
|-----------------------------------|--------|-------------------|-------------------|
| Note | Rupees | | |
| 12. LONG-TERM DEPOSITS | | | |
| Security deposits - ijarah assets | | 18,700,981 | - |
| Utilities | | 177,450 | 177,450 |
| Rent deposits | | 4,737,756 | 5,227,756 |
| Cash margin against guarantees | 12.1 | 25,618,130 | 32,294,741 |
| | | <u>49,234,317</u> | <u>37,699,947</u> |

12.1 This represents cash margin on guarantees issued by various commercial banks on behalf of the Company.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | | ► 2023 | ► 2022 |
|--|---------------|--------------|--------|
| Note | Rupees | | |
| 13. DEFERRED TAX ASSETS - NET | | | |
| Deferred tax liabilities on taxable temporary differences: | | | |
| Accelerated tax depreciation on: | | | |
| Property, plant and equipment | 52,236,134 | 51,990,846 | |
| Right-of-use assets | (23,326,504) | (34,391,517) | |
| Intangible assets | (408,782) | (15,564,979) | |
| Long-term investments | (120,500,584) | (31,761,462) | |
| | (91,999,736) | (29,727,112) | |
| Deferred tax assets on deductible temporary differences: | | | |
| Trade debts | 8,284,453 | 6,961,980 | |
| Lease liabilities | 29,925,666 | 40,580,880 | |
| Tax losses | 192,046,161 | 180,381,852 | |
| | 230,256,280 | 227,924,712 | |
| | 138,256,544 | 198,197,600 | |
| 13.1 The movement in deferred tax assets is as follows: | | | |
| Charged to other comprehensive income | (88,739,122) | - | |
| Settlement of surplus on revaluation of PPE on disposal | - | (2,642,191) | |
| Charged to profit or loss | 28,798,066 | 141,166,748 | |
| | (59,941,056) | 138,524,557 | |

13.2 As of reporting date, the Company has not recognised deferred tax assets of Nil (2022: Nil) on losses of Nil (2022: Nil) in line with accounting policies of the Company as stated in note 5.11 to these unconsolidated financial statements.

| | | ► 2023 | ► 2022 |
|---------------------------|-------------|-------------|-------------|
| Note | Rupees | | |
| 14. STOCK-IN-TRADE | | | |
| Tracking devices | 14.1 & 14.2 | 202,526,937 | 270,175,955 |
| Spare parts | 14.3 | 131,641,820 | 99,808,813 |
| | | 334,168,757 | 369,984,768 |

14.1 This includes stock of Rs. 9.710 million (2022: Rs. 3.361 million) held with third parties.

14.2 Stock written off during the year amounting to Rs. 27.31 million (2022: Rs. 15.31 million)

14.3 This represents bonnet locks, window motors etc.

| | | ► 2023 | ► 2022 |
|---|--------|---------------|--------------|
| Note | Rupees | | |
| 15. TRADE DEBTS | | | |
| Unsecured | | | |
| Related parties | | | |
| - TPL Insurance Limited | | 20,057,799 | 19,256,007 |
| - Astra Location Services (Private) Limited | 15.2 | 50,296,817 | - |
| Others than related parties | | 941,528,207 | 824,496,744 |
| | 15.5 | 1,011,882,823 | 843,752,751 |
| Less: Allowances for expected credit losses | 15.4 | (28,567,081) | (24,006,829) |
| | 15.1 | 983,315,742 | 819,745,922 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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

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

| | Total | Current | Past due but not impaired | | |
|------------------------------|------------|------------|---------------------------|--------------------------|--------------------|
| | | | > 30 days upto 120 days | > 121 days upto 180 days | 180 days and above |
| ----- (Rupees) ----- | | | | | |
| TPL Insurance Limited - 2023 | 20,057,799 | 14,622,195 | 2,151,432 | 2,216,055 | 1,068,117 |
| TPL Insurance Limited - 2022 | 19,256,007 | 14,037,686 | 2,065,430 | 2,127,471 | 1,025,420 |

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

| | Note | ► 2023 | ► 2022 |
|---|------|------------|------------|
| | | Rupees | |
| TPL Insurance Limited | | 20,057,799 | 19,256,007 |
| 15.4 Allowance for expected credit losses | | | |
| Balance as at July 01 | | 24,006,829 | 19,981,800 |
| Add: Charge for the year | 39 | 4,560,252 | 4,025,029 |
| Balance as at June 30 | | 28,567,081 | 24,006,829 |

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

| | Total | Current | Days past due | | |
|--|---------------|-------------|-------------------------|--------------------------|--------------------|
| | | | > 30 days upto 120 days | > 121 days upto 180 days | 180 days and above |
| ----- (Rupees) ----- | | | | | |
| 2023 | | | | | |
| Expected credit loss rate | 2.82% | 1.21% | 2.15% | 8.67% | 25.58% |
| Estimated total gross carrying amount at default | 1,011,882,823 | 384,557,082 | 522,447,235 | 83,777,317 | 21,101,189 |
| Expected credit loss | 28,567,081 | 4,670,717 | 11,237,652 | 7,261,752 | 5,396,960 |
| 2022 | | | | | |
| Expected credit loss rate | 2.85% | 1.30% | 1.59% | 9.87% | 11.81% |
| Estimated total gross carrying amount at default | 843,752,751 | 303,108,337 | 416,507,365 | 61,855,180 | 62,281,869 |
| Expected credit loss | 24,006,829 | 3,926,260 | 6,624,947 | 6,102,402 | 7,353,220 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|---|-------------|-------------|
| | Note | Rupees | |
| 16. LOANS AND ADVANCES | | | |
| Loans – secured, considered good | | | |
| Current portion of long-term loans | 11 | 2,141,036 | 2,389,360 |
| Advances – unsecured, considered good suppliers | 16.1 | 37,040,848 | 31,939,996 |
| | | 39,181,884 | 34,329,356 |
| 16.1 | These are non-interest bearing and generally on an average term of 1 to 6 months. | | |
| 17. TRADE DEPOSITS AND PREPAYMENTS | | | |
| Trade deposits | | | |
| Security deposits | | 2,737,620 | 7,214,720 |
| LC margin | | 377,546 | 377,546 |
| Current portion of ijarah deposits | | 2,286,826 | 2,286,826 |
| Others | | 711,516 | 711,516 |
| | 17.1 | 6,113,508 | 10,590,608 |
| Prepayments | | | |
| Insurance | | 7,591,038 | 3,210,595 |
| Maintenance | | 992,283 | 7,894,553 |
| Others | | 5,740,644 | 12,557,514 |
| | | 14,323,965 | 23,662,662 |
| | | 20,437,473 | 34,253,270 |
| 17.1 | These are non-interest bearing and generally on an average term of 1 to 6 months. | | |
| 18. INTEREST ACCRUED unsecured, considered good | | | |
| Mark-up accrued on due from related parties | | | |
| On current account: | | | |
| Ultimate parent Company | | | |
| - TPL Holdings (Private) Limited | | 367,175,449 | 225,097,934 |
| Parent Company | | | |
| - TPL Corp Limited | | 2,554,434 | 64,304,940 |
| Subsidiary Company | | | |
| - Trakker Middle East LLC | | 73,602,341 | 33,651,177 |
| Associates | | | |
| - TPL Security Services (Private) Limited | | - | 4,326,421 |
| - TPL Direct Finance (Private) Limited | | 1,454,420 | 1,291,055 |
| - TRG Pakistan Limited | | 10,263,564 | 8,460,845 |
| - TPL Tech Pakistan (Private) Limited | | 24,401,906 | 16,139,391 |
| - TPL Properties Limited | | 3,078,247 | 2,403,370 |
| | | 482,530,361 | 355,675,133 |
| 19. OTHER RECEIVABLES (unsecured, considered good) | | | |
| Earnest money | | 22,641,024 | 23,069,505 |
| Insurance claims | | 4,963,495 | 4,955,995 |
| Others | 19.1 | 1,133,269 | 1,133,269 |
| | | 28,737,788 | 29,158,769 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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

| | | ▶ 2023 | ▶ 2022 |
|--|--------|-------------|-------------|
| Note | Rupees | | |
| 20. DUE FROM RELATED PARTIES (unsecured, considered good) | | | |
| Ultimate parent Company | | | |
| - TPL Holdings (Private) Limited | 20.1 | 313,694,371 | 699,627,685 |
| Subsidiary Company | | | |
| - Trakker Middle East LLC | 20.2 | 248,453,862 | 141,323,900 |
| Associates | | | |
| - TPL Properties Limited | 20.2 | 5,595,589 | - |
| - TPL Life Insurance Limited | | 28,707,941 | 21,233,637 |
| - TPL Direct Finance (Private) Limited | 20.2 | 850,070 | 850,070 |
| - TRG Pakistan Limited | 20.2 | 9,380,446 | 9,380,446 |
| - TPL Tech Pakistan (Private) Limited | 20.2 | 42,993,993 | 42,993,993 |
| | | 649,676,272 | 915,409,731 |

20.1 This represents current account balance carrying mark-up at the rate of 3 months KIBOR plus 3% (2022: 3 months KIBOR plus 3%) and is repayable on demand.

20.2 This represents current account balance with related parties carrying mark-up at the rate of 6 months KIBOR plus 3% (2022: 6 months KIBOR plus 3%) per annum and are repayable on demand.

20.3 These are neither past due nor impaired.

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

| | | ▶ 2023 | ▶ 2022 |
|--|--------|-------------|-------------|
| Note | Rupees | | |
| Ultimate parent company | | | |
| - TPL Holdings (Private) Limited | | 699,999,997 | 699,627,685 |
| Subsidiary company | | | |
| - Trakker Middle East LLC | | 248,453,862 | 141,323,900 |
| Associates | | | |
| - TPL Properties Limited | | 7,664,758 | 34,085,250 |
| - TPL Life Insurance Limited | | 39,932,730 | 21,233,637 |
| - TPL Direct Finance (Private) Limited | | 850,070 | 850,070 |
| - TRG Pakistan Limited | | 9,380,446 | 9,380,446 |
| - TPL Tech Pakistan (Private) Limited | | 42,993,993 | 42,993,993 |
| 21. CASH AND BANK BALANCES | | | |
| Cash in hand | | 41,739 | 154,340 |
| Cash at banks | | | |
| current accounts | | 6,546,639 | 12,050,422 |
| saving accounts | 21.1 | 118,937,456 | 107,809,310 |
| | | 125,484,095 | 119,859,732 |
| | | 125,525,834 | 120,014,072 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

21.1 These carry mark-up at the rate of 5.53% to 12.70% (2022: 2.95% to 6.9%) per annum.

| | | | ▶ 2023 | ▶ 2022 |
|------------|---|---|------------------|---------------|
| | | Note | Rupees | |
| 22. | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | | | |
| | | | ▶ 2023 | ▶ 2022 |
| | | | Number of shares | |
| | | | 66,820,510 | 66,820,510 |
| | | | - | - |
| | | Ordinary shares of Rs.10/- each opening balance | 668,205,100 | 668,205,100 |
| | | issued during the year | - | - |
| | | | 668,205,100 | 668,205,100 |
| | | issued as other than cash | 686,801,710 | 686,801,710 |
| | | issued as bonus shares | 517,624,120 | 517,624,120 |
| | | | 1,872,630,930 | 1,872,630,930 |
| 23. | SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | | | |
| | Opening balance: | | | |
| | Leasehold land | | - | 271,024,056 |
| | Building on leasehold land | | - | 13,898,709 |
| | | | - | 284,922,765 |
| | Deficit on revaluation recognised / (reversed on disposal) during the year: | | | |
| | Leasehold land | | - | (271,024,056) |
| | Building on leasehold land | | - | (13,898,709) |
| | | | - | (284,922,765) |
| 24. | LONG-TERM FINANCING - secured | | | |
| | Sukuk financing II | 24.1 | 753,154,061 | 1,027,032,974 |
| | Diminishing musharaka I | 24.2 | - | 27,912,021 |
| | Diminishing musharaka II | 22.3 | - | 10,472,867 |
| | Diminishing musharaka III | 22.4 | 1,712,354 | 2,498,982 |
| | | | 754,866,415 | 1,067,916,844 |
| | Less: current portion shown under current liabilities | 31 | (278,726,196) | (298,615,142) |
| | | | 476,140,219 | 769,301,702 |

24.1 This represents Sukuk certificates issued of Rs. 1,250 million divided into 1,250 certificates of Rs 1 million each for a period of 5 years under an agreement dated December 22, 2020. The said certificates are redeemable in periodic instalments by March 2026 and carries markup at the rate of 3 months KIBOR plus 3% per annum.

These certificates are secured against first pari passu charge of Rs. 70 million on present and future moveable fixed assets of the Company inclusive of 25% margin, first pari passu hypothecation charge of Rs. 340 million on present and future current assets of the Company inclusive of 25% margin, first pari passu charge of upto Rs.1,500 million on present and future long-term investments of TPL Corp Limited (the Parent Company) inclusive of 25% margin and first charge over lien and set off against facility payment and facility service reserve accounts to the extent of Rs. 1,855 million.

24.2 This represents diminishing musharaka facility to finance the purchase of computer servers and related accessories aggregating to Rs 58.615 million from an Islamic bank for a period of 5 years (2022: 5 years (after deferment of 1 year) and carries mark-up at the rate of 1 month KIBOR plus 2% per annum) The musharaka units are to be purchased by January 2024. The facility is secured by exclusive charge over the diminishing musharaka assets, first charge over all present and future current and fixed assets of the Company and corporate guarantee of TPL Corp Limited (the Parent Company). During the year, the Company transferred the outstanding balance under scheme of arrangement of the demerger of the mapping segment of the business from the Company, refer note 1.2 to these unconsolidated financial statements.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

24.3 This represents diminishing musharaka facility to finance the purchase of vehicle aggregating to Rs 11.484 million from Islamic Financial Institution for a period of 5 years and carries mark-up at the rate of 3 month KIBOR plus 3.5 per annum. The musharaka units are to be purchased by November 2026. The facility is secured by post-dated cheques of all installments and corporate guarantee of TPL Corp Limited (the Parent Company). During the year, the Company transferred the outstanding balance under scheme of arrangement of the demerger of the mapping segment of the business from the Company, refer note 1.2 to these unconsolidated financial statements.

24.4 This represents diminishing musharaka facility to finance the purchase of vehicles aggregating to Rs 3.133 million from Islamic Financial Institution for a period of 3 years and carries mark-up at the rate of 6 month KIBOR plus 3.5% per annum. The musharaka units are to be purchased by November 2024. The facility is secured by post-dated cheques of all instalments and corporate guarantee of TPL Corp Limited (the Parent Company).

| | | ▶ 2023 | ▶ 2022 |
|------------|--|---------------|---------------|
| | | Rupees | |
| Note | | | |
| 24.5 | The movement in long-term financings is as follows: | | |
| | Opening balance | 1,067,916,844 | 1,624,731,076 |
| | Financings obtained during the year | - | 14,398,700 |
| | Unwinding of transaction cost | 3,898,864 | 3,898,864 |
| | Transfer to demerge entity ALS | (38,384,888) | - |
| | Financing repaid during the year | (278,564,405) | (575,111,796) |
| | Closing balance | 754,866,415 | 1,067,916,844 |
| 25. | LEASE LIABILITIES | | |
| | Current maturity of lease liabilities | 58,905,850 | 50,088,139 |
| | Non current maturity of lease liabilities | 44,286,102 | 89,833,930 |
| | | 103,191,952 | 139,922,069 |
| 25.1 | Reconciliation of lease liabilities: | | |
| | Balance as at July 01 | 139,922,069 | 129,557,564 |
| | Additions for the year | 15,586,178 | 79,727,647 |
| | Interest expense for the year | 11,024,967 | 15,397,973 |
| | Payments made during the year | (58,595,756) | (84,761,115) |
| | Transfer to demerge entity ALS | (4,745,506) | - |
| | Balance as at June 30 | 103,191,952 | 139,922,069 |
| | Following are recognised in profit or loss in respect of leases: | | |
| | Depreciation expense on right-of-use assets | 49,373,063 | 69,110,403 |
| | Interest expense on lease liabilities | 11,024,967 | 15,397,973 |
| | Total amount recognised in profit or loss | 60,398,030 | 84,508,376 |
| 25.2 | The maturity analysis of lease liabilities is presented in note 47.1 to these unconsolidated financial statements. | | |
| 25.3 | The Company had total cash outflows for leases of Rs. 58.595 million (2022: Rs. 84.761 million) as of reporting date. The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 15.586 million (2022: Rs. 79.727 million). The Company does not have any future cashflows relating to leases other than as disclosed in these unconsolidated financial statements. | | |

| | | ▶ 2023 | ▶ 2022 |
|------------|---|--------|--------------|
| | | Rupees | |
| Note | | | |
| 26. | LONG-TERM LOANS | | |
| | Term finance VI | - | 23,856,264 |
| | Term finance VII | - | 31,904,439 |
| | | - | 55,760,703 |
| | Less: Current portion shown under current liabilities | - | (55,760,703) |
| | | - | - |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

26.1 The Company and the Parent Company (TPL Corp Limited) has obtained long-term financing from a commercial bank of Rs. 150 million under Refinance Scheme for payment of Wages & Salaries by State Bank of Pakistan. Out of total facility limit, Rs. 96.7 million was availed by the Company and Rs. 51.7 million was availed by the parent company. It carries a flat mark-up at the rate of 3% per annum and is repayable in 8 quarterly instalments commencing from January 2021 discounted at effective rate of interest of 9.72% to 11.31% per annum.

The differential mark-up has been recognised as government grant which will be amortised to interest income over the period of the facility. The facility is secured against existing charge over Company's current assets, fixed assets and pledge of shares of TPL Insurance Limited and TPL Properties Limited. During the year, the Company repaid the outstanding balance in full and charge on this facility was released.

26.2 The Company has obtained long-term financing from a commercial bank of Rs. 98 million under Refinance Scheme for payment of Wages and Salaries by State Bank of Pakistan. Out of total facility limit, Rs. 97.8 million was availed by the Company. It carries a flat mark-up at the rate of 3% per annum and is repayable in 8 quarterly instalments commencing from January 2021 discounted at effective rate of interest of 10.25% to 10.26% per annum. The differential mark-up has been recognised as government grant which will be amortised to interest income over the period of the facility. The facility is secured against ranking charge over current assets of the Company and pledge of shares of TPL Corp Limited and TPL Properties Limited of Rs. 163,333 million with 40% margin. During the year, the Company repaid the outstanding balance in full and charge on this facility was released.

| | | ► 2023 | ► 2022 |
|-------------|---|---------------|---------------|
| Note | | Rupees | |
| 27. | TRADE AND OTHER PAYABLES | | |
| | Trade creditors | 509,488,769 | 370,340,075 |
| | Accrued liabilities | 188,413,742 | 173,390,354 |
| | Unearned equipment rentals | 133,289,926 | 118,998,792 |
| | Book overdraft | 59,016,231 | 62,159,815 |
| | Other liabilities | | |
| | Sales commission | 18,347,328 | 16,049,345 |
| | Sales tax payable | 8,448,807 | 16,118,843 |
| | Withholding tax payable | 329,636,148 | 246,504,164 |
| | Workers' Welfare Fund | 2,638,267 | 2,638,267 |
| | Provident fund | 131,845,540 | 68,017,177 |
| | Others | 1,661,798 | 1,661,798 |
| | | 492,577,888 | 350,989,594 |
| | | 1,382,786,556 | 1,075,878,630 |
| 27.1 | Payable to related parties | | |
| | TPL Properties Limited | - | 25,660,432 |
| | TPL Property Management (Private) Limited | 27,695,963 | 28,985,720 |
| | TPL Insurance Limited | 3,979,863 | - |
| | | 31,675,826 | 54,646,152 |

27.1.1 This represents the amount charged on account of rental, maintenance and other services.

27.2 Equipment rentals transferred to revenue during the year amounts to Rs. 1,305.69 million (2022: Rs. 1.462 million).

27.3 This includes stale cheques amounting to Rs. 1.647 million (2022: Rs.1.647 million).

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|------|-------------|-------------|
| | Note | Rupees | |
| 28. ACCRUED MARK-UP | | | |
| Long-term financing | | 7,241,530 | 907,744 |
| Long-term loans | | - | 361,065 |
| Running finance under mark-up arrangement | | 67,230,988 | 27,844,523 |
| Short-term financing | | 33,372,515 | 2,822,667 |
| Due to related parties | | - | 40,593,879 |
| | | 107,845,033 | 72,529,878 |
| 29. SHORT-TERM FINANCING | | | |
| Finance against Trust Receipt | 29.1 | 50,169,482 | 95,208,753 |
| Payroll financing | 29.2 | 250,246,156 | 101,492,618 |
| | | 300,415,638 | 196,701,371 |

29.1 This represents financing facilities from various financial institutions having an aggregate limit of Rs. 135 million (2022: Rs. 285 million). It carries mark-up ranging from 3 months KIBOR plus 2.5% to 3.5% and is secured against first pari passu hypothecation charge of Rs. 826 million (2022: Rs.826 million) over all present and future stocks, book debts and fixed assets excluding land and buildings of the Company with cash margins ranging from nil to 15%. As of the reporting date, Rs. 84.830 million (2022: Rs. 189.791 million) remains unutilized.

29.2 This represents financing facility obtained against processing fee charges at the rate fixed rate of 22% (2022: 1 month KIBOR + 2%), calculated on a daily outstanding balance with settlement being done simultaneously along with the principal.

| | | ▶ 2023 | ▶ 2022 |
|---|------|---------------|---------------|
| | Note | Rupees | |
| 29.3 The movement in short-term financings is as follows: | | | |
| Balance as at July 01 | | 196,701,371 | 235,953,736 |
| Financing obtained during the year | | 740,533,918 | 146,390,785 |
| Financing repaid during the year | | (636,819,651) | (185,643,150) |
| Balance as at June 30 | | 300,415,638 | 196,701,371 |

30. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

These facilities are obtained from various financial institutions having an aggregate limit of Rs. 795 million (2022: Rs. 795 million) out of which Rs. 8.222 million (2022: Rs. 37.375 million) was un-utilised as of the reporting date. The facilities carry mark-up ranging between 3 months KIBOR plus 1.5% to 5% (2022: 1 month KIBOR plus 2% and 3 months KIBOR plus 1.5% to 3%) per annum. These are secured by way of:

- registered hypothecation over stocks and book debts aggregating to Rs. 1,186 million (2022: Rs. 1,186 million) and pledge of the shares of TPL Insurance Limited, TPL Properties Limited (associated companies) and TPL Corp Limited (the Parent) having market value of Rs. 300 million.
- personal guarantees of sponsors/directors of the Company, 100% liquid security in shape of lien over Company/related company account/ lien over term deposit account on account of TPL Life Insurance Limited, 100% cash collateral under lien in the form of term deposit receipt or depository participants account (to be marked in group companies) / minimum 60% cash in shape of lien over term deposit receipt or depository participants account (to be marked lien in group Associate Company i.e. TPL Life Insurance Limited) and maximum 40% to be placed in investor portfolio securities account of TPL Life Insurance Limited with 10% margin.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

- cash collateral in the form of lien over deposits held under Islamic bank of Rs. 100 million in the name of TPL Insurance Limited and cross corporate guarantee of TPL Insurance Limited.

| | | ▶ 2023 | ▶ 2022 |
|---|------|-------------|-------------|
| | Note | Rupees | |
| 31. CURRENT PORTION OF NON-CURRENT LIABILITIES | | | |
| Long-term financing | 24 | 278,726,196 | 298,615,142 |
| Lease liabilities | 25 | 58,905,850 | 50,088,139 |
| Long-term loans | 26 | - | 55,760,703 |
| Government grant | | - | 797,103 |
| | | 337,632,046 | 405,261,087 |
| 32. DUE TO RELATED PARTIES - [unsecured] | | | |
| Parent company | | | |
| - TPL Corp Limited | | 14,229,380 | 164,227,754 |
| Associates | | | |
| - TPL Insurance Limited | 32.1 | 298,682,679 | 202,070,734 |
| - TPL Security Services (Private) Limited | 32.2 | 22,453,082 | 23,078,649 |
| - TPL Properties Limited | | - | 25,376,529 |
| | | 335,365,141 | 414,753,666 |

32.1 This includes current account balance of Rs. Nil (2022: Rs. 72.929 million) carrying mark-up at the variable rate of 3 months KIBOR plus 3% per annum and is repayable on demand. Further, it also includes outstanding loan of Rs. 298.682 million having facility limit of Rs. 300 million (2022: Rs. 275 million) carrying mark-up at the rate of 1 year KIBOR plus 3.5% per annum and is repayable on demand.

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

| | | ▶ 2023 | ▶ 2022 |
|--|------|---------------|---------------|
| | Note | Rupees | |
| 33. TAXATION - NET | | | |
| Balance as at July 01 | | (28,098,976) | (31,014,251) |
| Less: Provision for current and prior taxation | 44 | (72,190,379) | (30,526,025) |
| Add: Income tax paid and deducted at source | | 36,849,178 | 33,441,300 |
| Balance as at June 30 | | (63,440,177) | (28,098,976) |
| 34. ADVANCE MONITORING FEES | | | |
| Balance as at July 01 | | 88,367,248 | 35,853,103 |
| Billed during the year | | 562,196,260 | 514,303,971 |
| Less: Transferred to revenue during the year | | (515,380,602) | (461,789,826) |
| Balance as at June 30 | 34.1 | 135,182,906 | 88,367,248 |

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

35. CONTINGENCIES AND COMMITMENTS

35.1 Contingencies

35.1.1 The Company is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs. 13.279 million (2022: 13.279 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in the favor of the Company and, accordingly, no provision has been made for any liability against these law suits in these unconsolidated financial statements. Details of these legal cases are given below:

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

35.1.2 The Deputy Commissioner, Inland Revenue has passed an Order-in-Original u/s 11 (2) of the Sales Tax Act, 1990, dated June 05, 2023, where the difference between sales revenue as declared in financial statements for the year ended June 30, 2017 and the returns filed by the company for the same tax periods was made taxable, after considering reconciliation submitted by the Company and has raised tax demand of Rs. 56.869 million.

The Company has filed an appeal to Commission Appeals (CIR-A) against the aforesaid order, whose hearing is affixed after the reporting year. Based on the advice of the legal advisor, management is confident that the outcome of the case will be in favour of the Company.

35.2 Commitments

35.2.1 Ijarah agreements

The Company has ijarah agreement with Islamic financial institution in respect of purchase of computer equipment for a period upto three years. As of reporting date, total ijarah payments due under the agreements are Rs. 71.149 million (2022: Rs. Nil) .Taxes and repairs are to be borne by the Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the ijarah rentals and security deposits of Rs. 18.7 million (2022: Rs. Nil). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

| Note | ► 2023 | ► 2022 |
|--|------------|------------|
| | Rupees | |
| Not later than one year | 32,837,976 | - |
| Later than one year but not later than five years | 38,310,972 | - |
| 35.2.2 Guarantees issued by banks on behalf of the Company | 25,618,130 | 32,294,741 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|----------------------------------|------|---------------|---------------|
| | Note | Rupees | |
| 36. TURNOVER - NET | | | |
| Tracking and other business | | | |
| Equipment installation and sales | | 448,656,856 | 506,492,119 |
| Monitoring fees | | 615,879,821 | 551,838,842 |
| Rentals from tracking devices | | 1,555,244,938 | 1,122,772,246 |
| Navigation revenue | | 35,961,651 | 212,782,469 |
| Other services | | 3,517,236 | 33,517,006 |
| | | 2,659,260,502 | 2,427,402,682 |
| Less: sales tax | | (406,120,712) | (320,934,182) |
| | 36.1 | 2,253,139,790 | 2,106,468,500 |

36.1 This includes revenue recognized during the year of Rs. 170.493 million (2022: Rs. 171.408 million) from related parties.

| | | ▶ 2023 | ▶ 2022 |
|---|-------|---------------|---------------|
| | Note | Rupees | |
| 37. COST OF SALES AND SERVICES | | | |
| Cost of equipment sold | 37.1 | 364,298,557 | 294,917,930 |
| Salaries, wages and other benefits | 37.2 | 333,443,870 | 331,462,467 |
| Activation and connection charges | | 141,962,825 | 184,420,986 |
| Insurance | | 13,253,516 | 17,374,102 |
| Vehicle running and maintenance | | 66,502,412 | 49,210,333 |
| Depreciation on operating fixed assets | 6.1.1 | 185,549,285 | 210,041,942 |
| Depreciation on right of use assets | 8.1 | 41,478,310 | 58,059,650 |
| Amortisation | 7.4 | 3,212,317 | 13,135,627 |
| License renewal fee | | 2,674,901 | 2,831,979 |
| Communication | | 8,371,967 | 8,587,680 |
| Travelling and conveyance | | 29,787,410 | 26,590,187 |
| Utilities | | 20,484,036 | 17,387,509 |
| Rent, rates and taxes | | 20,225,427 | 6,304,874 |
| Entertainment | | 6,535,451 | 5,336,930 |
| Commission | | 63,710,317 | 66,461,172 |
| Ijarah rentals | | 7,874,226 | 3,566 |
| Outsourcing expenses | | - | 5,984,986 |
| Postage and courier | | 23,160,062 | 12,930,283 |
| Printing and stationery | | 2,949,277 | 4,451,497 |
| Repairs and maintenance | | 16,877,242 | 15,806,471 |
| Training | | 706,093 | 1,568,574 |
| Computer expenses | | 53,772,124 | 25,678,175 |
| Others | | 5,544,753 | 1,687,303 |
| | | 1,412,374,378 | 1,360,234,223 |
| 37.1 Cost of equipment sold | | | |
| Opening stock | | 369,984,768 | 420,445,073 |
| Purchases during the year | | 500,868,678 | 459,362,585 |
| | | 870,853,446 | 879,807,658 |
| Less: units transferred to operating fixed assets given under rental arrangements | 6.1 | (172,386,132) | (214,904,960) |
| Less: closing stock | 14 | (334,168,757) | (369,984,768) |
| | | 364,298,557 | 294,917,930 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

37.2 These include Rs. 11.010 million (2022: Rs. 10.685 million) in respect of staff retirement benefits.

| | | ▶ 2023 | ▶ 2022 |
|--|-------|-------------|-------------|
| | Note | Rupees | |
| 38. DISTRIBUTION EXPENSES | | | |
| Salaries, wages and other benefits | 38.1 | 67,100,116 | 66,701,391 |
| Vehicle running and maintenance | | 3,038,988 | 2,248,785 |
| Depreciation on operating fixed assets | 6.1.1 | 5,985,461 | 6,775,547 |
| Depreciation on right of use assets | 8.1 | 1,338,010 | 1,872,892 |
| Amortisation | 7.4 | 103,623 | 423,730 |
| Sales promotion and publicity | | 14,857,585 | 14,373,335 |
| Utilities | | 1,882,566 | 1,597,982 |
| Rent, rates and taxes | | 2,383,642 | 743,053 |
| Entertainment | | 745,905 | 609,115 |
| Printing and stationery | | 464,346 | 700,862 |
| Communication | | 2,008,450 | 2,060,200 |
| Repairs and maintenance | | 1,200,640 | 1,124,465 |
| Insurance | | 1,432,982 | 1,878,503 |
| Computer expenses | | 9,684,029 | 4,624,482 |
| Others | | 416,609 | 126,777 |
| | | 112,642,952 | 105,861,119 |

38.1 These include Rs. 2.216 million (2021: Rs. 2.150 million) in respect of staff retirement benefits (provident fund contribution).

| | | ▶ 2023 | ▶ 2022 |
|--|-------|-------------|-------------|
| | Note | Rupees | |
| 39. ADMINISTRATIVE EXPENSES | | | |
| Salaries, wages and other benefits | 39.1 | 186,022,906 | 184,917,514 |
| Legal and professional | | 31,692,978 | 21,400,224 |
| Depreciation on operating fixed assets | 6.1.1 | 10,464,104 | 11,845,374 |
| Depreciation on right of use assets | 8.1 | 6,556,743 | 9,177,862 |
| Amortisation | 7.4 | 507,791 | 2,076,433 |
| Charge of allowance for expected credit losses | | 4,560,252 | 4,025,029 |
| Utilities | | 8,344,097 | 7,082,738 |
| Rent, rates and taxes | | 8,160,676 | 2,543,928 |
| Travelling and conveyance | | 4,869,263 | 4,346,622 |
| Repairs and maintenance | | 10,373,302 | 9,715,170 |
| Security services | | 10,580,611 | 16,990,624 |
| Vehicle running and maintenance | | 23,965,928 | 17,734,264 |
| Computer expenses | | 41,690,745 | 19,908,870 |
| Communication | | 5,421,710 | 5,561,406 |
| Late payment surcharge (net) | | - | 15,000,000 |
| Training | | 529,199 | 1,175,607 |
| Auditors' remuneration | 39.2 | 4,425,000 | 4,030,000 |
| Insurance | | 6,172,042 | 8,090,961 |
| Entertainment | | 3,049,739 | 2,490,455 |
| Printing and stationery | | 2,744,817 | 4,142,895 |
| Ijarah rentals | | 7,874,226 | 3,566 |
| Subscription | | 6,801,847 | 6,617,222 |
| Others | | 3,497,000 | 1,047,696 |
| | | 388,304,976 | 359,924,460 |

39.1 These include Rs. 7.996 million (2022: Rs. 7.760 million) in respect of staff retirement benefits (provident fund contribution).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|------|---|-----------|-----------|
| | Note | Rupees | |
| 39.2 | Auditors' remuneration | | |
| | Audit fee – standalone | 2,620,000 | 2,300,000 |
| | Audit fee – consolidation | 575,000 | 500,000 |
| | Review fee – standalone | 750,000 | 750,000 |
| | Code of corporate governance and other assurance services | 330,000 | 330,000 |
| | Out of pocket expenses | 150,000 | 150,000 |
| | | 4,425,000 | 4,030,000 |

39.3 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.

| | | ▶ 2023 | ▶ 2022 | |
|------------|---|-------------|-------------|-------------|
| | Note | Rupees | | |
| 40. | RESEARCH AND DEVELOPMENT EXPENSES | | | |
| | Salaries, wages and other benefits | 56,154,523 | 55,820,839 | |
| | Depreciation on operating fixed assets | 18,866,863 | 21,357,304 | |
| | Rent, rates and taxes | 1,528,925 | 476,612 | |
| | | 76,550,311 | 77,654,755 | |
| 41. | OTHER EXPENSES | | | |
| | Exchange loss - net | 44,675,853 | 15,422,317 | |
| 42. | FINANCE COSTS | | | |
| | Mark-up on: | | | |
| | Long-term financings | 193,551,194 | 160,887,777 | |
| | Lease liabilities | 11,024,967 | 15,409,973 | |
| | Long-term loans | 2,658,169 | 10,503,478 | |
| | Short-term financings | 55,254,746 | 11,238,585 | |
| | Running finance under mark-up arrangements | 156,228,386 | 100,010,092 | |
| | Due to related parties | 112,795,197 | 10,086,027 | |
| | Bank and other charges | 4,238,723 | 3,399,765 | |
| | | 535,751,382 | 311,535,697 | |
| 43. | OTHER INCOME | | | |
| | Income from financial assets: | | | |
| | Interest income on loan given to employees | 67,151 | 93,505 | |
| | Mark-up on saving accounts | 16,983,536 | 7,434,159 | |
| | Income from related parties: | | | |
| | Mark-up on current account | 43.1 | 192,932,155 | 136,301,636 |
| | Other service income | 17,597,964 | 11,182,765 | |
| | | 227,580,806 | 155,012,065 | |
| | Income from assets other than financial assets: | | | |
| | Gain on disposal of property, plant and equipment - net | 6,589,536 | 44,636,606 | |
| | Amortisation of Government grant | 797,103 | 5,950,600 | |
| | Base station salary | 4,337,828 | 5,039,088 | |
| | Others | 43.2 | 78,973,089 | - |
| | | 90,697,556 | 55,626,294 | |
| | | 318,278,362 | 210,638,359 | |

43.1 This represents markup on outstanding balance receivable from related parties

43.2 This represents the account balance of TPL Properties Limited write off during the year amounting to Rs. 51.036 million and service fee charged by the Company to Astra Location Services (Private) Limited amounting to Rs. 27.936 million.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---------------------|------|--------------|--------------|
| | Note | Rupees | |
| 44. TAXATION | | | |
| Current | | (66,886,111) | (59,303,167) |
| Prior | | (5,304,268) | 28,777,142 |
| Deferred | 13.1 | 28,798,066 | 141,166,748 |
| | | (43,392,313) | 110,640,723 |

44.1 The returns of the total income of the Company have been filed for and upto tax year 2022 which are considered as deemed assessments.

44.2 Relationship between accounting profit and tax expense.

| | | ▶ 2023 | ▶ 2022 |
|--|------|--------------|-------------|
| | Note | Rupees | |
| Profit before taxation | | 1,118,300 | 86,474,288 |
| Applicable tax rate | | 29% | 29% |
| Prior year tax | | (5,304,268) | 28,777,142 |
| Tax effect of income subject to lower tax rate | | (38,088,045) | 81,863,581 |
| Taxation for the year | | (43,392,313) | 110,640,723 |
| 45. (LOSS) / EARNINGS PER SHARE – (BASIC AND DILUTED) | | | |
| Basic: | | | |
| (Loss) / profit attributable to the ordinary shareholders | | (42,274,013) | 197,115,011 |

----- Number of shares -----

| | | | |
|--|----|---------------|---------------|
| Weighted average number of ordinary shares in issue | | 187,263,093 | 187,263,093 |
| (Loss) / earnings per share – basic and diluted | | (0.23) | 1.05 |
| 45.1 There is no dilutive effect on the basic earnings per share of the Company. | | | |
| 46. CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 21 | 125,525,834 | 120,014,072 |
| Running finance under mark-up arrangements | 30 | (794,368,862) | (767,102,058) |
| | | (668,843,028) | (647,087,986) |

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining 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, 2023. The policies for managing each of these risks are summarised below:

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

47.1 Financial assets and liabilities (excluding statutory assets and liabilities) by categories and their respective maturities are as follows:

| | Interest bearing | | | Non-Interest bearing | | | Total |
|---|------------------------|--|----------------------|------------------------|--|----------------------|----------------------|
| | Maturity upto one year | Maturity after one year but less than five years | Total | Maturity upto one year | Maturity after one year but less than five years | Total | |
| 2023 | | | | | | | |
| (Rupees) | | | | | | | |
| Financial assets (designated at FVTOCI) | | | | | | | |
| Long-term investments (at amortised cost) | - | - | - | - | 694,552,732 | 694,552,732 | 694,552,732 |
| Long term loans | 910,518 | 348,339 | 1,258,857 | 1,230,518 | 1,491,052 | 2,721,570 | 3,980,427 |
| Long-term deposits | - | - | - | - | 49,234,317 | 49,234,317 | 49,234,317 |
| Trade debts | - | - | - | 1,011,882,823 | - | 1,011,882,823 | 1,011,882,823 |
| Trade deposits | - | - | - | 6,113,508 | - | 6,113,508 | 6,113,508 |
| Interest accrued | - | - | - | 482,530,361 | - | 482,530,361 | 482,530,361 |
| Other receivables | - | - | - | 28,737,788 | - | 28,737,788 | 28,737,788 |
| Due from related parties | 649,676,272 | - | 649,676,272 | - | - | - | 649,676,272 |
| Cash and bank balances | 118,937,456 | - | 118,937,456 | 6,588,378 | - | 6,588,378 | 125,525,834 |
| | <u>769,524,246</u> | <u>348,339</u> | <u>769,872,585</u> | <u>1,537,083,376</u> | <u>745,278,101</u> | <u>2,282,361,477</u> | <u>3,052,234,062</u> |
| Financial liabilities (at amortised cost) | | | | | | | |
| Long-term financings | 278,726,196 | 476,140,219 | 754,866,415 | - | - | - | 754,866,415 |
| Lease liabilities | 58,905,850 | 44,286,102 | 103,191,952 | - | - | - | 103,191,952 |
| Trade and other payables | - | - | - | 649,548,315 | - | 649,548,315 | 649,548,315 |
| Accrued mark-up | - | - | - | 107,845,033 | - | 107,845,033 | 107,845,033 |
| Short term financings | 300,415,638 | - | 300,415,638 | - | - | - | 300,415,638 |
| Running finance under mark-up arrangements | 794,368,862 | - | 794,368,862 | - | - | - | 794,368,862 |
| Due to related parties | 335,365,141 | - | 335,365,141 | - | - | - | 335,365,141 |
| | <u>1,767,781,687</u> | <u>520,426,321</u> | <u>2,288,208,008</u> | <u>757,393,348</u> | <u>-</u> | <u>757,393,348</u> | <u>3,045,601,356</u> |
| 2022 | | | | | | | |
| (Rupees) | | | | | | | |
| Financial assets (at amortised cost) | | | | | | | |
| Long-term investments | - | - | - | - | 194,552,732 | 194,552,732 | 194,552,732 |
| Loans | 1,687,376 | 237,133 | 1,924,509 | 701,984 | 234,479 | 936,463 | 2,860,972 |
| Long-term deposits | - | - | - | - | 37,699,947 | 37,699,947 | 37,699,947 |
| Trade debts | - | - | - | 843,752,751 | - | 843,752,751 | 843,752,751 |
| Trade deposits | - | - | - | 10,590,608 | - | 10,590,608 | 10,590,608 |
| Interest accrued | - | - | - | 355,675,133 | - | 355,675,133 | 355,675,133 |
| Other receivables | - | - | - | 29,158,769 | - | 29,158,769 | 29,158,769 |
| Due from related parties | 915,409,731 | - | 915,409,731 | - | - | - | 915,409,731 |
| Cash and bank balances | 107,809,310 | - | 107,809,310 | 12,204,762 | - | 12,204,762 | 120,014,072 |
| | <u>1,024,906,417</u> | <u>237,133</u> | <u>1,025,143,550</u> | <u>1,252,084,007</u> | <u>232,487,158</u> | <u>1,484,571,165</u> | <u>2,509,714,715</u> |
| Financial liabilities (at amortised cost) | | | | | | | |
| Long-term financings | 298,615,142 | 769,301,702 | 1,067,916,844 | - | - | - | 1,067,916,844 |
| Lease liabilities | 50,088,139 | 89,833,930 | 139,922,069 | - | - | - | 139,922,069 |
| Long-term loans | 55,760,703 | - | 55,760,703 | - | - | - | 55,760,703 |
| Trade and other payables | - | - | - | 506,849,259 | - | 506,849,259 | 506,849,259 |
| Accrued mark-up | - | - | - | 72,529,878 | - | 72,529,878 | 72,529,878 |
| Short term financings | 196,701,371 | - | 196,701,371 | - | - | - | 196,701,371 |
| Running finance under mark-up arrangements | 767,102,058 | - | 767,102,058 | - | - | - | 767,102,058 |
| Due to related parties | 414,753,666 | - | 414,753,666 | - | - | - | 414,753,666 |
| | <u>1,783,021,079</u> | <u>859,135,632</u> | <u>2,642,156,711</u> | <u>579,379,137</u> | <u>-</u> | <u>579,379,137</u> | <u>3,221,535,848</u> |

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

47.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analysis in the following sections relate to the position as at June 30, 2023.

47.2.1 Interest rate risk

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

47.2.2 Interest rate sensitivity

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

| | (Increase) / decrease in basis points | Effect on profit / (loss) before tax (Rupees) |
|------|---|--|
| 2023 | +100 | 16,160,787 |
| | -100 | <u>(16,160,787)</u> |
| 2022 | +100 | 17,036,683 |
| | -100 | <u>(17,036,683)</u> |

47.2.3 Currency risk

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

| | 2023 | 2022 | 2023 | 2022 |
|-----------------------|------------------|-----------|-------------------------------|--------------|
| | Foreign currency | | ----- Equivalent Rupees ----- | |
| Assets | | | | |
| Advances (USD) | - | 43,215 | - | 8,878,522 |
| Liabilities | | | | |
| Trade creditors (USD) | (468,506) | (373,179) | (134,273,184) | (76,348,617) |
| Trade creditors (EUR) | (45,000) | (90,000) | (14,098,334) | (19,262,673) |

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

| | Average rate | | Spot rate | |
|-----------|------------------|---------------|------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | -----Rupees----- | | -----Rupees----- | |
| US Dollar | <u>245.59</u> | <u>179.50</u> | <u>286.60</u> | <u>204.59</u> |
| Euro | <u>263.66</u> | <u>206.00</u> | <u>313.30</u> | <u>214.03</u> |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit / (loss) before tax for the year by Rs 7.418 million (2022: Rs 4.338 million).

47.2.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the Company is not exposed to equity price risk other than its investment in subsidiaries (note 9).

47.3 Credit risk

47.3.1 Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory assets and includes deposits, loans, trade and other receivables, interest accrued, investments, due from related parties and cash and bank balances. Out of the total financial assets of Rs. 3,052.234 million (2022: Rs. 2,509.715 million), the financial assets which are subject to credit risk amounted to Rs. 3,048.254 million (2022: Rs. 2,506.854 million). The Company's credit risk is primarily attributable to its trade debts and bank balances. The Company has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debtors is limited. Further, the Company manages its credit risk by obtaining advance monitoring fee for device and service charges and effective implementation of credit policy for its customers.

The credit quality of financial assets that are past due but not impaired is disclosed in note 15.5 to these unconsolidated 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.

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

| | | ▶ 2023 | ▶ 2022 |
|--------------------------|------|---------------|---------------|
| | Note | Rupees | |
| Long-term investments | 9 | 694,552,732 | 194,552,732 |
| Loans | 11 | 3,980,427 | 2,860,972 |
| Long-term deposits | 12 | 49,234,317 | 37,699,947 |
| Trade debts | 15.5 | 384,557,082 | 303,108,337 |
| Trade deposits | 17 | 6,113,508 | 10,590,608 |
| Interest accrued | 18 | 482,530,361 | 355,675,133 |
| Other receivables | 19 | 28,737,788 | 29,158,769 |
| Due from related parties | 20 | 649,676,272 | 915,409,731 |
| Bank balances | 21 | 125,484,095 | 119,859,732 |
| | | 2,424,866,582 | 1,968,915,961 |

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| Bank Balances by short-term | Rating Agency | ► 2023 | ► 2022 |
|--------------------------------|------------------|--------------------|--------------------|
| | | Rupees | |
| A-1+ | VIS | 881,881 | 774,820 |
| A-1 | VIS | 20,052 | 966 |
| A-1+ | PACRA | 122,842,713 | 111,952,539 |
| A-1 | PACRA | 1,739,449 | 7,131,407 |
| | | <u>125,484,095</u> | <u>119,859,732</u> |

47.4 Liquidity risk

Liquidity risk represents the risk that a Company will encounter difficulties in meeting obligations with the financial liabilities. The financial liabilities excludes statutory liabilities and provisions and includes long-term and short-term financing, trade and other payables, accrued mark-up and due to related parties. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of various financing facilities. The table below summarises the maturity profile of the Company's financial liabilities at June 30, 2023 and 2022 based on contractual undiscounted payment dates and present market interest rates:

| | On demand | Less than 3 months | 3 to 12 months | More than 1 year | Total |
|---|----------------------|-----------------------|--------------------|---------------------|----------------------|
| | ----- (Rupees) ----- | | | | |
| 2023 | | | | | |
| Long-term financings | - | - | 278,726,196 | 476,140,219 | 754,866,415 |
| Lease liabilities | - | - | 58,905,850 | 44,286,102 | 103,191,952 |
| Long-term loans | - | - | - | - | - |
| Trade and other payables | - | 649,548,315 | - | - | 649,548,315 |
| Accrued mark-up | 107,845,033 | - | - | - | 107,845,033 |
| Short-term financings | - | 250,246,156 | 50,169,482 | - | 300,415,638 |
| Running finance under mark-up arrangements | 794,368,862 | - | - | - | 794,368,862 |
| Due to related parties | 335,365,141 | - | - | - | 335,365,141 |
| | <u>1,237,579,036</u> | <u>899,794,471</u> | <u>387,801,528</u> | <u>520,426,321</u> | <u>3,045,601,356</u> |
| 2022 | | | | | |
| Long-term financings | - | - | 298,615,142 | 769,301,702 | 1,067,916,844 |
| Lease liabilities | - | - | 50,088,139 | 89,833,930 | 139,922,069 |
| Long-term loans | - | - | 55,760,703 | - | 55,760,703 |
| Trade and other payables | - | 506,849,259 | - | - | 506,849,259 |
| Accrued mark-up | 72,529,878 | - | - | - | 72,529,878 |
| Short-term financings | - | 101,492,618 | 95,208,753 | - | 196,701,371 |
| Running finance under mark-up arrangements | 767,102,058 | - | - | - | 767,102,058 |
| Due to related parties | 414,753,666 | - | - | - | 414,753,666 |
| | <u>1,254,385,602</u> | <u>608,341,877</u> | <u>499,672,737</u> | <u>859,135,632</u> | <u>3,221,535,848</u> |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

47.5 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2023. The Parent Company is committed to provide full support to the Company, as and when required.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2023 and 2022 are as follows:

| | | ▶ 2023 | ▶ 2022 |
|--|------|---------------|---------------|
| | Note | Rupees | |
| Long-term financings | 24 | 754,866,415 | 1,067,916,844 |
| Lease liabilities | 25 | 103,191,952 | 139,922,069 |
| Long-term loans | 26 | - | 55,760,703 |
| Accrued mark-up | 28 | 107,845,033 | 72,529,878 |
| Short-term financings | 29 | 300,415,638 | 196,701,371 |
| Running finance under mark-up arrangements | 30 | 794,368,862 | 767,102,058 |
| Total debts | | 2,060,687,900 | 2,299,932,923 |
| Less: cash and bank balances | 21 | (125,525,834) | (120,014,072) |
| Net debt | | 1,935,162,066 | 2,179,918,851 |
| Share capital | 22 | 1,872,630,930 | 1,872,630,930 |
| Capital reserves | | 202,650,046 | 202,650,046 |
| Revenue reserve | | 1,953,782 | 44,227,795 |
| Other components of equity | | 295,018,671 | 77,760,820 |
| Total equity | | 2,372,253,429 | 2,197,269,591 |
| Total capital | | 4,307,415,495 | 4,377,188,442 |
| Gearing ratio | | 44.93% | 49.80% |

48. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

Level 1: Quoted market price

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non-market observables)

| | Total | Level 1 | Level 2 | Level 3 |
|---|--------------------|---------|---------|-------------|
| | ----- Rupees ----- | | | |
| Financial assets - Designated at FVTOCI | | | | |
| Long term investments | | | | |
| 2023 | 694,552,732 | - | - | 694,552,732 |
| 2022 | 194,552,732 | - | - | 194,552,732 |

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

As of reporting date, the Company has no assets carried at fair value other than long-term investments in a subsidiary companies as stated above.

48.1 Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, as at June 30, 2023 are shown below:

| | Significant unobservable inputs | Range (weighted average) | Sensitivity of the input to fair value |
|-------------------------------------|---------------------------------|--------------------------|---|
| Non-listed equity investments - TME | Discount rate | 11% | 1% increase in the discount rate could result in decrease in fair value by Rs. 25.291 million. 1% decrease in the discount rate could result in increase in fair value by Rs. 35 million." |
| | Terminal growth rate | 3% | 1% increase in the growth rate could result in increase in fair value by Rs. 27.237 million. 1% decrease in the growth rate could result in decrease in fair value by Rs. 21.400 million. |

49. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

| | Chief Executive | | Directors | | Executives | |
|----------------------|--------------------|-------------------|------------------|------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | ----- Rupees ----- | | | | | |
| Basic salary | 23,227,200 | 19,356,132 | - | - | 100,474,944 | 84,057,948 |
| House rent allowance | 10,452,240 | 8,710,200 | - | - | 45,213,600 | 37,825,944 |
| Utilities | 2,320,560 | 1,933,668 | - | - | 10,037,760 | 8,397,564 |
| Vehicle allowance | 1,800,000 | - | - | - | 18,324,000 | 15,108,000 |
| Retirement benefits | 1,934,820 | 1,612,368 | - | - | 8,029,668 | 6,872,988 |
| Meeting fees | - | - | 1,700,000 | 1,700,000 | - | - |
| | <u>39,734,820</u> | <u>31,612,368</u> | <u>1,700,000</u> | <u>1,700,000</u> | <u>182,079,972</u> | <u>152,262,444</u> |
| Number of person(s) | <u>1</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>38</u> | <u>33</u> |

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

50. TRANSACTIONS WITH RELATED PARTIES

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

| | ▶ 2023 | ▶ 2022 |
|---|-------------|---------------|
| | Rupees | |
| <u>TPL Holdings (Private) Limited – (ultimate parent company) TPLH</u> | | |
| Amount received by the Company from TPLH | 76,000,000 | 29,250,000 |
| Expenditure incurred / paid by the Company on behalf of TPLH | 20,894,708 | 31,045,741 |
| Mark-up on current account | 142,077,515 | 86,009,652 |
| Settlement of amount receivable by the TPLH with TPLC | 400,000,000 | |
| Amount paid / repaid by the Company to TPLH | 69,171,978 | - |
| <u>TPL Corp Limited – (parent company) [TPLC]</u> | | |
| Amount received by the Company from TPLC | 217,535,000 | 1,110,382,353 |
| Amount paid by the Company on behalf of TPLC | 64,684,278 | 414,884,799 |
| Mark-up on current account | 61,750,505 | 29,554,796 |
| Settlement of amount receivable by the Company with TPL Life | - | 20,284,690 |
| Settlement of amount receivable by the TPLH with TPLC | 400,000,000 | |
| Expenditure incurred by the Company on behalf of TPLC | 2,924,820 | 2,592,956 |
| Expenditure incurred on behalf of the Company | 100,075,724 | 120,714,275 |
| <u>Subsidiary companies</u> | | |
| <u>Trakker Middle East LLC [TME]</u> | | |
| Expenses incurred / paid by the Company on behalf of TME | 5,455,384 | 9,138,449 |
| Expenditure incurred / paid by TME on behalf of the Company | 21,822,324 | - |
| Mark-up on current account | 39,951,164 | 13,847,122 |
| <u>Astra Location Services (Private) Limited [ALS]</u> | | |
| Net Assets transferred consequent to demerger of mapping business | 194,003,027 | - |
| Expenditure incurred by the Company on behalf of ALS | 81,145,193 | - |
| Amount received by the Company from ALS | 32,300,000 | - |
| Services acquired by the Company from ALS | 12,251,321 | - |
| Amount paid / repaid by the Company to ALS | 58,731,766 | - |
| <u>Associated companies</u> | | |
| <u>TPL Security Services (Private) Limited [TSS]</u> | | |
| Expenditure incurred / paid by the Company on behalf of TSS | 3,221,699 | 3,935,768 |
| Expenditure incurred / paid by TSS on behalf of the Company | 97,441 | 1,186,767 |
| Services acquired by the Company from TSS | 10,925,112 | 20,110,628 |
| Amount received by the Company from TSS | - | 2,000,000 |
| Settlement of amount payable on behalf of the Company from TSS for services received from suppliers | - | 8,488,840 |
| Settlement of accrued markup | 4,326,421 | |
| Amount paid / repaid by the Company to TSS | 4,100,000 | 15,269,241 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

| | ▶ 2023 | ▶ 2022 |
|--|-------------|---------------|
| | Rupees | |
| TPL Properties Limited [TPLP] | | |
| Expenditure incurred / paid by the Company on behalf of TPLP | 8,038,666 | 3,333,561 |
| Amount paid by the Company to TPLP | - | 25,000,000 |
| Amount received by the Holding Company from TPLP | - | 59,000,000 |
| Expenditure incurred / paid by TPLP on behalf of the Company | 2,693,077 | 2,130,731 |
| Mark-up on current account | 250,000 | 356,314 |
| TPL Insurance Limited [TIL] | | |
| Sales made by the Company to TIL | 170,493,684 | 171,408,678 |
| Expenditure incurred / paid by the Company on behalf of TIL | 52,103,715 | 29,746,248 |
| Amount received by the Company from TIL | 20,000,000 | 1,091,563,750 |
| Mark-up on current account | 51,044,692 | 10,086,027 |
| Settlement of accrued markup | 86,513,782 | - |
| Payment made by the Company to TIL | 27,500,000 | 906,516,000 |
| Expenditure incurred / paid by TIL on behalf of the Company | 69,701,878 | 4,252,442 |
| TPL Life Insurance Limited [TPL Life] | | |
| Amount received by the Company from TPL Life | 9,100,000 | 44,026,400 |
| Expenditure incurred / paid by TPL Life on behalf of the Company | 6,335,257 | 4,473,847 |
| Settlement of accrued markup | 5,124,789 | - |
| Settlement of amount payable by the Company with TPL C | - | 20,284,690 |
| Expenditure incurred by the Company on behalf of TPL Life | 26,090,510 | 26,330,453 |
| Payments made by the Company to TPL Life | 1,943,840 | 18,000,000 |
| TPL Direct Finance (Private) Limited [TPLD] | | |
| Mark-up on current account | 163,365 | 104,353 |
| TRG Pakistan Limited [TRG] | | |
| Mark-up on current account | 1,802,719 | 1,151,528 |
| TPL Tech Pakistan (Private) Limited [TPL Tech] | | |
| Mark-up on current account | 8,262,515 | 5,277,872 |
| Staff retirement benefit | | |
| Provident fund employer contribution | 26,352,095 | 20,596,023 |
| Key management personnel | | |
| Salaries and other benefits | 46,972,501 | 48,018,000 |
| Post employment benefits | 2,333,721 | 2,496,898 |

- 50.1 All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The related parties status of outstanding receivables / payables as at June 30, 2023 and 2022 are disclosed in the respective note to these unconsolidated financial statements.
- 50.2 Certain employees of the group companies provides services to the Company and accordingly, their cost are proportionately charged to the Company on agreed terms. In addition, certain common expenses (other than salaries and other benefits) are also allocated within the group companies on agreed basis and terms.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

51. SEGMENT REPORTING

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

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

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

| Note | ▶ 2023 | ▶ 2022 |
|-----------------------|-------------|-------------|
| | Rupees | |
| TPL Insurance Limited | 170,493,684 | 171,408,678 |

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

52. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary.

53. GENERAL

53.1 Number of employees as at June 30, 2023 were 811 (2022: 901) and average number of employees during the year were 856 (2022: 855).

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

54. DATE OF AUTHORISATION OF ISSUE

These financial statements were authorised for issue on September 12, 2023 by the Board of Directors of the Company.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pl

2nd Floor, Block-C,
Lakson Square
Building No. 1,
Sarwar Shaheed Road,
Karachi - 74200
Pakistan

Independent Auditor's Report

To The Members Of TPL Trakker Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of TPL TRAKKER LIMITED (the Holding Company) and its subsidiaries namely Trakker Middle East LLC and Astra Location Services (Private) Limited which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of the profit or loss and other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated 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, the consolidated financial statements give a true and fair view of the consolidated financial position of the group as at June 30, 2023 and 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 Auditor's 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 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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Following are the key audit matters:

| S. No. | Key audit matters | How the matter was addressed in our audit |
|--------|---|--|
| 1 | <p>Revenue recognition</p> <p>(Refer note 35 to the accompanying consolidated financial statements)</p> <p>The Company has four main streams of revenue which are equipment installation and sales, monitoring fees, rentals from tracking devices and navigation revenue.</p> <p>The recognition of revenue against each stream involved complex IT systems including system integration. In addition, the amount of revenue recognized is material to the consolidated financial statements.</p> <p>Based on the above factors, we have considered revenue recognition as a key audit matter.</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process of revenue recognition including the design and implementation of internal controls. • Tested the operating effectiveness of the controls to ensure that they operated throughout the year as designed and implemented. • Involved our internal IT department to perform tests on IT general controls. • Performed test of details by obtaining a sample of transaction of revenue streams and checked the agreements with customers for terms and conditions. • Performed procedures on revenue to ensure that revenue is recognized according to IFRS and cut off procedures to ensure that revenue has been recorded in the correct accounting period. |
| 2 | <p>Impairment of goodwill and intangible assets</p> <p>(Refer note 7 to the accompanying consolidated financial Statements)</p> <p>The intangible assets include goodwill, intangible assets with indefinite life and intangible assets under development having carrying value aggregating to Rs. 61. 412 million as of June 30, 2023 and tested for impairment at least on an annual basis.</p> <p>The determination of recoverable amount requires judgement in both identifying and then valuing the relevant Cash Generating Units (CGUs). 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. Based on the above factors we considered this as a key audit matter.</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • 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. • Assessing the methodologies used by the management in the impairment analysis and determination of CGUs, to which it relates. • involved our specialist to: <ul style="list-style-type: none"> ➤ assess the key assumptions and methodologies used in the impairment analysis, in particular growth rates, inflation rate and discount rate applied; ➤ examine the approved business plans and assumptions used by management, including forecasted revenue base, profit from operations, capital calculations and cash flows necessary for the continuing |

| S. No. | Key audit matters | How the matter was addressed in our audit |
|--------|-------------------|---|
| | | <p>use of the CGU's assets and allocated goodwill; and</p> <ul style="list-style-type: none"> ➤ evaluate 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. |

Information Other than the Consolidated Financial Statements and Auditor's 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 auditor's 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 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 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 year and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is Zulfikar Ali Causer.

KARACHI

Dated: September 12, 2023

UDIN: AR202310067BY8LXgPET



BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Consolidated Statement of Financial Position

As at June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|------|----------------------|----------------------|
| | Note | Rupees | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 864,757,086 | 796,772,167 |
| Intangible assets | 7 | 2,478,257,780 | 2,428,193,732 |
| Right-of-use assets | 8 | 80,436,222 | 118,591,439 |
| Long-term loans | 9 | 1,839,391 | 471,612 |
| Long-term deposits | 10 | 49,374,317 | 37,699,947 |
| Deferred tax assets - net | 11 | 258,757,128 | 229,959,062 |
| | | 3,733,421,924 | 3,611,687,959 |
| CURRENT ASSETS | | | |
| Stock-in-trade | 12 | 390,960,169 | 402,224,531 |
| Trade debts | 13 | 1,056,543,956 | 897,662,678 |
| Loans and advances | 14 | 50,557,091 | 37,242,120 |
| Trade deposits and prepayments | 15 | 28,182,327 | 37,340,580 |
| Interest accrued | 16 | 408,928,020 | 322,023,956 |
| Other receivables | 17 | 38,743,966 | 35,321,152 |
| Due from related parties | 18 | 401,222,410 | 774,085,831 |
| Cash and bank balances | 19 | 140,808,244 | 122,526,961 |
| | | 2,515,946,183 | 2,628,427,809 |
| TOTAL ASSETS | | 6,249,368,107 | 6,240,115,768 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | | |
| Authorized capital | | | |
| 285,000,000 (2022: 285,000,000) ordinary shares of Rs.10/- each | | 2,850,000,000 | 2,850,000,000 |
| Issued, subscribed and paid-up capital | 20 | 1,872,630,930 | 1,872,630,930 |
| Capital reserves | | 202,650,046 | 202,650,046 |
| Revenue reserve | | (138,268,888) | 22,611,573 |
| Other components of equity | | (101,841,204) | (24,810,640) |
| | | 1,835,170,884 | 2,073,081,909 |
| Non-controlling interest | | (390,845,521) | (245,662,109) |
| | | 1,444,325,363 | 1,827,419,800 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing | 22 | 817,896,212 | 949,386,540 |
| Deferred liability - Gratuity | 23 | 40,405,574 | 25,635,120 |
| Lease liabilities | 24 | 44,286,102 | 89,833,930 |
| | | 902,587,888 | 1,064,855,590 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 26 | 1,724,167,803 | 1,375,026,094 |
| Accrued mark-up | 27 | 110,189,643 | 72,529,878 |
| Short-term financing | 28 | 335,857,945 | 196,701,371 |
| Running finance under mark-up arrangements | 29 | 794,368,862 | 767,102,058 |
| Current portion of non-current liabilities | 30 | 398,589,802 | 405,261,087 |
| Due to related parties | 31 | 335,942,109 | 414,753,666 |
| Taxation - net | 32 | 68,155,786 | 28,098,976 |
| Advance monitoring fees | 33 | 135,182,906 | 88,367,248 |
| | | 3,902,454,856 | 3,347,840,378 |
| TOTAL EQUITY AND LIABILITIES | | 6,249,368,107 | 6,240,115,768 |
| CONTINGENCIES AND COMMITMENTS | 34 | | |

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|------|----------------------|---------------------|
| | Note | Rupees | |
| Turnover – net | 35 | 2,784,560,242 | 2,342,487,424 |
| Cost of sales and services | 36 | (1,715,794,126) | (1,533,007,129) |
| Gross profit | | 1,068,766,116 | 809,480,295 |
| Distribution expenses | 37 | (129,643,487) | (106,802,560) |
| Administrative expenses | 38 | (679,822,160) | (582,262,449) |
| Operating profit | | 259,300,469 | 120,415,286 |
| Research and development expenses | 39 | (86,632,069) | (77,654,755) |
| Other expenses | 40 | (44,675,853) | (15,422,317) |
| Finance costs | 41 | (558,735,680) | (311,906,695) |
| Other income | 42 | 250,857,587 | 196,791,247 |
| Loss before taxation | | (179,885,546) | (87,777,234) |
| Taxation | 43 | (49,147,762) | 110,640,723 |
| (Loss) / profit for the year | | (229,033,308) | 22,863,489 |
| Other comprehensive loss | | | |
| Items that are or may be reclassified subsequently to profit or loss account: | | | |
| Exchange differences on translation of foreign subsidiary | | (154,061,127) | (62,057,632) |
| Total comprehensive loss for the year | | (383,094,435) | (39,194,143) |
| (Loss) / Profit attributable to: | | | |
| Owners of the Parent Company | | (160,880,461) | 113,642,532 |
| Non-controlling interest | | (68,152,848) | (90,779,043) |
| | | (229,033,309) | 22,863,489 |
| Total comprehensive loss attributable to: | | | |
| Owners of the Parent Company | | (237,911,025) | 82,613,716 |
| Non-controlling interest | | (145,183,410) | (121,807,859) |
| | | (383,094,435) | (39,194,143) |
| (Loss) / earnings per share – basic and diluted | 44 | (0.86) | 0.61 |

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended June 30, 2023

| | Capital reserves | | | | Other components of equity | | | | | Total equity |
|--|---------------------------------------|---|---------------|-----------------------|----------------------------|---|--------------------------------------|----------------|--------------------------|---------------|
| | Issued, Subscribed and Paidup Capital | Reserve created under Scheme of Arrangement | Share premium | Other capital reserve | Revenue reserve | Surplus on revaluation of property, plant and equipment | Foreign currency translation reserve | Total reserves | Non-controlling interest | |
| Rupees | | | | | | | | | | |
| Balance as at July 01, 2021 | 1,872,630,930 | 146,817,136 | 55,832,910 | 30,040,000 | (127,575,912) | 284,922,765 | 6,218,176 | 396,255,075 | (123,854,250) | 2,145,031,755 |
| Total comprehensive loss for the year | | | | | | | | | | |
| Profit/(Loss) for the year | - | - | - | - | 113,642,532 | - | - | 113,642,532 | (90,779,043) | 22,863,489 |
| Other comprehensive loss for the year | | | | | | | | | | |
| Exchange differences on translation of foreign subsidiary | - | - | - | - | - | - | (31,028,816) | (31,028,816) | (31,028,816) | (62,057,632) |
| Deficit on revaluation of property, plant and equipment realised | - | - | - | - | - | (248,377,812) | - | (248,377,812) | - | (248,377,812) |
| Transfer of revaluation surplus on disposal | - | - | - | - | 36,544,953 | (36,544,953) | - | - | - | - |
| Transactions with owners of the Company | | | | | | | | | | |
| Share based payment reserve | - | - | - | (30,040,000) | - | - | - | (30,040,000) | - | (30,040,000) |
| Balance as at June 30, 2022 | 1,872,630,930 | 146,817,136 | 55,832,910 | - | 22,611,573 | - | (24,810,640) | 200,450,979 | (245,662,109) | 1,827,419,800 |
| Balance as at July 01, 2022 | 1,872,630,930 | 146,817,136 | 55,832,910 | - | 22,611,573 | - | (24,810,640) | 200,450,979 | (245,662,109) | 1,827,419,800 |
| Total comprehensive loss for the year | | | | | | | | | | |
| Loss for the year | - | - | - | - | (160,880,461) | - | - | (160,880,461) | (68,152,848) | (229,033,309) |
| Other comprehensive loss for the year | | | | | | | | | | |
| Exchange differences on translation of foreign subsidiary | - | - | - | - | - | - | (77,030,564) | (77,030,564) | (77,030,564) | (154,061,128) |
| Balance as at June 30, 2023 | 1,872,630,930 | 146,817,136 | 55,832,910 | - | (138,268,888) | - | (101,841,204) | (37,460,046) | (390,845,521) | 1,444,325,363 |

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Statement of Cash Flows

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|-------|---------------|---------------|
| | Note | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before taxation | | (179,885,546) | (87,777,234) |
| Adjustment for non-cash charges and other items: | | | |
| Depreciation on operating fixed assets | 6.1.2 | 251,066,655 | 268,903,015 |
| Depreciation on right of use assets | 8.1 | 52,397,290 | 69,110,404 |
| Amortisation | 7.1 | 11,348,919 | 15,635,790 |
| Charge of allowance for expected credit losses | 38 | 6,963,986 | 5,799,195 |
| Finance costs | 41 | 558,735,680 | 311,906,695 |
| Gain on disposal of property, plant and equipment – net | 42 | (6,589,536) | (44,636,606) |
| Reversal of deferred tax asset on surplus of revaluation of PPE | 11.1 | - | 2,642,191 |
| Amortisation of government grant | 42 | (797,103) | (5,950,600) |
| Provision on gratuity | 23 | 26,587,355 | 11,239,335 |
| Share based payment | | - | (30,040,000) |
| Exchange loss - net | 41 | 44,675,853 | 15,422,317 |
| | | 944,389,099 | 620,031,736 |
| Operating profit before working capital changes | | 764,503,553 | 532,254,502 |
| (Increase) / decrease in current assets | | | |
| Stock-in-trade | | (180,297,222) | (151,437,931) |
| Trade debts | | (172,784,040) | 371,118,682 |
| Loans and advances | | (13,314,971) | 29,054,102 |
| Trade deposits and prepayments | | 9,158,253 | (2,055,955) |
| Interest accrued | | (86,904,064) | (46,630,745) |
| Other receivables | | (3,422,814) | (17,294,368) |
| Due from related parties | | 372,863,421 | 587,303,461 |
| | | (74,701,437) | 770,057,246 |
| Increase in current liabilities | | | |
| Trade and other payables | | 304,465,855 | (158,111,122) |
| Due to related parties | | (78,811,557) | 190,330,773 |
| Advance monitoring fees | | 46,815,658 | 52,514,145 |
| | | 272,469,956 | 84,733,796 |
| Net cash flows from operations | | 962,272,072 | 1,387,045,544 |
| Payments for: | | | |
| Finance costs | | (510,022,349) | (320,416,483) |
| Gratuity paid | | (22,091,743) | (2,593,710) |
| Income taxes | 32 | (37,889,018) | (33,441,300) |
| Long-term deposits | | (11,674,370) | (11,505,079) |
| | | (581,677,480) | (367,956,572) |
| Net cash flows from operating activities | | 380,594,592 | 1,019,088,972 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions - property, plant and equipment | | (35,515,159) | (110,647,873) |
| - capital work-in-progress | 6.2 | (73,787,380) | (23,466,625) |
| - intangible assets | 7.3 | (61,412,967) | (25,205,354) |
| Sale proceeds from disposal of property, plant and equipment | | 8,407,157 | 222,818,617 |
| Long-term loans | | (1,367,779) | (265,899) |
| Net cash (used in) / generated from investing activities | | (163,676,128) | 63,232,866 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long-term financing – net | 22.5 | (126,511,604) | (509,790,101) |
| Lease liabilities repaid | 24.1 | (62,025,756) | (84,761,115) |
| Long-term loans – net | | (55,760,703) | (137,097,578) |
| Short-term financing – net | 28.3 | 139,156,574 | (39,252,365) |
| Net cash used in financing activities | | (105,141,489) | (770,901,159) |
| Net increase in cash and cash equivalent during the year | | 111,776,975 | 311,420,679 |
| Cash and cash equivalents beginning of the year | | (644,575,097) | (922,793,511) |
| Net foreign exchange differences | | (120,762,496) | (33,202,265) |
| Cash and cash equivalents end of the year | 45 | (653,560,618) | (644,575,097) |

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

1. LEGAL STATUS AND OPERATIONS

1.1 The Group consists of TPL Trakker Limited (the Holding Company) and its subsidiary companies, Trakker Middle East LLC (TME) and Astra Location Services (Private) Limited (ALS) that has been consolidated in these consolidated financial statements.

1.2 TPL Trakker Limited (The Holding Company)

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

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

1.3 In the meeting held on September 18, 2021, the Board had approved the demerger of the mapping segment of the business from the Company by creating a separate entity in Pakistan and transferred the net assets to the same. During the year dated July 05, 2022, the Company has incorporated this new Company by the name of Astra Location Services (Private) Limited (ALS)" under Companies Act, 2017 and transferred the net assets amounting to Rs. 194 million to the same. The following is the details of Net Assets as at June 30, 2022:

Moreover, the Board has also authorized the management to incorporate a foreign entity in a suitable jurisdiction for investments in the mapping business.

| | Rupees |
|--|---------------|
| Assets: | |
| Property, plant and equipment | 15,980,050 |
| Intangible assets | 989,570,337 |
| Right-of-use assets | 4,368,331 |
| Long-term deposits | 490,000 |
| | 1,010,408,718 |
| Liabilities: | |
| Long-term financing | 18,334,150 |
| Accrued mark-up | 245,708,976 |
| Current portion of non-current liabilities | 24,796,244 |
| Due to related parties | 527,566,321 |
| | 816,405,691 |
| | 194,003,027 |

1.4 Trakker Middle East LLC (TME)

TME is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of the Company is at 18th Floor, Sidra Tower Building, Sheikh Zayed Road, TECOM, Dubai, United Arab Emirates. The principal activities of TME are selling, marketing and distribution of products and services in the field of wireless, fleet management, tracking and telemetry services.

1.5 Astra Location Services (Private) Limited (ALS)

Astra Location Services (Private) Limited was incorporated in Pakistan as a private limited under the Companies Act, 2017. The registered office of the Company is situated at 20th Floor, Sky Tower – East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi. Currently, the principal activity of the Company include digital mapping and location based services.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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

| | | |
|----|---------------------------|--|
| a) | Holding Company | |
| | Location | Address |
| | Corporate office, Karachi | Plot No. 1, Sector #24, near Shan Chowrangi, Korangi Industrial Area, Karachi – 74900. |
| | Regional offices: | |
| | Lahore office | Tower 75, 4th Floor, L Block, Gulberg III, Kalma Chowk, Main Ferozpur Road, Lahore. |
| | Islamabad office | 10th floor (South) ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad. |
| | Faisalabad office | Office No. 2, 4th Floor, Meezan Executive Tower, Liaquat Road, Faisalabad. |
| | Multan office | House No. 2, Shalimar Colony, Haider Street, Bosan Road, near Northern Bypass, Multan. |
| | Hyderabad office | 2nd Floor, Plot # 15/5, Railway Cooperative Housing Society, Main Auto Bhan Road Latifabad, Hyderabad. |
| b) | Subsidiary Company | |
| | Location | Address |
| | -Dubai, UAE | 18th Floor, Sidra Tower Building, Sheikh Zayed Road, TECOM, Dubai, United Arab Emirates. |
| | -Karachi, Pakistan | 20th Floor, Sky Tower – East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi. |

1.7 Details of related parties

| Name of related party | Basis of relationship | Shareholding |
|---|-------------------------|--------------|
| TPL Holdings (Private) Limited | Ultimate Parent Company | - |
| TPL Corp Limited | Parent Company | - |
| TPL Insurance Limited | Common Directorship | - |
| TPL Security Services (Private) Limited | Associated Company | - |
| TPL Properties Limited | Common Directorship | - |
| TPL Property Management (Private) Limited | Common Directorship | - |
| HKC (Private) Limited | Common Directorship | - |
| TPL Technology Zone Phase - 1 (Private) Limited | Common Directorship | - |
| TPL Direct Finance (Private) Limited | Common Directorship | - |
| The Resource Group Pakistan Limited | Common Directorship | - |
| TPL Logistic Park (Private) Limited | Common Directorship | - |
| TPL Logistics (Private) Limited | Common Directorship | - |
| TPL Life Insurance Limited | Common Directorship | - |
| TPL E-Ventures (Private) Limited | Associated Company | - |
| TPL Mobile (Private) Limited | Common Directorship | - |
| TPL Tech Pakistan (Private) Limited | Common Directorship | - |
| Trakker Energy (Private) Limited | Associated Company | - |
| Trakker (Private) Limited Staff Provident Fund | Retirement Benefit Fund | - |

1.5 Utilization of proceeds from initial public offering

At the time of listing, the Company received Rs. 801.846 million by issuing 66.82 million ordinary shares under Initial Public Offering (IPO). Since, the IPO was bridged by issuance of a short-term commercial paper, the proceeds of IPO paid off the commercial paper, the funds of which has been utilised as follows:

| | Disclosed in prospectus | Utilization till date |
|---|-------------------------|-----------------------|
| | Rupees | |
| Procurement of CSD Devices | 322,983,288 | 96,766,373 |
| Infrastructure cost: IT capital expenditure | 94,782,420 | 109,790,990 |
| Digital Mapping cost: Computer Equipment | 80,000,000 | 12,186,572 |
| Working Capital: Video Vehicle Telematics & Genset Monitoring Devices | 100,914,000 | 72,943,062 |
| Servicing cost: Commercial paper - Finance cost / discount on par | 89,954,292 | 89,902,179 |
| Payment due to related party: TPL Corp Limited | 113,212,000 | 113,212,000 |
| | | 494,801,176 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

2. BASIS OF PREPARATION

2.1 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 (IFRS Standards) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial and Accounting standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 and;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Act differ from IFRSs or IFAs, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

2.3 Basis of consolidation

These consolidated financial statements comprises the financial statements of the Holding Company and its subsidiaries, TME and ALS as at June 30, 2023, here-in-after referred to as 'the Group'.

Subsidiaries

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

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

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

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.

Notes to the Consolidated Financial Statements

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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 recognized 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 recognized 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 have same reporting period as that of the Holding Group. 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.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|---|--|
| Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework | January 01, 2023 |
| Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use | January 01, 2023 |
| Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract | January 01, 2023 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|--|--|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements | January 01, 2024 |
| Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions | January 01, 2024 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current | January 01, 2024 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies | January 01, 2024 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants | January 01, 2024 |
| Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements | January 01, 2024 |
| Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates | January 01, 2024 |
| Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction | January 01, 2024 |
| Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes | January 01, 2024 |

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

a) Operating fixed assets and intangible assets

The Group reviews the useful lives, methods of depreciation / amortisation and residual values of operating fixed assets on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets and intangible assets with a corresponding effect on the depreciation / amortisation charge and impairment.

The Group assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the profit or loss, unless the asset is carried at revalued amount. Any impairment loss of revalued assets is treated as revaluation decrease.

b) Investment in subsidiaries

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

c) Stock-in-trade

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

d) Provision for expected credit losses (ECL) of certain financial assets

The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Any change might affect the carrying value and amount of expected credit loss charge to profit or loss.

e) Recognition of tax and deferred tax

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

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Property, plant and equipment

5.1.1 Owned

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

Rates of depreciation which are disclosed in note 6.1 to these consolidated financial statements are designed to write-off the cost over the estimated useful lives of the assets.

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

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

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

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

5.1.2 Capital work-in-progress

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

5.2 Surplus on revaluation of property, plant and equipment

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

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

5.3 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 7.1 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.

5.3.1 Intangible assets under development

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

5.3.2 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 subsequently, 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.

5.4 Leases

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

5.4.1 Group as a lessee

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

a) Right-of-use assets

The Group recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, on the rates as disclosed in the note 8.1 to these consolidated financial statements. ROU assets are subject to impairment.

b) Lease liabilities

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

5.4.2 Group as a lessor

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

5.5 Financial instruments

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

5.5.1 Financial assets

5.5.1.1 Initial recognition and measurement

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

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

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

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

5.5.1.2 Subsequent measurement

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

a) Financial assets at amortised cost (debt instruments)

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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

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

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

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

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

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

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

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

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

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

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

5.5.1.3 Derecognition

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

- the rights to receive cash flows from the asset have expired; or

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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

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

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

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

5.5.1.4 Impairment

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

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

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

5.5.2 Financial liabilities

5.5.2.1 Initial recognition and measurement

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

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For the year ended June 30, 2023

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

5.5.2.2 Subsequent measurement

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

a) Financial liabilities at fair value through profit or loss

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

b) Loans and borrowings

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

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

5.5.2.3 Derecognition

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

5.5.3 Offsetting of financial instruments

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

5.6 Impairment of non-financial assets

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

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

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

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

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

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

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

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

5.7 Investments in subsidiaries and associates

5.7.1 Investments in subsidiaries

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

5.7.2 Investments in 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 at cost less accumulated impairment losses, if any, under the exemption available in relevant accounting standards.

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 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 statement of cash flows, cash and cash equivalents comprise of bank balances including short-term deposits net of bank overdraft, if any.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

5.10 Staff retirement benefits - 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 from the Group is charged to the statement of profit or loss for the year.

5.11 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 statement of 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.

5.12 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.

5.13 Ijarah arrangements

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

5.14 Revenue recognition

5.14.1 Revenue from contracts with customers

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

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

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

5.14.2 Other revenues

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

5.15 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. Exchange gains and losses are recognised in the statement of 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.

5.16 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.

5.17 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period, in which these

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

5.18 Government grant

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

5.19 Segment reporting

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

5.20 Employees share option plan

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

| | | ▶ 2023 | ▶ 2022 |
|---|------|-------------|-------------|
| | Note | Rupees | |
| 6. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 6.1 | 752,455,839 | 611,613,903 |
| Capital work-in-progress | 6.2 | 112,301,247 | 185,158,264 |
| | | 864,757,086 | 796,772,167 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

6.1 Operating fixed assets

| | COST / REVALUED AMOUNT | | | | ACCUMULATED DEPRECIATION | | | WRITTEN DOWN VALUE | Depreciation Rate | |
|---------------------------|------------------------|---|--------------------------------------|---------------------|--------------------------|--|--------------------------------------|---------------------|-------------------|---------------------|
| | As at July 01, 2022 | Additions / (disposals) / transfers | Foreign currency translation reserve | As at June 30, 2023 | As at July 01, 2022 | Charge for the year / (disposals) / transfers | Foreign currency translation reserve | As at June 30, 2023 | | As at June 30, 2023 |
| | (Rupees) | | | | | | | | | |
| Owned | | | | | | | | | | % |
| Leasehold improvement | - | 71,921,817 | - | 71,921,817 | - | 11,986,969 | - | 11,986,969 | 59,934,848 | 20 |
| Computers and accessories | 403,377,311 | 26,695,717 (14,911,840) | 54,834,927 | 469,996,115 | 362,639,165 | 41,507,824 (15,262,433) (14,275,405) | 54,723,398 | 429,332,549 | 40,663,566 | 20 - 33.33 |
| Generators | 6,723,705 | (1,728,165) | - | 4,995,540 | 4,758,470 | 475,108 (1,728,165) | - | 3,505,413 | 1,490,127 | 20-25 |
| Electrical devices | 1,285,488,352 | **203,191,946 (8,378,533) *(19,446,050) 77,336,925 | 23,105,069 | 1,561,297,709 | 819,186,486 | **26,792,741 141,675,858 *(7,982,585) (7,815,688) | 12,442,098 | 984,298,910 | 576,998,799 | 20 - 33.33 |
| Furniture and fittings | 158,233,746 | 1,256,485 (1,093,908) | - | 158,396,323 | 143,849,917 | 8,189,804 (1,070,158) | - | 150,969,563 | 7,426,760 | 20-25 |
| Vehicles | 128,242,677 | 3,791,600 (14,129,506) | 23,729,245 | 141,634,016 | 40,140,722 | 20,050,833 15,262,433 (13,413,247) | 14,498,673 | 76,539,414 | 65,094,602 | 20 |
| Mobile phones | 5,089,840 | 1,157,012 (5,317,137) | - | 929,715 | 4,966,968 | 387,518 (5,271,908) | - | 82,578 | 847,137 | 50 |
| | 1,987,155,631 | 320,346,363 | 101,669,241 | 2,409,171,235 | 1,375,541,728 | 199,509,499 | 81,664,169 | 1,656,715,396 | 752,455,839 | |

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

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

| | COST / REVALUED AMOUNT | | | | ACCUMULATED DEPRECIATION | | | WRITTEN DOWN VALUE | Depreciation Rate | |
|----------------------------|------------------------|--|--------------------------------------|---------------------|--------------------------|--|--------------------------------------|---------------------|-------------------|---------------------|
| | As at July 01, 2021 | Additions / (disposals) / transfers | Foreign currency translation reserve | As at June 30, 2022 | As at July 01, 2021 | Charge for the year / (disposals) / transfers | Foreign currency translation reserve | As at June 30, 2022 | | As at June 30, 2022 |
| | (Rupees) | | | | | | | | | |
| Owned | | | | | | | | | | % |
| Leasehold land | 411,000,000 | (165,000,000) *** (246,000,000) | - | - | - | - | - | - | - | - |
| Building on leasehold land | 16,406,766 | (9,000,000) (5,028,954) *** (2,377,812) | - | - | 4,892,231 | 136,723 (5,028,954) | - | - | - | 20 |
| Computers and accessories | 394,930,374 | 38,911,944 (61,004,670) | 30,539,663 | 403,377,311 | 330,892,153 | 60,977,481 (59,779,976) | 30,549,507 | 362,639,165 | 40,738,146 | 25 and 33.33 |
| Generators | 5,123,665 | 1,600,040 | - | 6,723,705 | 4,390,032 | 368,438 | - | 4,758,470 | 1,965,235 | 20 and 25 |
| Electrical devices | 1,127,618,411 | 35,626,168 ** 214,904,960 * (43,573,391) (54,394,613) | 5,306,817 | 1,285,488,352 | 711,589,730 | 18,320,160 142,559,692 ** 19,763,144 * (23,531,351) (54,132,858) | 4,617,969 | 819,186,486 | 466,301,866 | 20 and 33.33 |
| Furniture and fittings | 205,364,061 | 1,844,218 (48,974,533) | - | 158,233,746 | 181,208,267 | 11,554,770 (48,913,120) | - | 143,849,917 | 14,383,829 | 20 and 25 |
| Vehicles | 90,365,354 | 31,969,003 (7,357,000) | 13,265,320 | 128,242,677 | 24,957,911 | 14,234,153 (4,795,809) | 5,744,467 | 40,140,722 | 88,101,955 | 20 |
| Construction of shed | 6,048,277 | (6,048,277) | - | - | 6,048,277 | (6,048,277) | - | - | - | 20 |
| Mobile phones | 8,459,977 | 696,500 (4,066,637) | - | 5,089,840 | 7,972,161 | 988,486 (3,993,679) | - | 4,966,968 | 122,872 | 50 |
| | 2,265,316,885 | (327,273,054) | 49,111,800 | 1,987,155,631 | 1,271,950,762 | 249,139,903 | 40,911,943 | 1,375,541,728 | 611,613,903 | |

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

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

*** Represents revaluation loss booked during the year

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|-------|---|-------------|-------------|
| | Note | Rupees | |
| 6.1.1 | Depreciation charge for the year has been allocated as follows: | | |
| | Cost of sales and services | 201,912,371 | 219,431,028 |
| | Distribution expenses | 6,108,519 | 6,775,547 |
| | Administrative expenses | 23,791,010 | 21,339,136 |
| | Research and development | 19,254,755 | 21,357,304 |
| | | 251,066,655 | 268,903,015 |

6.1.2 During the year, the Company has transferred tracking devices from stock-in-trade at a cost of Rs. 203.191 million (2022: 214.904 million) to owned assets. As of the reporting date, assets having cost of Rs. 892.101 million (2022: Rs. 1.041 million) which are in possession of third parties, on rental basis. The particulars of these assets have not been disclosed due to several numbers of parties involved.

6.1.3 This includes fully depreciated operating fixed assets having cost of Rs. 84.743 million (2022: Rs.605.592 million).

6.1.4 During the year, the Group has written off fully depreciated assets costing Rs. 27.309 million (2022: Rs 1.795 million).

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

| | Original / revalued cost | Accumulated depreciation down value | Written down value (Rupees) | Sale proceeds | Gain / (loss) on disposals | Mode of disposal | Particulars of buyers | Location |
|--|-----------------------------|--|-----------------------------------|------------------|-------------------------------|---------------------|--------------------------|----------|
| Aggregate amount of assets disposed off not having WDV more than Rs. 5,000,000 each | | | | | | | | |
| Computers and accessories | 14,911,840 | 14,275,405 | 636,435 | 817,497 | 181,062 | | | |
| Electrical devices | 8,378,533 | 7,982,585 | 395,948 | 199,660 | (196,288) | | | |
| Vehicles | 14,129,506 | 13,413,247 | 716,259 | 7,390,000 | 6,673,741 | Various | Various | Karachi |
| Generators | 1,728,165 | 1,728,165 | - | - | - | | | |
| Furniture and fittings | 1,093,908 | 1,070,158 | 23,750 | - | (23,750) | | | |
| Mobile phones | 5,317,137 | 5,271,908 | 45,229 | - | (45,229) | | | |
| 2023 | 45,559,089 | 43,741,468 | 1,817,621 | 8,407,157 | 6,589,536 | | | |
| 2022 | 355,845,730 | 177,663,719 | 178,182,011 | 222,818,617 | 44,636,606 | | | |

| | | ▶ 2023 | ▶ 2022 |
|-----|---|---------------|-------------|
| | Note | Rupees | |
| 6.2 | Capital work-in-progress | | |
| | Balance as at July 01 | 185,158,264 | 161,691,639 |
| | Add: Additions during the year | 73,787,380 | 23,466,625 |
| | Less: Transfers to operating fixed assets during the year | (146,644,397) | - |
| | Balance as at June 30 | 112,301,247 | 185,158,264 |

6.2.1 This represents expenditure in respect of leasehold improvements and renovation of office premises.

| | | ▶ 2023 | ▶ 2022 |
|----|-------------------------------------|---------------|---------------|
| | Note | Rupees | |
| 7. | INTANGIBLE ASSETS | | |
| | Intangible assets - operations | 1,476,780,092 | 1,488,129,011 |
| | Intangible assets under development | 1,001,477,688 | 940,064,721 |
| | | 2,478,257,780 | 2,428,193,732 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

7.1 Operating intangible assets

| | COST | | | ACCUMULATED AMORTISATION | | | WRITTEN DOWN VALUE | Amortisation rate |
|--|----------------------|-----------------------|----------------------|--------------------------|---------------------|---------------------|----------------------|-------------------|
| | As at July 01, 2022 | Additions / transfers | As at June 30, 2023 | As at July 01, 2022 | Charge for the year | As at June 30, 2023 | As at June 30, 2023 | |
| | (Rupees) | | | | | | | % |
| Owned | | | | | | | | |
| Goodwill - note 7.2 | 403,380,571 | - | 403,380,571 | - | - | - | 403,380,571 | - |
| Customers related intangible assets - note 7.2 | 740,987,917 | - | 740,987,917 | - | - | - | 740,987,917 | - |
| Marketing related intangible assets - note 7.2 | 289,021,582 | - | 289,021,582 | - | - | - | 289,021,582 | - |
| Internally generated computer softwares | 25,840,000 | - | 25,840,000 | 25,840,000 | - | 25,840,000 | - | 13.33 |
| Softwares | 327,552,022 | - | 327,552,022 | 322,318,697 | 3,823,731 | 326,142,428 | 1,409,594 | 20 and 33.33 |
| PTA license | 1,000,500 | - | 1,000,500 | 1,000,500 | - | 1,000,500 | - | 6.67 |
| Decarta maps | 22,884,695 | - | 22,884,695 | 22,884,695 | - | 22,884,695 | - | 20 |
| Maps database | 147,858,790 | - | 147,858,790 | 98,353,174 | 7,525,188 | 105,878,362 | 41,980,428 | 5 |
| | <u>1,958,526,077</u> | <u>-</u> | <u>1,958,526,077</u> | <u>470,397,066</u> | <u>11,348,919</u> | <u>481,745,985</u> | <u>1,476,780,092</u> | |

| | COST | | | ACCUMULATED AMORTISATION | | | WRITTEN DOWN VALUE | Amortisation rate |
|--|----------------------|-----------------------|----------------------|--------------------------|---------------------|---------------------|----------------------|-------------------|
| | As at July 01, 2021 | Additions / transfers | As at June 30, 2022 | As at July 01, 2021 | Charge for the year | As at June 30, 2022 | As at June 30, 2022 | |
| | (Rupees) | | | | | | | % |
| Owned | | | | | | | | |
| Goodwill - note 7.2 | 403,380,571 | - | 403,380,571 | - | - | - | 403,380,571 | - |
| Customers related intangible assets - note 7.2 | 740,987,917 | - | 740,987,917 | - | - | - | 740,987,917 | - |
| Marketing related intangible assets - note 7.2 | 289,021,582 | - | 289,021,582 | - | - | - | 289,021,582 | - |
| Internally generated computer softwares | 25,840,000 | - | 25,840,000 | 25,840,000 | - | 25,840,000 | - | 13.33 |
| Softwares | 327,552,022 | - | 327,552,022 | 314,208,091 | 8,110,606 | 322,318,697 | 5,233,325 | 20-33.33 |
| PTA license | 1,000,500 | - | 1,000,500 | 1,000,500 | - | 1,000,500 | - | 6.67 |
| Decarta maps | 22,884,695 | - | 22,884,695 | 22,884,695 | - | 22,884,695 | - | 20 |
| Maps database | 147,858,790 | - | 147,858,790 | 90,827,990 | 7,525,184 | 98,353,174 | 49,505,616 | 5 |
| | <u>1,958,526,077</u> | <u>-</u> | <u>1,958,526,077</u> | <u>454,761,276</u> | <u>15,635,790</u> | <u>470,397,066</u> | <u>1,488,129,011</u> | |

7.2 Impairment testing of goodwill and intangibles with indefinite lives

Goodwill acquired through business combinations and intangibles with indefinite useful lives have been allocated and monitored at the Group level (tracking business - 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, 2023. The recoverable amount of the Group is determined based on using cash flow projections from financial budgets approved by the senior management covering a five year period. The discount rate applied to cash flow projections is 22.9% (2022: 15.7%). The growth rate used to extrapolate the cash flows beyond the five-year period is 8% (2022: 5.8%). As a result of this assessment, the management did not identify any impairment for the cash generating unit to which these assets are allocated.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

Key assumptions used in discounted cashflow calculations

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

- Discount rates
- Key business assumptions

Discount rates

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

Key business assumptions

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

Sensitivity to changes in assumptions

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

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

| | | ▶ 2023 | ▶ 2022 |
|------|-------------------------------------|---------------|-------------|
| Note | | Rupees | |
| 7.3 | Intangible assets under development | | |
| | Balance as at July 01 | 940,064,721 | 914,859,367 |
| | Additions during the year | 61,412,967 | 25,205,354 |
| | Balance as at June 30 | 1,001,477,688 | 940,064,721 |

7.3.1 This represents expenditure incurred for development of map database including business intelligence and application solutions, SaaS Platform encompassing the SaaS Core System, Fleet Telematics & IoT Platform, APIs, and Mobile Apps for both Android and iOS etc. which is expected to be completed earliest by the last quarter of the fiscal year 2023-2024. The Group has estimated that the total cost required to complete the development of these intangible assets aggregates to Rs. 1,740 million, out of which Rs. 1,001 million has been incurred by the Group as of the reporting date.

7.3.2 The management has carried out an annual impairment assessment for intangible assets under development based on the discounted cashflow calculations. The discount rate applied to the cashflow projections is 26.9% (2022: 15.7%) and the growth rate used to extrapolate the cashflows beyond the five year period is 5% (2022: 5.8%). As a result of this assessment, the management did not identify any impairment in the carrying value of intangible assets under development as of reporting date.

Key assumptions used in discounted cashflow calculations

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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

- Discount rates
- Key business assumptions

Discount rates

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

Key business assumptions

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

Sensitivity to changes in assumptions

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

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

7.4 Amortisation charge for the year has been allocated as follows:

| | | ▶ 2023 | ▶ 2022 |
|----------------------------|------|-------------------|-------------------|
| | Note | Rupees | |
| Cost of sales and services | 36 | 9,534,227 | 13,135,627 |
| Distribution expenses | 37 | 307,556 | 423,730 |
| Administrative expenses | 38 | 1,507,136 | 2,076,433 |
| | | <u>11,348,919</u> | <u>15,635,790</u> |

7.5 This includes fully amortized intangible assets having cost of Rs. 374.077 million (2022: Rs. 355.581 million).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

8. RIGHT-OF-USE ASSETS

Net carrying value basis June 30, 2023

| | Vehicles | Computers and accessories | Regional offices | Total |
|--|----------|---------------------------|------------------|--------------|
| | | | (Rupees) | |
| Balance as at July 01, 2022 | - | - | 118,591,439 | 118,591,439 |
| Add: Additions during the year | - | - | 15,586,178 | 15,586,178 |
| Less: Depreciation charge for the year | - | - | (52,397,290) | (52,397,290) |
| Less: Reassessment adjustments | - | - | (1,344,105) | (1,344,105) |
| Balance as at June 30, 2023 | - | - | 80,436,222 | 80,436,222 |

Net carrying value basis June 30, 2022

| | Vehicles | Computers and accessories | Regional offices | Total |
|--|-----------|---------------------------|------------------|--------------|
| | | | (Rupees) | |
| Balance as at July 01, 2021 | 397,690 | 16,819,589 | 90,756,916 | 107,974,195 |
| Add: Additions during the year | - | - | 79,727,647 | 79,727,647 |
| Less: Depreciation charge for the year | (397,690) | (16,819,589) | (51,893,124) | (69,110,403) |
| Balance as at June 30, 2022 | - | - | 118,591,439 | 118,591,439 |

| | | ► 2023 | ► 2022 |
|---|------|---------------|---------------|
| | Note | Rupees | |
| Gross carrying value basis | | | |
| Cost | | 415,947,128 | 400,378,950 |
| Less: Accumulated depreciation | | (334,166,801) | (281,787,511) |
| Less: Reassessment adjustments | | (1,344,105) | - |
| | | 80,436,222 | 118,591,439 |
| 8.1 Depreciation charge for the year has been allocated as follows: | | | |
| Cost of sales and services | 36 | 44,018,963 | 58,059,650 |
| Distribution expenses | 37 | 1,419,967 | 1,872,892 |
| Administrative expenses | 38 | 6,958,360 | 9,177,862 |
| | | 52,397,290 | 69,110,404 |
| 9. LONG-TERM LOANS (secured, considered good) | | | |
| Executives | 9.1 | 110,451 | 122,076 |
| Employees | 9.1 | 3,869,976 | 2,738,896 |
| | | 3,980,427 | 2,860,972 |
| Less: current portion of long-term loans | 14 | (2,141,036) | (2,389,360) |
| | | 1,839,391 | 471,612 |

9.1 The maximum aggregate amount of loans due from the executives and employees at the end of any month during the year were Rs. 0.120 million and Rs 3.869 respectively (2022: Rs. 0.421 million and Rs 3.968 million respectively).

9.2 The loans are provided to employees of the Group for the purchase of furniture and fixtures, renovation of house and marriage of self / children in accordance with the terms of employment and carrying mark up at the rate of 5% (2022: 5%) per annum. Further, it also includes loans provided on interest free basis amounting to Rs. 1.875 million (2022: Rs. 0.936 million). All loans are repayable over a period of two years in equal monthly instalments and are secured against salaries and provident fund balances of the employees. The management of the Group has not discounted these loans to their present value, as they consider the impact is immaterial to these consolidated financial statements taken as whole.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|------------|-----------------------------------|------------|------------|
| | | Rupees | |
| Note | | | |
| 10. | LONG-TERM DEPOSITS | | |
| | Security deposits - ijarah assets | 18,700,981 | - |
| | Utilities | 177,450 | 177,450 |
| | Rent deposits | 4,877,756 | 5,227,756 |
| | Cash margin against guarantees | 25,618,130 | 32,294,741 |
| | | 49,374,317 | 37,699,947 |

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

| | | ▶ 2023 | ▶ 2022 |
|------------|--|--------------|--------------|
| | | Rupees | |
| Note | | | |
| 11. | DEFERRED TAX ASSETS - NET | | |
| | Deferred tax liabilities on taxable temporary differences: | | |
| | Accelerated tax depreciation on: | | |
| | Property, plant and equipment | 52,236,134 | 51,990,846 |
| | Right-of-use assets | (23,326,504) | (34,391,517) |
| | Intangible assets | (408,782) | (15,564,979) |
| | | 28,500,848 | 2,034,350 |
| | Deferred tax assets on deductible temporary differences: | | |
| | Trade debts | 8,284,453 | 6,961,980 |
| | Lease liabilities | 29,925,666 | 40,580,880 |
| | Tax losses | 192,046,161 | 180,381,852 |
| | | 230,256,280 | 227,924,712 |
| | | 258,757,128 | 229,959,062 |
| 11.1 | The movement in deferred tax assets is as follows: | | |
| | Settlement of surplus on revaluation of PPE on disposal | - | (2,642,191) |
| | Charged to profit or loss | 28,798,066 | 141,166,748 |
| | | 28,798,066 | 138,524,557 |
| 12. | STOCK-IN-TRADE | | |
| | Tracking devices | 259,318,349 | 302,415,718 |
| | Spare parts | 131,641,820 | 99,808,813 |
| | | 390,960,169 | 402,224,531 |

12.1 This includes stock of Rs. 9.710 million (2022: Rs. 3.361 million) held with third parties.

12.2 Stock written off during the year amounting to Rs. 27.31 million (2022: Rs. 15.31 million)

12.3 This represents bonnet locks, window motors etc. which are held for sale.

| | | ▶ 2023 | ▶ 2022 |
|------------|--|---------------|--------------|
| | | Rupees | |
| Note | | | |
| 13. | TRADE DEBTS | | |
| | Unsecured | | |
| | Related parties | | |
| | - TPL Insurance Limited | 20,057,799 | 19,256,007 |
| | Others than related parties | 1,090,706,361 | 918,724,113 |
| | | 1,110,764,160 | 937,980,120 |
| | Less: Allowance for expected credit losses | (54,220,204) | (40,317,442) |
| | | 1,056,543,956 | 897,662,678 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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

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

| | Total | Current | Past due but not impaired | | |
|------------------------------|------------|------------|---------------------------|--------------------------|--------------------|
| | | | > 30 days upto 120 days | > 121 days upto 180 days | 180 days and above |
| ----- (Rupees) ----- | | | | | |
| TPL Insurance Limited - 2023 | 20,057,799 | 14,622,195 | 2,151,432 | 2,216,055 | 1,068,117 |
| TPL Insurance Limited - 2022 | 19,256,007 | 14,037,686 | 2,065,430 | 2,127,471 | 1,025,420 |

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

| | Note | ► 2023 | ► 2022 |
|---|------|------------|------------|
| | | Rupees | |
| TPL Insurance Limited | | 20,057,799 | 19,256,007 |
| 13.4 Allowance for expected credit losses | | | |
| Balance as at July 01 | | 40,317,442 | 31,084,020 |
| Add: Charge during the year | 38 | 6,963,986 | 5,799,195 |
| Foreign currency translation reserve | | 6,938,776 | 3,434,227 |
| Balance as at June 30 | | 54,220,204 | 40,317,442 |

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

| | Total | Current | Days past due | | |
|--|---------------|-------------|-------------------------|--------------------------|--------------------|
| | | | > 30 days upto 120 days | > 121 days upto 180 days | 180 days and above |
| ----- (Rupees) ----- | | | | | |
| 2023 | | | | | |
| Expected credit loss rate | 4.88% | 1.30% | 4.91% | 13.42% | 35.31% |
| Estimated total gross carrying amount at default | 1,110,764,160 | 422,272,553 | 573,335,833 | 91,835,897 | 23,319,877 |
| Expected credit loss | 54,220,204 | 5,485,723 | 28,175,937 | 12,324,377 | 8,234,167 |
| 2022 | | | | | |
| Expected credit loss rate | 4.30% | 1.43% | 2.56% | 16.98% | 17.86% |
| Estimated total gross carrying amount at default | 937,980,120 | 336,922,459 | 465,519,534 | 68,763,323 | 66,774,804 |
| Expected credit loss | 40,317,442 | 4,820,978 | 11,896,896 | 11,676,021 | 11,923,547 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|------|------------|------------|
| | Note | Rupees | |
| 14. LOANS AND ADVANCES | | | |
| Loans – secured, considered good | | | |
| Current portion of long-term loans | 9 | 2,141,036 | 2,389,360 |
| Advances – unsecured, considered good suppliers | 14.1 | 48,416,055 | 34,852,760 |
| | | 50,557,091 | 37,242,120 |

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

| | | ▶ 2023 | ▶ 2022 |
|---|------|------------|------------|
| | Note | Rupees | |
| 15. TRADE DEPOSITS AND PREPAYMENTS | | | |
| Trade deposits | | | |
| Security deposits | | 2,737,620 | 7,214,720 |
| LC margin | | 377,546 | 377,546 |
| Current portion of ijarah deposits | | 2,286,826 | 2,286,826 |
| Others | | 711,516 | 711,516 |
| | 15.1 | 6,113,508 | 10,590,608 |
| Prepayments | | | |
| Insurance | | 7,591,038 | 4,174,712 |
| Maintenance | | 992,283 | 7,894,553 |
| Others | | 13,485,498 | 14,680,707 |
| | | 22,068,819 | 26,749,972 |
| | | 28,182,327 | 37,340,580 |

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

| | | ▶ 2023 | ▶ 2022 |
|---|------|-------------|-------------|
| | Note | Rupees | |
| 16. INTEREST ACCRUED (unsecured, considered good) | | | |
| Mark-up accrued on due from related parties | | | |
| On current account: | | | |
| Ultimate parent company | | | |
| - TPL Holdings (Private) Limited | | 367,175,449 | 225,097,934 |
| Parent company | | | |
| - TPL Corp Limited | | 2,554,435 | 64,304,940 |
| Associates | | | |
| - TPL Security Services (Private) Limited | | - | 4,326,421 |
| - TPL Direct Finance (Private) Limited | | 1,454,419 | 1,291,055 |
| - TRG Pakistan Limited | | 10,263,564 | 8,460,845 |
| - TPL Tech Pakistan (Private) Limited | | 24,401,906 | 16,139,391 |
| - TPL Properties Limited | | 3,078,247 | 2,403,370 |
| | | 408,928,020 | 322,023,956 |
| 17. OTHER RECEIVABLES (unsecured, considered good) | | | |
| Earnest money | | 22,641,024 | 23,069,505 |
| Insurance claims | | 4,963,495 | 5,498,488 |
| Others | 17.1 | 11,139,447 | 6,753,159 |
| | | 38,743,966 | 35,321,152 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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

| | | ► 2023 | ► 2022 |
|------------|--|--------------------|--------------------|
| Note | | Rupees | |
| 18. | DUE FROM RELATED PARTIES unsecured, considered good | | |
| | Ultimate parent company | | |
| | - TPL Holdings (Private) Limited | 313,694,371 | 699,627,685 |
| | Associates | | |
| | - TPL Properties Limited | 5,595,589 | - |
| | - TPL Life Insurance Limited | 28,707,941 | 21,233,637 |
| | - TPL Direct Finance (Private) Limited | 850,070 | 850,070 |
| | - TRG Pakistan Limited | 9,380,446 | 9,380,446 |
| | - TPL Tech Pakistan (Private) Limited | 42,993,993 | 42,993,993 |
| | | 401,222,410 | 774,085,831 |

18.1 This represents current account balance carrying mark-up at the rate of 3 months KIBOR plus 3% (2022: 3 months KIBOR plus 3%) and is repayable on demand.

18.2 This represents current account balance with related parties carrying mark-up at the rate of 6 months KIBOR plus 3% (2022: 6 months KIBOR plus 3%) per annum and are repayable on demand.

18.3 These are neither past due nor impaired.

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

| | | ► 2023 | ► 2022 |
|------------|--|--------------------|--------------------|
| Note | | Rupees | |
| | Ultimate parent company | | |
| | - TPL Holdings (Private) Limited | 699,999,997 | 699,627,685 |
| | Associates | | |
| | - TPL Properties Limited | 7,664,758 | 34,085,250 |
| | - TPL Life Insurance Limited | 39,932,730 | 21,233,637 |
| | - TPL Direct Finance (Private) Limited | 850,070 | 850,070 |
| | - TRG Pakistan Limited | 9,380,446 | 9,380,446 |
| | - TPL Tech Pakistan (Private) Limited | 42,993,993 | 42,993,993 |
| 19. | CASH AND BANK BALANCES | | |
| | Cash in hand | 50,466 | 351,135 |
| | Cash at banks | | |
| | current accounts | 21,820,322 | 14,366,516 |
| | saving accounts | 118,937,456 | 107,809,310 |
| 19.1 | | 140,757,778 | 122,175,826 |
| | | 140,808,244 | 122,526,961 |

19.1 These carry mark-up at the rate of 5.53% to 12.70% per annum (2022: 2.95% to 6.96%) per annum.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | | | ▶ 2023 | ▶ 2022 |
|------------|--|--|------------------|---------------|
| | | Note | Rupees | |
| 20. | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | | | |
| | | | ▶ 2023 | ▶ 2022 |
| | | | Number of shares | |
| | | | 66,820,510 | 66,820,510 |
| | | | - | - |
| | | | 66,820,510 | 66,820,510 |
| | | | 68,680,171 | 68,680,171 |
| | | | 51,762,412 | 51,762,412 |
| | | | 187,263,093 | 187,263,093 |
| | | Ordinary shares of Rs.10/- each opening balance | 668,205,100 | 668,205,100 |
| | | issued during the year | - | - |
| | | | 668,205,100 | 668,205,100 |
| | | issued as other than cash | 686,801,710 | 686,801,710 |
| | | issued as bonus shares | 517,624,120 | 517,624,120 |
| | | | 1,872,630,930 | 1,872,630,930 |
| 21. | SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | | | |
| | Opening balance: | | | |
| | Leasehold land | | - | 271,024,056 |
| | Building on leasehold land | | - | 13,898,709 |
| | | | - | 284,922,765 |
| | (Deficit) / surplus on revaluation recognised / (reversed on disposal) during the year: | | | |
| | Leasehold land | | - | (271,024,056) |
| | Building on leasehold land | | - | (13,898,709) |
| | | | - | (284,922,765) |
| | | | - | - |
| 22. | LONG-TERM FINANCING - secured | | | |
| | Sukuk financing II | 22.1 | 893,135,678 | 1,027,032,974 |
| | Diminishing musharaka I | 22.2 | 9,769,208 | 27,912,021 |
| | Diminishing musharaka II | 21.4 | 8,564,943 | 10,472,867 |
| | Diminishing musharaka III | 21.5 | 1,712,354 | 2,498,982 |
| | Loan from Director | | 244,397,981 | 180,084,838 |
| | | | 1,157,580,164 | 1,248,001,682 |
| | Less: current portion shown under current liabilities | 30 | (339,683,952) | (298,615,142) |
| | | | 817,896,212 | 949,386,540 |

22.1 This represents Sukuk certificates issued of Rs. 1,250 million divided into 1,250 certificates of Rs 1 million each for a period of 5 years under an agreement dated December 22, 2020. The said certificates are redeemable in periodic instalments by March 2026 and carries markup at the rate of 3 months KIBOR plus 3% per annum. These certificates are secured against first pari passu charge of Rs. 70 million on present and future moveable fixed assets of the Company inclusive of 25% margin, first pari passu hypothecation charge of Rs. 340 million on present and future current assets of the Company inclusive of 25% margin, first pari passu charge of upto Rs.1,500 million on present and future long-term investments of TPL Corp Limited (the Parent Company) inclusive of 25% margin, first charge over lien, set off against facility payment and facility service reserve accounts to the extent of Rs. 1,855 million.

22.2 This represents diminishing musharaka facility obtained by the Holding Company to finance the purchase of computer servers and related accessories aggregating to Rs 58.615 million from an Islamic bank for a period of 5 years [2021: 5 years (after deferment of 1 year)] and carries mark-up at the rate of 1 month KIBOR plus 2% per annum. The musharaka units are to be purchased by January 2024. The facility is secured by exclusive charge over the diminishing musharaka assets, first charge over all present and future current and fixed assets of the Holding Company and corporate guarantee of TPL Corp Limited (the Parent).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

22.3 This represents diminishing musharaka facility to finance the purchase of vehicle aggregating to Rs 11.484 million from Islamic Financial Institution for a period of 5 years and carries mark-up at the rate of 3 month KIBOR plus 3.5% per annum. The musharaka units are to be purchased this November 2026. The facility is secured by post-dated cheques of all instalments and corporate guarantee of TPL Corp Limited (the Parent).

22.4 This represents diminishing musharaka facility to finance the purchase of vehicles aggregating to Rs 3.133 million from Islamic Financial Institution for a period of 3 years and carries mark-up at the rate of 6 month KIBOR plus 3.5% per annum. The musharaka units are to be purchased this November 2024. The facility is secured by post-dated cheques of all instalments and corporate guarantee of TPL Corp Limited (the parent company).

| Note | Rupees | |
|--|--|----------------------|
| | ▶ 2023 | ▶ 2022 |
| 22.5 | The movement in long-term financing is as follows: | |
| | 1,248,001,682 | 1,727,977,565 |
| | 155,835,200 | 61,422,831 |
| | 3,898,864 | 3,898,864 |
| | (286,245,668) | (575,111,796) |
| | 36,090,008 | 29,814,218 |
| | <u>1,157,580,086</u> | <u>1,248,001,682</u> |
| 23. DEFERRED LIABILITY - GRATUITY | | |
| | 25,635,120 | 13,182,747 |
| | 26,587,355 | 11,239,335 |
| | (22,091,743) | (2,593,710) |
| | 10,274,842 | 3,806,748 |
| | <u>40,405,574</u> | <u>25,635,120</u> |

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

| Note | Rupees | |
|--|--|--------------------|
| | ▶ 2023 | ▶ 2022 |
| 24. LEASE LIABILITIES | | |
| | 58,905,850 | 50,088,139 |
| | 44,286,102 | 89,833,930 |
| | <u>103,191,952</u> | <u>139,922,069</u> |
| 24.1 | Reconciliation of total lease liabilities: | |
| | 139,922,069 | 129,557,564 |
| | 15,586,178 | 79,727,647 |
| | 11,053,566 | 15,397,973 |
| | (62,025,756) | (84,761,115) |
| | (1,344,105) | - |
| | <u>103,191,952</u> | <u>139,922,069</u> |
| Following are recognised in profit or loss in respect of leases: | | |
| | 52,397,290 | 69,110,404 |
| | 11,053,566 | 15,397,973 |
| | <u>63,450,856</u> | <u>84,508,377</u> |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

24.2 The maturity analysis of lease liabilities is presented in note 46.1 to these consolidated financial statements.

24.3 The Group had total cash outflows for leases of Rs. 62.025 million (2022: Rs. 84.761 million) as of reporting date. The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs. 15.586 million (2022: Rs. 79.727 million). The Group does not have any future cashflows relating to leases other than as disclosed in these consolidated financial statements.

| | | ▶ 2023 | ▶ 2022 |
|---|------|--------|--------------|
| | Note | Rupees | |
| 25. LONG-TERM LOANS | | | |
| Term finance VI | 25.1 | - | 23,856,264 |
| Term finance VII | 25.2 | - | 31,904,439 |
| | | - | 55,760,703 |
| Less: Current portion shown under current liabilities | 30 | - | (55,760,703) |
| | | - | - |

25.1 The Company and the Parent Company (TPL Corp Limited) has obtained long-term financing from a commercial bank of Rs. 150 million under Refinance Scheme for payment of Wages & Salaries by State Bank of Pakistan. Out of total facility limit, Rs. 96.7 million was availed by the Company and Rs. 51.7 million was availed by the parent company. It carries a flat mark-up at the rate of 3% per annum and is repayable in 8 quarterly instalments commencing from January 2021 discounted at effective rate of interest of 9.72% to 11.31% per annum.

The differential mark-up has been recognised as government grant which will be amortised to interest income over the period of the facility. The facility is secured against existing charge over Company's current assets, fixed assets and pledge of shares of TPL Insurance Limited and TPL Properties Limited. During the year, the Company repaid the outstanding balance in full and charge on this facility was released.

25.2 The Company has obtained long-term financing from a commercial bank of Rs. 98 million under Refinance Scheme for payment of Wages and Salaries by State Bank of Pakistan. Out of total facility limit, Rs. 97.8 million was availed by the Company. It carries a flat mark-up at the rate of 3% per annum and is repayable in 8 quarterly instalments commencing from January 2021 discounted at effective rate of interest of 10.25% to 10.26% per annum. The differential mark-up has been recognised as government grant which will be amortised to interest income over the period of the facility. The facility is secured against ranking charge over current assets of the Company and pledge of shares of TPL Corp Limited and TPL Properties Limited of Rs. 163.333 million with 40% margin. During the year, the Company repaid the outstanding balance in full and charge on this facility was released.

| | | ▶ 2023 | ▶ 2022 |
|---|------|---------------|---------------|
| | Note | Rupees | |
| 26. TRADE AND OTHER PAYABLES | | | |
| Trade creditors | 26.1 | 755,981,964 | 600,357,469 |
| Accrued liabilities | | 239,385,978 | 213,402,124 |
| Unearned equipment rentals | 26.2 | 133,289,926 | 118,998,792 |
| Book overdraft | | 59,016,231 | 62,159,815 |
| Other liabilities | | | |
| Sales commission | | 18,347,328 | 16,049,345 |
| Contract liabilities - advance from customers | | 24,356,886 | 28,895,362 |
| Sales tax payable | | 11,364,376 | 16,341,781 |
| Withholding tax payable | | 346,279,509 | 246,504,164 |
| Workers' Welfare Fund | | 2,638,267 | 2,638,267 |
| Provident fund | | 131,845,540 | 68,017,177 |
| Others | 26.3 | 1,661,798 | 1,661,798 |
| | | 536,493,704 | 380,107,894 |
| | 26.4 | 1,724,167,803 | 1,375,026,094 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|--------|------------|------------|
| | Note | Rupees | |
| 26.1 Payable to related parties | | | |
| TPL Properties Limited | | - | 25,660,432 |
| TPL Property Management (Private) Limited | | 27,695,963 | 28,985,720 |
| TPL Insurance Limited | | 3,979,863 | - |
| | 26.1.1 | 31,675,826 | 54,646,152 |

26.1.1 This represents the amount charged on account of rental, maintenance and other services.

26.2 Equipment rentals transferred to revenue during the year amounts to Rs. 1,305.69 million (2022: Rs. 1.462 million).

26.3 This includes stale cheques amounting to Rs. 1.647 million (2021: Rs.1.647 million).

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

| | | ▶ 2023 | ▶ 2022 |
|---|------|-------------|-------------|
| | Note | Rupees | |
| 27. ACCRUED MARK-UP | | | |
| Long-term financing | | 7,241,530 | 907,744 |
| Long-term loans | | - | 361,065 |
| Running finance under mark-up arrangement | | 67,230,988 | 27,844,523 |
| Short-term financing | | 35,717,125 | 2,822,667 |
| Due to related parties | | - | 40,593,879 |
| | | 110,189,643 | 72,529,878 |
| 28. SHORT-TERM FINANCING | | | |
| Finance against trust receipt | 28.1 | 50,169,482 | 95,208,753 |
| Payroll financing | 28.2 | 285,688,463 | 101,492,618 |
| | | 335,857,945 | 196,701,371 |

28.1 This represents payable against FATR (Finance against trust receipt) facility obtained by the Holding Company from various commercial banks having an aggregate limit of Rs. 135 million (2022: Rs. 285 million). It carries mark-up ranging from 3 months KIBOR plus 2.5% to 3.5% and is secured against first pari passu hypothecation charge of Rs. 826 million (2022: Rs.826 million) over all present and future stocks, book debts and fixed assets excluding land and buildings of the Holding Company with cash margins ranging from nil to 15%. As of the reporting date, Rs. 84.830 million (2022: Rs. 189.791 million) remains unutilized.

28.2 This represents payroll financing facilities obtained by the Holding Company during the year against processing fee charges at the fixed rate of 22% (2022: 1 month KIBOR + 2%), calculated on a daily outstanding balance with settlement being done simultaneously along with the principal.

| | | ▶ 2023 | ▶ 2022 |
|---|------|---------------|---------------|
| | Note | Rupees | |
| 28.3 The movement in short-term financings is as follows: | | | |
| Balance as at July 01 | | 196,701,371 | 235,953,736 |
| Financings obtained during the year | | 811,505,262 | 146,390,785 |
| Financings repaid during the year | | (672,348,688) | (185,643,150) |
| Balance as at June 30 | | 335,857,945 | 196,701,371 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

29. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

These facilities are obtained from various financial institutions having an aggregate limit of Rs. 795 million (2022: Rs. 795 million) out of which Rs. 8.222 million (2022: Rs. 37.375 million) was un-utilised as of the reporting date. The facilities carry mark-up ranging between 3 months KIBOR plus 1.5% to 5% (2022: 1 month KIBOR plus 2% and 3 months KIBOR plus 1.5% to 3%) per annum. These are secured by way of:

- registered hypothecation over stocks and book debts aggregating to Rs. 1,186 million (2022: Rs. 1,186 million) and pledge of the shares of TPL Insurance Limited, TPL Properties Limited (associated companies) and TPL Corp Limited (the Parent) having market value of Rs. 300 million.
- personal guarantees of sponsors/directors of the Holding Company, 100% liquid security in shape of lien over Holding Company / related Company account/ lien over term deposit account on account of TPL Life Insurance Limited, 100% cash collateral under lien in the form of term deposit receipt or depository participants account (to be marked in group companies) / minimum 60% cash in shape of lien over term deposit receipt or depository participants account (to be marked lien in group associate Company i.e. TPL Life Insurance Limited) and maximum 40% to be placed in investor portfolio securities account of TPL Life Insurance Limited with 10% margin.
- cash collateral in the form of lien over deposits held under islamic bank of Rs. 100 million in the name of TPL Insurance Limited and cross corporate guarantee of TPL Insurance Limited.

| | | ▶ 2023 | ▶ 2022 |
|---|------|-------------|-------------|
| | | Rupees | |
| Note | | | |
| 30. CURRENT PORTION OF NON-CURRENT LIABILITIES | | | |
| Long-term financing | 22 | 339,683,952 | 298,615,142 |
| Lease liabilities | 24 | 58,905,850 | 50,088,139 |
| Long-term loans | 25 | - | 55,760,703 |
| Government grant | | - | 797,103 |
| | | 398,589,802 | 405,261,087 |
| 31. DUE TO RELATED PARTIES - unsecured | | | |
| Parent Company | | | |
| - TPL Corp Limited | | 14,229,380 | 164,227,754 |
| Associates | | | |
| - TPL Insurance Limited | 31.1 | 298,699,647 | 202,070,734 |
| - TPL Security Services (Private) Limited | 31.2 | 23,013,082 | 23,078,649 |
| - TPL Properties Limited | | - | 25,376,529 |
| | | 335,942,109 | 414,753,666 |

31.1 This includes current account balance of Rs. Nil (2022: Rs. 72.929 million) carrying mark-up at the variable rate of 3 months KIBOR plus 3% per annum and is repayable on demand. Further, it also includes outstanding loan of Rs. 298.699 million having facility limit of Rs. 300 million (2022: Rs. 275 million) carrying mark-up at the rate of 1 year KIBOR plus 3.5% per annum and is repayable on demand.

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

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| | | ▶ 2023 | ▶ 2022 |
|--|------|---------------|---------------|
| | Note | Rupees | |
| 32. TAXATION - NET | | | |
| Balance as at July 01 | | (28,098,976) | (31,014,251) |
| Less: Provision for current and prior taxation | 43 | (77,945,828) | (30,526,025) |
| Add: Income tax paid and deducted at source | | 37,889,018 | 33,441,300 |
| Balance as at June 30 | | (68,155,786) | (28,098,976) |
| 33. ADVANCE MONITORING FEES | | | |
| Balance as at July 01 | | 88,367,248 | 35,853,103 |
| Billed during the year | | 562,196,260 | 514,303,971 |
| Less: Transferred to revenue during the year | | (515,380,602) | (461,789,826) |
| Balance as at June 30 | 33.1 | 135,182,906 | 88,367,248 |

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

34. CONTINGENCIES AND COMMITMENTS

34.1 Contingencies

34.1.2 The Holding Company is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs. 13.279 million (2021: 13.279 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in the favor of the Holding Company and, accordingly, no provision has been made for any liability against these law suits in these financial statements. Details of these legal cases are given below:

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

34.1.2 The Deputy Commissioner, Inland Revenue has passed an Order-in-Original u/s 11 (2) of the Sales Tax Act, 1990, dated June 05, 2023, where the difference between sales revenue as declared in financial statements for the year ended June 30, 2017 and the returns filed by the Holding Company for the same tax periods was made taxable, after considering reconciliation submitted by the Holding Company and has raised tax demand of Rs. 56.869 million.

The company has filed an appeal to Commission Appeals (CIR-A) against the aforesaid order, whose hearing is affixed after the reporting year. Based on the advice of the legal advisor, management is confident that the outcome of the case will be in favour of the Holding Company.

34.2 Commitments

34.2.1 Ijarah agreements

The Group has ijarah agreement with Islamic financial institution in respect of purchase of computer equipment for a period upto three years. As of reporting date, total ijarah payments due under the

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

agreements are Rs. 71.149 million (2022: Rs. Nil) .Taxes and repairs are to be borne by the Group (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the ijarah rentals and security deposits of Rs. 18.7 million (2022: Rs. Nil). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

| | ▶ 2023 | ▶ 2022 |
|--|------------|------------|
| Note | Rupees | |
| Not later than one year | 32,837,976 | - |
| Later than one year but not later than five years | 38,310,972 | - |
| 34.2.2 Guarantees issued by banks on behalf of the Holding Company | 25,618,130 | 32,294,741 |

| | ▶ 2023 | ▶ 2022 |
|-------------------------------------|---------------|---------------|
| Note | Rupees | |
| 35. TURNOVER - NET | | |
| Tracking and other digital business | | |
| Equipment installation and sales | 643,790,719 | 639,805,348 |
| Monitoring fees | 661,790,213 | 596,698,541 |
| Rentals from tracking devices | 1,695,330,773 | 1,179,135,788 |
| Navigation revenue | 217,557,803 | 212,782,469 |
| Other services | 3,517,236 | 34,999,460 |
| | 3,221,986,744 | 2,663,421,606 |
| Less: sales tax | (437,426,502) | (320,934,182) |
| 35.1 | 2,784,560,242 | 2,342,487,424 |

35.1 This includes revenue recognized during the year of Rs. 170.815 million (2022: Rs. 171.408 million) from related parties.

| | | ▶ 2023 | ▶ 2022 |
|--|-------|---------------|---------------|
| 36. COST OF SALES AND SERVICES | | | |
| Cost of equipment sold | 36.1 | 365,753,819 | 381,494,736 |
| Salaries, wages and other benefits | 36.2 | 421,573,247 | 352,409,458 |
| Activation and connection charges | | 318,540,152 | 239,704,405 |
| Insurance | | 13,404,241 | 17,374,102 |
| Vehicle running and maintenance | | 69,797,172 | 49,210,333 |
| Depreciation on operating fixed assets | 6.1.1 | 201,912,371 | 219,431,028 |
| Depreciation on right of use assets | 8.1 | 44,018,963 | 58,059,650 |
| Amortisation | 7.4 | 9,534,227 | 13,135,627 |
| License renewal fee | | 2,674,901 | 3,320,417 |
| Communication | | 8,594,624 | 8,587,680 |
| Travelling and conveyance | | 32,158,704 | 26,590,187 |
| Utilities | | 20,484,036 | 17,387,509 |
| Rent, rates and taxes | | 20,225,427 | 6,304,874 |
| Entertainment | | 6,567,176 | 5,336,930 |
| Commission | | 63,810,473 | 66,549,338 |
| Ijarah rentals | | 7,874,226 | 3,566 |
| Outsourcing expenses | | - | 5,984,986 |
| Postage and courier | | 23,234,111 | 12,930,283 |
| Printing and stationery | | 3,210,221 | 4,451,497 |
| Repairs and maintenance | | 16,877,242 | 15,806,471 |
| Training | | 749,561 | 1,568,574 |
| Computer expenses | | 59,156,332 | 25,678,175 |
| Others | | 5,642,900 | 1,687,303 |
| | | 1,715,794,126 | 1,533,007,129 |

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For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|--|------|---------------|---------------|
| | Note | Rupees | |
| 36.1 Cost of equipment sold | | | |
| Opening stock | | 402,224,531 | 445,649,520 |
| Purchases during the year | | 553,274,201 | 583,064,717 |
| | | 955,498,732 | 1,028,714,237 |
| Less: units transferred to operating fixed assets given under rental arrangements | | (198,784,744) | (244,994,970) |
| Less: closing stock | 12 | (390,960,169) | (402,224,531) |
| | | 365,753,819 | 381,494,736 |

36.2 These include Rs. 13.671 million (2022: Rs. 10.685 million) in respect of staff retirement benefits.

| | | ▶ 2023 | ▶ 2022 |
|--|-------|-------------|-------------|
| | Note | Rupees | |
| 37. DISTRIBUTION EXPENSES | | | |
| Salaries, wages and other benefits | 37.1 | 78,683,503 | 66,701,391 |
| Vehicle running and maintenance | | 3,189,550 | 2,248,785 |
| Depreciation on operating fixed assets | 6.1.1 | 6,108,519 | 6,775,547 |
| Depreciation on right of use assets | 8.1 | 1,419,967 | 1,872,892 |
| Amortisation | 7.4 | 307,556 | 423,730 |
| Sales promotion and publicity | | 16,777,419 | 15,161,853 |
| Utilities | | 1,882,566 | 1,597,982 |
| Rent, rates and taxes | | 2,383,642 | 743,053 |
| Entertainment | | 749,526 | 609,115 |
| Printing and stationery | | 505,430 | 853,785 |
| Communication | | 2,061,866 | 2,060,200 |
| Repairs and maintenance | | 1,200,640 | 1,124,465 |
| Insurance | | 1,449,279 | 1,878,503 |
| Computer expenses | | 12,500,041 | 4,624,482 |
| Others | | 423,983 | 126,777 |
| | | 129,643,487 | 106,802,560 |

37.1 These include Rs. 2.751 million (2021: Rs. 2.150 million) in respect of staff retirement benefits.

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For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|--|-------|-------------|-------------|
| | Note | Rupees | |
| 38. ADMINISTRATIVE EXPENSES | | | |
| Salaries, wages and other benefits | 38.1 | 372,206,107 | 343,553,173 |
| Legal and professional | | 52,767,928 | 30,041,794 |
| Depreciation on operating fixed assets | 6.1.1 | 23,791,010 | 21,339,136 |
| Depreciation on right of use assets | 8.1 | 6,958,360 | 9,177,862 |
| Amortisation | 7.4 | 1,507,136 | 2,076,433 |
| Charge of allowance for expected credit losses | | 6,963,986 | 5,799,195 |
| Utilities | | 9,283,289 | 8,542,433 |
| Rent, rates and taxes | | 18,103,389 | 9,575,294 |
| Travelling and conveyance | | 8,810,947 | 7,125,213 |
| Repairs and maintenance | | 10,373,302 | 10,930,573 |
| Security services | | 11,140,611 | 16,990,624 |
| Vehicle running and maintenance | | 48,858,444 | 36,711,733 |
| Computer expenses | | 54,236,029 | 19,908,870 |
| Communication | | 10,487,616 | 10,337,117 |
| Late payment surcharge (net) | | - | 15,000,000 |
| Training | | 561,778 | 1,175,607 |
| Auditors' remuneration | 38.2 | 4,425,000 | 4,030,000 |
| Insurance | | 12,332,428 | 12,725,823 |
| Entertainment | | 3,291,896 | 2,749,335 |
| Printing and stationery | | 3,116,804 | 4,142,895 |
| Ijarah rentals | | 7,874,226 | 3,566 |
| Subscription | | 7,299,754 | 9,278,077 |
| | | 5,432,120 | 1,047,696 |
| | | 679,822,160 | 582,262,449 |

38.1 These include Rs. 9.929 million (2022: Rs. 17.760 million) in respect of staff retirement benefits.

| | | ▶ 2023 | ▶ 2022 |
|---|------|-----------|-----------|
| | Note | Rupees | |
| 38.2 Auditors' remuneration | | | |
| Audit fee – standalone | | 2,620,000 | 2,300,000 |
| Audit fee – consolidation | | 575,000 | 500,000 |
| Review fee – standalone | | 750,000 | 750,000 |
| Code of corporate governance and other assurance services | | 330,000 | 330,000 |
| Out of pocket expenses | | 150,000 | 150,000 |
| | | 4,425,000 | 4,030,000 |

38.3 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.

| | | ▶ 2023 | ▶ 2022 |
|--|------|------------|------------|
| | Note | Rupees | |
| 39. RESEARCH AND DEVELOPMENT EXPENSES | | | |
| Salaries, wages and other benefits | | 65,848,389 | 55,820,839 |
| Depreciation | | 19,254,755 | 21,357,304 |
| Rent, rates and taxes | | 1,528,925 | 476,612 |
| | | 86,632,069 | 77,654,755 |
| 40. OTHER EXPENSES | | | |
| Exchange loss - net | | 44,675,853 | 15,422,317 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|---|------|-------------|-------------|
| | Note | Rupees | |
| 41. FINANCE COSTS | | | |
| Mark-up on: | | | |
| Long-term financings | | 212,280,360 | 160,887,777 |
| Lease liabilities | | 11,053,566 | 15,409,973 |
| Long-term loans | | 2,658,169 | 10,503,478 |
| Short-term financings | | 58,918,071 | 11,238,585 |
| Running finance under mark-up arrangements | | 156,228,386 | 100,010,092 |
| Due to related parties | | 112,795,197 | 10,086,027 |
| Bank and other charges | | 4,801,931 | 3,770,763 |
| | | 558,735,680 | 311,906,695 |
| 42. OTHER INCOME | | | |
| Income from financial assets: | | | |
| Interest income on loan given to employees | | 67,151 | 93,505 |
| Mark-up on saving accounts | | 17,450,053 | 7,434,159 |
| Income from related parties: | | | |
| Mark-up on current account | 42.1 | 152,980,991 | 122,454,524 |
| Other service income | | 17,597,964 | 11,182,765 |
| | | 188,096,159 | 141,164,953 |
| Income from non - financial assets: | | | |
| Gain on disposal of property, plant and equipment - net | | 6,589,536 | 44,636,606 |
| Amortisation of government grant | | 797,103 | 5,950,600 |
| Base station salary | | 4,337,828 | 5,039,088 |
| Others | 42.2 | 51,036,961 | - |
| | | 62,761,428 | 55,626,294 |
| | | 250,857,587 | 196,791,247 |

42.1 This represents markup on outstanding balance receivable from related parties

42.2 This represents the account balance of TPL Properties Limited write off during the year amounting to Rs. 51.036 million

| | | ▶ 2023 | ▶ 2022 |
|--|---|---------------|--------------|
| | Note | Rupees | |
| 43. TAXATION | | | |
| Current | | (72,641,560) | (59,303,167) |
| Prior | | (5,304,268) | 28,777,142 |
| Deferred | 11.1 | 28,798,066 | 141,166,748 |
| | | (49,147,762) | 110,640,723 |
| 43.1 | The returns of the total income of the Holding Company have been filed for and upto tax year 2022 which are considered as deemed assessments. | | |
| 43.2 | Relationship between accounting profit and tax expense | | |
| Loss before taxation | | (179,885,546) | (87,777,234) |
| Applicable tax rate | | 29% | 29% |
| Prior year tax | | (5,304,268) | 28,777,142 |
| Tax effect of income subject to lower tax rate | | (43,843,494) | 81,863,581 |
| Taxation for the year | | (49,147,762) | 110,640,723 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | | ▶ 2023 | ▶ 2022 |
|--|------|------------------------------|---------------|
| | Note | Rupees | |
| 44. (LOSS) / EARNINGS PER SHARE – (BASIC AND DILUTED) | | | |
| Basic | | | |
| (Loss) / profit attributable to the ordinary shareholders | | (160,880,461) | 113,642,532 |
| | | ----- Number of shares ----- | |
| Weighted average number of ordinary shares in issue | | 187,263,093 | 187,263,093 |
| (Loss) / earnings per share – basic and diluted | | (0.86) | 0.61 |
| 45. CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 19 | 140,808,244 | 122,526,961 |
| Running finance under mark-up arrangements | 29 | (794,368,862) | (767,102,058) |
| | | (653,560,618) | (644,575,097) |

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Group is exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2023. The policies for managing each of these risks are summarised below:

- 46.1 Financial assets and liabilities (excluding statutory assets and liabilities) by categories and their respective maturities are as follows:

| | Interest bearing | | | Non-Interest bearing | | | Total |
|--|------------------------|--|---------------|------------------------|--|---------------|---------------|
| | Maturity upto one year | Maturity after one year but less than five years | Total | Maturity upto one year | Maturity after one year but less than five years | Total | |
| 2023 | ----- (Rupees) ----- | | | | | | |
| Financial assets (designated at FVTOCI) | | | | | | | |
| Long-term investments (at amortised cost) | - | - | - | - | - | - | - |
| Loans | 910,518 | 348,339 | 1,258,857 | 1,230,518 | 1,491,052 | 2,721,570 | 3,980,427 |
| Long-term deposits | - | - | - | - | 49,374,317 | 49,374,317 | 49,374,317 |
| Trade debts | - | - | - | 1,110,764,160 | - | 1,110,764,160 | 1,110,764,160 |
| Trade deposits | - | - | - | 6,113,508 | - | 6,113,508 | 6,113,508 |
| Interest accrued | - | - | - | 408,928,020 | - | 408,928,020 | 408,928,020 |
| Other receivables | - | - | - | 38,743,966 | - | 38,743,966 | 38,743,966 |
| Due from related parties | 401,222,410 | - | 401,222,410 | - | - | - | 401,222,410 |
| Cash and bank balances | 118,937,456 | - | 118,937,456 | 21,870,788 | - | 21,870,788 | 140,808,244 |
| | 521,070,384 | 348,339 | 521,418,723 | 1,587,650,960 | 50,865,369 | 1,638,516,329 | 2,159,935,052 |
| Financial liabilities (at amortised cost) | | | | | | | |
| Long-term financings | 339,683,874 | 817,896,212 | 1,157,580,086 | - | - | - | 1,157,580,086 |
| Lease liabilities | 58,905,850 | 44,286,102 | 103,191,952 | - | - | - | 103,191,952 |
| Trade and other payables | - | - | - | 896,041,510 | - | 896,041,510 | 896,041,510 |
| Accrued mark-up | - | - | - | 72,529,878 | - | 72,529,878 | 72,529,878 |
| Short term financings | 335,857,945 | - | 335,857,945 | - | - | - | 335,857,945 |
| Running finance under mark-up arrangements | 794,368,862 | - | 794,368,862 | - | - | - | 794,368,862 |
| Due to related parties | 335,942,109 | - | 335,942,109 | - | - | - | 335,942,109 |
| | 1,864,758,640 | 862,182,314 | 2,726,940,954 | 968,571,388 | - | 968,571,388 | 3,695,512,342 |

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| | Interest bearing | | | Non-Interest bearing | | | Total |
|--|------------------------|--|----------------------|------------------------|--|----------------------|----------------------|
| | Maturity upto one year | Maturity after one year but less than five years | Total | Maturity upto one year | Maturity after one year but less than five years | Total | |
| 2022 | (Rupees) | | | | | | |
| Financial assets (at amortised cost) | | | | | | | |
| Long-term investments | - | - | - | - | - | - | - |
| Loans | 1,687,376 | 237,133 | 1,924,509 | 701,984 | 234,479 | 936,463 | 2,860,972 |
| Long-term deposits | - | - | - | - | 37,699,947 | 37,699,947 | 37,699,947 |
| Trade debts | - | - | - | 937,980,120 | - | 937,980,120 | 937,980,120 |
| Trade deposits | - | - | - | 10,590,608 | - | 10,590,608 | 10,590,608 |
| Interest accrued | - | - | - | 322,023,956 | - | 322,023,956 | 322,023,956 |
| Other receivables | - | - | - | 35,321,152 | - | 35,321,152 | 35,321,152 |
| Due from related parties | 774,085,831 | - | 774,085,831 | - | - | - | 774,085,831 |
| Cash and bank balances | 107,809,310 | - | 107,809,310 | 14,717,651 | - | 14,717,651 | 122,526,961 |
| | <u>883,582,517</u> | <u>237,133</u> | <u>883,819,650</u> | <u>1,321,335,471</u> | <u>37,934,426</u> | <u>1,359,269,897</u> | <u>2,243,089,547</u> |
| Financial liabilities (at amortised cost) | | | | | | | |
| Long-term financings | 298,615,142 | 949,386,540 | 1,248,001,682 | - | - | - | 1,248,001,682 |
| Lease liabilities | 50,088,139 | 89,833,930 | 139,922,069 | - | - | - | 139,922,069 |
| Long-term loans | 55,760,703 | - | 55,760,703 | - | - | - | 55,760,703 |
| Trade and other payables | - | - | - | 736,866,653 | - | 736,866,653 | 736,866,653 |
| Accrued mark-up | - | - | - | 72,529,878 | - | 72,529,878 | 72,529,878 |
| Short term financings | 196,701,371 | - | 196,701,371 | - | - | - | 196,701,371 |
| Running finance under mark-up arrangements | 767,102,058 | - | 767,102,058 | - | - | - | 767,102,058 |
| Due to related parties | 414,753,666 | - | 414,753,666 | - | - | - | 414,753,666 |
| | <u>1,783,021,079</u> | <u>1,039,220,470</u> | <u>2,822,241,549</u> | <u>809,396,531</u> | <u>-</u> | <u>809,396,531</u> | <u>3,631,638,080</u> |

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

46.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analysis in the following sections relate to the position as at June 30, 2023.

46.2.1 Interest rate risk

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

46.2.2 Interest rate sensitivity

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

| | (Increase) / decrease in basis points | Effect on profit / (loss) before tax (Rupees) |
|------|---------------------------------------|---|
| 2023 | +100 | 23,661,242 |
| | -100 | <u>(23,661,242)</u> |
| 2022 | +100 | 20,507,122 |
| | -100 | <u>(20,507,122)</u> |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

46.2.3 Currency risk

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

| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
|-----------------------|-------------------------|-------------|--------------------------|--------------|
| | Foreign Currency | | Equivalent Rupees | |
| Assets | | | | |
| Advances (USD) | - | 43,215 | - | 8,878,522 |
| Liabilities | | | | |
| Trade creditors (USD) | (468,506) | (373,179) | (134,273,184) | (76,348,617) |
| Trade creditors (EUR) | (45,000) | (90,000) | (14,098,334) | (19,262,673) |

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

| | Average rate | | Spot rate | |
|-----------|---------------------|---------------|------------------|---------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | -----Rupees----- | | -----Rupees----- | |
| US Dollar | <u>245.59</u> | <u>179.50</u> | <u>286.60</u> | <u>204.59</u> |
| Euro | <u>263.66</u> | <u>206.00</u> | <u>313.30</u> | <u>214.03</u> |

Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit / (loss) before tax for the year by Rs 7.418 million (2022: Rs 4.338 million).

46.2.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at reporting date, the Group is not exposed to equity price risk.

46.3 Credit risk

46.3.1 Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial assets excludes statutory assets and includes deposits, trade and other receivables, interest accrued, investments, due from related parties and cash and bank balances. Out of the total financial assets of Rs. 2,159.935 million (2022: Rs. 2,243.090 million), the financial assets which are subject to credit risk amounted to Rs. 2,155.955 million (2022: Rs. 2,240.229 million). The Group's credit risk is primarily attributable to its trade debts and bank balances. The Group has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debtors is limited. Further, the Group manages its credit risk by obtaining advance monitoring fee for device and service charges and effective implementation of credit policy for its customers.

The credit quality of financial assets that are past due but not impaired is disclosed in note 13.5 to these financial statements. As at the reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | | ► 2023 | ► 2022 |
|--------------------------|------|----------------------|----------------------|
| | Note | Rupees | |
| Loans | 9 | 3,980,427 | 2,860,972 |
| Long-term deposits | 10 | 49,374,317 | 37,699,947 |
| Trade debts | 13.1 | 421,978,726 | 336,922,459 |
| Trade deposits | 15 | 6,113,508 | 10,590,608 |
| Interest accrued | 16 | 408,928,020 | 322,023,956 |
| Other receivables | 17 | 38,743,966 | 35,321,152 |
| Due from related parties | 18 | 401,222,410 | 774,085,831 |
| Bank balances | 19 | 140,757,778 | 122,175,826 |
| | | <u>1,471,099,152</u> | <u>1,641,680,751</u> |

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

| | | ► 2023 | ► 2022 |
|--|----------------------|--------------------|--------------------|
| | Note | Rupees | |
| Bank Balances by short-term rating category | Rating Agency | | |
| A-1+ | VIS | 881,881 | 774,820 |
| A-1 | VIS | 20,052 | 966 |
| A-1+ | PACRA | 122,842,713 | 111,952,539 |
| A-1 | PACRA | 17,013,132 | 9,447,501 |
| | | <u>140,757,778</u> | <u>122,175,826</u> |

46.4 Liquidity risk

Liquidity risk represents the risk that a Group will encounter difficulties in meeting obligations with the financial liabilities. The financial liabilities excludes statutory liabilities and provisions and includes long-term and short-term financing, trade and other payables, accrued mark-up and due to related parties. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of various financing facilities. The table below summarizes the maturity profile of the Group's financial liabilities (excluding statutory liabilities) at June 30, 2023 and 2022 based on contractual undiscounted payment dates and present market interest rates:

| | On demand | Less than 3 months | 3 to 12 months | More than 1 year | Total |
|--|----------------------|----------------------|--------------------|--------------------|----------------------|
| | (Rupees) | | | | |
| 2023 | | | | | |
| Long-term financings | - | - | 339,683,874 | 817,896,212 | 1,157,580,086 |
| Lease liabilities | - | - | 58,905,850 | 44,286,102 | 103,191,952 |
| Long-term loans | - | - | - | - | - |
| Trade and other payables | - | 896,041,510 | - | - | 896,041,510 |
| Accrued mark-up | 110,189,643 | - | - | - | 110,189,643 |
| Short-term financings | - | 285,688,463 | 50,169,482 | - | 335,857,945 |
| Running finance under mark-up arrangements | 794,368,862 | - | - | - | 794,368,862 |
| Due to related parties | 335,942,109 | - | - | - | 335,942,109 |
| | <u>1,240,500,614</u> | <u>1,181,729,973</u> | <u>448,759,206</u> | <u>862,182,314</u> | <u>3,733,172,107</u> |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | On demand | Less than 3 months | 3 to 12 months | More than 1 year | Total |
|---|----------------------|-----------------------|--------------------|----------------------|----------------------|
| ----- (Rupees) ----- | | | | | |
| 2022 | | | | | |
| Long-term financings | - | - | 298,615,142 | 949,386,540 | 1,248,001,682 |
| Lease liabilities | - | - | 50,088,139 | 89,833,930 | 139,922,069 |
| Long-term loans | - | - | 55,760,703 | - | 55,760,703 |
| Trade and other payables | - | 736,866,653 | - | - | 736,866,653 |
| Accrued mark-up | 72,529,878 | - | - | - | 72,529,878 |
| Short-term financings | - | 101,492,618 | 95,208,753 | - | 196,701,371 |
| Running finance under mark-up arrangements | 767,102,058 | - | - | - | 767,102,058 |
| Due to related parties | 414,753,666 | - | - | - | 414,753,666 |
| | <u>1,254,385,602</u> | <u>838,359,271</u> | <u>499,672,737</u> | <u>1,039,220,470</u> | <u>3,631,638,080</u> |

46.5 Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2023. The parent company is committed to provide full support to the Group, as and when required.

The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Group monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves. The gearing ratio as at June 30, 2023 and 2022 are as follows:

| | | ► 2023 | ► 2022 |
|---|------|----------------------|----------------------|
| | Note | Rupees | |
| Long-term financings | 22 | 1,157,580,086 | 1,248,001,682 |
| Lease liabilities | 24 | 103,191,952 | 139,922,069 |
| Long-term loans | 25 | - | 55,760,703 |
| Accrued mark-up | 27 | 110,189,643 | 72,529,878 |
| Short-term financings | 28 | 335,857,945 | 196,701,371 |
| Running finance under mark-up arrangements | 29 | 794,368,862 | 767,102,058 |
| Total debts | | 2,501,188,488 | 2,480,017,761 |
| Less: Cash and bank balances | 19 | (140,808,244) | (122,526,961) |
| Net debt | | <u>2,360,380,244</u> | <u>2,357,490,800</u> |
| Share capital | 20 | 1,872,630,930 | 1,872,630,930 |
| Capital reserves | | 202,650,046 | 202,650,046 |
| Revenue reserve | | (138,268,888) | 22,611,573 |
| Other components of equity | | (101,841,204) | (24,810,640) |
| Equity attributable to owners of the Parent Company | | <u>1,835,170,884</u> | <u>2,073,081,909</u> |
| Total capital | | <u>4,195,551,128</u> | <u>4,430,572,709</u> |
| Gearing ratio | | <u>56.26%</u> | <u>53.21%</u> |

47. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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

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

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

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

Level 1: Quoted market price

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non-market observables)

| | Chief Executive | | Directors | | Executives | |
|----------------------|--------------------|-------------------|------------------|------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | ----- Rupees ----- | | | | | |
| Basic salary | 23,227,200 | 19,356,132 | - | - | 100,474,944 | 84,057,948 |
| House rent allowance | 10,452,240 | 8,710,200 | - | - | 45,213,600 | 37,825,944 |
| Utilities | 2,320,560 | 1,933,668 | - | - | 10,037,760 | 8,397,564 |
| Vehicle allowance | 1,800,000 | - | - | - | 18,324,000 | 15,108,000 |
| Retirement benefits | 1,934,820 | 1,612,368 | - | - | 8,029,668 | 6,872,988 |
| Meeting fees | | - | 1,700,000 | 1,700,000 | | - |
| | <u>39,734,820</u> | <u>31,612,368</u> | <u>1,700,000</u> | <u>1,700,000</u> | <u>182,079,972</u> | <u>152,262,444</u> |
| Number of person(s) | <u>1</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>38</u> | <u>33</u> |

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

49. TRANSACTIONS WITH RELATED PARTIES

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

| | ▶ 2023 | ▶ 2022 |
|--|-------------------|------------|
| | Rupees | |
| TPL Holdings (Private) Limited – (ultimate parent company) [TPLH] | | |
| Amount received by the Holding Company from TPLH | 76,000,000 | 29,250,000 |
| Expenditure incurred / paid by the Holding Company on behalf of TPLH | 20,894,708 | 31,045,741 |
| Settlement of amount receivable by the TPLH with TPLC | 400,000,000 | |
| Mark-up on current account | 142,077,515 | 86,009,652 |
| Amount paid / repaid by the Holding Company to TPLH | <u>69,171,978</u> | <u>-</u> |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

| | ▶ 2023 | ▶ 2022 |
|---|-------------|---------------|
| | Rupees | |
| TPL Corp Limited – (parent company) [TPLC] | | |
| Amount received by the Holding Company from TPLC | 217,535,000 | 1,110,382,353 |
| Amount paid by the Holding Company on behalf of TPLC | 64,684,278 | 414,884,799 |
| Mark-up on current account | 61,750,505 | 29,554,796 |
| Settlement of amount receivable by the Holding Company with TPL Life | - | 20,284,690 |
| Settlement of amount receivable by the TPLH with TPLC | 400,000,000 | - |
| Expenditure incurred by the Holding Company on behalf of TPLC | 2,924,820 | 2,592,956 |
| Expenditure incurred on behalf of the Holding Company | 100,075,724 | 120,714,275 |
| Associated companies | | |
| TPL Security Services (Private) Limited [TSS] | | |
| Expenditure incurred / paid by the Holding Company on behalf of TSS | 3,221,699 | 3,935,768 |
| Expenditure incurred / paid by TSS on behalf of the Holding Company | 97,441 | 1,186,767 |
| Services acquired by the Holding Company from TSS | 10,925,112 | 20,110,628 |
| Amount received by the Holding Company from TSS | - | 2,000,000 |
| Settlement of amount payable on behalf of the Holding Company from TSS for services received from suppliers | - | 8,488,840 |
| Settlement of accrued markup | 4,326,421 | - |
| Amount paid / repaid by the Holding Company to TSS | 4,100,000 | 15,269,241 |
| TPL Properties Limited [TPLP] | | |
| Expenditure incurred / paid by the Holding Company on behalf of TPLP | 8,038,666 | 3,333,561 |
| Amount paid by the Holding Company to TPLP | - | 25,000,000 |
| Amount received by the Holding Company from TPLP | - | 59,000,000 |
| Expenditure incurred / paid by TPLP on behalf of the Holding Company | 2,693,077 | 2,130,731 |
| Mark-up on current account | 250,000 | 356,314 |
| TPL Insurance Limited [TIL] | | |
| Sales made by the Holding Company to TIL | 170,816,012 | 171,408,678 |
| Expenditure incurred / paid by the Holding Company on behalf of TIL | 52,103,715 | 29,746,248 |
| Amount received by the Holding Company from TIL | 20,000,000 | 1,091,563,750 |
| Mark-up on current account | 51,044,692 | 10,086,027 |
| Settlement of accrued markup | 86,513,782 | - |
| Payment made by the Holding Company to TIL | 27,500,000 | 906,516,000 |
| Expenditure incurred / paid by TIL on behalf of the Holding Company | 69,701,878 | 4,252,442 |
| TPL Direct Finance (Private) Limited [TPLD] | | |
| Mark-up on current account | 163,365 | 104,353 |
| TPL Life Insurance Limited [TPL Life] | | |
| Amount received by the Holding Company from TPL Life | 9,100,000 | 44,026,400 |
| Expenditure incurred / paid by TPL Life on behalf of the Holding Company | 6,335,257 | 4,473,847 |
| Settlement of accrued markup | 5,124,789 | - |
| Settlement of amount payable by the Holding Company with TPL C | - | 20,284,690 |
| Expenditure incurred by the Holding Company on behalf of TPL Life | 26,090,510 | 26,330,453 |
| Payments made by the Holding Company to TPL Life | 1,943,840 | 18,000,000 |
| TRG Pakistan Limited [TRG] | | |
| Mark-up on current account | 1,802,719 | 1,151,528 |
| TPL Tech Pakistan (Private) Limited [TPL Tech] | | |
| Mark-up on current account | 8,262,515 | 5,277,872 |
| Staff retirement benefit | | |
| Provident fund employer contribution | 26,352,095 | 20,596,023 |
| Gratuity contribution paid during the year | 22,091,743 | 2,593,710 |
| Key management personnel | | |
| Salaries and other benefits | 88,972,501 | 62,035,393 |
| Post employment benefits | 4,591,029 | 3,339,824 |
| Loan paid / received by TME from a Director | 7,866,950 | 47,024,131 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

49.1 All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group. The related parties status of outstanding receivables / payables as at June 30, 2023 and 2022 are disclosed in the respective note to these consolidated financial statements.

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

50. SEGMENT REPORTING

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

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

| | | ▶ 2023 | ▶ 2022 |
|---|----------------------|---------------|---------------|
| | Note | Rupees | |
| TPL Insurance Limited - customer located in Pakistan | | 170,816,012 | 171,408,678 |
| 50.1 Geographical information | | | |
| 50.1.1 Revenues | | | |
| | Pakistan | 2,403,430,152 | 2,106,468,500 |
| | United Arab Emirates | 381,130,090 | 236,018,924 |
| | | 2,784,560,242 | 2,342,487,424 |
| 50.1.2 The revenue information is based on the location of customers. | | | |
| 50.1.3 Non-current assets | | | |
| | Pakistan | 3,645,256,368 | 3,231,974,384 |
| | United Arab Emirates | 88,165,556 | 60,599,418 |
| | | 3,733,421,924 | 3,292,573,802 |

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

51. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary.

52. GENERAL

52.1 Number of employees as at June 30, 2023 were 934 (2022: 919) and average number of employees during the year were 923 (2022: 839).

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

53. DATE OF AUTHORISATION OF ISSUE

These financial statements were authorized for issue on September 12, 2023 by the Board of Directors of the Group.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (“AGM”) of TPL Trakker Limited (“Company”) will be held on Monday, October 23, 2023 at 11.30 a.m. at PSX Auditorium, Stock Exchange Road, Stock Exchange Road Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To approve the minutes of the Annual General Meeting held on October 24, 2022.

“RESOLVED THAT the minutes of Annual General Meeting of TPL Trakker Limited held on October 24, 2022 at 11:00 am be and are hereby approved.”

2. To receive, consider and adopt the Annual Standalone and Consolidated Audited Financial Statements of the Company together with the Directors’, Auditors’ and Chairman’s Review Report thereon for the year ended June 30, 2023.

“RESOLVED THAT the Annual Audited Financial Statements of TPL Trakker Limited, together with the Chairman’s Review Report, Directors’ and Auditors’ Report thereon for the year ended 30 June 2023 be and are hereby approved.”

3. To appoint Auditors for the year ending June 30, 2024 and fix their remuneration. M/s. BDO Ebrahim & Co., Chartered Accountants retire and being eligible, have offered themselves for re-appointment.

“RESOLVED THAT M/s. BDO Ebrahim & Co., Chartered Accountants be and are hereby appointed as Auditors of M/s. TPL Trakker Limited on the basis of consent received from them, at a fee mutually agreed for the period ending June 30, 2024.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs.700 million to the ultimate parent company, TPL Holdings (Pvt.) Limited.

“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs.700 million to TPL Holdings (Pvt.) Limited.”

5. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company for renewal of advance of enhanced amount of Rs.400 million to the subsidiary company, Trakker Middle East L.L.C.

“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance of enhanced amount of Rs.400 million to the subsidiary company i.e. Trakker Middle East L.L.C.”

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 and/or equity investment up to Rs.100 million to the associated company, TPL Tech Pakistan (Pvt.) Limited.

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

7. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs.20 million to the associated company, TPL Properties Limited.

“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs.20 million to TPL Properties Limited.”

8. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company to make an equity investment of up to Rs. 800 Million in associated company, Astra Location Services (Private) Limited.

“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to make an equity investment of up to Rs. 800 Million in associated company, Astra Location Services (Private) Limited.

9. To consider and if thought fit, to pass the following resolution in pursuance of S.R.O. 389 (I)/2023 dated March 21, 2023 issued by the Securities and Exchange Commission of Pakistan (“the SECP”), to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink.

“RESOLVED THAT pursuant to S.R.O. 389 (I)/2023 of the SECP, the Company be and is hereby authorized to circulate the annual report, including the annual audited financial statements, auditor's report, Directors' report, Chairman's review report and other reports contained therein, to its members through QR enabled code and weblink, and that the practice of circulation of the annual report through CD/USB be discontinued.”

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

“RESOLVED THAT pursuant to section 83A of the Companies Act, 2017(the Act) read along with regulation 7 of the Companies (Further Issue of Capital) Regulations, 2020 (the regulations) and Memorandum and Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors of the Company, subject to any amendments that may be required by the Securities and Exchange Commission of Pakistan (the SECP), to issue, offer and allot to eligible employees of the Company, options exercisable into equity shares of the Company of nominal value of Rs.10 each up to 2,000,000 shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the ESOP scheme), at market price as of August 15, 2023 i.e. Rs. 7.69 per share (exercise price) with retrospective effect from July 01, 2023.”

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

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

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

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

Agenda Items No. 04 to 08:

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

The Company is desirous to renew advances made to TPL Holdings (Pvt.) Limited. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 12, 2023.

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

| S. No. | Requirement | Information | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|---|---------------|--------|--------------------|---------------|--------------|---------------|---------------------|----------------------|--------------------------|----------------------|------------------------|--|-----------------|------------|-----------------|------------|--------------------|-------------|---------------------------|-------------|---------------|--|------------------------|--|-------------------------------------|-------------|-------------------|---------------|------------------------|---------------|----------|-----------|------------------------------|----------------------|
| i. | Name of the associated company or associated undertaking | TPL Holdings (Pvt.) Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ii. | Basis of relationship | Ultimate parent company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iii. | Earnings per share for the last three years of the Associated Company | 2022: (34.91), 2021: (29.27), 2020: (41.45) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iv. | Break-up value per share, based on latest audited financial statements | PKR 190.85 per share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| v. | Financial position of the associated company | <p>The extracts of the reviewed balance sheet and profit and loss account of the ultimate parent company as at and for the period ended June 30, 2022 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>1,792,483,216</td> </tr> <tr> <td>Other assets</td> <td>1,629,047,529</td> </tr> <tr> <td>Total Assets</td> <td>3,421,530,746</td> </tr> <tr> <td>Total Liabilities</td> <td>2,701,187,471</td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td>37,744,000</td> </tr> <tr> <td>Capital Reserve</td> <td>10,742,480</td> </tr> <tr> <td>Accumulated (loss)</td> <td>671,856,794</td> </tr> <tr> <td>Other component of equity</td> <td>720,343,275</td> </tr> <tr> <td>Equity</td> <td></td> </tr> <tr> <td>Profit and Loss</td> <td></td> </tr> <tr> <td>Profit before interest and taxation</td> <td>154,265,983</td> </tr> <tr> <td>Financial charges</td> <td>(285,911,701)</td> </tr> <tr> <td>(Loss) before taxation</td> <td>(131,645,718)</td> </tr> <tr> <td>Taxation</td> <td>(108,884)</td> </tr> <tr> <td>(Loss) after taxation</td> <td>(131,754,602)</td> </tr> </tbody> </table> | Balance Sheet | Rupees | Non-current assets | 1,792,483,216 | Other assets | 1,629,047,529 | Total Assets | 3,421,530,746 | Total Liabilities | 2,701,187,471 | <i>Represented by:</i> | | Paid up capital | 37,744,000 | Capital Reserve | 10,742,480 | Accumulated (loss) | 671,856,794 | Other component of equity | 720,343,275 | Equity | | Profit and Loss | | Profit before interest and taxation | 154,265,983 | Financial charges | (285,911,701) | (Loss) before taxation | (131,645,718) | Taxation | (108,884) | (Loss) after taxation | (131,754,602) |
| Balance Sheet | Rupees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-current assets | 1,792,483,216 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other assets | 1,629,047,529 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 3,421,530,746 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Liabilities | 2,701,187,471 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Represented by:</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid up capital | 37,744,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Reserve | 10,742,480 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accumulated (loss) | 671,856,794 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other component of equity | 720,343,275 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit and Loss | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before interest and taxation | 154,265,983 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial charges | (285,911,701) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Loss) before taxation | (131,645,718) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxation | (108,884) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Loss) after taxation | (131,754,602) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

| vi | In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts; | Not Applicable | | | | | | |
|------------------|--|---|------------------|----------------------|----------------------|------------------|---|---------|
| vii. | Maximum amount of investment to be made | PKR 700,000,000 | | | | | | |
| viii. | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; | The purpose of the investment is to enable TPL Holdings (Pvt.) Limited to meet its operational requirements. | | | | | | |
| ix. | Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and | Own source | | | | | | |
| | (III) cost benefit analysis; | | | | | | | |
| x. | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | The Agreement was executed between TPL Trakker Limited and TPL Holdings (Private) Limited on September 12, 2023 for the renewal of advance of PKR 700 Million as per the rate given at serial No. XV, repayable as per repayment schedule given at serial No. xxiii of this material fact. The validity of the Agreement is one year and shall be renewed as per the mutual consent of both parties. In case of any dispute the Companies shall first be referred to Arbitration which will be conducted in accordance with the Arbitration Act 1940. | | | | | | |
| xi. | Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration | The directors of the Company are solely interested to the extent of their directorships and shareholdings in the Company. Following are the common directors of TPLH and the Company: | | | | | | |
| | | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of Director</th> <th style="text-align: center;">Shareholding in TPLT</th> <th style="text-align: center;">Shareholding in TPLH</th> </tr> </thead> <tbody> <tr> <td>Mr. Jameel Yusuf</td> <td style="text-align: center;">1</td> <td style="text-align: center;">388,570</td> </tr> </tbody> </table> | Name of Director | Shareholding in TPLT | Shareholding in TPLH | Mr. Jameel Yusuf | 1 | 388,570 |
| Name of Director | Shareholding in TPLT | Shareholding in TPLH | | | | | | |
| Mr. Jameel Yusuf | 1 | 388,570 | | | | | | |

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

| | | |
|--------|---|--|
| xii. | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and | Please refer to serial No. V of the Statement of Material Facts. No impairment or write-off was undertaken during the year. |
| xiii. | Any other important details necessary for the members to understand the transaction; | Not applicable |
| xiv. | Category-wise amount of investment; | Not applicable |
| xv. | Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period | The average estimated borrowing cost of the Company is 3 month KIBOR + 3%. |
| xvi. | Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company; | Markup to be charged equivalent to the borrowing cost |
| xvii. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort |
| xviii. | If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and | None |
| xix. | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking. | The advance and mark-up thereon is adjusted against reimbursable expenses incurred periodically by TPL Holdings (Pvt.) Limited on behalf of the Company. |
| xx. | Sources of funds from where loans or advances will be given | Own source |
| | Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company | Not applicable |
| xxi. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort /The loan is unsecured. |
| xxii. | If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; | Not applicable |
| xxiii. | Repayment schedule and terms of loans or advances to be given to the investee company | Please refer to serial No. XIX of the Statement of Material Facts. |

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

Renewal of advance of enhanced amount of PKR 400 Million to Trakker Middle East LLC:

The Company is desirous to renew advances and enhancement made to Trakker Middle East LLC. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 12, 2023.

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

| S. No. | Requirement | Information | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|---|--|---------------|--------|--------------------|------------|--------------|-------------|---------------------|--------------------|--------------------------|----------------------|------------------------|--|-----------------|-------------|--------------------|------------|--------------------|-----------------|---------------|----------------------|------------------------|--|-------------------------------------|--------------|-------------------|--------------|------------------------|---------------|----------|---|------------------------------|----------------------|
| i. | Name of the associated company or associated undertaking | Trakker Middle East LLC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ii. | Basis of relationship | Subsidiary | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iii. | Earnings per share for the last three years of the Associated Company | 2023: (24,039.81) 2022: (32,020.83) 2021: (19,702.61) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iv. | Break-up value per share, based on latest audited financial statements | PKR (160,919.93) per share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| v. | Financial position of the associated company | <p>The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2023 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>88,165,557</td> </tr> <tr> <td>Other assets</td> <td>188,234,352</td> </tr> <tr> <td>Total Assets</td> <td>276,399,909</td> </tr> <tr> <td>Total Liabilities</td> <td>1,188,815,940</td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td>441,792,792</td> </tr> <tr> <td>Statutory Reserves</td> <td>88,364,558</td> </tr> <tr> <td>Accumulated (loss)</td> <td>(1,442,573,381)</td> </tr> <tr> <td>Equity</td> <td>(912,416,031)</td> </tr> <tr> <td colspan="2">Profit and Loss</td> </tr> <tr> <td>(Loss) before interest and taxation</td> <td>(86,732,546)</td> </tr> <tr> <td>Financial charges</td> <td>(49,573,149)</td> </tr> <tr> <td>(Loss) before taxation</td> <td>(136,305,695)</td> </tr> <tr> <td>Taxation</td> <td>-</td> </tr> <tr> <td>(Loss) after taxation</td> <td>(136,305,695)</td> </tr> </tbody> </table> | Balance Sheet | Rupees | Non-current assets | 88,165,557 | Other assets | 188,234,352 | Total Assets | 276,399,909 | Total Liabilities | 1,188,815,940 | <i>Represented by:</i> | | Paid up capital | 441,792,792 | Statutory Reserves | 88,364,558 | Accumulated (loss) | (1,442,573,381) | Equity | (912,416,031) | Profit and Loss | | (Loss) before interest and taxation | (86,732,546) | Financial charges | (49,573,149) | (Loss) before taxation | (136,305,695) | Taxation | - | (Loss) after taxation | (136,305,695) |
| Balance Sheet | Rupees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-current assets | 88,165,557 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other assets | 188,234,352 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 276,399,909 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Liabilities | 1,188,815,940 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Represented by:</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid up capital | 441,792,792 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Statutory Reserves | 88,364,558 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accumulated (loss) | (1,442,573,381) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | (912,416,031) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit and Loss | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Loss) before interest and taxation | (86,732,546) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial charges | (49,573,149) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Loss) before taxation | (136,305,695) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxation | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Loss) after taxation | (136,305,695) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| vi. | In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since | Not Applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

| | | |
|-------|--|---|
| | <p>commenced operations, in addition to the information referred to above, the following further information is also required:</p> <p>a) a description of the project and its history since conceptualization;</p> <p>b) starting date and expected date of completion; c) time by which such project shall become commercially operational;</p> <p>d) expected return on total capital employed in the project; and</p> <p>e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;</p> | |
| vii. | Maximum amount of investment to be made | PKR 400,000,000 |
| viii. | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; | The purpose of the investment was to enable Trakker Middle East LLC to meet its operational requirements. |
| ix. | <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 |
| x. | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | <p>The Agreement was executed between TPL Trakker Limited and Trakker Middle East LLC on September 12, 2023 for the renewal of advance of enhancement amount of PKR 400 Million as per the rate given at serial No. XV, repayable as per repayment schedule given at serial No. xxiii of this material fact.</p> <p>The validity of the Agreement is one year and shall be renewed as per the mutual consent of both parties.</p> <p>In case of any dispute the Companies shall first be referred to Arbitration which will be conducted in accordance with the Arbitration Act 1940.</p> |

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

| | | |
|-------|---|---|
| | <p>a) a description of the project and its history since conceptualization;</p> <p>b) starting date and expected date of completion; c) time by which such project shall become commercially operational;</p> <p>d) expected return on total capital employed in the project; and</p> <p>e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;</p> | |
| vii. | Maximum amount of investment to be made | PKR 400,000,000 |
| viii. | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; | The purpose of the investment was to enable Trakker Middle East LLC to meet its operational requirements. |
| ix. | <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 |
| x. | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | <p>The Agreement was executed between TPL Trakker Limited and Trakker Middle East LLC on September 12, 2023 for the renewal of advance of enhancement amount of PKR 400 Million as per the rate given at serial No. XV, repayable as per repayment schedule given at serial No. xxiii of this material fact.</p> <p>The validity of the Agreement is one year and shall be renewed as per the mutual consent of both parties.</p> <p>In case of any dispute the Companies shall first be referred to Arbitration which will be conducted in accordance with the Arbitration Act 1940.</p> |
| | | referred to Arbitration which will be conducted in accordance with the Arbitration Act 1940. |
| xi. | Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration | <p>The directors of the Company are solely interested to the extent of their directorships and shareholdings in the Company.</p> <p>There is no common Director</p> |

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

| | | |
|--------|---|--|
| xii. | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and | Please refer to serial No. V of the Statement of Material Facts. No impairment or write-off was undertaken during the year. |
| xiii. | Any other important details necessary for the members to understand the transaction; | Not applicable |
| xiv. | Category-wise amount of investment; | Not applicable |
| xv. | Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period | 6 month KIBOR + 3%. |
| xvi. | Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company; | 6 month KIBOR + 3%. |
| xvii. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort |
| xviii. | If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and | None |
| xix. | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking. | The advance and mark-up thereon is adjusted against reimbursable expenses incurred periodically by Trakker Middle East LLC on behalf of the Company. |
| xx. | Sources of funds from where loans or advances will be given | Own source |
| | Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company | Not applicable |
| xxi. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort/The loan is unsecured. |
| xxii. | If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; | Not applicable |
| xxiii. | Repayment schedule and terms of loans or advances to be given to the investee company | Please refer to serial No. XIX of the Statement of Material Facts. |

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

Renewal of advance and / or equity investment up to PKR 100 Million to TPL Tech Pakistan (Pvt.) Limited:

The Company is desirous to renew advances made to TPL Tech Pakistan (Pvt.) Limited and / or invest into equity of up to PKR 100 Million. These has been recommended by the Board of Directors of the Company in its meeting held on September 12, 2023.

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

| S. No. | Requirement | Information | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|--|---------------|--------|--------------------|---|--------------|----|---------------------|----|--------------------------|------------|------------------------|--|-----------------|-----|-----------------|---|--------------------|--------------|---------------|--------------|------------------------|--|-------------------------------------|----------|-------------------|-------------|------------------------|-------------|----------|---|-------------------------------------|-------------|
| i. | Name of the associated company or associated undertaking | TPL Tech Pakistan (Pvt.) Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ii. | Basis of relationship | Associated Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iii. | Earnings per share for the last three years of the Associated Company | 2022: (533,708) 2021: (630,388) 2020: (2,509,074) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iv. | Break-up value per share, based on latest audited financial statements | PKR (160,919.93) per share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| v. | Financial position of the associated company | <p>The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2022 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>0</td> </tr> <tr> <td>Other assets</td> <td>18</td> </tr> <tr> <td>Total Assets</td> <td>18</td> </tr> <tr> <td>Total Liabilities</td> <td>59,762,875</td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td>100</td> </tr> <tr> <td>Capital Reserve</td> <td>0</td> </tr> <tr> <td>Accumulated (loss)</td> <td>(59,762,957)</td> </tr> <tr> <td>Equity</td> <td>(59,762,857)</td> </tr> <tr> <td colspan="2">Profit and Loss</td> </tr> <tr> <td>(Loss) before interest and taxation</td> <td>(59,205)</td> </tr> <tr> <td>Financial charges</td> <td>(5,277,873)</td> </tr> <tr> <td>(Loss) before taxation</td> <td>(5,337,078)</td> </tr> <tr> <td>Taxation</td> <td>-</td> </tr> <tr> <td>Profit/(Loss) after taxation</td> <td>(5,337,078)</td> </tr> </tbody> </table> | Balance Sheet | Rupees | Non-current assets | 0 | Other assets | 18 | Total Assets | 18 | Total Liabilities | 59,762,875 | <i>Represented by:</i> | | Paid up capital | 100 | Capital Reserve | 0 | Accumulated (loss) | (59,762,957) | Equity | (59,762,857) | Profit and Loss | | (Loss) before interest and taxation | (59,205) | Financial charges | (5,277,873) | (Loss) before taxation | (5,337,078) | Taxation | - | Profit/(Loss) after taxation | (5,337,078) |
| Balance Sheet | Rupees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-current assets | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other assets | 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Liabilities | 59,762,875 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Represented by:</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid up capital | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Reserve | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accumulated (loss) | (59,762,957) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | (59,762,857) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit and Loss | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Loss) before interest and taxation | (59,205) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial charges | (5,277,873) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Loss) before taxation | (5,337,078) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxation | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit/(Loss) after taxation | (5,337,078) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| vi. | In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; | Not Applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

| | 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; | | | | | | | | | | | | | |
|--------------------------------------|--|---|------------------|----------------------|-----------------------------------|---------------------|---|---|--------------------------------------|---|---|--|--|--|
| vii. | Maximum amount of investment to be made | PKR 100,000,000 | | | | | | | | | | | | |
| viii. | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; | The purpose of the investment was to TPL Tech Pakistan (Pvt.) Limited to meet its operational requirements. | | | | | | | | | | | | |
| ix. | Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis; | Own source | | | | | | | | | | | | |
| x. | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | <p>The Agreement was executed between TPL Trakker Limited and TPL Tech Pakistan (Private) Limited on September 12, 2023 for the renewal of advance of PKR 100 Million as per the rate given at serial No. XV, repayable as per repayment schedule given at serial No. xxiii of this material fact.</p> <p>The validity of the Agreement is one year and shall be renewed as per the mutual consent of both parties.</p> <p>In case of any dispute the Companies shall first be referred to Arbitration which will be conducted in accordance with the Arbitration Act 1940.</p> | | | | | | | | | | | | |
| xi. | Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration | <p>The directors of the Company are solely interested to the extent of their directorships and shareholdings in the Company.</p> <p>Following are the common directors of TPL Tech Pak and the Company:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of Director</th> <th style="text-align: center;">Shareholding in TPLT</th> <th style="text-align: center;">Shareholding in TPL Tech Pakistan</th> </tr> </thead> <tbody> <tr> <td>Mr. Sarwar Ali Khan</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Brig (Retd) Muhammad Tahir Chaudhary</td> <td style="text-align: center;">-</td> <td>Brig (Retd) Muhammad Tahir Chaudhary is the CEO of TPL Tech therefore is a deemed director.</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table> | Name of Director | Shareholding in TPLT | Shareholding in TPL Tech Pakistan | Mr. Sarwar Ali Khan | 1 | 1 | Brig (Retd) Muhammad Tahir Chaudhary | - | Brig (Retd) Muhammad Tahir Chaudhary is the CEO of TPL Tech therefore is a deemed director. | | | |
| Name of Director | Shareholding in TPLT | Shareholding in TPL Tech Pakistan | | | | | | | | | | | | |
| Mr. Sarwar Ali Khan | 1 | 1 | | | | | | | | | | | | |
| Brig (Retd) Muhammad Tahir Chaudhary | - | Brig (Retd) Muhammad Tahir Chaudhary is the CEO of TPL Tech therefore is a deemed director. | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

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

| | | |
|--------|---|---|
| xii. | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and | Please refer to serial No. V of the Statement of Material Facts. No impairment or write-off was undertaken during the year. |
| xiii. | Any other important details necessary for the members to understand the transaction; | Not applicable |
| xiv. | Category-wise amount of investment; | Not applicable |
| xv. | Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period | 6 month KIBOR + 3%. |
| xvi. | Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company; | 6 month KIBOR + 3%. |
| xvii. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort |
| xviii. | If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and | None |
| xix. | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking. | The advance and mark-up thereon is adjusted against reimbursable expenses incurred periodically by TPL Tech Pakistan (Pvt.) Limited on behalf of the Company. |
| xx. | Sources of funds from where loans or advances will be given | Own source |
| | Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company | Not applicable |
| xxi. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort/The loan is unsecured. |
| xxii. | If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; | Not applicable |
| xxiii. | Repayment schedule and terms of loans or advances to be given to the investee company | Please refer to serial No. XIX of the Statement of Material Facts. |

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

Renewal of advance of PKR 20 Million to TPL Properties Limited:

The Company is desirous to renew advances made to TPL Properties Limited. The renewal of advance has been recommended by the Board of Directors of the Company in its meeting held on September 12, 2023.

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

| S. No. | Requirement | Information | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|--|---------------|--------|--------------------|----------------|--------------|---------------|---------------------|-----------------------|--------------------------|----------------------|------------------------|--|-----------------|---------------|-----------------|---------------|--------------------|---------------|---------------|-----------------------|------------------------|--|-------------------------------------|---------------|-------------------|---------------|------------------------|---------------|----------|--------------|------------------------------|----------------------|
| i. | Name of the associated company or associated undertaking | TPL Properties Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ii. | Basis of relationship | Associated Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iii. | Earnings per share for the last three years of the Associated Company | 2023: 7.77, 2022: 12.29, 2021: (1.72) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iv. | Break-up value per share, based on latest audited financial statements | PKR 24.08 per share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| v. | 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 period ended June 30, 2023 is as follows: <table border="1" data-bbox="811 955 1400 1731"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>14,968,012,605</td> </tr> <tr> <td>Other assets</td> <td>3,156,540,028</td> </tr> <tr> <td>Total Assets</td> <td>18,124,552,633</td> </tr> <tr> <td>Total Liabilities</td> <td>4,397,968,327</td> </tr> <tr> <td colspan="2"><i>Represented by:</i></td> </tr> <tr> <td>Paid up capital</td> <td>5,698,065,702</td> </tr> <tr> <td>Capital Reserve</td> <td>(313,065,756)</td> </tr> <tr> <td>Accumulated profit</td> <td>8,341,584,360</td> </tr> <tr> <td>Equity</td> <td>13,726,584,306</td> </tr> <tr> <td colspan="2">Profit and Loss</td> </tr> <tr> <td>Profit before interest and taxation</td> <td>4,451,533,719</td> </tr> <tr> <td>Financial charges</td> <td>(160,558,096)</td> </tr> <tr> <td>Profit before taxation</td> <td>4,290,975,623</td> </tr> <tr> <td>Taxation</td> <td>(20,110,705)</td> </tr> <tr> <td>Profit after taxation</td> <td>4,270,864,918</td> </tr> </tbody> </table> | Balance Sheet | Rupees | Non-current assets | 14,968,012,605 | Other assets | 3,156,540,028 | Total Assets | 18,124,552,633 | Total Liabilities | 4,397,968,327 | <i>Represented by:</i> | | Paid up capital | 5,698,065,702 | Capital Reserve | (313,065,756) | Accumulated profit | 8,341,584,360 | Equity | 13,726,584,306 | Profit and Loss | | Profit before interest and taxation | 4,451,533,719 | Financial charges | (160,558,096) | Profit before taxation | 4,290,975,623 | Taxation | (20,110,705) | Profit after taxation | 4,270,864,918 |
| Balance Sheet | Rupees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-current assets | 14,968,012,605 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other assets | 3,156,540,028 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 18,124,552,633 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Liabilities | 4,397,968,327 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Represented by:</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid up capital | 5,698,065,702 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Reserve | (313,065,756) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accumulated profit | 8,341,584,360 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | 13,726,584,306 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit and Loss | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before interest and taxation | 4,451,533,719 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial charges | (160,558,096) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before taxation | 4,290,975,623 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxation | (20,110,705) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit after taxation | 4,270,864,918 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| vi. | In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: | Not Applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

| | <p>a) a description of the project and its history since conceptualization;</p> <p>b) starting date and expected date of completion; c) time by which such project shall become commercially operational;</p> <p>d) expected return on total capital employed in the project; and</p> <p>e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;</p> | | | | | | | |
|------------------|---|---|------------------|----------------------|----------------------|------------------|---|-----------|
| vii. | Maximum amount of investment to be made | PKR 20,000,000 | | | | | | |
| viii. | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; | The purpose of the investment was to TPL Properties Limited to meet its operational requirements. | | | | | | |
| ix. | <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 | | | | | | |
| x. | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | <p>The Agreement was executed between TPL Trakker Limited and TPL Properties Limited on September 12, 2023 for the renewal of advance of PKR 20 Million as per the rate given at serial No. XV, repayable as per repayment schedule given at serial No. xxiii of this material fact.</p> <p>The validity of the Agreement is one year and shall be renewed as per the mutual consent of both parties.</p> <p>In case of any dispute the Companies shall first be referred to Arbitration which will be conducted in accordance with the Arbitration Act 1940.</p> | | | | | | |
| xi. | Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration | <p>The directors of the Company are solely interested to the extent of their directorships and shareholdings in the Company.</p> <p>Following are the common directors of TPLP and the Company:</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Shareholding in TPLT</th> <th>Shareholding in TPLP</th> </tr> </thead> <tbody> <tr> <td>Mr. Jameel Yusuf</td> <td>1</td> <td>3,035,775</td> </tr> </tbody> </table> | Name of Director | Shareholding in TPLT | Shareholding in TPLP | Mr. Jameel Yusuf | 1 | 3,035,775 |
| Name of Director | Shareholding in TPLT | Shareholding in TPLP | | | | | | |
| Mr. Jameel Yusuf | 1 | 3,035,775 | | | | | | |
| xii. | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and | Please refer to serial No. V of the Statement of Material Facts. No impairment or write-off was undertaken during the year. | | | | | | |

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

| | | |
|--------|---|---|
| xiii. | Any other important details necessary for the members to understand the transaction; | Not applicable |
| xiv. | Category-wise amount of investment; | Not applicable |
| xv. | Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period | 6 month KIBOR + 3%. |
| xvi. | Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company; | 6 month KIBOR + 3%. |
| xvii. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort |
| xviii. | If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and | None |
| xix. | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking. | The advance and mark-up thereon is adjusted against reimbursable expenses incurred periodically by TPL Properties Limited on behalf of the Company. |
| xx. | Sources of funds from where loans or advances will be given | Own source |
| | Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company | Not applicable |
| xxi. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort/The loan is unsecured. |
| xxii. | If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; | Not applicable |
| xxiii. | Repayment schedule and terms of loans or advances to be given to the investee company | Please refer to serial No. XIX of the Statement of Material Facts. |

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

Equity Investment of PKR 800 Million to Astra Location Services (Private) Limited:

The Company is desirous to make an equity investment in Astra Location Services (Private) Limited. The equity investment has been recommended by the Board of Directors of the Company in its meeting held on September 12, 2023.

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

| S. No. | Requirement | Information | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|---------------|--------|--------------------|---------------|--------------|------------|---------------------|----------------------|--------------------------|--------------------|--|--|---------------------------------|-----------|------------------------------|---|-----------------|-------------|--------------------|--------------|--|---|---------------|--------------------|--|--|
| i. | Name of the associated company or associated undertaking | Astra Location Services (Private) Limited | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ii. | Basis of relationship | Subsidiary Company | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iii. | Earnings per share for the last three years of the Associated Company | 2023 (610.27) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iv. | Break-up value per share, based on latest audited financial statements | 1,329.76 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| v. | Financial position (main items of statement of financial position and profit and loss account on the basis of latest financial statements) of the associated company | <p>The extracts of the audited/reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2023 is as follows:</p> <table border="1"> <thead> <tr> <th>Balance Sheet</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>1,018,722,652</td> </tr> <tr> <td>Other assets</td> <td>36,490,662</td> </tr> <tr> <td>Total Assets</td> <td>1,055,213,314</td> </tr> <tr> <td>Total Liabilities</td> <td>922,237,266</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Represented by :Paid up capital</td> <td>1,000,000</td> </tr> <tr> <td>Advance against right shares</td> <td>-</td> </tr> <tr> <td>Capital Reserve</td> <td>193,003,027</td> </tr> <tr> <td>Accumulated (loss)</td> <td>(61,026,979)</td> </tr> <tr> <td>Surplus on Revaluation of Fixed Assets</td> <td>-</td> </tr> <tr> <td>Equity</td> <td>132,976,048</td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table> | Balance Sheet | Rupees | Non-current assets | 1,018,722,652 | Other assets | 36,490,662 | Total Assets | 1,055,213,314 | Total Liabilities | 922,237,266 | | | Represented by :Paid up capital | 1,000,000 | Advance against right shares | - | Capital Reserve | 193,003,027 | Accumulated (loss) | (61,026,979) | Surplus on Revaluation of Fixed Assets | - | Equity | 132,976,048 | | |
| Balance Sheet | Rupees | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-current assets | 1,018,722,652 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other assets | 36,490,662 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 1,055,213,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Liabilities | 922,237,266 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Represented by :Paid up capital | 1,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advance against right shares | - | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Reserve | 193,003,027 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accumulated (loss) | (61,026,979) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Surplus on Revaluation of Fixed Assets | - | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | 132,976,048 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

| | | Profit and Loss | |
|-------|---|--|---------------------|
| | | (Loss) before interest and taxation | (46,951,322) |
| | | Financial charges | (8,320,208) |
| | | (Loss) before taxation | (55,271,530) |
| | | Taxation | (5,755,449) |
| | | (Loss) after taxati on | (61,026,979) |
| vi. | In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts; | Not Applicable | |
| vii. | Maximum amount of investment to be made | PKR 800,000,000 | |
| viii. | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; | The purpose is to convert long-term advances to Astra Location Services (Private) Limited into equity. | |
| ix. | Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis; | Own source | |
| x. | Salient features of the agreement(s), if any, with | The Agreement was executed between TPL Trakker Limited and Astra Location Services | |

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

| | associated company or associated undertaking with regards to the proposed investment; | (Private) Limited on September 12, 2023 for conversion of long term advance to equity investment upto PKR 800 M The validity of the Agreement is one year. In case of any dispute the Companies shall first be referred to Arbitration which will be conducted in accordance with the Arbitration Act 1940. | | | | | | | | | |
|------------------|--|--|------------------|----------------------|--------------------------------|-----------------|---|---|-------------|---|---|
| xi. | Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration | The directors of the Company are solely interested to the extent of their directorships and shareholdings in the Company. Following are the common directors of Astra Location Services and the Company: <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Shareholding in TPLT</th> <th>Shareholding in Astra Location</th> </tr> </thead> <tbody> <tr> <td>Sarwar Ali Khan</td> <td>1</td> <td>1</td> </tr> <tr> <td>Amjad Waqar</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | Name of Director | Shareholding in TPLT | Shareholding in Astra Location | Sarwar Ali Khan | 1 | 1 | Amjad Waqar | - | - |
| Name of Director | Shareholding in TPLT | Shareholding in Astra Location | | | | | | | | | |
| Sarwar Ali Khan | 1 | 1 | | | | | | | | | |
| Amjad Waqar | - | - | | | | | | | | | |
| xii. | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and | Please refer to serial No. V of the Statement of Material Facts. No impairment or write-off was undertaken during the year. | | | | | | | | | |
| xiii. | Any other important details necessary for the members to understand the transaction; | None | | | | | | | | | |
| xiv. | maximum price at which securities will be acquired; | At par. | | | | | | | | | |
| xv. | 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 | Not applicable. | | | | | | | | | |
| xvi. | maximum number of securities to be acquired | 100% | | | | | | | | | |
| xvii. | number of securities and percentage thereof held before and after the proposed investment | Before investment – Nil After investment – Upto 80 Million shares | | | | | | | | | |
| xviii. | Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; | Not Applicable | | | | | | | | | |

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

| | | |
|------|---|---|
| xix. | Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities | The Company has calculated the fair value of its investment based on market comparable valuation. |
|------|---|---|

Agenda Item No. 9:

To circulate the annual audited financial statements to its members through QR enabled code and weblink:

In pursuance of S.R.O. 389 (I)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan ("the SECP"), the members are requested to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, the Company seeks to discontinue the circulation of the Annual Report through CDs in the future. Consequently, the Board of Directors of the Company has recommended that the ordinary resolution, as set out in the notice, be passed by the members for approving the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the members of the Company through QR enabled code and weblink.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. No change to that right / privileged is being proposed.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and Directors of the Company.

Agenda Item No. 10:

To offer, issue and allot shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the Scheme):

With an objective to attract, retain and motivate the best talent, the Board of Directors (the Board) of the Company has proposed to issue, offer, and allot options exercisable into equity shares of the Company of nominal value of Rs.10 each up to 2,000,000 shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the ESOP scheme), to the employees, duly determined by the Board and its Human Resource & Remuneration/Compensation Committee for the vesting period of 2 years at market price as of August 15, 2023 i.e. Rs. 7.69 per share exercisable within a period of 6 months.

ANY OTHER BUSINESS

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

By Order of the Board

Shayan Mufti
Company Secretary

Karachi, October 02, 2023

Notes:

1. Registration to attend Annual General Meeting through Electronic Means:

- a. In the light of relevant guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time, including vide letter No. SMD/SE/2/(20)/2021/117 date December 15, 2021, members are encouraged to participate in the Annual General Meeting (“AGM”) through electronic facility organized by the Company.

To attend the AGM through electronic means, the Members are requested to register themselves by providing the following information through email at company.secretary@tplholdings.com at least forty-eight (48) hours before the AGM.

| Name of Shareholder | CNIC/NTN No. | Folio No/CDC A/c No. | Cell Number | Email Address |
|---------------------|--------------|----------------------|-------------|---------------|
| | | | | |

- b. Members will be registered, after necessary verification as per the above requirement, and will be provided a video-link by the Company via email.
- c. The login facility will remain open from 11:20 a.m. till the end of AGM.

2. Closure of Share Transfer Books:

The Share Transfer Book of the Company will remain closed from October 16, 2023 to October 23, 2023, (both days inclusive). Share Transfers received at THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan by the close of business hours (5:00 PM) on October 13, 2023, will be treated as being in time for the purpose of above entitlement to the transferees.

3. Participation in the AGM:

All members, whose names appear in the register of members of the Company as on October 13, 2023, are entitled to attend (in person or by video link facility or through Proxy) the AGM and vote there at. A proxy duly appointed shall have such rights as respect to the speaking and voting at the

AGM as are available to a member. Duly filled and signed Proxy Form must be received at the Registrar of the Company, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan, not less than 48 hours before the AGM.

4. For Attending the AGM:

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

5. Change of Address:

Members are requested to immediately notify the change, if any, in their registered address to the Share Registrar, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan.

6. Conversion of Physical Shares into the Book Entry Form:

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The shareholders of the Company having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, THK Associates (Private) Limited.

7. Video Conferencing Facility

The Company shall provide video conference facility to its members for attending the AGM at places other than the town in which the AGM is taking place, provided that if members, collectively holding 10% (ten percent) or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 7 days prior to date of the AGM, the Company shall arrange video conference facility in that city, subject to availability of such facility in that city.

In this regard, please fill the enclosed form and submit the same to the registered address of the Company 7 days before holding of the AGM. The Company will, if such facility is available, intimate members regarding venue of video conference facility at least 5 days before the date of EOGM along with complete information necessary to enable them to access such facility.

8. For Voting for Special Agenda Items:

a. Voting through Ballot Paper:

In accordance with regulation 8(2) of the Companies (Postal Ballot) Regulations, 2018, Members have the option to cast their votes using the enclosed ballot paper, a copy of which is also accessible on the Company's website. The duly filled in ballot paper should reach the chairman of the meeting through email at chairman@tpltrakker.com or through post to 20th Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, no later than one day prior to the AGM, during working hours.

b. Electronic Voting:

In accordance with Regulation 4(4) of the Companies (Postal Ballot) Regulations, 2018, Members also have the option to cast their votes through e-voting. To facilitate this, THK Associates (Private) Limited, the e-voting service provider, will send an email on October 18, 2023, to members containing the web address, login details, password, and other necessary information. The facility for e-voting shall open on October 18, 2023 and shall close at 1700 hours (Pakistan Standard Time) on October 22, 2023.

Postal Ballot Paper

Postal Ballot Paper for Special Business Items to be transacted at the Annual General Meeting (“AGM”) of TPL Trakker Limited (“Company”) to be held on Monday, October 23rd, 2023 at 11:30 AM. at PSX Auditorium, Stock Exchange Building, Exchange Road, Karachi

This is in accordance with regulation 8(2) of the Companies (Postal Ballot) Regulations, 2018. Members have the option to cast their votes using the ballot paper, a copy of which is also accessible on the Company's website. The duly filled in ballot paper should reach the chairman of the meeting through email at chairman@tpltrakker.com or through post to 20 Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, no later than one day prior to the AGM, during working hours.

| | |
|--|--|
| Name of shareholder/joint shareholders | |
| Registered Address | |
| Number of shares held and folio number | |
| CNIC Number (copy to be attached) | |
| Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.) | |

I/we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below (delete as appropriate):

| Sr. No. | Nature and Description of resolution | No. of ordinary shares for which votes cast | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|---------|---|---|-------------------------------------|--|
| 1. | <p>To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs.700 million to the ultimate parent company, <i>TPL Holdings (Pvt.) Limited</i>.</p> <p>“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs.700 million to <i>TPL Holdings (Pvt.) Limited</i>.”</p> | | | |

| | | | | |
|----|--|--|--|--|
| 2. | <p>To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company for renewal of advance of enhanced amount of Rs.400 million to the subsidiary company, Trakker Middle East L.L.C.</p> <p>“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance of enhanced amount of Rs.400 million to the subsidiary company i.e. Trakker Middle East L.L.C.”</p> | | | |
| 3. | <p>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 and/or equity investment up to Rs.100 million to the associated company, TPL Tech Pakistan (Pvt.) Limited.</p> <p>“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance and/or make equity investment up to Rs.100 million to TPL Tech Pakistan (Pvt.) Limited.”</p> | | | |
| 4. | <p>To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs.20 million to the associated company, TPL Properties Limited.</p> <p>“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs.20 million to TPL Properties Limited.”</p> | | | |
| 5. | <p>To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company to make an equity investment of up to Rs. 800 Million in associated company, Astra Location Services (Private) Limited.</p> <p>“RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to make an equity investment of up to Rs. 800 Million in associated company, Astra Location Services (Private) Limited.</p> | | | |

| | | | | |
|----|---|--|--|--|
| 6. | <p>To consider and if thought fit, to pass the following resolution in pursuance of S.R.O. 389 (I)/2023 dated March 21, 2023 issued by the Securities and Exchange Commission of Pakistan (“the SECP”), to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink.</p> <p>“RESOLVED THAT pursuant to S.R.O. 389 (I)/2023 of the SECP, the Company be and is hereby authorized to circulate the annual report, including the annual audited financial statements, auditor’s report, Directors’ report, Chairman’s review report and other reports contained therein, to its members through QR enabled code and weblink, and that the practice of circulation of the annual report through CD/USB be discontinued.”</p> | | | |
| 7 | <p>To consider and if thought fit to pass with or without modification(s), the following resolutions as special resolutions to offer, issue and allot shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the ESOP Scheme).</p> <p>“RESOLVED THAT pursuant to section 83A of the Companies Act, 2017(the Act) read along with regulation 7 of the Companies (Further Issue of Capital) Regulations, 2020 (the regulations) and Memorandum and Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors of the Company, subject to any amendments that may be required by the Securities and Exchange Commission of Pakistan (the SECP), to issue, offer and allot to eligible employees of the Company, options exercisable into equity shares of the Company of nominal value of Rs.10 each up to 2,000,000 shares under TPL Trakker Limited Employee Stock Option Scheme 2020 (the ESOP scheme), at market price as of August 15, 2023 i.e. Rs. 7.69 per share (exercise price) with retrospective effect from July 01, 2023.”</p> <p>“RESOLVED FURTHER THAT pursuant to provision under regulation 7 of the Companies (Further Issue of Capital) Regulations, 2020, the grant of options equal to or exceeding one percent of the issued or paid up capital of the company at the time of grant of options, within one year, to any employee be and is hereby approved.”</p> <p>“RESOLVED FURTHER THAT pursuant to provision under regulation 7 of the Companies (Further Issue of Capital) Regulations, 2020, the grant of options to any</p> | | | |

| | | | |
|---|--|--|--|
| <p><i>employee of subsidiary or holding Company be and is hereby approved.”</i></p> <p><i>“RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications in the Scheme including in any ancillary documents thereto, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the regulations, the memorandum of association and articles of association of the Company and any other applicable laws.”</i></p> | | | |
|---|--|--|--|

Signature of shareholder(s)

Place: _____

Date: _____

Notes:

1. Dully filled postal ballot should be sent to chairman at chairman@tpltrakker.com or through post to Mr. Jameel Yusuf, TPL Trakker Limited, 20 Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block Abdul Sattar Edhi Avenue, Clifton, Karachi.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before October 22, 2023. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Video Conference facility

Video Conferencing Facility Request Form for Annual General Meeting of TPL Trakker Limited

I/ We _____ S/o / D/o / W/o _____ resident of (full address) _____ being a member(s) of TPL Trakker Limited ("the Company"), holding _____ ordinary shares, hereby opt for video conference facility at _____ to attend the Annual General Meeting of the Company to be held on Monday, 23 October, 2023 and/or adjournment thereof.

Folio No. / CDC Account No.

Signature on Revenue Stamp
of Appropriate Value.

The signature should agree
with the specimen registered
with the Company

Form of Proxy

Annual General Meeting of TPL Trakker Limited

I/We _____ S/o / D/o / W/o _____ resident of (full address) _____ being a member(s) of TPL Trakker Limited, holding _____ ordinary shares, hereby appoint _____ S/o / D/o / W/o _____ resident of (full address) _____ or failing him / her _____ S/o / D/o / W/o _____ resident of (full address) _____ as my / our proxy in my / our absence to attend and vote for me / us on my / our behalf at Annual General Meeting of the Company to be held on Monday, 23 October, 2023 and/or adjournment thereof.

As witness my / our hand (s) seal this on the _____ day of _____ 2023.

Signed by the said:

Folio No. / CDC Account No.

Signature on Revenue Stamp
of Appropriate Value.

The signature should agree
with the specimen registered
with the Company

In presence of:

1. Signature: _____

Name: _____

Address: _____

CNIC or Passport No: _____

2. Signature: _____

Name: _____

Address: _____

CNIC or Passport No: _____

Important Instructions:

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

(نیابت) پراکسی فارم

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

_____ ہے، ٹی بی ایل ٹریڈنگ لمیٹڈ کا ممبر ہوں / ہیں۔

اور میرے/ ہمارے پاس _____ نمبر کے آرڈری شیٹرز ہیں

_____ بذریعہ تقرر

_____ جس کا مکمل پتہ _____

_____ یا اسکی عدم موجودگی میں _____ مکمل پتہ _____

میری/ ہماری جانب سے کمپنی کی سالانہ جنرل میٹنگ میں، جو کہ پیر 123 اکتوبر 2023 کی میٹنگ، یا اس کے التواء کی صورت میں اس کے بعد جب بھی میٹنگ ہو، میری/ ہماری نیابت (پراکسی) میں میری/ ہماری طرف سے ووٹ دینے کا حق رکھتا/ رکھتی ہے۔

زیر دستخطی _____ دن _____ 2023

دستخط کنندہ

فولیو نمبر / سی ڈی سی آکاونٹ نمبر

برائے مہربانی یہاں ریونیوسٹمپ
چسپال کریں

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

1- دستخط : _____

نام : _____

پتہ : _____

شناختی کارڈ یا پاسپورٹ نمبر _____

2- دستخط : _____

نام : _____

پتہ : _____

شناختی کارڈ یا پاسپورٹ نمبر _____

ہدایات:

- I- نیابت (پراکسی) صرف اسی صورت میں موثر سمجھی جائے گی جب یہ کمپنی کو مینٹنگ سے کم از کم 48 گھنٹے پہلے موصول ہو۔
- II- سی ڈی سی شیئرز ہولڈرز اور ان کے نیابت کاروں کے لئے لازم ہے کہ وہ اس نیابت (پراکسی) کو کمپنی میں جمع کروانے سے پہلے اپنے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ 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۔



Contact Us

 +92-21-111-000-300  Info@tpltrakker.com  www.tpltrakker.com

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