



KPMG Taseer Hadi & Co.  
Chartered Accountants

**Tapal Tea (Private) Limited**

**Financial Statements**  
**For the year ended 30 June 2019**



KPMG Taseer Hadi & Co.  
Chartered Accountants  
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## INDEPENDENT AUDITORS' REPORT

**To the members of Tapal Tea (Private) Limited**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the annexed financial statements of **Tapal Tea (Private) Limited** (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the profit 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 Auditor's 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such



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financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



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uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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


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

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

The engagement partner on the audit resulting in this independent auditors' report is Aryn Malik.

**Date: 9 October 2019**

**Karachi**

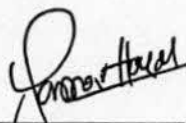
  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

Tapal Tea (Private) Limited  
Statement of Financial Position  
As at 30 June 2019

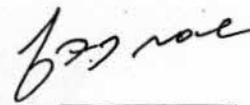
ASSETS	Note	2019 (Rupees in '000)	2018
<b>Non-current assets</b>			
Property, plant and equipment	6	1,902,900	1,497,197
Deferred tax asset - net	16	113,968	-
Investment in an associated company - equity accounted	7	79,555	71,450
		<u>2,096,423</u>	<u>1,568,647</u>
<b>Current assets</b>			
Stock-in-trade	8	6,749,550	5,529,521
Trade debts - net	9	709,335	1,502,535
Investments	10	3,392,023	4,023,803
Loans and advances	11	3,245	13,926
Taxation - net		572,605	480,560
Deposits and prepayments	12	153,359	134,616
Accrued mark-up and other receivables	13	331,492	307,692
Cash and cash equivalents	14	4,734,792	3,377,222
		<u>16,646,401</u>	<u>15,369,875</u>
<b>Total assets</b>		<u><u>18,742,824</u></u>	<u><u>16,938,522</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized share capital</b>			
5,000,000 (2018: 5,000,000) ordinary shares of Rs. 100 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	15	300,000	300,000
General reserve		25,000	25,000
Unappropriated profit		14,008,110	12,759,139
Fair value reserve		(57,363)	(15,871)
		<u>14,275,747</u>	<u>13,068,268</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liability - net	16	-	56,677
Employee benefits - gratuity	18	94,379	51,440
		<u>94,379</u>	<u>108,117</u>
<b>Current liabilities</b>			
Trade and other payables	17	4,372,698	3,762,137
<b>Total equity and liabilities</b>		<u><u>18,742,824</u></u>	<u><u>16,938,522</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes 1 to 37 form an integral part of these financial statements.

22/07/2019



Chief Executive Officer



Director

Tapal Tea (Private) Limited  
Statement of Profit or Loss Account  
For the year ended 30 June 2019

	Note	2019 (Rupees in '000)	2018
Net sales	20	38,806,200	33,798,707
Cost of sales	21	(29,456,226)	(25,936,421)
<b>Gross profit</b>		<b>9,349,974</b>	<b>7,862,286</b>
Marketing, selling and distribution expenses	22	4,100,780	2,759,127
Administrative and general expenses	23	1,064,467	625,962
Impairment loss on trade receivables	9.1	707,350	208
Finance costs	24	292,294	120,946
Other operating expenses	25	457,545	400,476
		(6,622,436)	(3,906,719)
		<b>2,727,538</b>	<b>3,955,567</b>
Other income	26	604,303	562,449
Share of profit from an associate	7	18,274	6,829
<b>Profit before taxation</b>		<b>3,350,115</b>	<b>4,524,845</b>
Taxation	27	(976,528)	(1,513,896)
<b>Profit after tax for the year</b>		<b>2,373,587</b>	<b>3,010,949</b>

The annexed notes 1 to 37 form an integral part of these financial statements.

10/11/2019

  
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Chief Executive Officer

  
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Director

Tapal Tea (Private) Limited  
Statement of Comprehensive Income  
For the year ended 30 June 2019

	Note	2019 (Rupees in '000)	2018
<b>Profit after tax for the year</b>		<b>2,373,587</b>	<b>3,010,949</b>
<b>Other comprehensive income:</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Debt investments at FVOCI - net change in fair value		(46,671)	-
Available-for-sale financial assets - net change in fair value		-	(42,318)
Related tax		-	28,882
Debt investments at FVOCI - reclassified to profit or loss	25.1	306	-
Available-for-sale financial assets - reclassified to profit or loss		-	(9,250)
		(46,365)	(22,686)
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of defined benefit liability	18.8	(61,891)	(27,076)
Related tax	16	(7,852)	11,803
		(69,743)	(15,273)
<b>Total comprehensive income for the year</b>		<b>2,257,479</b>	<b>2,972,990</b>

The annexed notes 1 to 37 form an integral part of these financial statements.

*W/17/19*



Chief Executive Officer



Director



Tapal Tea (Private) Limited  
Statement of Changes in Equity  
For the year ended 30 June 2019

Note	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total
		General reserve	Unappropriated profit	Fair value reserve	
(Rupees in '000)					
Balance as at 1 July 2017	300,000	25,000	12,463,463	6,815	12,795,278
<b>Transactions with owners, recorded directly in equity</b>					
Interim dividend	-	-	(2,700,000)	-	(2,700,000)
<b>Total Comprehensive Income for the year ended 30 June 2018</b>					
Profit for the year	-	-	3,010,949	-	3,010,949
Unrealized loss on available-for-sale investments - net	-	-	-	(13,436)	(13,436)
Transferred to profit or loss account upon derecognition of available-for-sale investments	-	-	-	(9,250)	(9,250)
Actuarial loss on defined benefit obligation - net	-	-	(15,273)	-	(15,273)
	-	-	2,995,676	(22,686)	2,972,990
Balance as at 30 June 2018, as previously reported	300,000	25,000	12,769,139	(15,871)	13,068,268
Adjustment on initial application of IFRS 9, net of tax	-	-	(4,873)	4,873	-
Adjusted balance as at 1 July 2018	300,000	25,000	12,764,266	(10,998)	13,068,268
<b>Transactions with owners, recorded directly in equity</b>					
Interim dividend	-	-	(1,050,000)	-	(1,050,000)
<b>Total Comprehensive Income for the year ended 30 June 2019</b>					
Profit for the year	-	-	2,373,587	-	2,373,587
Debt investments at FVOCI - net change in fair value	10.3	-	-	(46,671)	(46,671)
Debt investments at FVOCI - reclassified to profit or loss	25.1	-	-	306	306
Remeasurements of defined benefit liability - net	16 & 18.8	-	(69,743)	-	(69,743)
	-	-	2,303,844	(46,365)	2,257,479
Balance as at 30 June 2019	300,000	25,000	14,008,110	(57,363)	14,275,747

The annexed notes 1 to 37 form an integral part of these financial statements.

14/7/19

  
Chief Executive Officer

  
Director



