SHIRAZI INVESTMENTS
(PRIVATE) LIMITED

AUDITED CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2022

Shirazi Investments

Directors' Report
On the Consolidated Financial Statements

The Directors of Shirazi Investments (Private) Limited (the Company) are pleased to present the audited consolidated financial statements for the year ended 30 June 2022.

Consolidated Results

The comparison of annual audited results for the year ended 30 June 2022 as against the year 2021 is as follows:

(Rupees in million)

Particulars	30 June 2022	30 June 2021
Total Revenue	195,074.00	159,058.52
Share of profit of associates and joint venture-net of tax	1,480.64	1,755.30
Profit before tax	8,749.12	12,437.51
Profit after tax	4,407.53	9,151.20
Attributable to:		
Equity holders of the Holding Company	2,852.67	6,603.86
Non-controlling interest	1,554.86	2,547.34

Total revenue was Rs. 195,074.00 million in the year 2022 as against Rs. 159,058.52 million last year due to higher revenues and other operating income of the subsidiary companies. The cost of sales and services increased to Rs. 175,707.97 million as against Rs. 139,646.33 million last year. Gross margin from business operations slightly declined to 11.18% compared to last year of 11.90%. The decrease was mainly due to increased material prices and other inflationary impacts. The percentage-wise sales and services cost stood at 90% of sales compared to 88% during the last year. Distribution cost and administration expenses increased by 22% to Rs. 8077.41 million as against Rs. 6,602.61 million last year. Share of profit of associates and joint venture decreased by 16% to Rs. 1,480.64 million from Rs. 1,755.30 million the previous year. Impairment of Rs. 975.53 million in the investment in associates recognized during the year. As a result, profit before tax decreased to Rs. 8,749.12 million from Rs. 12,437.51 million last year. Profit after tax also decreased to Rs. 4,407.53 million from Rs. 9,151.20 million last year.

A brief review of the operational performance of each entity for the year is as follows:

Atlas Asset Management Limited

Income from management fees increased to Rs. 457.46 million against Rs. 429.19 million last year. A surge of 6.59% in management fees is mainly due to increased assets under management (AUMs) and annual management fee rates. During the year, Atlas Asset Management earned after tax profit of Rs. 125.27 million against Rs. 169.62 million last year. Unrealized loss recognized on re-measurement of investments dampen the profitability.

Atlas Engineering (Private) Limited

Sales for the year were Rs. 2,017.34 million against Rs. 2,379.61 million for the last year. Loss after tax for the year was Rs. (6.51) million against profit after tax of Rs. 64.44 million last year. Change in sales mix, increase in material prices, and other inflationary impacts impacted the profitability.

Atlas Power Limited

Revenue for the year was Rs. 29,145.11 million against Rs. 12,370.92 million last year. An increase in power generation and improved capacity utilization resulted in a revenue surge. The Company earned a profit from operations of Rs. 1,885.19 million against Rs. 2,282.25 million last year. The plunge in profit from operations by 17% was mainly due to an increase in finance cost and loss on discounting of PIBs.

Due to an alteration in Power Purchase Agreement (PPA) agreed with Central Power Purchasing Agency (CPPA-G), the write-off of receivable on account of capacity and interest thereon amounting to Rs. 2,663 million have been recognized. Furthermore, overhauling of plant expenses of Rs. 1,117.88 million were charged during the year. Recognition of these two extraordinary items during the year resulted in a loss after tax of Rs. (1,896.02) million against the profit of Rs. 2,280.92 million during the last year.

Shirazi Trading Company (Private) Limited

Revenue for the year was Rs. 3,988.45 million against Rs. 3,133.83 million last year. The new revenue stream of hire purchase sales contributed Rs. 969.42 million in revenue. Profit after tax for the year was Rs. 138.60 million against Rs. 114.38 million last year. The exchange loss recognized during the year of Rs. 85.43 million reduced the profitability.

Atlas Autos (Private) Limited

Sales for the year were Rs. 23,050.81 million against Rs. 18,670.92 million last year, witnessing a growth of 23% due to an increase in parts manufacturing and lubricants businesses. Profit after tax for the year was Rs. 843.44 million against Rs 874.46 million last year. Increased material prices, finance costs, and other inflationary impacts reduced profitability. Furthermore, a loss on disposal of assets of Rs. 209.93 million was recognized during the year.

Atlas Metals (Private) Limited

Sales for the year increased to Rs. 180.753 million against Rs. 151.54 million last year due to increased demand from OEM customers. The cost of dismantling assets held for sale and asset write-off was charged during the year, amounting to Rs. 72.32 million and Rs. 52.60 million, respectively. Loss after tax for the year was Rs. (117.48) million against the loss of Rs. 118.47 million last year.

Atlas Venture Limited (UAE)

Revenues for the year were Rs. 2.31 million against Rs. 3.27 million last year. Profit for the year was Rs. 1.21 million against Rs. 2.11 million last year.

Atlas World Wide General Trading LLC (UAE)

Sales for the year were Rs. 866.31 million against Rs. 881.09 million last year. Profit for the year was Rs. 4.31 million against Rs. 3.91 million last year.

Atlas Global FZE (UAE)

Sales for the year were Rs. 6,286.23 million against Rs. 4,641.78 million last year. Profit for the year was Rs. 47.00 million against Rs. 38.69 million last year.

Oyster International Holdings Limited (UAE)

Revenues for the year were Rs. 0.11 million against Rs. 0.18 million for the last year. Profit for the year was Rs. 0.02 million against Rs. 0.11 million last year.

Atlas Honda Limited

Sales for the year ended 31 March 2021 were Rs. 131,930.19 million against Rs. 93,156.96 million last year. Volume growth coupled with the increase in product prices witnessed growth in revenue by 42%. An increase in sales volumes, better model mix, and cost reduction measures improved the gross profit from Rs. 6,880 million to Rs. 9,866 million, up by 43 percent. Profit after tax for the year ended 31 March 2021 was Rs. 5,585.17 million against Rs. 3,594.79 million last year.

Atlas Battery Limited

Sales for the year were Rs. 25,029.24 million against Rs. 19,955.09 million last year. The increase in demand for batteries in the replacement market and OEM customers resulted in a rise of 25% in sales. Profit after tax for the year was Rs. 689.44 million against Rs. 895.97 million last year. The surge in raw material prices and inflationary pressure resulted in lower profitability.

Atlas Insurance Limited

The Company's financial year ends in December. However, based on Jul 21-Jun'22, the net premium was Rs. 1,973.44 million against Rs. 1,621.67 million last year. The increase in revenue was mainly due to a surge in the marine industry's operations, which witnessed 59% growth in premium earned in this segment. Profit after tax for the year was Rs. 790.19 million against Rs. 730.64 million last year.

Atlas Hitec (Private) Limited

Sales for the year ended 31 March 2021 were Rs. 3,931.63 million against Rs. 2,856.11 million last year. An increase in demand from OEM customer resulted in revenue growth of 38%. Profit before tax for the year is Rs. 83.33 million compared to last year's of Rs. 43.41 million. Deferred tax expense was recognized during the year of Rs. 0.72 million compared to the previous year's deferred tax income of Rs. 30.29 million. Consequently, profit after tax for the year ended 31 March 2021 remained at Rs. 30.30 million against Rs. 30.82 million last year.

Atlas Energy Limited

Sales for the year were Rs. 201.04 million against Rs. 52.44 million last year. An increase in business operations and contractual revenues resulted in a surge in sales for the year. Profit after tax for the year was Rs. 67.39 million against Rs. 30.90 million last year.

Zhenfa Pakistan New Energy Company Limited

The Company holds 20% shareholding of Zhenfa Pakistan New Energy Company Limited, a subsidiary of Atlas Power Limited. Zhenfa owned 100 MW solar power plant and leased it to CPPA for 25 years. Zhenfa started its commercial operations on 14 April 2022 and supplied electricity for 2.5 months during the financial year. Revenue recognized during the year is Rs. 823.56 million. The unrealized exchange loss on foreign currency loans during the year is Rs. 799.49 million. Loss after tax for the period was Rs. (187.84) million.

Atlas DID (Private) Limited

Atlas DID (Private) Limited was incorporated in Pakistan on 22 July 2019. The Company is a subsidiary of Atlas Autos (Private) Limited (a wholly-owned subsidiary). Sales for the year were Rs. 1,507.71 million against Rs. 892.50 million last year. An increase in demand from OEM customer resulted in higher revenues. Increase in material prices, finance costs, and other inflationary impacts curtailed the profitability for the year. Profit after tax for the year was Rs. 19.11 million against Rs. 35.70 million last year.

Atlas GCI (Private) Limited

Atlas GCI (Private) Limited (AGPL) was incorporated in Pakistan on 6 August 2019 and started commercial production this year. The Company's accounting year ends in December. However, based on Jul'20-Jun'21, the sales revenue amounted to Rs. 39.85 million while having a loss after tax of Rs. (16.37) million.

Atlas Services Limited

During the current year, Securities & Exchange Commission of Pakistan Acknowledged the receipt of the document(s) filed, registered and recorded pursuant to the provisions of the Companies Act, 2017

(XIX of 2017). Consequently, windingup of Atlas Services Limited has been completed and discontinued to be classified as subsidiary company at year end.

On behalf of the Board of Directors

Noorullah	Frahim Ali Khan
Chief Executive Officer	Director

Karachi: 7 October 2022

INDEPENDENT AUDITORS' REPORT

To the members of Shirazi Investments (Private) Limited

Opinion

We have audited the annexed consolidated financial statements of **Shirazi Investments (Private) Limited** and its subsidiary company (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of 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.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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.

The financial statements of the Group for the year ended June 30, 2021 were audited by another firm of Chartered Accountants whose report dated October 6, 2021, expressed an unmodified opinion there on.

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

Shinewing Hameed Chaudhri & co

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 14 OCT 2022
UDIN : AR202210104OLjRXKpdx

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

ASSETS	Note	2022	2021
		--------- Rupees in '000 -------	
Non-current assets			
Property,plant and equipment	6	**41,097,518**	40,407,515
Intangible assets	7	**101,436**	108,253
Investment in associates and joint venture	8	**16,358,185**	16,822,025
Investment in associates - mutual funds	9	**16,592,517**	19,149,151
Long term investments	10	**6,972,200**	2,364,244
Long term loans and trade debts	11	**217,240**	67,189
Long term deposits and other receivables	12	**299,414**	188,683
Net investment in finance lease	13	**8,599,079**	47,084
		90,237,589	79,154,144
Current assets			
Stores, spare parts and loose tools	14	**2,778,569**	2,235,543
Stock-in-trade	15	**17,656,171**	11,807,754
Trade debts	16	**20,558,724**	29,366,557
Receivable from funds under management	17	**37,600**	40,798
Loans and advances	18	**1,260,482**	2,064,711
Deposits, prepayments and other receivables	19	**5,050,688**	4,308,585
Accrued investment income		**41,516**	32,553
Short term investments	20	**9,641,574**	7,469,567
Taxation - net		**1,694,064**	2,389,794
Sales tax receivable - net		**1,760,482**	898,179
Non-current asset held for sale	21	**101,250**	410,000
Current portion of net investment in finance lease	13	**2,354,195**	5,274
Cash, bank balances and deposits	22	**22,673,925**	23,573,075
		85,609,239	84,602,390
		175,846,828	163,756,534

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

EQUITY AND LIABILITIES	Note	2022	2021
		---- Rupees in '000 ----	
Equity attributable to the Holding Company			
Share capital	23	2,201,124	2,201,124
Capital reserve		17,686,184	13,484,360
General reserve		33,340,883	14,431,122
Unappropriated profit		11,203,297	33,725,807
Unrealised gain on revaluation of investments		5,733,660	5,875,746
Revaluation surplus on property, plant and equipment		5,526,710	5,565,144
Equity attributable to the Holding Company		75,691,858	75,283,304
Non-controlling interests		15,716,659	14,161,804
		91,408,517	89,445,108
Non-current liabilities			
Long term loans - secured	24	16,650,256	12,628,523
Long term deposits	25	44,458	9,756
Deferred liabilities	26	892,414	790,483
Lease liabilities	27	1,348,225	1,465,238
Deferred income - government grant	28	420,156	282,365
Deferred taxation	29	1,097,895	3,449,370
		20,453,403	18,625,735
Current liabilities			
Trade and other payables	30	43,517,509	36,092,593
Current portion of lease liabilities	27	249,111	236,862
Current portion of deferred income	28	105,192	106,467
Short term borrowings - secured	31	16,740,897	16,438,930
Accrued mark-up		799,553	364,924
Current portion of long term loans	24	2,352,696	2,182,027
Current portion of long term deposits	25	-	3,810
Unclaimed divided / dividend payable		219,950	260,078
		63,984,908	55,685,691
Contingencies and commitments	32		
		175,846,828	163,756,534

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		------- Rupees in '000 -------	
Income			
Sales of goods and rendering of services	33	197,358,735	158,071,417
Fee / commission from asset management	34	457,458	429,191
Dividend income		575,988	130,001
Other operating (loss) / income	35	(3,318,180)	427,910
		195,074,000	159,058,519
Expenses			
Cost of sales and services	36	175,707,972	139,646,329
Distribution costs and administrative expenses	37	8,077,409	6,602,614
Finance costs	38	3,044,611	2,127,372
		186,829,993	148,376,315
Profit from operations		8,244,007	10,682,204
Impairment of investment in associates	8	(975,532)	-
Share of profit of associates and joint venture - net of tax		1,480,644	1,755,302
Profit before taxation		8,749,119	12,437,506
Taxation - net	39	(4,341,591)	(3,286,302)
Profit after taxation		4,407,528	9,151,204
Attributable to:			
Equity holders of the Holding Company		2,852,673	6,603,863
Non-controlling interest		1,554,855	2,547,341
		4,407,528	9,151,204
Earnings per share - basic and diluted	40	12.96	30.00

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

Chairman	**Chief Executive Officer**	**Director**

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- Rupees in '000 -----	
Net profit for the year	**4,407,528**	9,151,204
Other comprehensive income to be reclassified to - statement of profit and loss account in subsequent periods		
Exchange gain / (loss) on translation of net assets of foreign operations	**318,827**	(74,893)
Other comprehensive income not to be reclassified to - statement of profit and loss account in subsequent periods		
Net unrealised (loss) / gain on revaluation of investments - at fair value through other comprehensive income	**(2,665,617)**	3,787,716
Actuarial (loss) / gain on defined benefit plan	**(80,102)**	50,013
Related deferred taxation	**519,847**	(613,367)
	(2,225,872)	3,224,362
Share of other comprehensive loss from associates in respect - of staff retirement benefit obligation - net of deferred tax	-	(3,522)
Total comprehensive income - net of tax	**2,500,483**	12,297,151
Attributable to:		
Equity holders of the Holding Company	**945,628**	9,749,810
Non-controlling interest	**1,554,855**	2,547,341
	2,500,483	12,297,151

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

Chairman **Chief Executive Officer** **Director**

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserves		Revenue reserves		Unrealised gain on revaluation of investments	Revaluation surplus on property, plant and equipment	Sub-total	Non-controlling interests	Total
		Share premium	Amalgamation reserve (Note 1.1)	Genral reserve	Unappropriated profit					
	Rupees in '000									
Balance as at June 30, 2020	2,201,124	26,839,742	(13,355,382)	13,831,122	28,725,877	2,726,277	5,565,144	66,533,905	12,565,299	79,099,204
Transfer to general reserves	-	-	-	600,000	(600,000)	-	-	-	-	-
Profit for the year	-	-	-	-	6,603,863	-	-	6,603,863	2,547,341	9,151,204
Other comprehensive income	-	-	-	-	-	3,149,469	-	3,149,469	-	3,149,469
Share of other comprehensive loss from associates	-	-	-	-	(3,522)	-	-	(3,522)	-	(3,522)
Total comprehensive income for the year	-	-	-	-	6,600,341	3,149,469	-	9,749,810	2,547,341	12,297,151
Dividend paid during the year	-	-	-	-	(1,000,411)	-	-	(1,000,411)	(950,836)	(1,951,247)
Balance as at June 30, 2021	2,201,124	26,839,742	(13,355,382)	14,431,122	33,725,807	5,875,746	5,565,144	75,283,304	14,161,604	89,445,108
Transfer of reserves	-	-	**4,201,824**	**18,909,761**	**(24,838,110)**	**1,764,959**	**(38,434)**	-	-	-
Profit for the year	-	-	-	-	**2,852,673**	-	-	**2,852,673**	**1,554,855**	**4,407,528**
Other comprehensive loss	-	-	-	-	-	**(1,907,045)**	-	**(1,907,045)**	-	**(1,907,045)**
Total comprehensive income / (loss) for the year	-	-	-	-	**2,852,673**	**(1,907,045)**	-	**945,628**	**1,554,855**	**2,500,483**
Equity adjustment on further acquisition of shares in subsidiary	-	-	-	-	**662,980**	-	-	**662,980**	-	**662,980**
Dividend paid during the year	-	-	-	-	**(1,200,053)**	-	-	**(1,200,053)**	-	**(1,200,053)**
Balance as at June 30, 2022	**2,201,124**	**26,839,742**	**(9,153,558)**	**33,340,883**	**11,203,297**	**5,733,660**	**5,526,710**	**75,691,859**	**15,716,659**	**91,408,518**

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		------- Rupees in '000 -------	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	41	20,328,579	21,926,248
Mark-up / interest paid		(2,609,982)	(2,208,978)
Tax paid		(5,477,489)	(218,769)
Gratuity paid		(59,664)	(142,725)
Payment of provision for staff compensated absences		-	(27,722)
Long term loans - net		(150,051)	(14,682)
Long term deposits - net		(110,731)	(55,236)
		(8,407,917)	(2,668,112)
Net cash generated from operating activities		11,920,662	19,258,136
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,440,552)	(3,048,726)
Proceeds from sale of fixed assets		379,388	1,158,682
Proceed from disposal of non-current asset held for sale		308,750	-
Proceed from sale of investment properties		-	566,301
Purchase of intangible assets		(41,008)	(54,974)
Investment in associates - net		3,223,748	(5,273,770)
Dividends received from associates		301,838	43,970
Dividends received from investments		575,988	130,001
Investments - net		(3,715,823)	(5,258,141)
Net investment in finance lease		(10,900,916)	-
Rental received against sublease		-	3,823
Short term investment - net		(4,837,624)	-
Net cash used in investing activities		(16,146,211)	(11,732,834)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans		4,338,485	6,238,646
Dividend paid to owners of the parent company		(1,240,181)	(950,836)
Lease liabilities - net		(104,764)	-
Long term deposits - net		30,892	1,263
Short term borrowings - net		301,967	746,615
Net cash generated from financing activities		3,326,399	6,035,688
Net (decrease) / increase in cash and cash equivalents		(899,150)	13,560,990
Cash and cash equivalents at beginning of the year		23,573,075	10,012,085
Cash and cash equivalents at end of the year		22,673,925	23,573,075

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 THE GROUP AND ITS OPERATIONS

The "Group" consists of:

Holding Company

- Shirazi Investments (Private) Limited (SIL) **1.1**

These financial statements are the consolidated financial statements of the Holding Company and its subsidiaries ("the Group"). In addition to the consolidated financial statements, the Holding Company prepares and presents its separate financial statements for the year ended June 30, 2022.

These consolidated financial statements include the financial statements of the following companies:

Subsidiary companies	Note	Percentage holding
- Atlas Asset Management Limited (AAML)	1.2	100.00%
- Atlas Engineering (Private) Limited (AEL)	1.3	100.00%
- Shirazi Trading Company (Private) Limited (STC)		100.00%
- Atlas Power Limited (APL)	1.5	92.09%
- Atlas Venture Limited (AVL)	1.6	100.00%
- Atlas Autos (Private) Limited (AAPL)	1.7	100.00%
- Atlas Metal (Private) Limited (AML)	1.8	100.00%
- Atlas Services Limited (ASL)	1.9	0.00%
- Atlas Energy Limited (AENL)	1.10	100.00%
- Atlas Global FZE (AGF)	1.11	100.00%
- Atlas Insurance Limited (AIL)	1.12	75.33%
- Atlas Battery Limited (ABL)	1.13	60.17%
- Atlas Honda Limited (AHL)	1.14	54.57%
- Atlas World Wide General Trading LLC (AWWGT)	1.15	49.00%
- Atlas Hitec (Private) Limited (AHPL)	1.16	60.72%
- Zenfa Pakistan New Energy Limited (ZPNEL)	1.17	75.25%
- Atlas DID (Private) Limited (ADIDL)	1.18	60.00%
- Atlas GCI (Private) Limited (AGCIL)	1.19	44.29%
- Oyster International Holdings Limited (OIHL)	1.20	100.00%

The year end of all the subsidiaries is same as of the Holding Company except for AHL, AHPL, ADIDPL, AGCIPL, ZPNEL and AIL. The year end of AHPL, ADIDPL and AHL is March 31, and of AIL, AGCIPL and ZPNEL is December 31.

1.1 Shirazi Investments (Private) Limited (SIL)

SIL was incorporated on August 27, 1962 as a private limited company. The registered office of the Holding Company is situated at Second Floor, Federation House, Sharae Firdousi, Clifton, Karachi. The Company is engaged in trading and investment in equity and debt securities, underwriting, real estate and warehousing business.

On May 13, 2016 the Board of Directors of the Company had passed a resolution authorizing the Company to explore the viability of the potential merger between the Shirazi Capital (Private) Limited (SCPL) and Shirazi (Private) Limited (SPL) with and into the Company. The Company had engaged the services of a consultant and decided on a swap ratio in exchange of shares for SCPL and SPL and a scheme of amalgamation (the scheme) was filed in High Court of Sindh after approval from the Board of Directors and shareholders of the Company, SCPL and SPL on June 11, 2016.

The High Court of Sindh through its order dated November 23, 2016 sanctioned the scheme. Pursuant to this sanction, the entire business of SCPL and SPL including their Assets, Liabilities, and the Rights and Obligations have been amalgamated into and vest in the Group with effect from the effective date as mentioned in the scheme i.e., July 01, 2016 which the Group has considered effective date of merger. In consideration, 91,819,873 fully paid ordinary shares of Rs.10 each have been issued to the registered shareholders of SCPL whereas 9,572,566 fully paid ordinary shares of Rs.10 each have been issued to the registered shareholders of SPL.

This amalgamation was accounted for in the books using predecessor's accounting method as it was a business combination of entities under common control and therefore scoped out of IFRS-3 'Business Combinations'. The net assets of SCPL and SPL have been incorporated at their net carrying amount in the books as on June 30, 2016 and the difference in value of the net assets and shares as issued above has been carried in the equity under the head "Amalgamation reserve". Furthermore, the acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination occurred. Consequently, these financial statements do not reflect the results of the acquired entity for the period before the transaction occurred and the corresponding amounts for the previous year presented are also not restated.

In consequence of the above amalgamation, Atlas Insurance Limited (AIL), Atlas Battery Limited (ABL), Atlas Hitec (Private) Limited (AHPL) and Atlas Honda Limited (AHL) have become subsidiaries of SIL which were previously accounted for as associates.

1.2 Atlas Asset Management Limited (AAML)

AAML was incorporated in Pakistan as a public limited company on August 20, 2002 under the Companies Ordinance, 1984, and obtained certificate for the commencement of business on December 18, 2002. AAML has been issued license by the Securities and Exchange Commission of Pakistan to carry on business of asset management services as a Non-Banking Finance Group (NBFC) under section 282C of the Companies Act, 1984 and under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). On January 08, 2007, the Securities and Exchange Commission of Pakistan issued license to AAML to carry on business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005 (VPS Rules, 2005).

AAML is managing Atlas Income Fund, Atlas Islamic Income Fund, Atlas Islamic Stock Fund, Atlas Stock Market Fund, Atlas Liquid Fund, Atlas Money Market Fund, Atlas Pension Fund, Atlas Pension Islamic Fund, Atlas Islamic Fund of Funds, Atlas Islamic Dedicated Stock Fund, Atlas Sovereign Fund and Atlas Islamic Money Market Fund.

The registered office of AAML is situated at Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi.

1.3 Atlas Engineering (Private) Limited (AEL)

Atlas Engineering (Private) Limited (the Company) was incorporated in Pakistan as a private limited company in 1963 and was converted into a public listed company in 1966. During the year ended March 31, 2012, the Company was delisted from the relevant stock exchanges. The Company was re-converted to a private limited company with effect from January 5, 2018. The Company is engaged in manufacturing of components and parts of automotive vehicles. The registered office and factory of the Company is situated at 15th Mile, National Highway, Landhi, Karachi, Pakistan.

1.4 Shirazi Trading Group (Private) Limited (STC)

Shirazi Trading Company (Private) Limited (the Company) was incorporated in Pakistan as a private limited company on 20 June 1975 under the Companies Act, 1913 (now Companies Act, 2017). The Company is a wholly owned subsidiary of Shirazi Investments (Private) Limited (the Holding Company). The Company is primarily engaged in the business of trading and maintenance of office equipment, power generators, security and medical equipment, trading of automotive parts and trading of motorcycle under hire purchase agreement. The Company has countrywide sales and service network and its branches are located at Karachi, Lahore, Islamabad, Multan and Peshawar.

1.5 Atlas Power Limited (APL)

APL was incorporated on January 05, 2007 as a public unlisted company in Pakistan. The principal activity of APL is to build and operate generation plant for the generation and supply of electricity. The registered office is situated at 26-27 km Lahore - Sheikhupura Road, Sheikhupura.

1.6 Atlas Venture Limited (AVL)

AVL is an offshore Free Zone Company with limited liability formed in accordance with the Offshore Companies Regulations of Jebel Ali Free Zone of 2003 and is registered with the Jebel Ali Free Zone Authority under License No. 110700. The principal activity of AVL is general trading and holding activities. The registered office of AVL is 8A, Dubai Creek Tower, Bani Yas Street Deira, Dubai, UAE.

AVL had a liaison office in China which was closed on 20 December 2020. The registered address of the liaison office was No. 49- 2 -14- 17, Xiaolongkan New Street, Shapingba District, Chongqing, China.

1.7 Atlas Autos (Private) Limited (AAPL)

Atlas Autos (Private) Limited (the Company) is a private limited company incorporated in Pakistan on March 16, 2011, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a wholly owned subsidiary of Shirazi Investments (Private) Limited. The registered office is situated at Federation House, Shara-e-Firdousi, Clifton, Karachi. The Company is engaged in the manufacturing, processing and trading of automotive parts, components, accessories, tools and dies including trading of automotive & logistic services. The manufacturing and assembly facilities of the Company are situated at Karachi and Sheikhupura with branches at Lahore, Multan, Islamabad, Rahim Yar Khan and Hyderabad.

1.8 Atlas Metals (Private) Limited (AML)

Atlas Metals (Private) Limited (the Company) was incorporated in Pakistan as a Private Limited Company on September 18, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of the Company is to manufacture parts for batteries. The registered office of the Company is situated at 2nd floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi, Pakistan.

The geographical location and address of the factory of the Company is 15th Mile, National Highway, Landhi, Karachi.

1.9 Atlas Services Limited (ASL)

ASL was incorporated in Pakistan as a public limited company, under the Companies Ordinance, 1984, on September 17, 2015. The registered office of the Company is situated at 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi, Pakistan. ASL is a wholly owned subsidiary of Shirazi Investments (Private) Limited (the Holding Company). The Company will be engaged in manufacturing of components and parts for automotive vehicles.

During the prior year, shareholders of the ASL, by a special resolution in Extraordinary General Meeting dated April 02, 2019, resolved to wind up the affairs of ASL through members' voluntary winding up mode pursuant to section 237 of the Act and appointed a liquidator. The liquidator, in pursuance of section 371 read with section 321 of the Act submitted his preliminary report to the Registrar and made final payment to shareholders.

During the current year, Securities & Exchange Commission of Pakistan Acknowledged the receipt of the document(s) filed, registered and recorded pursuant to the provisions of the Companies Act, 2017 (XIX of 2017). Consequently, ASL has been dissolved and discontinued to be classified as subsidiary company at year end.

1.10 Atlas Energy Limited (AENL)

AENL was incorporated as an unquoted public limited company in Pakistan on May 18, 2016 under the Companies Ordinance 1984 (now Companies Act, 2017). The registered office of AENL is situated at 64 XX, Khayaban -e- Iqbal, DHA Phase III, Lahore.

The purpose of Atlas Energy Limited is to provide cost effective tailored solar solutions for industrial and commercial consumers.

.11 Atlas Global FZE (AGF)

Atlas Global FZE (the "Establishment") is a Free Zone Establishment with Limited Liability in the Jebel Ali Free Zone, Dubai formed under the Law No. 9 of 1992 and implementing regulations issued thereunder by Jebel Ali Free Zone.

The Establishment was registered on 19 November 2015. The registered office of the Establishment is Office No. 708A, Building no. 18, JAFZA View Building, Jebel Ali Free Zone, Dubai, United Arab Emirates.

AGF is principally engaged in general trading activities.

1.12 Atlas Insurance Limited (AIL)

AIL was incorporated as a public limited company on September 06, 1934 under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on the Pakistan Stock Exchange. The AIL is engaged in general insurance business. The registered office of AIL is situated at 63/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, Defence Housing Authority, Lahore, Pakistan.

AIL was granted license to work as Window Takaful Operator (WTO) dated March 02, 2016 by the Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on Window Takaful Operations in Pakistan.

1.13 Atlas Battery Limited (ABL)

ABL was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Pakistan Stock Exchange Limited. ABL is engaged in manufacturing and sale of automotive and motorcycle batteries & allied products. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi. The manufacturing facilities of the ABL are located at S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad Faisalabad, Sahiwal, Peshawar, Sukkur and Rahim Yar Khan.

1.14 Atlas Honda Limited (AHL)

AHL was incorporated as a public limited company on October 16, 1962 under the Companies Act, 1913 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The registered office is located at 1- McLeod Road, Lahore. AHL is principally engaged in progressive manufacturing and marketing of motorcycles and spare parts. The manufacturing and assembling facilities of AHL are located at Karachi and Sheikhupura, with business units located in Hyderabad, Multan, Lahore, Faisalabad and Islamabad.

1.15 Atlas World Wide General Trading LLC (AWWGT)

AWWGT is a limited liability company registered in the Emirate of Dubai under Federal Law No. 2 of 2015 on commercial companies as amended. It is owned jointly by U.A.E national and SIL. AWWGT is principally engaged in general trading activities. The Company was established on February 25, 2007. The registered office is office 3105-42, 30th Floor, Single business tower, Business bay, Dubai, United Arab Emirates.

1.16 Atlas Hitec (Private) Limited (AHPL)

AHPL was incorporated in Pakistan as a private limited company on September 13, 2012 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of AHPL is to manufacture and sale any kind of automotive parts and allied products. The registered office of AHPL is situated at 2nd Floor, Federation House, Sharae Firdousi, Clifton Karachi, Pakistan. The geographical location and address of the factory of AHPL is 15th Mile, National Highway, Landhi, Karachi.

AHPL was formed in accordance with a joint venture agreement concluded among Atlas Autos (Private) Limited, Atlas Honda Limited and Denso Corporation (the Joint Ventures) with a shareholding of 45 percent, 29 percent and 26 percent, respectively. Denso Corporation was incorporated in Japan with registered office situated at 1-1, Showa-Cho, Kariya-shi, Aichi-ken 448-8661, Japan. The authorised agent of AHPL is Hishashi Lida as Nominee Director. Voting rights, vote selection and similar rights of shareholders are in proportion to the shareholding of AHPL.

1.17 Zenfa Pakistan New Energy Limited (ZPNEL)

Zhenfa Pakistan New Energy Company Limited "the Company" was incorporated in Pakistan on September 04, 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) with object to construct, operate and own a 100MW solar power plant for generation and supply of electricity.

The company has started its commercial operations with effect from 14 April 2022. The registered office of the company is situated at 64/XX, Khayaban-e-Iqbal DHA Phase 3, Lahore, Punjab. Production facility of the Company has been constructed at Rakh Chaubara, District Layyah, Punjab, Pakistan.

SIL and APL holds 20% and 60% shareholding of ZPNEL.

1.18 Atlas DID (Private) Limited (ADIDL)

ADIDPL is a private limited company incorporated in Pakistan on July 22, 2019, under the Companies Act, 2017. The registered office is situated at 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi. ADIDPL is engaged in the manufacturing, processing and trading of automotive parts, components, accessories and tools. The manufacturing facility of the ADIDL is situated at Karachi.

AAPL holds 60% shareholding of ADIDPL.

1.19 Atlas GCI (Private) Limited (AGCIL)

AGCIPL was incorporated as a private limited company in Pakistan on August 06, 2019 under the Companies Act, 2017. The registered office is situated at 2nd floor, Federation House, Sharae Firdousi, Clifton, Karachi. The Company shall be engaged in manufacturing of circuit assemblies for electric components of two wheeler vehicles.

AAPL and AHPL holds 20% and 40% shareholding of AGCIPL.

1.20 Oyster International Holdings Limited (OIHL)

OIHL is an offshore Free Zone Company incorporated on April 25, 2017 with limited liability formed in accordance with the Offshore Companies Regulations of Jebel Ali Free Zone of 2003 (and amendment) and is registered with the Jebel Ali Free Zone Authority under Registration No. 188433. The licensed activity of OIHL is general trading and holding activities.

2 STATEMENT OF COMPLIANCE

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests ('NCI') in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (refer to note 3.1 (d)), after initially being recognised at cost in the consolidated statement of financial position.

If the fair value of the consideration paid is less than the fair value of the net identifiable assets of the associate acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

c) Joint arrangements

Under IFRS 11, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has investments in joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (refer to note 3.1 (d)), after initially being recognised at cost in the consolidated statement of financial position.

d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the consolidated statement of profit or loss, and the Group's share of movements in consolidated other comprehensive income of the investee in consolidated other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated statement of profit or loss.

3.2 Property, plant and equipment

3.2.1 Operating fixed assets - owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land which is stated at revalued amount. The leasehold land is held by AEL, ABL and AHL (subsidiary companies) which carry leasehold land at revalued amount. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to profit and loss account applying the reducing balance / straight line method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 6.1 to the financial statements. In respect of additions depreciation is charged from the month in which asset is available for use and on disposal up to the month immediately preceding the deletion.

Leasehold land are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. Any deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above-mentioned surplus account.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying value exceeds estimated recoverable amount, assets are written down to their estimated recoverable amount.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognized.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized only when it increases the future economic benefit embodied in the item of property and equipment.

Gains and losses on disposal of fixed assets, if any, are taken to profit and loss account.

3.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It includes advances to suppliers for purchase of assets and expenditure incurred in respect of fixed assets in the course of their construction and installation. Transfers are made to relevant fixed assets categories as and when assets are available for use.

3.2.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized at the rates specified in note 7.1 to the financial statements. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

3.2.4 Right-of-use assets

The Group recognizes a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

3.3 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

3.4 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.

3.4.1 Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

Classification

In accordance with IFRS 9, the Group classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Group classifies its financial assets as subsequently measured at amortized cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets.
- The contractual cash flow characteristics of the financial asset.

3.4.2 Financial assets measured at fair value through other comprehensive income (FVOCI)

a) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss. On de-recognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon de-recognition of the assets.

b) Equity instruments at FVOCI

Upon initial recognition, the Group elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of Equity instruments under IAS 32 Financial Instruments: Presentation and are not held for trading. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognized in profit or loss as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

3.4.3 Financial assets measured at amortized cost

A debt instrument is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subject to impairment under Expected Credit Loss model.

3.4.4 Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

3.4.5 Financial liabilities

Financial liabilities measured at amortized cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized where the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Group has:

(a) Transferred substantially all of the risks and rewards of the asset; or

(b) 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 right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes 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. The Group derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL. 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. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group considers a financial asset in default when contractual payments are past due ranging from 210 days to 300 days depending upon customer segment. 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.

The Group has applied the standard's simplified approach and calculated ECL based on life-time ECL on its 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 financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. 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. The expected credit losses are recognized in the statement of profit or loss.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position of the Group has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.5 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealized gains) are included in other assets and derivatives with negative fair values (unrealized losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account.

3.6 Securities under repurchase / reverse repurchase agreements

Transactions of repurchase / reverse repurchase of marketable securities are entered into at contracted rates for specified periods of time and are accounted for as follows:

3.6.1 Repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the balance sheet and are measured in accordance with accounting policies for investment. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement. Securities purchased under agreements to resell (Reverse repurchase agreements) are reported not as purchases of the securities, but as receivables and are carried in the balance sheet at cost.

.6.2 Reverse repurchase agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognized in the statement of assets and liabilities. Amounts paid under these agreements are included as receivables in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

3.7 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

The Company's principal financial assets are investments, loans and advances, deposits, cash and bank balances and other receivables.

3.8 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of cost and net realizable value. Cost is determined on an average basis except for goods in transit which are valued at invoice price plus other related charges paid thereon up to the balance sheet date. Provision is made for slow moving and obsolete items, if any, to write them down to their estimated net realizable value.

3.9 Stock-in-trade

Stock-in-trade, except items-in-transit, is valued at the lower of average purchase cost and net realizable value. Stock-in-transit is stated at invoice value plus other charges paid thereon to the balance sheet date.

Work-in-process and finished goods consist of direct materials and labour and a proportion of manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

3.10 Trade debts

Trade debts originated by the Group are recognized and carried at original invoice amount less provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

3.11 Loans and advances

These are stated at cost, which is the fair value of consideration given, less provision for doubtful receivables.

3.12 Employee Benefits

3.12.1 Employee compensated absences

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date using their current salary levels. However, in respect of employees of the Holding Company, accrual for compensated absences is made in accordance with the independent actuarial valuation.

3.12.2 Post employment benefits

Retirement benefits are payable to staff on completion of prescribed qualifying period of service. The main features of the schemes operated by the Group for its employees are as follows:

(i) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit method.

(a) Gratuity plan

Funded

There are approved funded defined benefit gratuity schemes for all permanent employees of the Parent Company, AAML, AEL, STC, APL, AAPL, AML, AIL, ABL, AHL and AHPL subject to attainment of service of prescribed minimum period. The contributions to the scheme are made in in accordance with the independent actuarial valuation.

Unfunded

ABL, AHL and AEL operates an approved unfunded gratuity scheme for its non-management staff. The contributions to the scheme are made in in accordance with the independent actuarial valuation.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in consolidated statement of profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Parent Company, SIL, AAML, AEL, STC, APL AAPL, AML, AIL, ABL, AHL, AHPL and AAL operate a recognized / approved contributory provident fund for its permanent employees, who have completed the minimum qualifying period of service. Equal monthly contributions at the rate of 11.00% per annum of basic salaries plus dearness allowance and cost of living allowance are made by the Parent Company and the employees to the fund.

3.12.3 Long service award

The Holding Company and APL in the Group make provision for long service award, to which employees are entitled after the completion of each 5 years of their service, with a minimum of 15 years of service.

3.13 Borrowing costs

Borrowing cost incurred to the extent that is directly attributable to the acquisition, construction or production of the qualifying assets are capitalized and included in respective assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

3.14 Ijarah rentals

Ijarah payments under an Ijarah arrangement are recognized as an expense in the profit and loss account on a straight line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit.

3.15 Trade and other payables

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

3.16 Provisions

Provisions are recognized in the balance sheet 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 obligations can be made.

3.17 Government Grant

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. As the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.18 Lease liabilities

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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes 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 reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Group uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate. 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 lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of premises (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). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options

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 several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 that affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

3.19 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any in accordance with the Income Tax Ordinance, 2001. Profit and gains derived by APL from the power generation project are exempt from the tax under clause 132 of part I of the second schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is calculated using the liability method on all temporary differences at the balance sheet date between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

3.20 Revenue recognition

- Capital gains or losses on sale of investments are recognized in the period in which they arise.
- Dividend income from investments is recognized when the Group's right to receive dividend has been established.
- Interest / return on Term Finance Certificates, loans and advances and bank deposits are recognized on accrual basis.
- Gains or losses on sale of investment properties and fixed assets are recognized in the period in which they are derecognized / disposed.
- Rental and commission income is recognized on accrual basis.
- Income from reverse repurchase transactions is recognized on a time proportion basis.
- Remuneration for asset management, investment advisory, and pension fund management services is calculated on Net Assets Value basis and is recognized on an accrual basis.
- Commission income from funds under management is recognized at the time of the sale of units.
- According to IFRS 15, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.
- The Group receives revenue for supply of goods to external customers. The majority of contracts that the Group enters into relate to sales orders containing single performance obligations for the delivery of the goods, The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.
- Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery of goods to the customer. The normal credit term is 30 to 45 days upon delivery. Revenue represents net invoice value including fixed and variable consideration wherever applicable. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognized in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.
- The methodology and assumptions used to estimate rebates and returns wherever applicable are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.
- If the time between the recognition of revenue and payment from the customer is expected to be more than one year and the impact is material, the amount of consideration is discounted using appropriate discount rates wherever necessary.

3.21 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the Group intends to either settle on a net basis or to realize the asset and settle the liability simultaneously.

3.22 Foreign currency transactions

These financial statements are presented in Pak Rupee, which is the Group's functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Gains and losses on translation are taken to profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3.23 Goodwill

Goodwill represents the difference between the cost of acquisition and the fair value of the Group's share of net identifiable assets of the acquired entity at the date of acquisition. Any excess of net assets over cost of acquisition is credited to profit and loss account in the period in which the acquisition is made. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The impairment loss, if any, resulting from such review is charged to the profit and loss account.

3.24 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved by the shareholders.

3.25 Transactions with related parties

Transactions with related parties are entered in the normal course of business, or at contracted rates and terms determined in accordance with market rates.

3.26 Earnings per share

The Group presents basic and diluted earnings / loss per share for its shareholders. Basic earnings / loss per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

3.27 Cash and cash equivalents

Cash and cash equivalents are carried in balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, cheques / pay orders and bank balances.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are as follows:

(a) Determining the residual values and useful lives of property, plant and equipment and intangible assets [note 3.2, 6.1 & 7];

(b) Lease term and discount rate for calculation of lease liabilities [note 3.18];

(c) Impairment of non-financial assets [note 3.3]

(d) Classification and valuation of investments [note 3.4]

(e) Provision for slow moving stock-in-trade and adjustment of stock-in-trade to their net realizable value [note 3.8 & 3.9]

(f) Accounting for staff retirement benefits [note 3.12]

(g) Estimation of current and deferred taxation [note 3.19]

5 NEW AND AMENDED STANDARDS AND INTREPRETATIONS

5.1 Standards, amendments to approved accounting standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2021:

(a) IFRS 16 Leases - Rent concessions

Under IFRS 16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The Board has extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2021 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

5.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2021 and have not been early adopted by the Company.

(a) IAS 37 Onerous contracts

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) IAS 16 Proceeds before an asset's intended use

Amendment to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

(c) IAS 1 Classification of liabilities as current or non current

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period.

(d) IAS 1 Disclosure of accounting policies

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(e) IAS 8 Definition of accounting estimates

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(f) IAS 12 Deferred tax

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
		----- Rupees in '000 -----	
Operating fixed assets	6.1	**38,926,354**	36,308,422
Capital work-in-progress	6.3	**866,596**	2,617,742
Right of use assets	6.4	**1,304,568**	1,481,351
		41,097,518	40,407,515

6.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Leasehold improvements	Plant and machinery	Electrical equipment and fitting	Air conditioners	Furniture and fixtures	Vehicles	Office / factory equipment	Computers and related equipment	Sui gas, water and drainage lines	Measuring instruments, dies, jigs, patterns and other equipment	Total
	Rupees in '000														
At July 1, 2020															
Cost	2,117,702	7,561,644	4,718,074	2,399,391	1,656,044	35,008,032	1,504,021	49,884	349,948	1,376,425	382,952	565,920	39,044	2,402,105	60,192,246
Accumulated depreciation	-	179,768	1,868,262	766,812	269,782	15,103,017	600,201	13,026	175,774	405,200	165,173	430,149	16,309	1,628,970	21,683,446
Net book value	**2,117,702**	**7,381,876**	**2,849,812**	**1,632,579**	**1,386,262**	**19,905,015**	**903,820**	**36,858**	**174,174**	**971,225**	**217,779**	**135,771**	**22,735**	**773,195**	**38,508,800**
Year ended June 30, 2021															
Opening net book value	2,117,702	7,381,876	2,849,812	1,632,579	1,386,262	19,905,015	903,820	36,858	174,174	971,225	217,779	135,771	22,735	773,195	38,508,800
Additions	288,320	-	39,468	66,877	150,168	508,076	61,881	2,855	7,970	300,094	98,051	77,174		160,295	1,738,733
Disposals															
- cost	265,555	-	-	164,984	317,450	957,786	107,869	-	21,292	238,461	27,287	20,880	21,733	424,162	2,587,555
- accumulated depreciation	-	-	-	83,891	64,363	462,846	34,007	-	5,008	104,887	9,225	17,084	9,755	340,620	1,111,666
	265,555	-	-	121,093	253,087	494,940	73,862	-	16,284	133,580	18,062	3,796	11,978	83,542	1,475,889
Depreciation charge	-	89,116	234,204	84,958	127,451	1,129,702	93,766	3,409	32,031	211,469	33,046	63,919	1,644	359,507	2,464,222
Closing net book value	**2,140,467**	**7,292,760**	**2,655,106**	**1,496,405**	**1,164,882**	**18,788,449**	**797,773**	**36,102**	**133,829**	**936,144**	**222,723**	**145,230**	**9,113**	**490,441**	**36,306,422**
At June 30, 2021															
Cost	2,140,467	7,561,644	4,758,672	2,253,284	1,497,752	34,554,322	1,517,733	52,539	336,626	1,447,906	411,716	622,234	17,311	2,138,298	59,344,424
Accumulated depreciation	-	268,884	2,103,466	757,879	332,870	15,766,873	719,960	16,437	202,797	511,762	188,994	477,004	8,198	1,647,857	23,038,002
Net book value	**2,140,467**	**7,292,760**	**2,655,106**	**1,496,405**	**1,164,882**	**18,788,449**	**797,773**	**36,102**	**133,829**	**936,144**	**222,723**	**145,230**	**9,113**	**490,441**	**36,306,422**
Year ended June 30, 2022															
Opening net book value	2,140,467	7,292,760	2,655,106	1,496,405	1,164,882	18,788,449	797,773	36,102	133,829	936,144	222,723	145,230	9,113	490,441	36,306,422
Additions	288,163	-	197,798	431,094	480,629	3,860,111	105,346	3,572	26,991	700,205	168,611	108,102	-	303,192	6,532,183
Disposals															
- cost	-	-	-	50,074	103,196	639,083	61,255	251	8,120	437,493	12,912	62,771	4,568	416,405	1,796,218
- accumulated depreciation	-	-	-	35,006	19,425	401,331	14,995	151	4,513	190,926	7,356	57,156	2,285	344,123	1,077,277
	-	-	-	15,068	83,771	237,752	46,260	100	3,607	246,567	5,556	5,615	2,283	72,332	718,941
Written off															
- cost	-	-	-	7,657	-	58,345	16,708	-	1,043	2,369	3,441	6,591	12,744	6,470	115,368
- accumulated depreciation		-	-	3,081	-	45,454	10,066		495	1,358	1,826	4,793	6,743	3,186	79,002
	-	-	-	4,576	-	12,891	6,642	-	548	1,011	1,615	1,798	6,001	3,284	45,356
Depreciation charge	-	45,448	217,998	167,775	111,505	1,804,753	60,838	3,465	30,543	252,582	73,968	74,730	826	317,169	3,155,054
Closing net book value	**2,428,630**	**7,247,312**	**2,636,496**	**1,746,660**	**1,450,233**	**20,393,164**	**787,549**	**36,089**	**125,822**	**1,136,189**	**310,174**	**169,189**	**-**	**460,828**	**38,926,354**
At June 30, 2022															
Cost	2,428,630	7,561,644	4,956,360	2,657,247	1,875,184	37,520,005	1,543,286	55,860	354,154	1,708,269	563,974	658,974	-	2,078,555	63,962,142
Accumulated depreciation	-	314,332	2,320,864	911,587	424,951	17,126,841	755,737	19,771	228,332	572,080	253,800	489,785		1,617,727	25,035,788
Net book value	**2,428,630**	**7,247,312**	**2,636,496**	**1,746,660**	**1,450,233**	**20,393,164**	**787,549**	**36,089**	**125,822**	**1,136,189**	**310,174**	**169,189**	**-**	**460,828**	**38,926,354**
Depreciation rate (per annum)	0%	0 - 5%	4 - 5%	5-10%	10%	4-10%	10-34%	10%	10%	20%	10 - 20%	30%	10%	30%	

6.2 Details of operating fixed assets disposed-off during the year

Description	Cost	Accumu-lated deprec-iation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	---- Rupees in '000 ----						
Assets with individual net book amount exceeding Rs.500,000 each							
Building							
	5,516	(2,199)	3,317	166	(3,151)	Negotiation	Akram Scrap Dealer, Karachi
	7,120	(5,812)	1,308	63	(1,245)		
	2,775	(1,581)	1,194	60	(1,134)		
	1,273	(165)	1,108	53	(1,055)		
	1,203	(390)	813	41	(772)		
	1,447	(758)	689	34	(655)		
	1,470	(885)	585	29	(556)		
	1,000	(435)	565	28	(537)		
	642	(83)	559	27	(532)		
	939	(385)	554	28	(526)		
	982	(478)	504	25	(479)		
	834	(332)	502	25	(477)		
	1,525	(706)	819	22	(797)		
	1,056	(285)	771	21	(750)		
	1,404	(739)	665	18	(647)		
	29,186	(15,233)	13,953	640	(13,313)		
Sui gas, water and drainage lines	3,726	(1,832)	1,894	91	(1,803)	Negotiation	Akram Scrap Dealer, Karachi
Leasehold improvements							
	47,059	(6,863)	40,196	178	(40,018)	Negotiation	Obaid & Sons, Plot No.1-B, Industrial Home Area Khayaban-e-Muhammad, Malir, Karachi
	23,042	(5,156)	17,886	132	(17,754)		
	14,278	(3,195)	11,083	82	(11,001)		
	7,514	(1,681)	5,833	43	(5,790)		
	4,306	(894)	3,412	25	(3,387)		
	3,098	(693)	2,405	18	(2,387)		
	2,284	(511)	1,773	13	(1,760)		
	1,525	(341)	1,184	9	(1,175)		
	103,196	(19,424)	83,772	500	(83,272)		
Plant and machinery							
	21,233	(13,415)	7,818	224	(7,594)	Scrap	Roshan Traders, Baway Di Kutiya Near Fatima Fertilizer Limited, Lahore Road Sheikhupura
	32,302	(26,456)	5,846	168	(5,678)		
	7,681	(1,090)	6,591	129	(6,462)		
	27,066	(22,297)	4,769	137	(4,632)		
	18,451	(15,141)	3,310	90	(3,220)		
	18,451	(15,141)	3,310	90	(3,220)		
	6,869	(5,058)	1,811	52	(1,759)		
	10,368	(8,916)	1,452	40	(1,412)		
	11,395	(9,958)	1,437	39	(1,398)		
	9,041	(7,774)	1,267	35	(1,232)		
	10,830	(9,601)	1,229	34	(1,195)		
	10,036	(8,897)	1,139	31	(1,108)		
	3,263	(2,281)	982	27	(955)		
	3,731	(2,987)	744	171	(573)		
	3,740	(3,063)	677	19	(658)		
	1,052	(534)	518	1,200	682	Negotiation	M/s. Razzaq Brothers, Street # 22, Block-D, Shershah, SITE, Karachi
	52,562	(32,851)	19,711	193	(19,518)	Negotiation	Azeem Traders, Office No. R-38, Block-A, Khayaban-e-Muhammad, Malir, Karachi
	11,869	(9,495)	2,374	26	(2,348)		
	11,657	(1,749)	9,908	94	(9,814)		
	9,281	(2,707)	6,574	62	(6,512)		
	8,773	(5,337)	3,436	34	(3,402)		
	7,431	(4,521)	2,910	28	(2,882)		
	7,159	(2,088)	5,071	48	(5,023)		
	6,551	(5,241)	1,310	14	(1,296)		
	6,097	(4,877)	1,220	13	(1,207)		
	5,934	(1,731)	4,203	40	(4,163)		
	5,451	(3,816)	1,635	16	(1,619)		

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to
	Rupees in '000						
Plant and machinery	5,279	(3,696)	1,583	15	(1,568)		
	4,751	(3,326)	1,425	14	(1,411)		
	4,604	(3,223)	1,381	14	(1,367)		
	4,178	(1,492)	2,686	25	(2,661)		
	4,099	(2,494)	1,605	16	(1,589)		
	3,871	(2,710)	1,161	11	(1,150)		
	3,826	(3,061)	765	8	(757)		
	3,418	(2,393)	1,025	10	(1,015)		
	3,223	(2,256)	967	9	(958)		
	3,223	(2,256)	967	9	(958)		Azeem Traders, Office No. R-38, Block-A, Khayaban-e-Muhammad, Malir, Karachi.
	3,145	(2,516)	629	7	(622)		
	2,900	(2,248)	652	6	(646)		
	2,500	(729)	1,771	17	(1,754)		
	2,235	(652)	1,583	15	(1,568)		
	1,704	(454)	1,250	12	(1,238)		
	1,252	(334)	918	9	(909)		
	1,250	(625)	625	6	(619)		
	890	(237)	653	6	(647)		
	2,270	(1,003)	1,267	342	(925)		
	41,425	(22,166)	19,259	926	(18,333)	Negotiation	
	15,688	(8,050)	7,638	367	(7,271)		
	10,222	(4,239)	6,083	162	(5,921)		
	6,640	(2,851)	3,789	182	(3,607)		
	4,903	(1,228)	3,675	177	(3,498)		
	7,707	(4,459)	3,248	156	(3,092)		
	5,557	(2,472)	3,085	148	(2,937)		
	5,046	(2,230)	2,816	75	(2,741)		
	4,735	(1,930)	2,805	135	(2,670)		
	4,210	(1,788)	2,422	116	(2,306)		
	2,900	(667)	2,233	59	(2,174)		Akram Scrap Dealer, Karachi
	5,174	(3,027)	2,147	57	(2,090)		
	3,690	(1,641)	2,049	99	(1,950)		
	2,908	(931)	1,977	53	(1,924)		
	3,038	(1,266)	1,772	47	(1,725)		
	3,031	(1,348)	1,683	81	(1,602)		
	3,885	(2,243)	1,642	44	(1,598)		
	2,804	(1,777)	1,027	27	(1,000)		
	1,527	(732)	795	21	(774)		
	1,508	(837)	671	32	(639)		
	933	(415)	518	25	(493)		
	524,524	(329,024)	195,500	6,594	(188,906)		
Dies and Jigs	15,612	(12,359)	3,253	63	(3,190)		
	15,291	(12,106)	3,185	62	(3,123)		
	10,814	(8,561)	2,253	44	(2,209)		
	6,025	(1,255)	4,770	92	(4,678)		
	5,407	(1,127)	4,280	83	(4,197)		
	4,300	(358)	3,942	76	(3,866)		
	4,200	(350)	3,850	74	(3,776)	Negotiation	Azeem Traders, Office No. R-38, Block-A, Khayaban-e-Muhammad, Malir, Karachi
	4,200	(175)	4,025	78	(3,947)		
	3,549	(2,958)	591	11	(580)		
	3,075	(1,794)	1,281	25	(1,256)		
	2,914	(1,214)	1,700	33	(1,667)		
	2,614	(938)	1,676	36	(1,640)		
	2,348	(196)	2,152	42	(2,110)		
	1,671	(139)	1,532	30	(1,502)		
	82,220	(43,530)	38,690	749	(37,941)		
Power Generators	14,580	(7,115)	7,465	359	(7,106)		
	4,226	(773)	3,453	92	(3,361)	Negotiation	Akram Scrap Dealer, Karachi
	3,139	(1,794)	1,345	65	(1,280)		
	2,836	(1,635)	1,201	32	(1,169)		
	24,781	(11,317)	13,464	548	(12,916)		
Electrical Fitting	16,754	(5,608)	11,146	336	(10,810)		
	6,434	(2,199)	4,235	204	(4,031)		
	6,494	(2,321)	4,173	111	(4,062)	Negotiation	Akram Scrap Dealer, Karachi
	1,488	(864)	624	17	(607)		
	1,163	(658)	505	13	(492)		
	32,333	(11,650)	20,683	681	(19,602)		

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to
	Rupees in '000						
Vehicles							
	1,717	(563)	1,154	2,775	1,621	Negotiation	Tariq Saeed, Flat No. 4-B, Plot no. 60/4, Delhi Colony, Karachi
	3,450	(446)	3,004	3,004	-	Company Policy	Mr. Majid Shami (Empolyee)
	2,617	(378)	2,239	2,239	-	Company Policy	Mr. Mohsin Raza Zaidi (Empolyee)
	3,599	(1,693)	906	906	-	Company Policy	Mr. Aleq Ahmed (Employee)
	2,552	(485)	2,067	2,067	-	Company Policy	Mr. Anzar (Empolyee)
	2,319	(1,304)	1,015	1,015	-	Company Policy	Mr. Rashad Rashid (Employee)
	2,319	(1,379)	940	940	-	Company Policy	Mr. Faisal Mehmud (Employee)
	2,243	(1,261)	982	982	-	Company Policy	Mr. Rahmullah Shah (Empolyee)
	2,243	(1,261)	982	982	-	Company Policy	Mr. Anwar Ahmed Malik (Empolyee)
	2,243	(1,261)	982	982	-	Company Policy	Mr. Syed Amir Ali (Empolyee)
	2,205	(1,240)	965	965	-	Company Policy	Mr. Hassan Kashif (Empolyee)
	2,205	(1,240)	965	965	-	Company Policy	Mr. Naveed Ahmed (Empolyee)
	2,205	(1,293)	912	912	-	Company Policy	Mr. Muhammad Ammar (Empolyee)
	2,205	(1,240)	965	965	-	Company Policy	Mr. Aftab Ghous Gilani (Empolyee)
	1,885	(774)	1,111	1,111	-	Company Policy	Mr. Rehan Ahmed Shaikh (Empolyee)
	1,883	(872)	1,011	1,011	-	Company Policy	Mr. Furqan Ashraf (Empolyee)
	1,852	(1,071)	781	781	-	Company Policy	Mr. Sadullah Ejaz (Empolyee)
	1,850	(838)	1,012	1,012	-	Company Policy	Mr. Farrukh Munir (Empolyee)
	1,812	(977)	835	835	-	Company Policy	Mr. Ameen Tahir (Empolyee)
	1,745	(635)	1,110	1,110	-	Company Policy	Mr. Muhammad Rafay Atiq (Empolyee)
	1,656	(982)	674	674	-	Company Policy	Mr. Shaukat (Empolyee)
	1,646	(859)	787	787	-	Company Policy	Mr. Rashid Ahmed (Employee)
	1,634	(1,112)	522	522	-	Company Policy	Mr. Nadeem Younas (Empolyee)
	1,632	(726)	906	906	-	Company Policy	Mr. Arshad Khan (Empolyee)
	1,440	(576)	864	864	-	Company Policy	Mr. Abdul Basit Khan (Empolyee)
	1,275	(686)	589	589	-	Company Policy	Mr. Nauman Akram (Empolyee)
	1,270	(648)	622	622	-	Company Policy	Mr. Abdul Kalim (Empolyee)
	1,243	(670)	573	573	-	Company Policy	Mr. Furqan Khan (Empolyee)
	1,186	(59)	1,127	1,127	-	Company Policy	Mr. Adnan Hameed (Empolyee)
	1,170	(496)	674	674	-	Company Policy	Mr. Awais Younas (Empolyee)
	1,101	(453)	648	648	-	Company Policy	Ms. Somica Naveed (Empolyee)
	931	(47)	884	884	-	Company Policy	Mr. Majid Saleem (Empolyee)
	927	(383)	544	544	-	Company Policy	Mr. Zia Ahmed Khan (Empolyee)
	693	(163)	530	530	-	Company Policy	Mr. Saif ur Rehman (Empolyee)
	2,568	(1,171)	1,397	1,397	-	Company Policy	Mr. Inayatullah (Ex-Empolyee)
	2,507	(554)	1,953	1,953	-	Company Policy	Mr. Zaheer Minhas (Ex-Empolyee)
	1,815	(654)	1,161	1,161	-	Company Policy	Mr. Musharaf (Ex-Empolyee)
	1,780	(338)	1,442	1,442	-	Company Policy	Mr. Shabee ul Haq (Ex-Empolyee)
	1,505	(542)	963	963	-	Company Policy	Mr. Muhammad Iqbal (Ex-Empolyee)
	1,410	(410)	1,000	1,000	-	Company Policy	Mr. Bashir Makki (Ex- Employee)
	1,395	(139)	1,256	1,256	-	Company Policy	Mr. Saad (Ex-Empolyee)
	1,395	(116)	1,279	1,279	-	Company Policy	Mr. Muhammad Sabir (Ex-Empolyee)
	1,170	(459)	711	711	-	Company Policy	Mr. Saad Salman (Ex-Emolyee)
	1,101	(401)	700	700	-	Company Policy	Mr. Umair Ali (Ex-Empolyee)
	1,101	(338)	763	763	-	Company Policy	Mr. Ahmed Ansari (Ex-Empolyee)
	880	(345)	535	535	-	Company Policy	Mr. Owais Sajid (Ex-Empolyee)
	1,745	(367)	1,378	1,378	-	Company Policy	Ms. Eerab Ekhlaq (Ex-employee)
	1,306	-	1,335	1,335	-	Company Policy	Mian Saad Kamal (Ex-employee)
	1,433	(207)	1,226	1,226	-	Company Policy	Shabeeb M. Khan (Empolyee)
	1,433	(207)	1,226	1,226	-	Company Policy	Muhammad Tasleem (Empolyee)
	2,328	(1,363)	965	965	-	Company Policy	Adeel-ur-Rehman (Empolyee)
	2,330	(1,382)	948	948	-	Company Policy	Tehseen Raza (Empolyee)
	2,215	(1,279)	936	936	-	Company Policy	Muhammad Ayaz (Ex-Employee)
	2,205	(1,332)	873	873	-	Company Policy	Muhammad Rafi (Empolyee)
	1,250	(714)	536	536	-	Company Policy	Shiraz Ahmed (Empolyee)
	1,250	(724)	526	526	-	Company Policy	Muhammad Tariq (Empolyee)
	1,250	(724)	526	526	-	Company Policy	Mirza Khurram Baig (Empolyee)
	1,250	(734)	516	516	-	Company Policy	Sarfarazuddin (Empolyee)
	3,357	(336)	3,021	3,021	-	Company Policy	Usman Khan (Ex-Employee)
	2,468	(1,436)	1,032	1,032	-	Company Policy	Adeel Safdar (Empolyee)
	1,860	(934)	926	926	-	Company Policy	Usman Khan (Ex-Employee)
	1,406	(247)	1,159	1,159	-	Company Policy	Ali Ameen (Empolyee)
	1,378	(418)	960	960	-	Company Policy	Shoaib Saleem (Empolyee)
	1,355	(271)	1,084	1,084	-	Company Policy	Habib Ur Rehman (Ex-Employee)
	1,300	(616)	684	684	-	Company Policy	Soban Jhanzeb (Empolyee)
	1,250	(733)	517	517	-	Company Policy	Fahad Kirmani (Empolyee)

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	Rupees in '000						
Vehicles							
	1,213	(525)	688	688	-	Company Policy	Burhan Uddin (Employee)
	1,147	(38)	1,109	1,109	-	Company Policy	Ehsan-ul-Haq (Employee)
	1,079	(368)	711	711	-	Company Policy	Ahmad Nisar Zaman (Employee)
	1,042	(535)	507	507	-	Company Policy	Syed Adeel Ahmed (Employee)
	823	(198)	625	625	-	Company Policy	Sikandar Ali (Employee)
	1,745	(484)	1,261	1,261	-	Company Policy	Zain Ul Abedeen (Ex-Employee)
	1,745	(262)	1,483	1,483	-	Company Policy	Irfan Nawaz (Ex-Employee)
	1,398	(429)	969	969	-	Company Policy	Iqra Arshad (Ex-Employee)
	1,200	(636)	564	564	-	Company Policy	Asif Siddiqui (Employee)
	917	(359)	558	558	-	Company Policy	Imran Shafqat (Employee)
	867	(340)	527	527	-	Company Policy	Jamil Shakoor (Employee)
	2,628	(219)	2,409	18	(2,392)	Company Policy	Ayesha Farooq (Employee)
	3,082	(1,135)	1,946	133	(1,813)	Company Policy	Mishael H. Shirazi (Empolyee)
	1,832	(268)	1,564	33	(1,531)	Company Policy	Sabina Amin (Ex-Employee)
	2,578	(1,176)	1,402	147	(1,256)	Company Policy	Khalid Mehmood (Empolyee)
	2,767	(1,626)	1,141	276	(866)	Company Policy	M. Abdul Samad (Employee)
	2,313	(1,357)	956	-	(956)	Company Policy	M. Abdul Samad (Employee)
	1,124	(387)	737	44	(693)	Company Policy	Hamza A. Rehman (Employee)
	1,656	(1,023)	633	148	(485)	Company Policy	Nejam Shehzad (Empolyee)
	1,656	(1,068)	588	158	(430)	Company Policy	M. Kamran Ahmed (Employee)
	1,350	(427)	923	923	-	Company Policy	Khurram Fahim (Employee)
	1,059	(53)	1,006	1,006	-	Company Policy	Ms. Sarwar Shamim (Employee)
	704	(82)	622	622	-	Company Policy	Ali Mohsin (Employee)
	3,591	(180)	3,411	3,411	-	Company Policy	Jawaid Iraqi (Employee)
	1,406	(205)	1,201	1,201	-	Company Policy	Syed Osama Thair (Ex-Employee)
	1,135	-	1,135	1,135	-	Company Policy	Sadaqat Ali Khan (Employee)
	1,406	(288)	1,118	1,118	-	Company Policy	Shahzaib Iftikhar (Ex-Employee)
	984	(66)	918	918	-	Company Policy	Jawaid Iraqi (Empolyee)
	694	-	694	694	-	Company Policy	Ashraf Malik (Empolyee)
	694	-	694	694	-	Company Policy	Syed Ahmed Jawad (Employee)
	885	(383)	502	502	-	Company Policy	Furqan Rasheed (Empolyee)
	2,363	(1,505)	858	858	-	Company Policy	Imran Idrees (Empolyee)
	1,304	(506)	798	798	-	Company Policy	Sohaib Ageel (Empolyee)
	3,504	(1,336)	2,168	2,168	-	Company Policy	Jawaid Iqbal Ahmed (Ex-Key Management Personnel)
	2,976	(2,096)	880	2,950	2,070	Company Policy	Iftikhar H. Shirazi (Key Management Personnel)
	2,976	(2,130)	846	846	-	Company Policy	Noor Ullah R. Hassan (Key Management Personnel)
	2,966	(2,038)	928	928	-	Company Policy	Iftikhar H. Shirazi - Key Management Personnel
	2,966	(2,140)	826	826	-	Company Policy	Aamir H. Shirazi - Key Management Personnel
	2,660	(1,570)	1,090	1,090	-	Company Policy	Jawaid Iqbal Ahmed (Ex-Key Management Personnel)
	2,592	(546)	2,046	2,046	-	Company Policy	Najeeb Ullah Soomro (Empolyee)
	2,378	(1,433)	945	945	-	Company Policy	Irfan Ibrahim (Key Management Personnel)
	2,243	(1,518)	725	725	-	Company Policy	Mohammad Sharif (Empolyee)
	2,243	(1,399)	844	844	-	Company Policy	Sarfraz Hassan (Empolyee)
	1,919	(888)	1,031	1,031	-	Company Policy	Shabbir Hussain (Empolyee)
	1,665	(1,017)	648	648	-	Company Policy	Khurshid Ahmed Minhas (Empolyee)
	1,665	(1,027)	638	638	-	Company Policy	Rizwan Yousuf Khan (Empolyee)
	1,590	(589)	1,001	1,001	-	Company Policy	Zubeda Raees (Ex-Employee)
	1,250	(734)	516	516	-	Company Policy	Abdullah Haji (Employee)
	696	(35)	661	661	-	Company Policy	Arsalan Fayyaz (Empolyee)
	201,655	(84,185)	117,469	110,739	(6,731)		
	1,001,620	(516,195)	485,425	120,742	(364,683)		
Various assets having net book amount upto Rs. 500,000 each	912,986	(639,084)	273,882	258,646	(15,236)		
	1,914,606	**(1,155,279)**	**759,307**	**379,388**	**(379,919)**		
Year Ended June 30, 2021	612,982	(257,606)	355,376	310,644	(44,732)		

		Note	2022	2021
			---- Rupees in '000 ----	
6.3	**Capital work-in-progress**			
	Advance to suppliers and contractors		-	2,800
	Electric and gas fittings		**35,456**	-
	Leasehold improvements		-	270,498
	Plant and machinery		**340,876**	2,194,174
	Furniture and fixtures		**1,964**	944
	Software, computers and equipment		**20,293**	17,470
	Civil works		**232,812**	50,964
	Factory equipment		**31,973**	31,638
	Advance payment against - motor vehicle		**70,019**	9,665
	Dies and jigs		**78,553**	18,527
	Other		**54,650**	21,062
			866,596	2,617,742
6.4	**Right of use assets**			
	Balance at the beginning of the year		**1,481,351**	1,249,183
	Transition effect on initial application		-	171,052
	Adjustment due to lease modification		**(87,608)**	-
	Additions during the year		**245,525**	346,689
	Disposal		**(18,187)**	(7,727)
	Depreciation charged during the year		**(316,513)**	(277,846)
	Balance at the end of the year		**1,304,568**	1,481,351
7	**INTANGIBLE ASSETS**			
	Net book value at the beginning of the year		**108,253**	121,197
	Additions		**41,008**	54,973
	Amortization charge	7.1	**(47,825)**	(67,917)
	Net book value at the end of the year		**101,436**	108,253
	Annual rate of amortization		**10 - 50%**	10 - 50%

7.1 Amortization charge for the year Rs. 47.83 million (2021: Rs.67.92 million) has been grouped under cost of sales and services (Note - 36) and distribution costs and administrative expenses (Note 37)

8 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

	Note	2022	2021
		----- Rupees in '000 -----	
Investment in associates	8.1	**16,286,185**	16,822,025
Investment in joint venture	8.3	**72,000**	-
		16,358,185	16,822,025

8.1 Investment in associates

	Honda Atlas Cars (Pakistan) Limited		Honda Atlas Power Products (Private) Limited		Nigmaz Collateral Management Company Limited		Integration Experts		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rupees in '000									
Balance as at July 1, 2021	**16,574,267**	16,072,321	**61,641**	62,096	**21,534**		**164,583**		**16,822,025**	16,134,417
Investment made	-	-	-	-	-	21,534	-	161,388	-	182,922
Investment transferred	-	-	-	-	**(21,534)**	-	-	-	**(21,534)**	-
Share of Profit / (loss) - (Note 8.2)	**769,035**	549,438	**276**	(455)	-	-	**24,359**	3,195	**793,670**	552,178
Remeasurement loss	**(30,606)**	(3,523)	-	-	-	-	-	-	**(30,606)**	(3,523)
Dividend received	**(301,838)**	(43,970)	-	-	-	-	-	-	**(301,838)**	(43,970)
Carrying value at the end of the year	**17,010,858**	16,574,268	**61,917**	61,641	-	21,534	**188,942**	164,583	**17,261,717**	16,822,025
Impairment loss for the year	**(870,469)**	-	**(21,552)**	-	-	-	**(83,511)**	-	**(975,532)**	-
Balance as at June 30, 2022	**16,140,389**	16,574,266	**40,365**	**61,641**	-	21,534	**105,431**	164,583	**16,286,185**	16,822,025

8.2 Share of associates net assets and profit and loss

Name of associate	Interest held		Profit		Total assets		Total liabilities		Share of net assets	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
			Rupees in '000							
Honda Atlas Cars (Pakistan) Limited	**30.64%**	30.64%	**769,035**	549,438	**21,528,698**	13,835,561	15,412,632	8,260,257	**6,115,966**	5,575,304
Honda Atlas Power Products (Private) Limited	**20.00%**	20.00%	**276**	(455)	**51,675**	46,289	**11,311**	6,209	**40,365**	40,080
Integration Experts	**26.00%**	26.00%	**24,359**	3,195	**171,330**	109,659	**65,899**	20,912	**105,431**	88,747

8.3 Investment in joint venture

2022	2021	Name of Company	2022	2021
Number of shares			--- Rupees in '000 ---	
		Unlisted shares		
10,765,000	10,765,000	Madian Hydro Power Limited Fully paid ordinary shares of Rs.10 each Holding: 50.00% (2021: 50.00%)	**107,650**	107,650
			107,650	107,650
		Less: Provision for impairment	**(35,650)**	(107,650)
			72,000	-

8.4.1 Madian Hydro Power Limited (MHPL) is a joint venture of the Holding Company and Cherat Cement Company Limited. The project was formed to build, operate and maintain hydro power generation plant at Madian over River Swat for the generation and supply of electric power.

Technical feasibility of MHPL was completed in 2009, which was approved by the Private Power and Infrastructure Board (PPIB). Due to the law and order situation in Swat and adjoining areas the project was not undertaken. In view of the uncertainty involved, the management of the Group in the prior years had decided to record full impairment loss on this investment in MHPL amounting to Rs. 108 million. During the year, MHPL entered into an agreement with Pakhtunkhwa Energy Development Organization (PEDO) for sale of the feasibility study for total consideration of Rs.160 million and has also received the sale consideration net of tax. Accordingly, reversal of impairment loss net of tax has been booked in these financial statements.

9 INVESTMENTS IN ASSOCIATES - MUTUAL FUNDS

2022	2021	Name of Mutual Fund	2022	2021
Number of units			Carrying value --- Rupees in '000 ---	
4,156,029	6,367,296	Atlas Income Fund	**2,265,716**	3,340,518
4,325,459	4,264,618	Atlas Stock Market Fund	**2,569,758**	2,934,621
10,866,977	13,700,582	Atlas Sovereign Fund	**1,144,541**	1,421,605
3,035,170	1,294,989	Atlas Islamic Stock Fund	**1,507,125**	746,876
39	37	Atlas Islamic Income Fund	**21**	19
11,247,567	18,041,980	Atlas Money Market Fund	**5,714,498**	9,129,054
213,388	208,408	Atlas Aggressive Allocation Islamic Plan	**118,117**	123,894
211,661	209,963	Atlas Moderate Allocation Islamic Plan	**119,966**	122,488
244,637	241,793	Atlas Conservative Allocation Islamic Plan	**138,765**	137,120
-	816,923	Atlas Islamic Capital Preservation Plan	**-**	442,804
898,124	-	Atlas Islamic Capital Preservation Plan II	**454,884**	-
878,759	622,066	Atlas Islamic Money Market Fund	**439,379**	311,032
45,889	42,642	Atlas Islamic Dividend Plan	**22,944**	21,321
3,169,109	-	Atlas Liquid Fund	**1,685,520**	-
498,000	498,000	Atlas Pension Fund	**205,989**	209,253
498,000	498,000	Atlas Pension Islamic Fund	**205,294**	208,546
			16,592,517	19,149,151

10 LONG TERM INVESTMENTS

	Note	2022	2021
		---- Rupees in '000 ----	
Unlisted shares - at fair value through - other comprehensive income	10.1	-	-
Government securities - at cost	10.2	6,355,920	-
Available-for-sale - others			
Listed shares	10.3	616,280	2,298,856
Mutual funds		-	65,388
		6,972,200	2,364,244

10.1 Unlisted shares - at fair value through other - comprehensive income - in related parties

2022	2021	Name of Company	2022	2021
Number of shares			------ Rupees in 000 ------	
5,661,524	5,661,524	Techlogix International Limited Fully paid ordinary shares of - US $ 0.0001468	62,748	62,748
		Provision for impairment	(62,748)	(62,748)
350,000	350,000	Arabian Sea Country Club Limited Fully paid ordinary shares of 10 each	3,500	3,500
		Provision for impairment	(3,500)	(3,500)
50,000	50,000	Automotive Testing & Training - Centre (Private) Limited	500	500
		Ordinary shares of Rs.10 each - cost		
		Provision for impairment	(500)	(500)
			-	-

10.2 During the year, the Company has received Government securities (PIBs & Sukuk Bonds) from CPPA-G as per mechanism agreed in revised agreement amounting to Rs. 10.732 million which were redeemed on discount basis as per management decision.

10.3 Listed securities include an amount of Rs. 2,020 million (2021: Rs. 2,742 million) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 644 million (2021: Rs. 760 million).

11 LONG TERM LOANS AND TRADE DEBTS - secured, considered good

	Note	2022	2021
		------ Rupees in 000 ------	
Loans and advances to:			
Key Management Personnel	11.2	7,570	11,303
Other employees		166,189	118,784
	11.1	173,759	130,087
Current portion of long term loans		(103,360)	(62,898)
		70,399	67,189
Loan to Multan Electric Power Company Limited	11.4	133,355	-
		203,754	67,189
Trade debts:			
Receivable against hire-purchase sales		13,486	-
	11.3	217,240	67,189

11.1 These represent interest free loans provided to employees of the Company in the form of staff personal loan and motor vehicle loan. Loans aggregating Rs. 108.8 million (2021: Rs. 79.2 million) are provided for purchase of motorcycles and are repayable in forty eight equal monthly instalments. These loans are secured against respective motorcycles and employees' vested retirement benefits. Advances are unsecured and are repayable in twenty four equal monthly instalments.

11.2 The maximum amount of loans and advances to the key management personnel outstanding at the end of any month during the year ended June 30, 2022 was Rs. 1.64 million (2021: Rs. Nil).

11.3 The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.

11.4 This relates to an interest free loan provided to Multan Electric Power Company (MEPCO) to meet the 100% expenses of grid interconnection at Tehsil Chaubara, Layyah, Punjab. The Group has paid Rs. 133.4 million in lump-sum (estimated cost of interconnectivity from Company to Power Purchaser system). This loan will be repaid in 36 equal monthly instalments (3 years) starting from November 2023 onwards, including the grace period of 18 months. The financial impact of discounting to present value is considered as immaterial.

12 LONG TERM DEPOSITS - AND OTHER RECEIVABLES

	2022	2021
	---- Rupees in '000 ----	
Deposits and retention money	**187,743**	77,062
Deferred commission	**111,671**	111,621
	299,414	188,683

13 NET INVESTMENT IN FINANCE LEASE

This includes the power plant established by the subsidiary Company (Zhenfa Pakistan New Energy Company Limited) for the purpose of generating and supplying electricity to a sole purchaser (i.e. CPPA, a government agency). This arrangement is considered as lease under IFRS 16 - Leases, therefore, the payment of energy purchase price is considered as the repayment of lease installments. The effective rate charged during the year on the outstanding balance is 9.45% (2021: Nil) per quarter.

14 STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2022	2021
		---- Rupees in '000 ----	
Stores and spare parts		**1,524,019**	1,405,366
Loose tools		**677,773**	286,849
Maintenance spares		**788,690**	543,328
		2,990,482	2,235,543
Less: Provision for slow moving stores		**(211,913)**	-
		2,778,569	2,235,543

15 STOCK-IN-TRADE

	Note	2022	2021
Raw and ancillary materials			
In hand		**9,568,926**	6,093,218
held with vendors		**752,116**	520,655
In transit		**540,751**	418,227
		10,861,793	7,032,100
Work-in-process		**1,234,987**	1,011,782
Finished goods			
In hand		**5,733,308**	3,238,984
In transit		**-**	668,146
		5,733,308	3,907,130
Provision for obsolescence	15.1	**(173,917)**	(143,258)
		17,656,171	11,807,754

15.1 Reconciliation of provision for obsolescence is as follows.

	Note	2022	2021
		---- Rupees in '000 ----	
Balance at the beginning of the year		**143,258**	194,986
Charge / (reversal) for the year		**35,055**	(16,603)
Amount written off during the year		**(4,396)**	(35,125)
Balance at the end of the year		**173,917**	143,258

16 TRADE DEBTS

	Note	2022	2021
Considered good	16.1	**20,507,183**	28,451,969
Contract asset		**56,971**	86,330
	16.2	**(5,430)**	-
		51,541	86,330
Considered doubtful		**96,336**	959,495
Less: Provision for doubtful debts	16.2	**(96,336)**	(133,237)
		-	826,258
		20,558,724	29,366,557

16.1 These include trade receivables from CPPA-G (previously from NTDC) under PPA and are considered good. These are secured by a guarantee from the Government of Pakistan (GoP) under the Implementation Agreement and are in normal course of business and interest free. However, a penal mark-up at the rate of 3 months KIBOR plus 2% for first 60 days and 4.5% thereafter is charged in case the amounts are not paid within due dates. Included herein is delayed payment interest of Rs. 1,117 million (June 2021: Rs. 6,822 million) at the KIBOR plus 2% for first 60 days and 4.5% thereafter (June 2021: KIBOR plus 4.5%) per annum.

16.2 Reconciliation of provision against doubtful debts is as follows:

	2022	2021
	---- Rupees in '000 ----	
Balance at the beginning of the year	**133,237**	85,561
Charge for the year	**7,534**	51,301
Amount written-off during the year	**(19,452)**	(2,286)
Reversal during the year	**(19,553)**	(1,339)
Balance at the end of the year	**101,766**	133,237

17 RECEIVABLE FROM FUNDS UNDER MANAGEMENT

	2022	2021
	---- Rupees in '000 ----	
Management fee		
Atlas Income Fund	1,822	4,170
Atlas Stock Market Fund	18,864	20,250
Atlas Islamic Stock Fund	7,958	5,386
Atlas Islamic Income Fund	562	775
Atlas Pension Fund	1,213	1,275
Atlas Islamic Dedicated Stock Fund	1,068	679
Atlas Money Market Fund	2,790	4,914
Atlas Sovereign Liquid Fund	712	1,248
Atlas Islamic Fund of Funds	33	13
Atlas Pension Islamic fund	1,281	1,229
Atlas Islamic Money Market Fund	122	25
Atlas Liquid Fund	571	-
	36,996	39,964
Current portion of receivable in respect of		
Formation cost - Atlas Islamic Money Market Fund	-	834
Formation cost - Atlas Liquid Fund	604	-
	37,600	40,798

17.1 The maximum aggregate amount of receivable from funds under management at the end of any month during the year was Rs.41.27 million (2021: Rs.39.96 million). These balances are recoverable within one month. As of date of the financial statements, these are neither past due nor impaired.

18 LOANS AND ADVANCES - unsecured, considered good

	Note	2022	2021
		------ Rupees in '000 ------	
Current portion of long term loans	11	103,360	62,898
Advances			
Due from staff	18.1	16,107	9,776
Due from suppliers		972,158	1,847,504
Others		176,676	152,691
		1,164,941	2,009,971
Provision for doubtful debts		(7,819)	(8,158)
		1,260,482	2,064,711

18.1 These represent interest-free welfare loans and salary advance provided to employees in accordance with the Group's policy and have maturities up to ten months.

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022	2021
	— Rupees in '000 —	
Security / trade deposits	63,683	57,204
Prepayments for rent, insurance and others	1,313,284	1,412,410
Earnest money	156,141	147,482
Less: Allowance for expected credit losses	-	(6,551)
	156,141	140,931
Other receivables		
Letter of credit and guarantee margin	1,908,854	1,454,281
Advance against shares	176,630	198,044
Advisory fee receivable	2,223	903
Profit on term deposit receipt	339	765
Income tax refundable	-	5,470
Receivable from Suroor Investments Limited	102,579	102,579
Dividends receivable	3,925	17,469
Due from employees	1,808	-
Due from related parties	-	146,495
Due from suppliers	11,934	14,365
Due from insurance contract holder	307,126	-
Withholding tax receivable	-	37,287
Provident fund	5,219	-
Workers' Profit Participation Fund from CPPA-G	168,111	415,914
Receivable from funds under back office accounting services	9,035	6,077
Assets from window takaful	321,202	232,647
Receivable from gratuity fund	42,639	55,153
Others	597,807	121,328
	3,659,431	2,808,777
Provision against other receivables	(141,851)	(110,737)
	5,050,688	4,308,585

20 SHORT TERM INVESTMENTS

	Note	2022	2021
		— Rupees in '000 —	
Investment at fair value through - other comprehensive income			
Listed shares	20.1	6,316,579	5,247,789
Available-for-sale			
Term finance certificates		20,000	20,000
Investment at fair value - through profit or loss			
Listed shares	20.2	2,122,981	-
Pakistan investment bonds	20.3	70,934	123,854
Mutual funds	20.4	923,019	869,211
Held-to-maturity			
Pakistan investment bonds	20.5	141,566	92,440
Treasury bills		45,495	116,273
Investment at amortized cost			
Term deposit receipts		1,000	1,000,000
		9,641,574	7,469,567

20.1 Listed shares

2022	2021			2022		2021	
Number of shares		Name of Company	Note	Cost	Fair value	Cost	Fair value
				— Rupees in '000 —			
12,003,424	970,860	Habib Bank Limited		1,476,377	1,096,293	182,514	118,807
10,081,386	903,591	Meezan Bank Limited		1,286,161	1,138,996	52,085	114,712
14,636,936	13,536,936	Cherat Cement Company Limited		1,307,435	1,361,821	1,131,247	2,401,182
-	3,044,150	Bank Alfalah Limited		-	-	128,968	97,961
-	1,303,800	United Bank Limited		-	-	228,800	159,337
7,609,854	3,458,934	Systems Limited		178,280	2,510,120	178,280	2,131,540
1,500,000	1,500,000	Pakistan Cables Limited		240,407	209,250	240,407	224,250
			20.1.1	4,487,860	6,316,579	2,142,301	5,247,789

20.1.1 This includes shares which have been pledged with various banks as per the respective financing facility agreements.

20.2 Listed securities include an amount of Rs. 2,020 million (2021: Rs. 2,742 million) being the fair market value under an arrangement permissible under Shariah.

20.3 Investment in Government securities

2022	2021		2022	2021
---- Rupees in '000 ---- Face value		Name of Certificate	---- Rupees in '000 ---- Fair value	
75,000	75,000	Pakistan Investment Bond (5 Years)	**70,934**	73,644
50,000	50,000	Pakistan Investment Bond (3 Years)	-	50,210
			70,934	123,854

20.4 Mutual funds

2022	2021			2022	2021
Number of units		Name of Funds	Note	---- Rupees in '000 ----	
2,015,333	1,426,559	HBL Money Market Fund	**20.4.1**	**207,150**	146,364
7,033,024	6,561,624	Lakson Money Market Fund		**715,869**	663,902
-	831,693	National Investment Trust		-	58,942
-	67	NIT Government Bond Fund		-	1
-	179	NIT Islamic Equity Fund		-	2
				923,019	869,211

20.4.1 2,015,333 units of HBL Money Market Fund valuing Rs.207 million (2021: 1,426,559 units of HBL Money Market Fund valuing Rs.146 million) are under lien of a commercial bank against guarantees aggregating Rs.169 million (2021: Rs.119 million) issued in favor of Sui Southern Gas Co. Ltd. and Excise & Taxation Department, Government of Sindh on behalf of the Group.

20.5 This represents carrying amount of government securities placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Section 29 of the Insurance Ordinance, 2000.

21 NON-CURRENT ASSET HELF FOR SALE

	Note	2022	2021
		---- Rupees in 000 ----	
Balance at the beginning of the year	**21.1**	**410,000**	13,918
Transferred from capital work-in-progress		-	541,603
Transferred to operating fixed assets		-	69,973
Disposal	**21.2**	**(308,750)**	(160,000)
Impairment loss		-	(55,494)
Balance at the end of the year		**101,250**	410,000

21.1 The Group had discontinued its business relating to the recycling of ferrous and non-ferrous metals due to an incident in preceding years. The management of the Group intended to dispose-off the plant and has classified the above assets mainly plant and machinery & related equipment and leasehold improvements as held for sale. The Group, during the preceding year, through external surveyor M/s. Surval conducted valuation exercises of these assets, which resulted in values aggregating Rs.570 million and consequently the Group had recorded an impairment loss Rs.55.49 million.

21.2 The Company during the year sold the non-current asset held for sale to M/s. Bilal Metals Engineering (SMC-Private) Limited for Rs.168.75 million and to M/s. Atlas Autos (Private) Limited, a related party Rs.140 million (2021: Rs.160 million) to based on above mentioned valuation report.

22 CASH, BANK BALANCES AND DEPOSITS

	Note	2022	2021
		---- Rupees in '000 ----	
Bank balances and deposits:			
Current accounts		**737,168**	6,513,573
PLS saving accounts	22.1	**4,963,403**	3,071,913
Term deposit receipts / treasury bills	22.2	**16,780,405**	13,829,984
In hand:			
Cheques in hand	22.3	**192,798**	157,353
Cash in hand		**151**	252
		22,673,925	23,573,075

22.1 These carry interest rates ranging from 9% to 13.5% (2021: 5.5% to 7.75%) per annum.

22.2 These carry mark-up rates ranging from 5.7% to 15% (2021: 6.1% to 15%) per annum with maturity ranging from 8 days to 365 days (2021: 9 days to 365 days). These include term deposit receipts of Rs.20 million (2021: Rs.10 million) which are under lien with the bank against a bank guarantee issued on behalf of the Group. Also includes Rs. 3,435.40 million (2021: Rs. 1,699.98 million) invested in Treasury Bills and Pakistan Investments bonds having maturity of up to 84 days and carries markup ranging from 12.3% to 15% (2021: 6.1% to 15%).

22.3 Represents banking instruments received by the Group from dealers at regional offices in respect of sales but not deposited in the Group's bank account as of reporting date.

23 SHARE CAPITAL

Authorised Capital

2022	2021		2022	2021
Number of shares			---- Rupees in '000 ----	
240,000,000	240,000,000	Ordinary shares of Rs.10 each	**2,400,000**	2,400,000

Issued, subscribed and paid-up capital

2022	2021		2022	2021
91,220,000	91,220,000	Ordinary shares of Rs.10 each fully paid in cash	**912,200**	912,200
50,000	50,000	Ordinary shares of Rs.10 each issued for consideration other than cash	**500**	500
27,450,000	27,450,000	Ordinary shares of Rs 10 each issued as fully paid bonus shares	**274,500**	274,500
101,392,439	101,392,439	Ordinary shares of Rs.10 each issued as fully paid in pursuant of amalgamation	**1,013,924**	1,013,924
220,112,439	220,112,439		**2,201,124**	2,201,124

23.1 As at year end, the shares held by Directors and Iftikhar Shirazi Family Trust were 165.084 million (2021: 165.084 million) and 55.028 million (2021: 55.028 million) respectively.

23.2 There is only one class of ordinary shares. Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

24 LONG TERM LOANS - secured

	Note	2022	2021
		------- Rupees in '000 -------	
Local currency loans - secured			
Term finance facility	24.1	200,000	266,667
Term finance facility	24.4	3,224,670	2,615,902
Term Finance facility		-	20,119
Term finance facility - I	24.2	238,981	437,500
Term finance facility - II	24.3	312,500	437,500
Temporary economic refinance facility	24.2	195,215	-
Temporary economic refinance facility - I	24.13	224,996	24,421
Temporary economic refinance facility - II	24.13	37,843	19,843
Temporary economic refinance facility - IIII	24.14	1,460,565	1,259,189
Green financing facility - phase 1	24.6	59,321	67,048
Green financing facility - phase 2	24.6	97,207	115,648
Green financing facility - phase 3	24.7	272,500	-
Islamic financing facility	24.10	3,000,000	-
Islamic financing facility - I	24.8	1,500,000	1,500,000
Islamic financing facility - II	24.9	2,000,000	2,000,000
Renewable energy refinancing facility	24.16	66,256	-
Demand financing facility	24.11	400,000	500,000
Salary loan	24.12	453,502	1,342,765
Long term loan	24.17	-	1,000,000
		13,743,556	11,606,602
Foreign currency loans - secured			
Term finance facility	24.5	5,783,120	3,586,373
		19,526,676	15,192,975
Adjustment pertaining to fair value of loan at - below market interest rate		(523,725)	(382,425)
Current portion		(2,352,696)	(2,182,027)
		16,650,255	12,628,523

24.1 Represents financing obtained by AEL from a commercial bank for capital expenditure (incurred and to be incurred) carrying mark-up at the rate of 3 months KIBOR + 0.95% (2021: 3 months KIBOR + 0.95%). The loan along with the mark-up is repayable in 18 equal quarterly instalment commencing from January 2021. AEL during the year repaid instalments aggregating Rs.66.667 million (2021: Rs.33.33 million). The facility is secured by way of first pari-passu charge over immovable fixed assets and by way of hypothecation on movable fixed assets of the AEL.

24.2 AAL had obtained term finance amounting Rs.500 million from Allied Bank Limited for the purpose of strategic investments. The loan carries mark-up at the rate of 3 months KIBOR plus 0.6% and is secured against first pari passu hypothecation charge on existing and future plant & machinery with 25% margin and equitable mortgage against land with 25% margin of AAL. This loan is for five years from the date of disbursement (November 28, 2018) and is repayable in 16 quarterly instalments with grace period of one year. The principal repayments have been further deferred for twelve months inline with the State Bank of Pakistan's BPRD Circular letter No. 13 of 2020 dated March 26, 2020. Resultantly the revised maturity date is November 28, 2024 as compare to its previous maturity of November 28, 2023. AAL during the year repaid Rs.198.52 million.

24.3 The ABL had obtained term loan amounting Rs.500,000 thousand from Allied Bank Limited for the purpose of its balance sheet re-profiling. The loan carries mark-up at the rate of 6 months KIBOR plus 0.8% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. This loan is for five years from the date of disbursement (November 27, 2019) and is repayable in 8 equal bi-annual instalments with a grace period of one year.

24.4 ZPNE has acquired long term loan facility from Habib Bank Limited for the construction of 100 MW solar power plant for generation and supply of electricity against the total sanctioned limit of Rs. 3,318 million (31 December 2021: 3,318 million). This loan carries a mark up rate of 3M Kibor + 1.75% (31 December 2021: 3M Kibor + 1.75%).This loan is repayable in 56 unequal quarterly instalments starting from 30 June 2022. This loan is secured against all the hypothecated assets and share capital of ZPNE.

24.5 ZPNE has acquired debt financing amounting to USD 28,000,000 (31 December 2021: USD 25,933,398) from British International Investment Plc (formerly CDC Group Plc) for construction of 100 MW solar power project plant for generation and supply of electricity. The loan carries mark up at the rate of 3 Months USD LIBOR plus 4.25% (31 December 2021: 3 Months USD LIBOR plus 4.25%). This loan is repayable in 56 unequal quarterly instalments starting from 30 June 2022. This loan is secured against all the hypothecated assets and share capital of the ZPNE.

24.6 During the prior years, the AEN obtained long term loans from SBP under Green Financing Facility in aggregate of PKR 203 million having a total limit of PKR 270 million payable in 40 equal quarterly installments. The loans were obtained by the AEN for the purpose of financing the capital expenditure incurred during the year. These facilities were secured by current and non-current assets of AEN with the margin of 10% and 20% respectively. The rate of mark-up is 4.75% and 4% on phase-1 and phase 2 loan, respectively. The loans will be payable on each quarter along with the payment of principal. These facilities also include certain financial covenants, breaches in meeting the financial covenants would permit the bank to immediately call these bank facilities.

24.7 During the year, the AEN obtained long term loan amounting in aggregate of PKR 272.5 million having a total limit of PKR 400 million including loan from SBP under Green Financing Facility of PKR 150 million payable in 40 equal quarterly installments. The loans are obtained by AEN for the purpose of financing the capital expenditure incurred during the year. This facility is secured by current and non-current assets of AEN with the margin of 20%. The rate of mark-up is 4% for the loan facility of PKR 150 million and Kibor plus 1% for the loan facility of PKR 122.5 million. The loans will be payable on each quarter along with the payment of principal. This facility also includes certain financial covenants, breaches in meeting the financial covenants would permit the bank to immediately call these bank facilities.

24.8 In 2019, APL acquired an Islamic financing facility i.e. Diminishing Musharakah from an Islamic Bank amounting to Rs. 1,500 million from NBP for 5 years from the date of first draw dawn inclusive of grace period of 2 years. The sharing ratio of bank and the APL are 75:25 in the Musharakah Assets. Repayment will be started from 2022 of 6 equal buyout prices (instalments). However profit shall be paid quarterly at the rate of 3 Months KIBOR + 1.5% with a floor of 5% and Cap of 25%. This facility is availed using a security i.e. First Pari-Passu hypothecation charge over plant & machinery with 25% margin and Comprehensive Insurance cover by Insurer for 100% of the value charged assets of APL.

24.9 In 2019, APL also acquired another Islamic financing facility i.e. Diminishing Musharakah from an Islamic Bank amounting to Rs. 2,000 million from NBP for 5 years from the date of first draw down inclusive of grace period of 2 years. The sharing ratio of bank and APL are 75:25 in the Musharakah Assets. Repayment shall be made quarterly in arrears. The first rental payment shall fall due at the end of third month from the date of first draw down and subsequently every three month there after. However profit shall be paid quarterly at the rate of 3 Months KIBOR + 1.0% with a floor of 5% and Cap of 20%. This facility is availed using security i.e. First Pari-Passu hypothecation charge over plant & machinery with 25% margin and Comprehensive Insurance cover by Takaful Insurance for 100% of the value charged assets of APL.

24.10 During the year, APL acquired an Islamic financing facility i.e. Diminishing Musharakah from Meezan Bank amounting to Rs. 3,000 million for 5 years from the date of first draw down inclusive of grace period of 1 year. Repayment shall be made quarterly in arrears. The first rental payment shall fall due at the end of third month from the date of first draw down and subsequently every three month there after. However profit shall be paid quarterly at the rate of 3 Months KIBOR + 0.15% with a floor of 4% and Cap of 25%. This facility is availed using security i.e. First Pari-Passu hypothecation charge over plant & machinery with 25% margin and Comprehensive Insurance cover by Takaful Insurance for 100% of the value charged assets of APL.

24.11 AAL obtained demand finance amounting Rs.500 million from National Bank of Pakistan for the purpose of strategic investments. The loan carries mark-up at the rate of 6 months KIBOR plus 0.95% and is secured against first pari passu by the way of hypothecation on existing and future plant & machinery and equipment of AAL with 25% margin amounting to Rs.666.67 million. This loan is for six and half years from the date of disbursement (20 December 2019) and is repayable in 10 semi-annual equal instalments with grace period of one and half year. AAL during the year repaid Rs.100 million.

24.12 This represents long term loan obtained by multiple group comapnies from various commercial banks under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by State Bank of Pakistan. The facility is secured against first pari passu hypothecation charge over present and future plant, machinery and equipment with 25% margin with certain limits. Mark-up is chargeable at 1.0% per annum. The principal is repayable in eight quarterly instalments ending latest by 01 January 2022.

24.13 This represents loan received from Allied Bank Limited by AAL and ABL under Temporary Economic Refinance Facility (TERF) introduced by State Bank of Pakistan the purpose to finance / retire letter of credits for CAPEX / BMR related activities and project. The facility is secured against first pari passu hypothecation charge over all present and future plant, machinery and equipment with 25% margin of AAL. Mark-up is chargeable at SBP rate (1%) plus 0.80% bps per annum. The loans are for ten years with a grace period of two years and is repayable in thirty two quarterly instalments for AAL and sixteen semi-annual installments for ABL respectively.

24.14 This represents long term loan obtained by ADID of an amount upto the equivalent of Rs.1,500 million from Habib Bank Limited under 'Temporary Economic Refinancing Facility' (the Scheme) introduced by State Bank of Pakistan. During the year, the ADID received Rs.201,376 thousand under above facility. The facility is secured against pari passu hypothecation charge over plant and machinery of the ADID to the extent of Rs.2,000 million with a 25% margin. Mark-up is chargeable at SBP rate plus 1.0% per annum and to be paid at the end of each quarter. The principal is repayable in 32 equal quarterly installments starting from the 27th month from the date of first disbursement.

24.15 This represents diminishing musharakah loan obtained by AEL from Meezan Bank Limited under Islamic Temporary Economic Refinance Facility (ITERF) introduced by State Bank of Pakistan to finance CAPEX. The facility is secured against first pari passu hypothecation charge over all present and future plant, machinery and equipment of AEL with 25% margin amounting to PKR 200 million in favour of the Bank. Mark-up is chargeable at SBP rate (1%) plus 2% bps per annum. The loan is for ten years with a grace period of two years and is repayable in thirty two quarterly instalments starting from October 2023.

24.16 This represents long term loan obtained by AAL from Habib Bank Limited under Renewable Energy Refinancing Facility of an amount upto the equivalent of Rs. 68 million, introduced by State Bank of Pakistan. The facility is secured against first pari passu hypothecation charge over all present and future plant and machinery and equipment of AAL of the company with 25% margin. Mark-up is chargeable at SBP rate (2%) plus 1% per annum. The loan is for ten years with a grace period of three months and is repayable in forty quarterly instalments starting from April 2022. AAL during the year repaid Rs.1.74 million.

24.17 In 2018, APL acquired a long term loan from a Allied Bank Limited amounting to Rs. 2,000 million which is repayable after 3 years on quarterly basis, starting from 31 January 2021. The rate of mark-up is 6 months KIBOR + 0.20%, payable on semi-annual basis. The facility is secured against ranking hypothecation charge over all present and future movable fixed assets of APL with 20% margin. This loan has been completly paid repaid during the year and hypothecation charge over all present and future movable fixed assets has been released.

25 LONG TERM DEPOSITS

	Note	2022	2021
		Rupees in '000	
Deposits from employees	25.1	**44,458**	13,566
Current portion shown under current liabilities		-	(3,810)
		44,458	9,756

25.1 Represents deposits from employees under Group's vehicle scheme. These loans have not been discounted to their present value as the financial impact thereof is not considered material.

26 DEFERRED LIABILITIES

	Note	2022	2021
		Rupees in '000	
Provision for employees' compensated absences	27.1 & 27.2	**774,013**	699,413
Provision for long service award	26.2	**16,373**	16,655
Provision for gratuity	26.3	**102,028**	74,415
		892,414	790,483

26.1 The provision is made in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as of June 30, 2022.

26.2 This includes provision amounting to Rs.24.18 million (2021: Rs.45.07 million) for key management personnel of the Holding Company.

26.3 Provision for gratuity

26.3.1 Reconciliation

	2022	2021
	Rupees in '000	
Present value of defined benefit obligation	**771,147**	647,232
Fair value of plan assets	**(562,151)**	(535,293)
Inter-group adjustments	**(44,926)**	6,139
Payable within next twelve months	**(62,042)**	(43,663)
	102,028	74,415

26.3.2 Movement in the present value of defined benefit obligation

	2022	2021
Balance at beginning of the year	**647,232**	572,224
Current service cost	**44,128**	38,266
Interest cost	**60,241**	52,854
Benefits paid	**(57,077)**	(33,755)
Re-measurement	**26,099**	15,352
Payable to related parties in respect of transferees	**50,524**	2,291
Balance at end of the year	**771,147**	647,232

26.3.3 Movement in the fair value of plan assets

	2022	2021
	------ Rupees in '000 ------	
Balance at beginning of the year	535,293	452,735
Expected return on plan assets	49,892	41,600
Contributions	55,612	49,750
Benefits paid	(56,905)	(33,365)
Re-measurement	(21,200)	29,297
Payable to related parties in respect of transferees	(540)	(4,724)
Balance at end of the year	562,152	535,293

26.3.4 Movement in net liability in the statement of financial position

	2022	2021
Balance at beginning of the year	118,079	132,644
Expense recognised for the year	54,478	49,520
Contributions made during the year	(55,784)	(50,140)
Re-measurement	47,300	(13,946)
	164,073	118,078
Payable within next twelve months	(62,042)	(43,663)
	102,031	74,415

26.3.5 Expense recognised in the statement of profit or loss

	2022	2021
Current service cost	44,128	38,266
Interest cost	14,782	14,482
Expected return on assets	(4,433)	(3,228)
	54,477	49,520

26.3.6 Re-measurements recognised in other comprehensive income

	2022	2021
Loss from change in financial assumptions	5,460	10,803
Loss from change in demographic assumptions	(7,809)	-
Experience gain on re-measurement	27,506	3,838
Gain / (loss) on re-measurement of plan assets	20,348	(22,937)
Difference in opening fair value	1,795	(1,662)
Net re-measurements	47,300	(9,958)

26.3.7 The principal assumptions used in the actuarial valuations carried out as of June 30, 2022 using the 'Projected Unit Credit' method are as follows:

	Gratuity Fund	
	2022	2021
	------ Percentages ------	
Discount rate	13.25%	10%
Rate of salary increase (per annum)	12%	12%
Long term salary increase rate	12.25%	9.00%
Mortality rates	SLIC (2001-05)-1	
Rate of employee turnover	Light	Moderate

27 LEASE LIABILITIES

	2022	2021
	---- Rupees in '000 ----	
Lease liabilities	1,597,336	1,702,100
Current portion of lease liabilities	(249,111)	(236,862)
	1,348,225	1,465,238

28 DEFERRED INCOME - GOVERNMENT GRANT

	2022	2021
Balance at beginning of the year	365,280	41,391
Recognized during the year	258,780	416,112
Amortisation of deferred income - government grant	(98,712)	(68,671)
Balance at end of the year	525,348	388,832
Current portion of deferred income - government grant	(105,192)	(106,467)
	420,156	282,365

29 DEFERRED TAXATION

	2022	2021
Deferred tax liability / (asset) arising due to temporary differences in respect of;		
- Net investment in finance lease	690	20
- Right of use asset	1,096	71
- Investment in associates and joint venture	(2,920)	7,796
- Lease liabilities - net	(55,232)	13,887
- Employees retirement benefits - gratuity	(47,017)	29,220
- Provisions for compensated absences and bonus	(173,658)	(17,570)
- Provision for warranty	(76,256)	-
- Provision for tax on share of profit from associate	146,482	716,954
- (Reversal) of / provisions for slow moving inventories and doubtful debts	(90,632)	143,423
- Accelerated tax depreciation and amortisation	1,594,580	2,195,899
- Unrealised (loss) / gain on investments at fair value through profit or loss	(53,794)	98,733
- Unrealised gain on investments at fair value through other comprehensive income	231,785	725,554
- Alternative corporate and minimum tax and unused tax losses	(594,990)	(378,949)
- Other	217,761	(85,668)
Deferred tax liability	1,097,895	3,449,370

30 TRADE AND OTHER PAYABLES

	Note	2022	2021
		--- Rupees in '000 ---	
Trade payables		**13,921,050**	11,135,815
Due to / (from) related parties		**227,097**	(173,220)
Import bills payable		**606,118**	180,290
Royalty payable		**1,794,443**	1,756,258
Retention money		**7,155**	3,984
Accrued liabilities	30.1	**5,635,507**	5,027,092
Workers' Profit Participation Fund		**560,257**	680,001
Workers' Welfare Fund		**216,477**	169,336
Withholding tax payable		**33,060**	161,312
Custom / additional custom duty payable		**1,611,722**	1,263,423
Contract liabilities - advances from customers		**13,004,850**	10,841,741
Payable to staff provident and gratuity fund		**116,370**	66,599
Provision for compensated absences		**29,373**	22,311
Premium received in advance		**109,538**	42,281
Insurance / reinsurance payable		**741,561**	514,547
Advance against liquidation		**-**	57,710
Total liabilities from window takaful operations		**78,315**	52,593
Provision for outstanding claims and warranty		**1,901,123**	1,332,541
Provision for unearned premium		**1,122,848**	1,071,838
Unearned reinsurance commission		**208,644**	166,848
Sindh government infrastructure fee		**1,084,616**	739,835
Provision for gas infrastructure development cess		**306,173**	364,594
Deposits from employees		**1,858**	81,000
Others		**199,354**	571,884
		43,517,509	36,092,593

30.1 Includes Rs. 6.87 million (2021: Rs.7.37 million) due to Honda Motor Company Limited, Japan - related party.

31 SHORT TERM BORROWINGS - SECURED

	Note	2022	2021
		---- Rupees in '000 ----	
Running finance under mark-up arrangements	31.1	8,684,143	3,932,641
Money market facilities under mark-up arrangement	31.1	2,000,000	6,330,000
Islamic financing	31.1	6,005,754	5,876,289
Demand finance		-	300,000
Short term loan		51,000	-
		16,740,897	16,438,930

31.1 The Group has short term running finance, musharakah and money market facilities under mark-up arrangements aggregating to Rs. 51,030 million (2021: Rs. 41,497 million) from various commercial and Islamic banks carrying mark-up ranging between 12.00% to 14.91%. The facilities utilized against these arrangements are secured against equitable mortgage on lands and buildings, first pari passu hypothecation charge over present and future book debts, stock, spares and tools, fuel stock and pledge of shares and mutual funds units. The unavailed aggregate credit facility of these finances amounts to Rs. 34,747 million (2021: Rs. 24,373 million). These facilities are expiring on various dates upto 31 May 2023.

32 CONTINGENCIES & COMMITMENTS

32.1 Contingencies in respect of subsidiaries

32.1.2.1 Atlas Asset Management Limited (AAML)

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company to the Funds are already subject to provincial sales tax on services levied by the Sindh Revenue Board (SRB), which is being charged to the funds and the Management Company collects the same as withholding agent and deposits the same with the SRB, the Management Company is of the view that further levy of FED is not justified. However, as a matter of abundant caution, provision is being made in the books of account of the mutual funds and pension funds being managed by the Company, these funds being the recipient of the asset management services, and there is no impact on the financial statements of the Management Company.

Various asset management companies including the Company, together with their representative Collective Investment Schemes through their trustees, have filed a petition in the High Court of Sindh (SHC), challenging the levy of FED. In this respect, SHC has issued a stay order against recovery proceedings. SHC, through its order dated June 30, 2016, stated that any notices issued, proceedings taken or pending, orders made, duty recovered or action taken under the Federal Act 2005 in respect of rendering of services are to be quashed and set aside. Thereafter Deputy Commissioner Inland Revenue appealed in the Supreme Court against SHC order which is still a pending adjudication.

Further, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

32.1.2.2 With effect from July 01, 2011, the asset management services rendered by the Company to the mutual funds and pension funds under its management fall within the scope of taxable services under Sindh Sales Tax Act, chargeable at the rate of 16% on the asset management services rendered, which the Company collects from the mutual funds / pension funds as a collecting agent and thereafter deposits the same with the SRB. The Company, being registered in the province of Sindh, is registered with the SRB as a service provider.

During year ended June 30, 2014, the Company as well as various other AMCs registered in the province of Sindh received notices from the Punjab Revenue Authority (PRA), requiring the Company / other AMCs to register with the PRA for the asset management services rendered in the Punjab through the offices of the Company in the Punjab. During the proceedings, it was explained to the PRA that the Company's offices in the Punjab only relate to sales offices, and no asset management services are rendered from such offices. All asset management services are rendered by the Company directly from its Head Office located in Karachi. Further, the full amount of provincial tax liability was being duly discharged to the SRB, hence, without prejudice to the main contention, the question, if any, related to apportionment between the two provinces and not double taxation. During the proceedings, meetings have been held with the officials of both, SRB and PRA at the collective forum of the Mutual Funds Association of Pakistan (MUFAP) together with the tax consultants, to work out any suitable basis of apportionment of the tax already being paid by the Company and other AMCs. However, such meetings remained inconclusive.

Despite the detailed explanations furnished and the meetings held with the officials of the SRB and PRA as stated above, on June 26, 2014, the Company received a show cause notice from the PRA, requiring payment of Rs.7.66 million as alleged Punjab Sales Tax on services for the period July 01, 2013 to December 31, 2013, and requiring the Company to explain why penalty proceedings should not be initiated there against. Such alleged amount is in addition to the Sindh Sales Tax on services already paid to the SRB for the period. Similar show cause notices have been received by other AMCs.

On July 08, 2014, the Company and other AMCs, have filed a petition in the SHC against both, SRB and PRA, challenging the issuance of such show cause notice by PRA and the alleged levy of Punjab Sales Tax on services therein, as well the non-resolution of issue of apportionment of the total 16% tax on asset management services, which is already being paid to the SRB. In the initial hearing, the SHC has suspended the operation of the notice. The case is still pending adjudication. No provision has been made in these financial statements for the alleged tax liability of Rs.7.66 million, as the management is confident that the ultimate outcome will be in the Company's favour.

32.1.3 Atlas Battery Limited (ABL)

32.1.3.1 The Company received notice from the Directorate of Intelligence and Investigation, FBR, Lahore in which it had been alleged that the Company purchased goods from certain suppliers who were registered with Regional Tax Offices, but were fake and issued sales tax invoices to the Company on the basis of which the Company claimed input tax adjustment amounting to Rs.29.066 million which according to them was illegal / inadmissible. The name of the Company along with 135 other companies and individuals had therefore been included as an accused person in the First Information Report (FIR) No.04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation, FBR, Lahore. The Company has, therefore, filed a Constitutional Petition in the Honourable Lahore High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has granted stay order and advised the concerned authorities to restrain from further proceeding with the matter. Further, the Court has quashed the criminal proceedings initiated against the Company as being unconstitutional, violative of fundamental rights and ultra vires the Sales Tax Act, 1990 (the Act). The FBR against the orders of the Court has filed an appeal in Honourable Supreme Court of Pakistan, which is pending for hearing.

32.1.3.2 Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Office, Karachi, for the tax year 2013 passed an order dated September 30, 2014 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of tax on freight & forwarding charges and discounts allowed to dealers. DCIR through this order created an aggregate demand of Rs.206.534 million including additional tax. An appeal was filed before the CIR(A) on October 22, 2014 against the above order. The Company paid the demand of Rs.0.1 million which pertains to a tax deduction on freight charges and filed a stay application on October 27, 2014 before CIR(A) against the recovery of balance of the demand. The stay against recovery of demand was granted by the CIR(A) on October 27, 2014 subject to partial payment of Rs.50 million which was paid on October 29, 2014. Pursuant to above appeal, CIR(A), on March 31, 2015, passed an order under section 129 of the Ordinance and granted relief in respect of issue of non-deduction of tax amounting Rs.108.867 million on discounts allowed on invoices.

However, CIR(A) remanded back the issue of non-deduction of tax aggregating Rs.59.509 million on additional trade discounts by directing the DCIR to re-examine the issue based on the nature of discount. The Commissioner Inland Revenue (CIR) has filed an appeal on April 18, 2015 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). ATIR on January 25, 2021 has upheld the order of CIR(A) and remanded back the issue for fresh verification.

32.1.3.3 The Company received a show cause notice dated June 27, 2016 from Assistant Commissioner Enforcement-II, Punjab Revenue Authority (PRA), Government of Punjab for proceeding against the Company for alleged violation of various sections of Punjab Sales Tax on Services Act, 2012 (the Act) read with Punjab Sales Tax on Services (Specific Provisions) Rules, 2012 (the Rules) and demanded tax on account of Punjab sales tax on franchises services aggregating Rs.55.443 million. Further, penalties aggregating Rs.2.962 million has also been charged.

32.1.3.4 The Company against the abovementioned show cause notice filed a petition on July 15, 2016 before the High Court of Sindh (the Court) on the basis that PRA has no jurisdiction to issue such notice. The Company is engaged in manufacturing of automotive batteries and owing to its technical assistance agreement with technology supplier it pays technical fees to them and in respect of such technical services the Company is making regular payments of Sindh Sales Tax to the Sindh Revenue Board. Further, the Company's factory premises as well as all production and entire operations are in province of Sindh, therefore PRA has no jurisdiction to demand any sales tax on franchise fees on the basis of purported apportionment of the same. The Court, through its interim order dated July 15, 2016 issued notices to concerned persons / representatives and suspended the operations of abovementioned show cause notice.

32.1.3.5 The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2015 passed an order dated January 22, 2016 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of withholding tax on various expenses and created a demand of Rs.56.449 million, including default surcharge and penalty. The Company filed a rectification application on February 11, 2016 against the aforesaid order pursuant to which the DCIR passed a rectified order dated February 22, 2016 under section 221 / 161 / 205 of the Ordinance. As a result of the rectified order, the total demand of Rs.56.449 million identified in the original order was reduced to Rs.0.398 million inclusive of default surcharge and penalty.

While passing the rectified order, the DCIR created an additional demand of Rs.81.593 million including default surcharge and penalty on account of non-deduction of tax on discounts allowed to dealers. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on March 10, 2016 against the rectified order and challenged the aggregate demand of Rs.81.991 million. Pursuant to this appeal, CIR(A) passed an order dated June 8, 2016 under section 129 of the Ordinance and granted relief to the Company on aggregate demand of Rs.81.991 million. The Commissioner Inland Revenue (CIR) filed an appeal on August 5, 2016 against the above mentioned order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). ATIR on July 30, 2019 had remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh. Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and created a demand of Rs.121.735 million including default surcharge and penalty. The Company has filed an appeal before CIR(A) on July 19, 2021, which is pending adjudication. The Company has obtained stay order from Honourable High Court of Sindh on August 06, 2021 against the recovery of the aforesaid demand.

32.1.3.6 The Additional Commissioner Enforcement-III (Assessing Officer), Punjab Revenue Authority (PRA), Government of Punjab issued a show cause notice to the Company and alleged that the Company has failed to withhold and deposit the Punjab Sales Tax on advertisement services. The Company responded that some of the service providers do not have their registered office in the territorial jurisdiction of Punjab and in most of the cases, services were not completely consumed in Punjab only rather were electronically transmitted throughout Pakistan.

Further, the Company had withheld sales tax from all the payments made against said services and has deposited either to Federal Board of Revenue (FBR) or Sindh Revenue Board (SRB), therefore, demand raised by PRA would tantamount to double jeopardy for the Company. However, the Assessing Officer did not consider the arguments of the Company and passed an order dated May 22, 2017 under section 14 & 19 of Punjab Sales Tax on Services Act 2012 read with Punjab Sales Tax on Services (Withholding) Rules 2012 & 2015 and created an impugned demand of Rs.4.327 million including penalty.

The Company filed an appeal before Commissioner (Appeal), PRA, Lahore on June 23, 2017 against the aforementioned demand who had also upheld the order of the Assessing Officer on October 3, 2017. The Company then filed an appeal before Appellate Tribunal, PRA, Lahore on November 23, 2017. The Appellate Tribunal, PRA, Lahore has also upheld the order of the Commissioner (Appeal), PRA, Lahore on November 23, 2020. However, contrary to the factual position, the Appellate Tribunal, PRA, Lahore made an inadvertent error that the Company had not provided any proof of payments of withholding tax on services made to FBR and / or SRB; whereas in actual the proofs of payments were duly submitted and acknowledged by Commissioner (Appeals), PRA, Lahore as also mentioned in his order dated October 3, 2017.

The Company has filed a rectification application before the Appellate Tribunal, PRA, Lahore on January 15, 2021 for said correction in its order which is pending for hearing. The Company has also filed a petition before Honourable Lahore High Court on January 20, 2021 for grant of stay from coercive actions and to declare the order of Appellate Tribunal, PRA, Lahore illegal and unlawful which is pending for hearing.

32.1.3.7 Additional Commissioner Inland Revenue (ACIR), Large Taxpayers Unit, Karachi, for the tax year 2016 passed an order dated November 30, 2017 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of tax on (i) trade discount allowed to dealers, (ii) rent paid to Atlas Foundation, (iii) cartage & octroi expenses, (iv) repair and maintenance expenses and (v) entertainment expenses. ACIR through the order created an aggregate demand of Rs.200.172 million including default surcharge and penalty. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on December 20, 2017 against (i) and (ii), whereas tax levied for (iii), (iv) and (v) were not contested in appeal. The Company paid the demand of Rs.1.5 million in light of directions given by [CIR(A)] on December 22, 2017 while granting stay from recovery proceedings which duly covers the balance tax demand of Rs.1.221 million in respect of issues not contested in appeals. Pursuant to the appeal, CIR(A), on January 22, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of both issues contested i.e. (i) trade discount allowed to dealers and (ii) rent paid to Atlas Foundation. The department had filed an appeal on April 23, 2018 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). ATIR on July 30, 2019 had remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh while no decision was given in respect of levy of tax payment of rent.

Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and payment of rent, and created a demand of Rs.266.060 million including default surcharge and penalty. The Company has filed an appeal before CIR(A) on July 19, 2021, which is pending for adjudication. The Company has obtained stay order from Honourable High Court of Sindh on August 06, 2021 against the recovery of the aforesaid demand.

32.1.3.8 Assistant / Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2017 passed an order dated October 24, 2018 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of tax on (i) trade discount allowed to dealers, (ii) sales promotion, (iii) travelling, (iv) repair and maintenance expenses, (v) water charges, (vi) cartages and (vii) local purchase. DCIR through the order created an aggregate demand of Rs.266.079 million including default surcharge and penalty. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on November 13, 2018 against (i) and (ii), where as tax levied for (iii), (iv), (v), (vi) and (vii) were not contested in appeal.

The Company paid the demand of Rs.1.441 million on November 19, 2018 in respect of issues not contested in appeals. Pursuant to the appeal, CIR(A), on December 20, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of issue contested at (ii) sales promotion and upheld the decision of DCIR in respect of issue contested at (i) trade discount allowed to dealers. The Company had filed an appeal on December 31, 2018 against the abovementioned order of CIR(A) in respect of issue at (i) trade discount allowed to dealers before the Appellate Tribunal Inland Revenue (ATIR). Moreover, the company had obtained stay from the High Court of Sindh against the demand confirmed by CIR(A). ATIR on July 30, 2019 had remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh. Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and created a demand of Rs.333.955 million including default surcharge and penalty. The Company has filed an appeal before CIR(A) on July 19, 2021 which is pending for adjudication. The Company has obtained stay order from Honourable High Court of Sindh on August 06, 2021 against the recovery of the aforesaid demand.

32.1.3.9 The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi conducted sales tax investigative audit for the period from July 2013 to June 2018 and passed an order dated November 14, 2019 with respect to (i) input tax claims against purchases from certain suppliers whose status was subsequently found as blacklisted / suspended on FBR web portal, (ii) input tax claims against purchases which were alleged to be inadmissible as per the Sales Tax Act, 1990 (the Act) & (iii) non-payment of extra tax on sales. DCIR, through abovementioned order raised an aggregate demand of Rs.49.041 million (including default surcharge and penalty of Rs.18.297 million).

The Company paid Rs.2.557 (including default surcharge and penalty of Rs.0.708 million) being amount not contested and filed an appeal on December 11, 2019 before Commissioner Inland Revenue (Appeals) [CIR(A)] under section 45(B) of the Act against the above order for remaining amount. Pursuant to the appeal, the CIR(A), through his order dated December 30, 2019, granted partial relief to the Company in respect of the above mentioned points by disallowing demand to the tune of Rs.11.154 million and remanded back the allegations involving sales tax to the tune of Rs.17.741 million (both without default surcharge and penalty). Further, CIR(A) also order the DCIR to re-work the amount of default surcharge and penalty after giving effect of appeal order. However, the Commissioner Inland Revenue (CIR) has filed an appeal on February 20, 2020 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue, which is pending for hearing.

32.1.3.10 Additional Commissioner Inland Revenue (ACIR), Audit-II, Range-D, Large Taxpayers' Office, Karachi, for the tax year 2018 passed an order dated January 28, 2021 under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) which inter alia included (i) additions pertaining to non-deduction of withholding tax on trade discount, (ii) disallowance of warranty expense and (iii) disallowance of certain tax credits. The ACIR through the order created an aggregate demand of Rs.658.995 million. The Company filed a rectification application for the apparent errors in the order and also filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on February 19, 2021. Pursuant to the appeal, CIR(A) on April 14, 2022, passed an order under section 129 of the Ordinance and granted partial relief to the Company by deleting the demand in respect of various expenditures, remanded back the issues on disallowances of tax credits and certain expenditures and upheld the demand related to additions pertaining to non-deduction of withholding tax on additional discounts. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) in respect of issues confirmed by CIR(A), which is pending for hearing.

32.1.3.11 Deputy Commissioner Inland Revenue (DCIR), Unit -4, Audit-1, Large Taxpayers' Office, Karachi conducted sales tax audit for the period from July 2018 to June 2019 and passed an order dated June 29, 2021 under section 11(2) of the Sales Tax Act, 1990 (the Act) and created demand of Rs.1.649 billion including default surcharge and penalty. The significant issue alleged in this order is claiming of input tax adjustment on fake and flying sales tax invoices.

The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021. Pursuant to the appeal, CIR(A) on April 14, 2022, passed an order under section 45B of the Act and granted partial relief to the Company by deleting the demand on various issues, remanded back the allegations including input tax adjustment on fake and flying sales tax invoices and reduced the aforementioned demand to the extent of Rs.5.645 million pertaining to inadmissible input tax adjustments including default surcharge and penalty. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on June 07, 2022 in respect of issues confirmed by CIR(A), which is pending for hearing.

32.1.3.12 Deputy Commissioner Inland Revenue (DCIR), Unit -4, Audit-1, Large Taxpayers' Office, Karachi conducted sales tax audit for the period from July 2019 to June 2020 and passed an order dated June 30, 2021 under section 11(2) of the Sales Tax Act, 1990 (the Act) and created demand of Rs.1.669 billion including default surcharge and penalty. The significant issue alleged in this order is claiming of input tax adjustment on fake and flying sales tax invoices. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021. Pursuant to the appeal, CIR(A) on April 14, 2022, passed an order under section 45B of the Act and granted partial relief to the Company by deleting the demand on various issues, remanded back the allegations including input tax adjustment on fake and flying sales tax invoices and reduced the aforementioned demand to the extent of Rs.4.382 million pertaining to inadmissible input tax adjustments including default surcharge and penalty. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on June 07, 2022 in respect of issues confirmed by CIR(A), which is pending for hearing.

32.1.3.13 Assistant / Deputy Commissioner Inland Revenue (DCIR), Unit-4, Audit-1, Large Taxpayers' Office, Karachi conducted income tax audits for the tax years 2016, 2018, 2019 & 2020 and accordingly, passed orders dated July 29, 2021 under section 122(1) of the Income Tax Ordinance, 2001 (the Ordinance) and created demand of Rs.2.597 billion, Rs.3.746 billion, Rs.2.963 billion and Rs.2.225 billion, respectively for the said tax years. The significant issues alleged in these orders are disallowance of purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts, add backs of additional discounts and disallowance of certain expenditures. The Company filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on August 23, 2021. Pursuant to the appeals, CIR(A) o April 14, 2022, passed an order under section 129 of the Ordinance and granted partial relief to the Company by remanded back various issues including disallowance of purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts and disallowance of certain expenditures for fresh verification and upheld the demands in respect of other issues which significantly involves the add backs on additional discounts . The Company has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues confirmed by the CIR(A), which is pending for hearing.

32.1.4 Atlas Honda Limited (AHL)

Contingencies

32.1.4.1 Various cases have been filed against the Company by some former employees for reinstatement of service and are pending in different courts of Pakistan. The management is confident that outcome of these cases will be in favour of the Company and hence no provision is made in these financial statements.

32.1.4.2 Guarantees aggregating to Rs.1,784 million thousand (2021: Rs.1,277 million) have been issued by commercial banks to government and semi government institutions for import of raw materials and supply of goods.

32.1.5 Atlas Insurance Limited (AIL)

32.1.5.1 The tax authorities had raised demand amounting to Rs. 117.8 million against the Company for the tax years 2009 to 2014, that primarily pertained to the rate of tax on dividend, rental income and WWF. Commissioner Inland Revenue (Appeals) [CIR (A)] partially upheld the decision and reduced the demand to Rs. 59.7 million. The Company filed appeals against the CIR(A) decision before the Appellate Tribunal Inland Revenue (ATIR) wherein the decision of CIR(A) was upheld. The Company has filed a reference application against the decision of ATIR before the Honorable Lahore High Court which is currently pending adjudication. No provision has been recognized in these financial statements since the management believes that there are meritorious grounds that the case will be decided in favor of the Company.

32.1.5.2 For the tax year 2017, the Deputy Commissioner Inland Revenue (DCIR) created a tax demand of Rs. 654.47 million, which mainly pertained to disallowances due to need of underlying evidences and disallowance of certain expenses due to non-deduction of withholding tax. Being aggrieved, the Company filed an appeal before the CIR (A) against the aforesaid order, who has disposed of the appeal and remanded back the entire case to the DCIR for reconsideration. The has Company filed an appeal before ATIR against the order of the CIR (A). No provision has been recognized in these financial statements since the management believes that there are meritorious grounds that the case will be decided in favor of the Company.

32.1.5.3 For tax year 2005, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses, creating a demand of Rs. 70.69 million. Being aggrieved by the treatment meted out by the additional CIR, the Company filed appeal before CIR (A) which was decided in favor of the Company. However, the department filed appeal against the order of CIR (A) before ATIR, which was decided in favor of the Company on the grounds of time limitation. No provision has been recognized in these financial statements.

32.1.5.4

	2022	2021
	--- Rupees in '000 ---	
Claims against the Company not acknowledged as debt	**33,480**	34,693

32.1.6 Atlas Metals (Private) Limited (AML)

32.1.6.1 Deputy Commissioner Inland Revenue (DCIR), Enforcement-I, Medium Tax Office, Karachi served show cause notice dated September 28, 2020 pertaining to tax period July 2017 to June 2019, stating that the Company has claimed inadmissible input tax on the purchases from M/s. Denar Industries (Private) Limited, who was involved in claiming input tax against fake invoices amounting to Rs.39,156,459. The Company submitted its response stating that the said supplier was neither blacklisted nor blocked by FBR at the time of input claim and that subsequent blacklisting of a supplier could not deprived the registered person of its right of claim of input tax. Further, the Company has complied with all the requirements as required under Sales Tax Act, 1990 for claim of input tax. DCIR on November 25, 2020, raised the demand against the notice amounting Rs.39,156,459. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which was decided against the Company on February 24, 2021.

The Company has filed an appeal before Appellate Tribunal Inland Revenue (the Tribunal) which is pending adjudication. However, the Tribunal has issued stay order against the aforesaid demand.

32.1.6.2 The Company is defending a suit in Honourable High Court of Sindh for recovery of Rs.73.49 million under Fatal Accident Act, 1855. The case is pending for hearing. No provision have been made in these financial statements.

32.2 Commitments

	2022	2021
	--- Rupees in '000 ---	
Guarantees issued by banks on behalf of the Group	**6,597,137**	6,145,754
Guarantees issued by banks in favour to Sui Southern Gas Company Limited, Excise and Taxation Department, Pakistan State Oil Co. Ltd., SSGC LPG (Private) Limited, Collector of Customs, and Government of Sindh.	**433,501**	192,141
Guarantees issued to foreign commerical banks	**1,190,337**	4,407,183
Letter of credit in respect of capital expenditure, raw materials and components	**5,451,149**	2,344,318
Commitment for capital expenditure other than through letter of credit	**484,704**	256,793
Commitments for rentals under Ijarah finance agreement	**2,441,417**	70,278
Commitments in respect of lease liabilities	**84,169**	66,196

33 REVENUE

	2022	2021
	— Rupees in '000 —	
Sales including lease income	**238,047,618**	184,999,652
Hire-purchase sales	**969,418**	-
Service income / insurance income	**1,543,730**	2,864,680
Commission Income	**445,501**	333,504
	241,006,268	188,197,836
Sales tax	**(39,191,059)**	(26,764,732)
Discounts / returns / sales load	**(4,456,474)**	(3,361,687)
	197,358,735	158,071,417

34 FEE / COMMISSION FROM ASSET MANAGEMENT

	2022	2021
Open-ended		
Atlas Income Fund	**29,543**	48,212
Atlas Islamic Income Fund	**8,531**	9,668
Atlas Islamic Money Market Fund	**1,080**	151
Atlas Islamic Stock Fund	**104,334**	64,655
Atlas Money Market Fund	**30,174**	58,693
Atlas Pension Fund	**17,207**	16,563
Atlas Sovereign Liquid Fund	**11,819**	-
Atlas Pension Islamic Fund	**17,449**	15,977
Atlas Islamic Dedicated Stock Fund	**13,026**	16,056
Atlas Islamic Fund of Funds	**340**	10,198
Atlas Liquid Fund	**2,653**	122
Atlas Stock Market Fund	**280,772**	244,689
	516,928	484,986
Sales tax	**(59,470)**	(55,795)
	457,458	429,191

34.1 In accordance with the provisions of the Non-Banking Finance Companies & Notified Entities Regulations, 2008, the Management Company of the funds is entitled a management fee that has been verified by the trustee and is paid in arrears on monthly basis. The maximum rate of management fee chargeable to Funds is required to be disclosed in the offering documents within allowed expense ratio limit i.e. upto 4.5% for equity, balanced, asset allocation and protected schemes, 2% for money market scheme, 2.5% for income, aggressive income, capital protected, index and commodity schemes, 3% for commodity schemes and 2.5% for fund of fund schemes.

During the year, the Company has charged its management fee at the following rates:

	2022				2021		
	Maximum rate as per offering document	From	To	Rate per annum of the average annual net assets	From	To	Rate per annum of the average annual net assets
Atlas Income Fund	1.50%	July 1, 2021 December 1, 2021 May 1, 2022	November 30, 2021 April 30, 2022 June 30, 2022	0.60% 0.65% 0.75%	July 1, 2020	June 30, 2021	1.00%
Atlas Money Market Fund	1.00%	July 1, 2021 December 1, 2021 May 1, 2022	November 30, 2021 April 30, 2022 June 30, 2022	0.10% 0.15% 0.20%	July 1, 2020 December 3, 2020	December 2, 2020 June 30, 2021	0.35% 0.25%
Atlas Islamic Income Fund	1.50%	July 1, 2021	June 30, 2022	0.35%	July 1, 2020	June 30, 2021	0.40%
Atlas Stock Market Fund	3.00%	July 1, 2020 October 1, 2021	September 30, 2021 June 30, 2022	2.40% 2.60%	July 1, 2020	June 30, 2021	2.40%
Atlas Islamic Stock Fund	3.00%	July 1, 2021 October 1, 2021	September 30, 2021 June 30, 2022	2.40% 2.60%	July 1, 2020	June 30, 2021	2.40%
Atlas Sovereign Fund	1.50%	July 1, 2021 December 1, 2021 May 1, 2022	November 30, 2021 April 30, 2022 June 30, 2022	0.40% 0.60% 0.70%	July 1, 2020	June 30, 2021	0.57%
Atlas Liquid Fund	1.00%	November 24, 2021 May 1, 2022	April 30, 2022 June 30, 2022	2.15% 0.20%			
Atlas Islamic Dedicated Stock Fund	3.00%	July 1, 2021 October 1, 2021 January 1, 2022	September 30, 2021 December 31, 2021 June 30, 2022	2.40% 2.60% 2.75%	July 1, 2020	June 30, 2021	2.60%
Atlas Islamic Money Market Fund	1.00%	July 1, 2021 January 1, 2022	December 31, 2021 June 30, 2022	0.06% 0.10%	January 7, 2021	June 30, 2021	0.05%
Atlas Pension Fund and Atlas Pension Islamic Fund							
- Equity Sub Fund	3.00%	July 1, 2021	June 30, 2022	1.50%	July 1, 2020	June 30, 2021	1.50%
- Debt Sub Fund	1.50%	July 1, 2021	June 30, 2022	0.75%	July 1, 2020	June 30, 2021	0.75%
- Money Market Sub Fund	1.25%	July 1, 2021	June 30, 2022	0.50%	July 1, 2020	June 30, 2021	0.50%
Atlas Islamic Fund of Funds							
- Atlas Aggressive Allocation Islamic Plan	1.00%	July 1, 2021	June 30, 2022	1.00%	July 1, 2020	June 30, 2021	1.00%
- Atlas Moderate Allocation Islamic Plan	1.00%	July 1, 2021	June 30, 2022	1.00%	July 1, 2020	June 30, 2021	1.00%
- Atlas Conservative Allocation Islamic Plan	1.00%	July 1, 2021	June 30, 2022	1.00%	July 1, 2020	June 30, 2021	1.00%
- Atlas Islamic Capital Preservation Plan	1.00%	July 1, 2021	June 30, 2022	1.00%	July 1, 2020	June 30, 2021	1.00%
- Atlas Islamic Dividend Plan	1.00%	July 1, 2021	June 30, 2022	1.00%	July 1, 2020	June 30, 2021	1.00%

35 OTHER OPERATING (LOSS) / INCOME

	2022	2021
	---- Rupees in '000 ----	
Income on loans, advances and bank balances	1,239,355	934,467
Net (loss) / gain on disposal of fixed assets	(379,919)	15,544
Scrap sales	88,237	-
Earned carrying charges on hire-purchase sales	2,847	-
Amortisation of deferred income - government grant	45,265	106,023
Reversal of / (provision) for expected credit loss - net	101,766	(10,732)
(Provision) for / reversal of impairment of investments	(195,026)	32,737
Workers' profit participation fund	(551,426)	(413,262)
Workers' welfare fund	(192,497)	(153,873)
Profit from window takaful operations	62,833	-
Exchange loss - net	(705,332)	-
Fixed assets written off	(2,720,497)	(63,582)
Others	(113,786)	(19,412)
	(3,318,180)	427,910

36 COST OF SALES AND SERVICES

	Note	2022	2021
		— Rupees in '000 —	
Raw and ancillary materials consumed		128,412,141	98,549,801
Salaries, wages and benefits	36.1	8,410,337	6,207,458
Spare parts and other maintenance		1,664,591	572,078
Travelling and conveyance		108,696	97,875
Store consumption		2,546,308	1,483,069
Fuel, water and power		3,455,195	8,827,046
Rent rates and taxes including ijarah rental		120,003	44,500
Insurance		26,982	505,952
Training expense		565	3,959
Repairs and maintenance		1,307,164	806,807
Depreciation on operating fixed assets	6.1	2,767,655	2,764,488
Depreciation on operating right of use assets	6.4	133,871	103,802
Amortisation and software charges	7	70,205	60,376
Canteen		289,172	209,304
Royalties and technical fee	36.2	7,098,441	4,994,094
Printing and stationery		56,809	40,207
Postage and telephone		15,427	16,029
Fees and Subscription		6,963	7,367
Provision for stock, stores, spare parts & loose tools obsolescence		242,572	(660)
Provision for impairment of operating fixed assets		-	85,494
Marking fee		121,532	84,997
Free replacement		731,727	465,884
Vehicle running		95,455	23,166
Installation charges / subcontracting costs		249,953	259,036
General expenses		80,567	219,182
		158,012,331	126,431,332
Opening - Finished goods		1,676,937	1,747,688
- Work-in-progress		925,667	778,360
Purchases during the year		19,519,553	13,293,178
Transfers to fixed assets		(15,872)	(352)
Closing - Finished goods		(3,191,427)	(1,676,937)
- Work-in-progress		(1,219,217)	(926,940)
		17,695,641	13,214,997
		175,707,972	139,646,329

36.1 Salaries, wages and benefits include Rs. 229.24 million (2021: Rs.208.64 million) in respect of employees retirement benefits.

36.2 Royalty charged in these financial statement pertains to:

Company	Address
Honda Foundry Ltd.	1620, Matoba Kawago, Saitama, Japan
Shingdengen Electric Ltd.	New-Ohtemachi Bldg., 2-1 Ohtemachi 2 Chome, - Chiyoda-Ku, Tokyo, Japan
GS Yuasa International Limited	1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto 601-8520 Japan
Keihin Corporation	Shinjuku Nomura BLDG. 39F 1-26-2, - Nishi Shinjuku Tokyo, 163-0539, Japan
Showa Corporation	1-14-1, Fujiwara-cho Gyoda, - Saitama 361-8506 Japan
F.C.C Co. Limited	7000-36, Nakagawa, Hosoe-cho Kita-ku, - Hamammatsu-shi, Shizouka-ken, Japan
Atsumitec Company Limited	4-6-1 Takaokanishi Naka-ku, Hamamatsu- shi - Shizuoka Prefecture, 433-8118 Japan
Daido Kogyo Co., Ltd.	197 Kumasaka -cho Kaga city, Isikawa Pref - 922-8686, Japan
Honda Motor Company Limited	1-1, Minami-Aoyama 2-chome, Minato-ku - Tokyo107-8556,Japan
Toyo Denso Company Limited	10-4, 2-Chome, Shinbashi Minato-ku, - Tokyo, Japan
Yamada Manufacturing - Company Limited	1296-2, Koubayashi, Isesaki, - Gunama, Japan

37 DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	Note	2022	2021
		--- Rupees in '000 ---	
Salaries, wages and benefits	37.1	**3,442,501**	2,968,930
Back office accounting services charges	37.2	**61,573**	47,929
Rent, rates and taxes including ijarah rentals		**107,983**	86,117
Travelling, conveyance and entertainment		**367,188**	196,289
Freight and forwarding		**1,187,843**	884,963
Printing and stationery		**51,663**	70,216
Gas, water and electricity		**95,879**	72,928
Vehicle running		**194,960**	127,595
Legal and professional fee		**113,256**	145,326
Auditors' remuneration	37.3	**26,529**	24,525
Insurance		**6,327**	169,351
Fee and subscription		**60,891**	72,884
Repairs and maintenance		**151,788**	179,227
Depreciation on			
- Operating fixed assets	6.1	**387,409**	399,137
- Right of use assets		**182,642**	-
Amortization on intangible assets and license fee		**15,317**	9,951
Postage, telephone and internet		**99,663**	76,193
Newspapers, magazines and subscriptions		**15,325**	9,814
Staff training		**19,609**	11,503
Advertisements / sales promotion		**841,239**	631,812
Donation to Atlas Foundation - a related party		**217,328**	104,395
Directors' meeting fees and remuneration		**54,865**	46,449
Exchange loss / (gain) - net		**195,026**	(10,047)
Others		**244,630**	336,088
Less: Expenses reimbursed from funds under management		**(84,025)**	(60,963)
		8,077,409	6,602,614

37.1 Salaries and benefits include Rs. 205 million (2021: Rs.334.87 million) in respect of employees' retirement benefits.

37.2 The Group on March 11, 2015, entered into 'Back Office Accounting Service Agreement' with IT Minds Limited (the Service provider). Through this service level agreement, the Company, in line with the SECP Circular No. 24/2013 dated December 6, 2013, has delegated back office accounting functions of all open end mutual funds and pension funds managed by the Group to the Service Provider after due assessment of its capacity which includes availability of relevant IT infrastructure and systems along with human resources to undertake the back office function. The delegated functions include accounting functions, unit management services, maintenance of financial records and all other general back office services.

37.3 Auditors' remuneration

	Hameed Chaudhri & Co.	EY Ford Rhodes	Sajjad Haider & Co.	2022 Total	2021 Total
	Rupees in 000				
Annual audit fee of Holding Company and subsidiary companies	10,939	3,871	300	15,110	22,654
Fee for half yearly review	442	713	-	1,155	1,143
Audit fee for consolidated financial statements	1,293	-	-	1,293	1,475
Audit fee for provident and gratuity funds	754	100	-	854	1,053
Consultancy and advisory services	-	91	-	91	1,291
Out of pocket expenses	1,435	1,501	-	2,936	1,970
Others	4,458	632	-	5,090	9,609
	19,321	6,908	300	26,529	39,395

38 FINANCE COST

	Note	2022	2021
		Rupees in 000	
Interest / mark-up:			
- long term loans		919,059	627,609
- short term borrowings	38.1	1,866,765	1,350,309
- lease liabilities		154,199	68,908
Workers' Profit Participation Fund		3,899	5,027
Guarantee and commission charges		9,591	17,662
Banks and other charges		75,284	56,833
Others		15,824	1,024
		3,044,611	2,127,372

38.1 These represent mark-up on short-term borrowings obtained from various banks which carried mark-up ranging from 7.85% to 16.65% (2021: 7.01% to 8.34%).

39 TAXATION

	2022	2021
	Rupees in '000	
Current	4,299,428	2,965,231
Prior	122,969	109,170
Deferred	(80,806)	211,901
	4,341,591	3,286,302

40 EARNINGS PER SHARE - BASIC AND DILUTED

	2022	2021
Profit for the year after taxation attributable to equity holders of the Holding Company	2,852,673	6,603,863
Weighted average number of ordinary shares	220,112	220,112
Earnings per share - basic and diluted	12.96	30.00

41 CASH GENERATED FROM OPERATIONS

	2022	2021
	---- Rupees in '000 ----	
Profit before taxation	8,749,119	12,437,506
Adjustments for:		
Depreciation	3,471,577	3,177,764
Amortization of intangible asset	47,825	63,283
Provision for compensated absences	74,600	127,444
Provision for long service award	(282)	99,502
Provision for gratuity	87,280	428,627
Provision for / (reversal) of stock obsolescence	246,968	(16,603)
Provision for expected credit losses	-	24,150
Gain on sale of operating fixed assets / written off	(3,100,416)	(15,544)
Provision for impairment of associate	975,532	8,466
Exchange gain	-	(10,047)
Financial charges	3,044,611	2,127,371
Share of profit from associated companies	(1,480,644)	(1,755,302)
Unrealized gain on revaluation of investments	-	(24,085)
Net gain on sale / redemption of investments	-	(164,311)
Dividend income	(575,988)	(130,001)
	2,791,063	3,940,713
	11,540,182	16,378,219
(Increase) / decrease in stores, spare parts and loose tools	(754,939)	712,624
Increase in stock-in-trade	(5,883,472)	(2,974,155)
Decrease / (increase) in trade debts	8,807,833	(5,358,167)
Decrease / (increase) in receivable from funds under management	3,198	(11,857)
Decrease / (increase) in loans and advances	804,229	(1,826,345)
Increase in deposits, prepayments and other receivables	(742,103)	(1,056,017)
Increase in sales tax receivable - net	(862,303)	-
(Increase) / decrease in accrued interest	(8,962)	35,944
Increase in trade and other payables	7,424,916	16,026,002
	8,788,397	5,548,029
	20,328,579	21,926,248

42 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND EXECUTIVES

	Chief Executive (Holding Company)		Executive Directors		Executives	
	2022	2021	**2022**	2021	**2022**	2021
	Rupees in '000					
Managerial remuneration	**16,112**	13,316	**36,148**	52,231	**1,320,711**	1,120,805
Bonus	**9,620**	3,806	**36,590**	14,929	**407,903**	313,120
Medical Expenses and other benefits	**309**	149	**7,886**	1,040	**90,437**	62,483
Retirement benefits	**1,043**	863	**2,339**	3,447	**81,271**	72,506
	27,084	18,134	**82,963**	71,647	**1,900,321**	1,568,914
Number of persons	**1**	1	**2**	2	**375**	319

43 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies, staff retirement funds, key management personnel and their close relatives and major shareholders of the Group.

The details of transactions with related parties during the year other than those which have been disclosed elsewhere in these consolidated financial statements are as follows:

Nature of relationship / transaction	**2022**	2021
	Rupees in '000	
Associated Companies		
Purchase of operating fixed assets	**409,600**	114,314
Purchase of goods and services	**3,925**	2,271
Investments made	**9,741,208**	7,771,434
Investments redeemed	**10,630,043**	3,005,950
Dividend income	**891,430**	728,771
Sale of goods and rendering of service	**20,517**	18,285
Management fee	**457,458**	308,952
Advisory Fee	**6,566**	6,503
Payment made on behalf of employees	**10,957**	8,564
Donations paid	**217,328**	104,395
Dividend paid	**318,177**	187,626
Expenses paid	**30**	67
Retirement benefit funds		
Contribution to retirement benefit funds	**232,369**	247,822
Payments made on behalf of employees	**12,018**	242,666
Key management personnel		
Sale of fixed assets on company policy	**10,603**	15,202
Salaries and other employment benefits	**561,597**	385,494
Loan disbursed by Group	**1,638**	-
Loan repaid to the Group	**614**	-

43.1 Details of Related Parties

Following are the related parties with whom the Group had entered into transactions during the year or have arrangement / agreement in place:

Name of related parties	Basis of relationship	Shares held
Honda Atlas Cars Pakistan Limited	Associated company	30.64%
Honda Atlas Power Products (Private) Limited	Associated company	20.00%
Denso Corporation	Associated company	26.00%
Honda Motor Company Limited	Associated company	35.00%
Integration Xperts (Private) Limited	Associated company	26.00%
Atlas Foundation	Common directorship	-
Atlas Income Fund	Associated mutual fund	81.61%
Atlas Stock Market Fund	Associated mutual fund	28.29%
Atlas Sovereign Fund	Associated mutual fund	90.62%
Atlas Islamic Income Fund	Associated mutual fund	0.00%
Atlas Islamic Stock Fund	Associated mutual fund	38.88%
Atlas Money Market Fund	Associated mutual fund	31.19%
Atlas Islamic Money Market Fund	Associated mutual fund	30.37%
Atlas Aggressive Allocation Islamic Plan	Associated mutual fund	89.17%
Atlas Conservative Allocation Islamic Plan	Associated mutual fund	88.74%
Atlas Moderate Allocation Islamic Plan	Associated mutual fund	85.11%
Atlas Islamic Capital Preservation Plan II	Associated mutual fund	95.01%
Atlas Islamic Dividend Plan	Associated mutual fund	77.34%
Atlas Income Fund	Associated mutual fund	46.05%
Iftikhar Shirazi Family Trust	Substantial Shareholder	25.00%

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

44.1 The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's management ensures that Group's activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with group policies and group risk appetite. The Board of Directors review and agree policies for managing each of these risks which are summarized below.

44.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument 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 short term investments and bank deposits in saving accounts. At the balance sheet date, the interest rate profile of the Group's interest-bearing financial instruments is as follows:

	2022			
	Carrying amount	Increase / (decrease) in basis points	Effect on profit before tax	Effect in Other Comprehensive Income
	Rupees in 000			
Financial assets				
Cash and bank balances	**21,743,808**	**100**	**217,438**	-
		(100)	**(217,438)**	-
Short term investments	**70,934**	**100**	**709**	-
		(100)	**(709)**	-
Long term loans - secured	-	**100**	-	-
		(100)	-	-
Financial liabilities				
Long term loans	**19,002,951**	**100**	**190,030**	-
		(100)	**(190,030)**	-
Short term borrowings - secured	**16,740,897**	**100**	**167,409**	-
		(100)	**(167,409)**	-

	2021			
	Carrying amount	Increase / (decrease) in basis points	Effect on profit before tax	Effect in Other Comprehensive Income
	Rupees in '000			
Financial assets				
Cash and bank balances	16,901,897	100	169,019	-
		(100)	(169,019)	-
Short term investments	123,854	100	1,239	
		(100)	(1,239)	-
Long term loans - secured	1,060	100	11	-
		(100)	(11)	-
Financial liabilities				
Long term loans	13,631,139	100	136,311	-
		(100)	(136,311)	-
Short term borrowings - secured	16,438,930	100	164,389	-
		(100)	(164,389)	-

(ii) Foreign exchange risk

Foreign currency risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at the reporting date, if Rupee had strengthened/ weakened by 5% against U.S Dollar, Japanese Yen and Euro with all other variables held constant, profit before taxation for the year would have (decreased) / increased by Rs. (94.14) million and Rs. 94.14 million respectively, mainly as a result of net foreign exchange (loss) / gain on translation of financial asset and liabilities.

44.3 Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected.

The table below summarizes the maturity profile of the Group's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

2022	Less than 1 year	1 to 5 years	More than 5 years	Total
	---------- Rupees in '000 ----------			
Liabilities				
Term loans	**2,352,696**	**16,650,255**	-	**19,002,951**
Deposits	-	**44,458**	-	**44,458**
Trade and other payables	**43,517,509**	-	-	**43,517,509**
Short term borrowings	**16,740,897**	-	-	**16,740,897**
Lease liabilities	**249,111**	**1,348,225**	-	**1,597,336**
Accrued mark-up	**799,553**	-	-	**799,553**
	63,659,766	**18,042,938**	-	**81,702,704**
2021				
Liabilities				
Term loans	1,447,884	12,183,255	-	13,631,139
Deposits	3,810	9,756	-	13,566
Trade and other payables	36,948,005	-	-	36,948,005
Short term borrowings	16,438,930	-	-	16,438,930
Lease liabilities	236,862	1,465,238	-	1,702,100
Accrued mark-up	364,924	-	-	364,924
	55,440,415	13,658,249	-	69,098,664

44.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter party to fulfil their obligations. The Group's exposure to credit risk is as follows:

	2022	2021
	------ Rupees in '000 ------	
Long term investments	**6,365,920**	463,187
Long term loans	**217,240**	67,189
Deposits and other receivables	**251,555**	251,555
Trade debts	**20,558,724**	29,366,557
Receivable from funds under management	**37,600**	40,798
Short term loans and advances	**1,260,482**	2,064,711
Short term investments	**3,112,495**	2,005,485
Bank balances	**22,673,925**	23,573,075
	54,467,941	57,852,557

The analysis below summarizes the credit quality of the Company's investment in mutual funds as at June 30, 2022 and June 30, 2021:

	2022	2021
Investments by rating category	%	
AM1, AM2+, AM2++	**0.75%**	0.80%
AA, AA-, AA+	**99.25%**	99.20%
	100%	100%

44.5 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.

44.5.1 Fair value hierarchy

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
2022				
Investment at fair value through OCI				
- Listed shares	**6,316,579**	-	-	**6,316,579**
Investment in others at fair value through OCI				
- Listed shares	**616,280**	-	-	**616,280**
Investment- Mutual funds fair value through profit and loss	-	**923,019**	-	**923,019**
Investment - Pension Funds at fair value through OCI	-	**411,283**	-	**411,283**
Investment- Pakistan investment bonds fair value through profit and loss	-	**70,934**	-	**70,934**
	6,932,859	**1,405,236**	-	**8,338,095**
2021				
Investment in related parties - available-for-sale				
- Mutual funds	-	-	-	-
- Listed shares	5,247,789	-	-	5,247,789
Investment in others available-for-sale				
- Mutual funds	-	65,388	-	65,388
- Listed shares	2,298,856	-	-	2,298,856
Investment- Mutual funds fair value through profit and loss	-	869,211	-	869,211
Investment - Pension Funds at fair value through OCI	-	417,799	-	417,799
Investment- Pakistan investment bonds fair value through profit and loss	-	123,854	-	123,854
	7,546,645	1,476,252	-	9,022,897

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

44.5.2 Valuation technique used in determination of fair values within level 2. Fair values of investment in units of mutual funds are determined based on redemption prices disclosed at mutual fund Association of Pakistan (MUFAP) as at the close of business days.

44.6 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

The Group monitors capital using the gearing ratio, which is debt divided by total equity plus debt. Debt includes term loans and short term borrowings:

	2022	2021
	------ Rupees in '000 ------	
Term loans	**19,002,951**	13,631,139
Short term borrowings	**16,740,897**	16,438,930
Debt	**35,743,848**	30,070,069
Equity	**91,408,517**	89,445,106
Equity plus debt	**127,152,365**	119,515,175
Gearing ratio	**28%**	25%

45 Number of employees

	2022	2021
Employees as on year end	**2,913**	3,604
Average number of employees	**2,928**	3,463

46 CORRESPONDING FIGURES

Certain prior year's figures have been reclassified, wherever necessary. However, there were no material reclassifications to the report.

47 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on October 7, 2022 has approved the following.

(i) Transfer of Rs. 1,000 million from unappropriated profit to general reserve; and

(ii) Payment of cash dividend of Rs. - per share for the year ended June 30, 2022, amounting to a total distribution of Rs. - million, for approval of the members at the Annual General Meeting to be held on October 28, 2022

48 GENERAL

All figures in these consolidated financial statements have been rounded off to the nearest thousand Rs.

49 DATE OF AUTHORISATION FOR ISSUE

The consolidated financial statements were authorized for issue by the Board of Directors of the Group on October 7, 2022.

Chairman **Chief Executive Officer** **Director**