DIRECTORS' REPORT

The Board of Directors of Atlas Asset Management Limited (AAML) take pleasure in presenting the audited financial statements of the Company for the year ended June 30, 2022 together with the Auditors' Report thereon.

I. Funds under Management

The aggregate Assets under Management (AUM) of Rs. 50.34 billion as on June 30, 2021 closed at Rs.45.82 billion on June 30, 2022 which is a decrease of 9.0%, against overall industry AUM (adjusted for Fund of Funds Schemes) increase of 18.79%, from Rs. 1,057 billion as on June 30, 2021 to Rs. 1,255 billion as on June 30, 2022. Investment advisory AUM as at June 30, 2022 stood at Rs. 4.31 billion against Rs. 4.53 billion as on June 30, 2021 which is a decrease 4.86%.

A comparison of AUM base of funds under AAML management as at June 2022 vs. June 2021 is given below:

S. No.	Fund	AUM as at 30.06.2022	AUM as at 30.06.2021	Inc./(Dec.) over 30.06.2021	Inc./(Dec.) over 30.06.2021
		Rs.in million			%
1	AMF	18,301	24,229	-5,928	-24.47%
2	ASF	1,214	2,225	-1,011	-45.43%
3	AIF	2,666	4,990	-2,325	-46.58%
4	ASMF	9,077	9,862	-786	-7.97%
5	AIIF	1,771	2,157	-386	-17.90%
6	AISF	3,860	2,707	1,153	42.59%
7	ALF	3,441	0	3,441	100.00%
8	AIDSF	478	327	150	45.97%
9	AIMF	1,447	637	810	127.25%
10	AAAIP	132	128	4	3.09%
11	AMAIP	141	134	7	5.37%
12	ACAIP	156	138	18	13.10%
13	AICPP - I	-	496	-496	-100.00%
14	AICPP - II	473	0	473	100.00%
15	AIDP	30	27	2	9.19%
16	APF	1,707	1,611	96	5.94%
17	APIF	1,823	1,612	211	13.11%
	Total	46,716*	51,281	-4,566	-8.90%

*Un-adjusted AUM for plans under Islamic Fund of Funds scheme Rs. Rs.892 million as compared to Rs. Rs.933 million as on June 30, 2021. Total adjusted AUM for the year ended June 30, 2022 stood at Rs.45,824 million as against Rs.50,344 million as on June 30, 2021.

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Zainab Kazim
Company Secretary
Atlas Asset Management Ltd.
Company Inc. # K-08954

II. Company Operations

The financial results of operations of AAML are summarized as under:

Period ended June 30	2022 Rupees	2021 Rupees
Gross Revenue (including Investment Income)	484,804,919	516,234,594
Income from operations	171,414,598	159,186,780
Profit before taxation	189,247,336	237,567,783
Profit after taxation	125,268,889	169,616,251
Other Comprehensive (Loss)/ Income including unrealized gain on re-measurement of available-for-sale investment	(8,401,961)	76,764,663

Period ended June 30	2022 Rupees	2021 Rupees
Comprehensive Income	116,866,928	246,380,914
Earnings per share	5.01	6.78
Comprehensive Earning per share	4.67	9.86
Dividend per share - Interim	1.50	1.50
Dividend - Interim	37,500,000	37,500,000
Dividend per share - final	1.50	1.50
Dividend - final	37,500,000	37,500,000
Shareholders' Equity	1,083,228,496	1,041,361,568
Book value per share	43.33	41.65

AAML reported operating profit of Rs.175.07 million for the year ended June 30, 2022. The KSE 100-Index that stood at 47,356.02 points at June 30, 2021 decreased to 41,540.83 points as on June 30, 2022 reflecting a decrease of 12.28% during the year under review. Total income includes gain from Investment in Fixed Income Funds Rs.20.50 million and income from dividend/PIBs/bank deposits Rs.33.09 million and loss from Investment in Equity Funds Rs.42.27 million.

III. Launch of Atlas Liquid Fund (ALF)

AAML launched ALF with one day IPO on November 23, 2021. It is a Money Market Fund with an objective to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consist of money market instruments.

IV. Distributions:

a. AAML: An Appropriation of profit of the Company for the half year ended December 31, 2021, in terms of an interim cash dividend @ 15% on the face value of ordinary share of Rs.10 each, i.e. Rs.1.50 per share, aggregating to Rs.37,500,000/ to the shareholders. AAML in its 117th meeting held on September 8, 2022 recommended to the members of the Company for approval at the upcoming Annual General Meeting of the Company to be held on October 05, 2022 a final cash dividend@ - 15% on the face value of ordinary share of Rs.10 each, i.e. Rs.1.50 per share, aggregating to Rs. 37,500,000/.

b. Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF), Atlas Islamic Income Fund (AIIF), Atlas Stock Market Fund (ASMF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Dedicated Stock Fund (AIDSF) and Atlas Islamic Fund of Funds (AIFOF), with delegation of authority to the Investment Committee

AAML announced interim distributions, for AMF on July 30, 2021, August 27, 2021, September 24, 2021, October 22, 2021, November 19, 2021, December 24, 2021, January 21, 2022, February 18, 2022, March 25, 2022, April 22, 2022, May 20, 2022, it was Nil for others. AAML also announced interim distributions for AMF and AIF on June 24, 2022, ASF and AIIF on June 27, 2022, whereas for ASMF, AISF, AIDSF and for plans under AIFOF on June 29, 2022.

c. Atlas Liquid Fund (ALF), Atlas Islamic Dividend Plan (AIDP) and Atlas Islamic Money Market Fund (AIMF)

ALF, AIDP under AIFOF and AIMF distributed profit on daily basis, where applicable. AIDP has been discontinued w.e.f. August 15, 2022.

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AAML announced 'Nil' final distribution for all mutual funds under management on July 01, 2022.

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Company Secretary
Atlas Asset Management Ltd.
Company Inc. # K-08954

V. Board of Directors

During the period, the Board of Directors of AAML included: Mr. Iftikhar H. Shirazi, Chairman, Mr. Frahim Ali Khan, Director, Mr. M. Habib-ur-Rahman, Director, Mr. Tariq Amin, Independent Director, Mr. Ali H. Shirazi, Director, Ms. Zehra Naqvi, Independent Director and Mr. Muhammad Abdul Samad, Chief Executive Officer.

i. The current total number of Directors is 7 as follows:
- Male: 6
- Female: 1

ii. The current composition of the Board is as follows:
- Independent Directors: 2*
- Non-Executive Directors: 4
- Executive Directors: 1
- Female Director: 1 (*Independent Director)

The Company does not pay any remuneration to its non-executive directors. The independent directors are paid meeting fees of Rs.50,000/ per meeting for attending each Board and its Committee meetings. Refer notes to the financial statements for information on remuneration of Directors and CEO.

The remuneration of a director for attending meetings of the Board of Directors or its Committees is from time to time reviewed and recommended by the Board of Directors and approved in the Annual General Meeting.

VI. Company Performance FY 2021-22:

The financial year 2021-22 was a successful year as compared to the previous years in many aspects, major events are as follows:

- AAML AUM crossed Rs.53.23 billion on January 17, 2022 whereas the year closed with AUM at Rs. 45.82 billion. However, the average AUM during the year was Rs.49.31 billion;
- Opening of new Savings Center at North Nazimabad;
- Launch of new fund- Atlas Liquid Fund;
- Launch of new Mobile Application;
- Cost Control – the actual was lower than the budgeted;
- Launch of new digital services - new and subsequent investments via online portal;
- Financial-strengthening equity base and profitability: Due to increase in AUM, the operating results remained strong;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- Training of staff.

VII. Challenges in FY 2021-22

AAML's performance may be altered due to:
- Overall level of economic activity; and
- Equity Market underperformance.

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Company Inc. # K-08954

VIII. Tax Issues relating to Mutual Funds and Pension Funds during the year 2021-22:

1. Federal Excise Duty (FED): The Honorable Sindh High Court decided that the imposition of FED on service sector was unconstitutional. The Federal Government has filed appeal in Supreme Court of Pakistan (SCP). With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax had been withdrawn by the Finance Act, 2016.

In view of this, the Mutual and Pension Funds have discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 is being retained in the financial statements of the Funds as the matter is pending before the SCP.

2. Sindh Workers' Welfare Fund (SWWF): Levy of WWF has become provincial subject and as Sindh Government has imposed SWWF on industrial, service sectors and financial institutions. Sindh Revenue Board (SRB) has demanded SWWF from mutual funds claiming that these are "financial institutions". According to legal and tax advisors' interpretations, obtained by MUFAP, mutual funds do not fall under the definition of "financial institutions". The Companies Act 2017 has also excluded mutual funds from the definition of financial institutions. However, asset management companies are included in the definition of financial institutions. Nevertheless, as abundant caution mutual funds made provision in respect of SWWF as recommended by MUFAP from the date of enactment (May 21, 2015) of Sindh Workers Welfare Fund Act, 2014.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds and pension funds do not qualify as Financial Institutions/ Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Funds.

IX. Pattern of Shareholdings

There is no change in the authorized, as well as issued, subscribed and paid up share capital of AAML which continue to stand at Rs.500 million and Rs.250 million respectively. AAML is a wholly owned subsidiary of Shirazi Investments (Private) Limited. The pattern of shareholdings is tabulated in the table below:

No. of shareholders	Shareholdings	Total No. of Shares Held
1	Shirazi Investments (Private) Limited (SIL)	24,999,994
6	Directors of SIL as nominee holding	6
	Total	25,000,000

X. Key Focus Areas

The focus of AAML in future will remain on the following: (1) Growth of Mutual Funds, Investment Advisory Business, Private Equity & Venture Capital Fund Management Services and Pension Funds; (2) Further increasing retail clients base in AUM; (3) Shariah Compliant Category – targeting clients to get higher share; (4) Launch of Private Equity Fund; (5) Competitive Fund Performance in all categories – on year on year basis to achieve the target of strong long- term performance; (6) Focused Marketing activities; (7) Cost Control and fiscal discipline; (8) IT & Customer Services; (9) Alternate Delivery Channels; (10) Regulatory Compliance; and (11) Training and development.

XI. Asset Manager Rating

The Pakistan Credit Rating Agency Limited – PACRA, maintained the asset manager rating of the Management Company at AM2+ (AM Two plus). The rating denotes that AAML meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

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Zainab Kazim
Company Secretary
Atlas Asset Management Ltd.
Company Inc. # K-08954

XII. **Appointment of Auditors**

The Audit Committee of the Board of Directors, in their meeting held on September 06, 2022, recommended to the Board, and the Board recommended to the members, the re-appointment of M/s. Shinewing Hameed Chaudhari, Karachi, as external auditors of Atlas Asset Management Limited, for the financial year ending June 30, 2023. The re-appointment will be considered in the upcoming Annual General Meeting of the members scheduled on October 5, 2022.

XIII. **Acknowledgement**

The Board of Directors thanks the Securities and Exchange Commission of Pakistan, and the Group Executive Committee for their valuable guidance, support and assistance. The Board also thanks the management team and all the employees of the Company for their dedication and hard work, the unit holders for their confidence in the Management Company and the participants of the Pension Funds for their confidence in the Pension Fund Manager.

For and on behalf of the Board

Muhammad Abdul Samad
Chief Executive Officer

Karachi: September 08, 2022

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Zainab Kazim
Company Secretary
Atlas Asset Management Ltd.
Company Inc. # K-08954

Frahim Ali Khan
Director

ATLAS ASSET MANAGEMENT LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLAS ASSET MANAGEMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Atlas Asset Management Limited** (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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 financial statements and our auditors' report thereon).

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

SHL

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 14 SEP 2022

UDIN : AR202210104Utj0ZVLMH

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	126,732,478	82,438,280
Intangible assets	6	6,501,067	920,122
Long-term investments	7	411,283,260	417,798,760
Long-term loans	8	785,561	641,789
Long-term advances and prepayments		212,454	444,444
Long-term deposits - considered goods		2,664,762	2,658,362
Deferred tax asset - net	9	-	7,387,500
		548,179,582	512,289,257
Current Assets			
Receivable from funds under management	10	37,599,318	40,798,588
Investment advisory fees receivables	11	2,223,206	2,074,433
Loans and advances	12	2,196,022	4,715,015
Prepayments and other receivables	13	17,738,263	11,900,453
Interest accrued		2,817,680	4,081,492
Short term investments	14	506,686,947	546,567,578
Taxation - net		9,378,076	592,208
Cash and bank balances	15	9,624,241	16,404,498
		588,263,753	627,134,265
Total Assets		1,136,443,335	1,139,423,522

Chief Financial Officer **Chief Executive Officer** **Chairman**

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	16	**250,000,000**	250,000,000
Unappropriated profit		**521,545,236**	473,162,808
Un-realised gain on re-measurement of investments at fair value through other comprehensive income		**311,683,260**	318,198,760
		1,083,228,496	1,041,361,568
Non-current liabilities			
Long term advances	17	**4,041,604**	3,032,101
Provision for gratuity	18	**5,320,866**	1,530,612
Deferred tax liability - net	9	**5,603,627**	-
		14,966,097	4,562,713
Current liabilities			
Trade and accrued liabilities	19	**31,796,861**	87,244,259
Other liabilities	20	**6,451,881**	6,254,982
		38,248,742	93,499,241
Contingencies and commitments	21		
Total equity and liabilities		**1,136,443,335**	1,139,423,522

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive Officer** **Chairman**

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Income			
Management fees	22	457,458,027	429,193,740
Sales load		-	10,170
Investment advisory fees		9,514,154	8,649,681
		466,972,181	437,853,591
Expenditures			
Distribution expenses		(15,818,849)	(13,846,187)
Administrative and operating expenses	23	(279,738,734)	(269,571,979)
		(295,557,583)	(283,418,166)
Profit from operation		171,414,598	154,435,425
Other income	24	23,356,311	17,458,600
Gain on sale of investments at fair value through profit or loss		7,803,888	20,321,096
Un-realised (loss) / gain on re-measurement of investments at fair value through profit or loss		(23,060,667)	18,911,276
Dividend income	25	9,733,206	21,690,030
Profit before taxation		189,247,336	232,816,427
Taxation	26	(63,978,447)	(63,200,176)
Profit for the year		125,268,889	169,616,251
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Un-realised (loss) / gain on re-measurement of investments at fair value through other comprehensive income		(6,515,500)	76,203,960
Re-measurement (loss) / gain of provision for gratuity		(2,656,987)	789,722
Impact of deferred tax		770,526	(229,019)
Other comprehensive (loss) / income for the year - net of tax		(8,401,961)	76,764,663
Total comprehensive income for the year		116,866,928	246,380,914
Earning per share - basic and diluted		5.01	6.78

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive Officer** **Chairman**

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Share Capital	Unappropri-ated profit	Unrealised gain on re-measurement of investments at fair value through other comprehensive income	Total
	---------- Rupees ----------			
Balance as at July 1, 2020	250,000,000	390,485,854	241,994,800	882,480,654
Total comprehensive income for the year ended June 30, 2021				
Final dividend for the year ended June 30, 2020 at the rate of Rs.2.0 per share	-	(50,000,000)	-	(50,000,000)
Interim dividend for the half year ended December 31, 2020 at the rate of Rs.1.5 per share	-	(37,500,000)	-	(37,500,000)
Profit after taxation	-	169,616,251	-	169,616,251
Other comprehensive income	-	560,703	76,203,960	76,764,663
	-	170,176,954	76,203,960	246,380,914
Balance as at June 30, 2021	**250,000,000**	**473,162,808**	**318,198,760**	**1,041,361,568**
Transactions with owners, recognised directly in equity				
Final dividend for the year ended June 30, 2021 at the rate of Rs.1.5 per share	-	**(37,500,000)**	-	**(37,500,000)**
Interim dividend for the half year ended December 31, 2021 at the rate of Rs.1.5 per share	-	**(37,500,000)**	-	**(37,500,000)**
Total comprehensive income for the year ended June 30, 2022				
Profit after taxation	-	**125,268,889**	-	**125,268,889**
Other comprehensive loss	-	**(1,886,461)**	**(6,515,500)**	**(8,401,961)**
	-	**123,382,428**	**(6,515,500)**	**116,866,928**
Balance as at June 30, 2022	**250,000,000**	**521,545,236**	**311,683,260**	**1,083,228,496**

The annexed notes 1 to 34 form an integral part of these financial statements.

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Chief Financial Officer	Chief Executive Officer	Chairman

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
Cash flows from operating activities		
Profit before taxation	**189,247,336**	232,816,427
Adjustments for non-cash charges and other items:		
Depreciation	**20,257,094**	16,097,593
Amortisation	**871,855**	583,516
Provision for gratuity	**2,663,879**	2,320,334
Provision for compensated absences	**3,055,051**	4,536,224
Profit on bank deposits	**(2,498,613)**	(1,827,017)
Profit from Pakistan Investment Bonds (PIBs)	**(10,031,025)**	(10,441,959)
Amortisation of discount - T bills / PIBs	**(5,042,385)**	(4,572,350)
Dividend income	**(9,733,206)**	(21,690,030)
(Gain) / loss on disposal of property and equipment	**(1,744,549)**	107,955
Gain on sale of investments at at fair value through profit or loss	**(7,803,888)**	(20,321,096)
Provision for Sindh Workers' Welfare Fund	**3,656,963**	4,754,419
Un-realised loss / (gain) on re-measurement of investments at fair value through profit or loss	**23,060,667**	(18,911,276)
Operating profit before working capital changes	**205,959,179**	183,452,740
Changes in working capital		
Decrease / (increase) in current assets:		
Receivable from funds under management	**3,199,270**	(11,857,305)
Investment advisory fee receivables	**(148,773)**	(1,063,535)
Loans and advances	**2,518,993**	(2,928,345)
Prepayments and other receivables	**(5,837,810)**	(5,582,692)
	(268,320)	(21,431,877)
(Decrease) / increase in current liabilities:		
Trade and accrued liabilities	**(57,839,427)**	59,623,177
Other liabilities	**1,010,578**	(2,962,025)
	(56,828,849)	56,661,152
Cash generated from operating activities	**148,862,010**	218,682,015
Income taxes paid	**(59,002,662)**	(69,477,628)
Sindh Workers' Welfare Fund paid	**(4,470,642)**	(3,199,789)
Gratuity paid	**(1,530,612)**	(1,810,087)
Compensated absences paid	**(663,022)**	(598,194)
Long term advances - net	**1,009,503**	959,196
Net cash generated from operating activities -carried forward	**84,204,575**	144,555,513

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
Net cash generated from operating activities -brought forward	**84,204,575**	144,555,513
Cash flows from investing activities		
Long term loans - net	**(143,772)**	(203,964)
Long term advances and prepayments - net	**231,990**	(361,110)
Long term deposits	**(6,400)**	(1,950,000)
Acquisition of property and equipment	**(79,176,664)**	(44,044,716)
Sale proceeds of disposal of property and equipment	**16,369,921**	8,309,546
Acquisition of intangible assets	**(6,452,800)**	(735,201)
Redemption of held for trading investments	**988,831,142**	337,000,000
Purchase of held for trading investments	**(964,015,092)**	(396,235,113)
Investment in PIBs & T bills	**(45,028,800)**	-
Sale of PIBs & T bill's	**49,878,987**	-
Interest received	**13,793,450**	12,327,017
Dividend received	**9,733,206**	21,690,030
Net cash used in investing activities	**(15,984,832)**	(64,203,511)
Cash flows from financing activity - dividend paid	**(75,000,000)**	(87,500,000)
Net decrease in cash and cash equivalents	**(6,780,257)**	(7,147,998)
Cash and cash equivalents at beginning of the year	**16,404,498**	23,552,496
Cash and cash equivalents at end of the year	**9,624,241**	16,404,498

The annexed notes 1 to 34 form an integral part of these financial statements.

SHL

Chief Financial Officer **Chief Executive Officer** **Chairman**

1. LEGAL STATUS AND OPERATIONS

Atlas Asset Management Limited (the Company) was incorporated in Pakistan as a public limited Company on August 20, 2002 under the repealed Companies Ordinance, 1984 (the Ordinance) and obtained certificate of commencement of business on December 18, 2002. The Company is involved in the business of asset management, fund management, management of mutual funds & pension fund schemes and investment advisory services through portfolio management agreements. The Company has been issued license by the Securities and Exchange Commission of Pakistan (SECP) to carry on business of asset management services as a Non - Banking Finance Company (NBFC) under section 282C of the Ordinance and under the Non - Banking Finance Companies (Establishment & Regulation) Rules, 2003. On January 8, 2007, the SECP issued license to the Company to carry on business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005 (VPS Rules, 2005). On November 14, 2018, the SECP issued license to the Company to carry out Investment Advisory Services, under rule 5 of the Non - Banking Finance Companies (Establishment & Regulation) Rules, 2003. Further, on application of the Company, the SECP issued licenses for real estate investment trust (REIT) and private equity and venture capital fund management services on March 9, 2021. The registered office of the Company is situated at Federation House, Shahrah-e-Firdousi, Clifton, Karachi. The Company has four branches in Karachi and one branch in Lahore, Islamabad and Rawalpindi.

The Company is a wholly owned subsidiary of Shirazi Investments (Private) Limited.

The Company is managing following open end funds and pension funds:

Atlas Income Fund - offered for public subscription from March 22, 2004

Atlas Stock Market Fund - offered for public subscription from November 23, 2004

Atlas Islamic Stock Fund - offered for public subscription from January 15, 2007

Atlas Pension Fund - offered for public subscription from June 28, 2007

Atlas Pension Islamic Fund - offered for public subscription from November 6, 2007

Atlas Islamic Income Fund - offered for public subscription from October 14, 2008

Atlas Money Market Fund - offered for public subscription from January 20, 2010

Atlas Sovereign Fund - offered for public subscription from December 1, 2014

Atlas Islamic Fund of Funds - offered for public subscription from January 07, 2019

Atlas Islamic Dedicated Stock Fund - offered for public subscription from January 10, 2019

Atlas Islamic Money Market Fund - offered for public subscription from January 7, 2021

Atlas Liquid Fund - Offered for public subscription from November 23, 2021

The Company has also launched following Administration Plans, which are a combination of Atlas Income Fund, Atlas Stock Market Fund, Atlas Islamic Income Fund and Atlas Islamic Stock Fund:

Income Multiplier Plan

Balanced Plan

Growth Plan

The Company has launched Atlas Mahana Halal Account in Atlas Islamic Income Fund with the options of Systematic Investment Plan, Systematic Pay-out Plan and Systematic Withdrawal Plan. The Company has also launched the Systematic Pay-out and Systematic Withdrawal Plan for Atlas Income Fund from January 2014.

The Company has also launched following plans under the Atlas Islamic Fund of Funds;

Atlas Aggressive Allocation Islamic Plan

Atlas Moderate Allocation Islamic Plan

Atlas Conservative Allocation Islamic Plan

Atlas Islamic Capital Preservation Plan

Atlas Islamic Dividend Plan

The Pakistan Credit Rating Agency Limited has maintained the Company's asset manager rating at AM2+ on December 24, 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

SECP through a notification no. SRO 56(1) / 2016 dated 28 January 2016, has directed that the requirements of consolidation under section 228 of the Companies Act, 2017 and IFRS 10 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under Trust Structure. Accordingly, the aforesaid requirements have not been considered in the preparation of these financial statements.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at their fair values and provision for gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional currency of the Company and figures are rounded off to the nearest Rupee.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, 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 results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

(i) Estimate of useful life and rates of depreciation / amortisation of property & equipment and intangible assets [notes 4.1 and 4.3]

(ii) Classification and valuation of investments [note 4.4]

(iii) Estimate of payable and receivable in respect of staff retirement benefit - gratuity [note 4.8.2]

(iv) Estimation of current and deferred tax [note 4.9]

3. NEW AND AMENDED STANDARDS AND INTREPRETATIONS

3.1 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) Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 1, 2020 and April 1, 2021. 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 published accounting and reporting standards and interpretations that are mandatory in Pakistan 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.

3.2 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) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, 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) Annual improvements 2018 applicable for annual periods beginning on or after January 1, 2022. These amendments include changes from the 2018-2020 cycle of annual improvements project that mainly affect following standards:

(i) Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards, simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies, then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.

(ii) Amendment to IFRS 9 'Financial Instruments', clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

(iii) Amendment to IFRS 16 'Leases' Illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

(iv) Amendment to IAS 41 'Agriculture', removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

(c) Amendment to IAS 16 'Property, plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments 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 recognise 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.

(d) Amendments to IAS 1 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. 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.

(e) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendments 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.

(f) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' will be applicable on accounting periods beginning on or after January 1, 2023. The International Accounting Standards Board (the Board) has issued 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.

(g) Amendments to IAS 12, 'Income taxes' will be applicable on accounting periods beginning on or after January 1, 2023. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise 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 a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property and equipment

These, except for capital work-in-progress, are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent cost

The cost of replacing part of an item of property and equipment, or enhancement thereof, is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The carrying amount of the part so replaced is derecognised. Normal repairs and maintenance are charged to statement of profit or loss as and when incurred; also individual assets costing upto Rs.10,000, excluding furniture items, are charged to statement of profit or loss.

Depreciation

Depreciation is charged over the useful life of the asset on a systematic basis to statement of profit or loss applying the reducing balance method at the rates specified in note 5.1. Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed-off.

The depreciation method and useful lives of items of property and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Disposal

Gain or loss on disposal or retirement of property and equipment is determined as the difference between the sale proceed and the carrying amount of asset and is included in the statement of profit or loss.

Impairment

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in statement of profit or loss.

4.2 Capital work-in-progress

Capital work-in-progress is stated at cost and represents expenditure incurred on property and equipment in the course of construction less any identified impairment losses. These expenditure are transferred to relevant category of property and equipment as and when the assets are available for use.

4.3 Intangible assets

An intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

Cost associated with maintaining computer software are recognised as an expense as incurred. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expense incidental to bring the asset for its intended use.

Subsequent expenditure

Expenditure which increases the future economic benefits is recognised as a capital improvement and added to the original cost of the software.

Amortisation

Intangible assets are amortised using the straight-line method over a period of three years. Amortisation on additions is charged from the month following in which an asset is put to use and on deletions upto the month immediately preceding the deletion.

Impairment

The Company assesses at each reporting date whether there is any indication that an intangible asset may be impaired. If such an indication exists the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amounts, assets are written down to the recoverable amounts.

4.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of units of mutual funds

The investment of the Company in mutual funds is valued on the basis of closing Net Asset Value (NAV) of the underlying mutual funds at the reporting date.

Net gains and losses arising on changes in the fair value of short term investments carried at fair value through profit or loss are taken to the statement of profit or loss.

Net gains and losses arising from changes in the fair value of long term investments carried at fair value through other comprehensive income are taken to the statement of comprehensive income.

Basis of valuation of government securities

The investment of the Company in government securities are valued on the basis of PKRV rates published by Reuters in accordance with circular no. 33 of 2012 issued by SECP.

Net gains and losses arising on changes in the fair value of government securities carried at fair value through profit or loss are taken to the statement of profit or loss.

4.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.6 Other receivables

Other receivables are initially recognised at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at amortised cost using effective interest rate method. A provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of other receivables. Bad debts are written off when considered irrecoverable.

4.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents consist of cash in hand and bank balances.

4.8 Staff retirement benefits

4.8.1 Defined contribution plan

For permanent employees becoming eligible for retirement benefits, the Company provides for their retirement benefit through the Voluntary Pension Schemes - Atlas Pension Fund (APF) or Atlas Pension Islamic Fund (APIF), managed by the Company as Pension Fund Manager, under the Voluntary Pension System Rules, 2005, as per the fund opted for by the eligible employee.

Equal monthly contributions are made to the APF or APIF, as the case may be, both by the Company and its employees, at the rate of 11% of basic salary. Both, the APF and APIF are managed by the Company under the VPS Rules, 2005, the assets of which are in the custody of the Trustee, i.e. Central Depository Company of Pakistan Limited.

4.8.2 Defined benefit plan - gratuity

The Company operates a funded gratuity scheme for its all permanent employees who complete qualifying period of ten years of service with the Company and are entitled to fifteen days last drawn basic salary for each completed year of such service.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated on the basis of actuarial valuation.

Actuarial gains or loss (re-measurements) are immediately recognised in other comprehensive income as they occur. Current service costs and any past service costs together with net interest costs are charged to statement of profit or loss.

4.8.3 Compensated absences

Employees' entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leaves as a result of services rendered by employees upto the reporting date.

4.9 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognised using the statement of financial position method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and available tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

4.10 Provisions

Provisions are recognised when the Company has a 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 can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the prevailing best estimate.

4.11 Trade and accrued liabilities

Trade and accrued liabilities are stated at their amortised cost which is the present value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

4.12 Foreign currency transactions and translation

The foreign currency transactions are translated into functional currency using the exchange rates prevailing on the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of transaction and monetary items are translated using the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss.

4.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the Company will collect consideration in exchange for the services transferred to the customer and the amount of consideration can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue from different sources is recognised on the following basis:

- remuneration for asset management and pension fund management services is calculated on Net Asset Value basis and is recognised on an accrual basis;
- dividend income is recognised on accrual basis when the Company's right to receive payment is established;
- commission income from funds is recognised at the time of sale of units;
- realised capital gains / (losses) arising on sale of long term investments are included in the other comprehensive income on the date at which the transaction takes place;
- realised capital gains / (losses) arising on sale of short term investments are included in the statement of profit or loss on the date at which the transaction takes place;
- unrealised gains / (losses) arising on re-measurement of long term investments classified as financial assets 'at fair value through other comprehensive income are included in the other comprehensive income in the period in which they arise;
- unrealised gains / (losses) arising on re-measurement of short term investments classified as financial assets 'at fair value through profit or loss' are included in the statement of profit or loss in the period in which they arise; and
- profit on bank deposits and income from government securities is recognised on a time apportionment basis using the effective interest method.

4.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

4.15 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.16 Dividend and appropriation to reserves

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

4.17 Minimum equity requirement

The Non-Banking Finance Companies and Notified Entities Regulations, 2008 requires the Company to maintain the below mentioned equity levels for the license:

Particular of license	**2022**	2021
	Rupees	Rupees
Asset Management Services	**200,000,000**	200,000,000

The Company, with an issued, subscribed and paid-up capital of Rs.250,000,000 (2021: Rs.250,000,000) and net shareholders' equity of Rs.1,083,228,496 (2021: Rs.1,041,361,568), is compliant with this requirement.

5. PROPERTY AND EQUIPMENT

	Note	2022 Rupees	2021 Rupees
Operating fixed assets	5.1	**109,372,011**	77,640,618
Advances for capital expenditure			
- Motor vehicle	5.2	**17,360,467**	488,258
- Computer software		**-**	4,309,404
		17,360,467	4,797,662
		126,732,478	82,438,280

5.1 Operating fixed assets

	Furniture and fittings	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Total
	---- Rupees ----					
At June 30, 2020						
Cost	5,186,917	4,350,276	61,696,335	16,889,642	17,097,479	105,220,649
Less: accumulated depreciation	(2,928,620)	(2,433,158)	(19,151,902)	(6,294,541)	(13,102,531)	(43,910,752)
Net book value	**2,258,297**	**1,917,118**	**42,544,433**	**10,595,101**	**3,994,948**	**61,309,897**
Year ended June 30, 2021						
Opening net book value	2,258,297	1,917,118	42,544,433	10,595,101	3,994,948	61,309,897
Additions	365,490	-	31,849,107	1,456,001	7,175,217	40,845,815
Disposal						
- Cost	(235,165)	-	(12,000,002)	(660,992)	(5,331,744)	(18,227,903)
- Accumulated depreciation	189,933	-	4,431,131	466,080	4,723,258	9,810,402
	(45,232)	-	(7,568,871)	(194,912)	(608,486)	(8,417,501)
Less: depreciation charge for the year	(353,753)	(287,568)	(11,323,133)	(1,359,174)	(2,773,965)	(16,097,593)
Closing net book value	**2,224,802**	**1,629,550**	**55,501,536**	**10,497,016**	**7,787,714**	**77,640,618**
At June 30, 2021						
Cost	5,317,242	4,350,276	81,545,440	17,684,651	18,940,952	127,838,561
Less: accumulated depreciation	(3,092,440)	(2,720,726)	(26,043,904)	(7,187,635)	(11,153,238)	(50,197,943)
Net book value	**2,224,802**	**1,629,550**	**55,501,536**	**10,497,016**	**7,787,714**	**77,640,618**
Year ended June 30, 2022						
Opening net book value	2,224,802	1,629,550	55,501,536	10,497,016	7,787,714	77,640,618
Additions	2,182,248	11,976,610	37,341,388	13,375,969	1,737,644	66,613,859
Disposal						
- cost	(185,425)	-	(26,682,395)	(213,680)	-	(27,081,500)
- accumulated depreciation	110,370	-	12,213,225	132,533	-	12,456,128
	(75,055)	-	(14,469,170)	(81,147)	-	(14,625,372)
Less: depreciation charge for the year	(436,837)	(543,853)	(14,543,061)	(2,020,696)	(2,712,647)	(20,257,094)
Closing net book value	**3,895,158**	**13,062,307**	**63,830,693**	**21,771,142**	**6,812,711**	**109,372,011**
At June 30, 2022						
Cost	7,314,065	16,326,886	92,204,433	30,846,940	20,678,596	167,370,920
Less: accumulated depreciation	(3,418,907)	(3,264,579)	(28,373,740)	(9,075,798)	(13,865,885)	(57,998,909)
Net book value	**3,895,158**	**13,062,307**	**63,830,693**	**21,771,142**	**6,812,711**	**109,372,011**
Depreciation rate (% per annum)	**15**	**15**	**20**	**10 & 33.33**	**10 & 33.33**	

5.1.1 Details of operating assets disposed off during the year :

	Cost	Accumulated depriciation	Net book value	Security deposit	Sale proceeds	Loss	Method of disposal	Sold to
	---------- Rupees ----------							
Items with individual net book value exceeding Rs. 500,000								
Motor vehicles								
	2,628,500	219,043	2,409,457	17,524	2,391,933	-	Company policy	Ayesha Farooq - Key management personnel
	3,081,500	1,135,362	1,946,138	133,130	1,813,008	-	Company policy	Mishaal H. Shirazi - Key management personnel
	1,831,581	267,615	1,563,966	32,685	1,531,281	-	Company policy	Sabina Amin - Ex employee
	2,578,000	1,175,568	1,402,432	146,907	1,255,525	-	Company policy	Khalid Mehmood - Key management personnel
	2,767,000	1,625,769	1,141,231	275,584	865,647	-	Company policy	M. Abdul Samad - Key management personnel
	2,313,000	1,356,713	956,287	-	956,287	-	Company policy	M. Abdul Samad - Key management personnel
	1,124,000	387,156	736,844	43,906	692,938	-	Company policy	Hamza A. Rehman - Employee
	1,656,000	1,022,922	633,078	148,344	484,734	-	Company policy	Najam Shehzad - Key management personnel
	1,656,000	1,068,142	587,858	157,704	430,154	-	Company policy	M. Kamran Ahmed - Key management personnel
	19,635,581	8,258,290	11,377,291	955,784	10,421,507	-		
Various assets having net book value upto Rs. 500,000 each	7,445,919	4,197,838	3,248,081	378,225	4,614,405	1,744,549		
June 30, 2022	27,081,500	12,456,128	14,625,372	1,334,009	15,035,912	1,744,549		
June 30, 2021	18,227,903	9,810,402	8,417,501	562,182	7,747,364	(107,855)		

5.2 Including advances of Rs.13,321,409 paid to Honda Atlas Cars (Pakistan) Limited for purchase of vehicles.

6. INTANGIBLE ASSETS

	2022 Rupees	2021 Rupees
Cost		
At beginning of the year	**23,644,152**	22,908,951
Additions	**6,452,800**	735,201
Written off	**(3,029,156)**	-
At end of the year	**27,067,796**	23,644,152
Accumulated amortization		
At beginning of the year	**(22,724,030)**	(22,140,514)
Accumulated depreciation on written off	**3,029,156**	-
Amortization charge	**(871,855)**	(583,516)
At end of the year	**(20,566,729)**	(22,724,030)
Net book value	**6,501,067**	920,122
Amortization rate - % per annum	**33.33**	33.33

6.1 Intangible assets include items having aggregate cost of Rs.19,879,796 (2021: Rs.21,334,549) that have been fully amortised and are still in use of the Company.

7. LONG-TERM INVESTMENTS

At fair value through other comprehensive income	Note	Cost	2022 Rupees Market Value	2021 Rupees Market Value
Related parties				
Atlas Pension Fund	7.1	49,800,000	205,989,400	207,679,280
Atlas Pension Islamic Fund	7.2	49,800,000	205,293,860	210,119,480
		99,600,000	411,283,260	417,798,760

7.1 Atlas Pension Fund - Open end fund

	No. of units	Cost per unit	Market value per unit	Cost	Market value
			Rupees		
June 30, 2022					
APF - Equity Sub Fund	166,000	100.00	549.85	16,600,000	91,275,100
APF - Debt Sub Fund	166,000	100.00	358.30	16,600,000	59,477,800
APF - MM Sub Fund	166,000	100.00	332.75	16,600,000	55,236,500
	498,000			49,800,000	205,989,400
June 30, 2021					
APF - Equity Sub Fund	166,000	100.00	618.63	16,600,000	102,692,580
APF - Debt Sub Fund	166,000	100.00	329.96	16,600,000	54,773,360
APF - MM Sub Fund	166,000	100.00	302.49	16,600,000	50,213,340
	498,000			49,800,000	207,679,280

7.2 Atlas Pension Islamic Fund - Open end fund

	No. of units	Cost per unit	Market value per unit	Cost	Market value
			Rupees		
June 30, 2022					
APIF - Equity Sub Fund	166,000	100.00	674.59	16,600,000	111,981,940
APIF - Debt Sub Fund	166,000	100.00	273.07	16,600,000	45,329,620
APIF - MM Sub Fund	166,000	100.00	289.05	16,600,000	47,982,300
	498,000			49,800,000	205,293,860
June 30, 2021					
APIF - Equity Sub Fund	166,000	100.00	748.80	16,600,000	124,300,800
APIF - Debt Sub Fund	166,000	100.00	251.66	16,600,000	41,775,560
APIF - MM Sub Fund	166,000	100.00	265.32	16,600,000	44,043,120
	498,000			49,800,000	210,119,480

8.	LONG TERM LOANS Unsecured and considered good	Note	2022 Rupees	2021 Rupees
	Personal loan to:			
	Related parties - Key Management personnel		**1,119,031**	239,823
	Other employees		**1,701,052**	2,087,120
	Written off		-	-
			2,820,083	2,326,943
	Less: amounts due within one year and shown under current assets:	**12.**		
	Related parties - Key Management personnel		**947,271**	239,823
	Other employees		**1,087,251**	1,445,331
			2,034,522	1,685,154
			785,561	641,789

8.1 These represent interest free personal loans provided to employees as per the terms of employement and are repayable in twenty four equal monthly installments.

8.2 The maximum amount of loans to the key management personnel outstanding at the end of any month during the year ended June 30, 2022 was Rs.2,010,958 (2021: Rs.1,421,720).

8.3 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 negligible defaults in recent history.

9. DEFERRED TAXATION

	June 30, 2022			June 30, 2021		
	Opening assets / (liabilities)	(Charged) /reversal	Closing assets / (liabilities)	Opening assets / (liabilities)	(Charged) /reversal	Closing assets / (liabilities)
			---------- Rupees ----------			
Credit balance arising in respect of:						
- Accelerated tax depreciation allowances	**(3,024,501)**	**(1,391,824)**	**(4,416,325)**	(2,651,376)	(373,125)	(3,024,501)
Debit balances arising in respect of:						
- Provision for deferred liability	**443,877**	**1,099,174**	**1,543,051**	524,925	(81,048)	443,877
- Provision for compensated absences	**1,142,029**	**(448,341)**	**693,688**	5,263,806	(4,121,777)	1,142,029
- Provision for bonus	**17,569,210**	**(17,569,210)**	**-**	-	17,569,210	17,569,210
- Tax amortisation	**13,266**	**22,322**	**35,588**	10,625	2,641	13,266
- Re-measurement of short term investments	**(8,756,381)**	**5,296,752**	**(3,459,629)**	(5,473,267)	(3,283,114)	(8,756,381)
	7,387,500	**(12,991,127)**	**(5,603,627)**	(2,325,287)	9,712,787	7,387,500

9.1 The net reversal includes Rs.770,526 (2021: Rs.229,019) being deferred tax impact on re-measurement loss on deferred liability recognised in other comprehensive income.

10. RECEIVABLE FROM FUNDS UNDER MANAGEMENT - Related parties (Open end funds and pension funds managed by the Company)	2022 Rupees	2021 Rupees
Management fee receivable from;		
Atlas Income Fund	**1,822,252**	4,169,612
Atlas Money Market Fund	**2,789,932**	4,914,324
Atlas Islamic Income Fund	**562,196**	775,248
Atlas Stock Market Fund	**18,863,973**	20,250,329
Atlas Islamic Stock Fund	**7,958,097**	5,386,547
Atlas Sovereign Fund	**712,014**	1,248,121
Atlas Pension Fund	**1,212,695**	1,275,242
Atlas Pension Islamic Fund	**1,281,363**	1,228,812
Atlas Islamic Dedicated Stock Fund	**1,068,106**	678,938
Atlas Islamic Fund of Funds	**33,253**	12,644
Atlas Islamic Money Market Fund	**121,654**	24,987
Atlas Liquid Fund	**571,214**	-
	36,996,749	39,964,804
Current portion of receivable in respect;		
Formation cost - Atlas Islamic Money Market Fund	-	833,784
Formation cost - Atlas Liquid Fund	**602,569**	-
	37,599,318	40,798,588

10.1 The maximum aggregate amount of receivable from funds under management at the end of any month during the year was Rs.41,277,662 (2021: Rs.39,964,804).

10.2 These balances are recoverable within one month. As of date of the financial statements, these are neither past due nor impaired.

11. These include balance due from Atlas Group of Companies Management Staff Gratuity Fund, Shirazi Investments Limited Employee Provident Fund and Atlas Insurance Limited, related parties, amounting to Rs.326,202 (2021: Rs.185,203), Rs.9,302 (2021: Rs.51,691) and Rs.1,250,000 (2021: Rs.1,171,525) respectively.

12. LOANS AND ADVANCES - Unsecured and considered good	Note	2022 Rupees	2021 Rupees
Current maturity of long term loans to key management personnel and other employees	8	**2,034,522**	1,685,154
Other advances		**161,500**	3,029,861
		2,196,022	4,715,015

13. PREPAYMENTS AND OTHER RECEIVABLES	Note	2022 Rupees	2021 Rupees
Short term prepayments	13.1	**4,706,220**	2,717,955
Receivable from funds against back office accounting services	13.2	**9,035,035**	6,076,831
Sindh sales tax - input claim recoverable		**2,715,730**	2,238,594
Insurance claims receivable		-	183,400
Other Receiables	13.3	**1,281,278**	683,673
		17,738,263	11,900,453

13.1 These include prepayments pertaining to Shirazi Trading (Private) Limited amounting Rs.Nil (2021: Rs.3,025).

13.2 These balances are recoverable within one month. As of date of the financial statements, these are neither past due nor impaired.

13.3 These include receivables from key management personnel amounting Rs.956,284 (2021: Nil).

14. SHORT TERM INVESTMENTS

At fair value through profit and loss

Name of Mutual Fund	Number of units				Market Value as on June 30, 2022	Market Value as on June 30, 2021
	As at July 01, 2021	Purchase during the year	Redemption during the year	As at June 30, 2022	Rupees	
Investments in own funds						
Quoted - Related parties						
Atlas Income Fund	100,334.6524	119,697.8902	220,032.5426	-	-	52,430,926
Atlas Money Market Fund	277,955.8110	304,416.0035	540,289.6318	**42,082.1827**	**21,357,007**	140,611,452
Atlas Islamic Stock Fund	58,622.6731	44,012.8264	-	**102,635.4995**	**50,743,792**	33,598,630
Atlas Islamic Money Market Fund	151,205.5113	657,043.5587	437,298.7054	**370,950.3646**	**185,475,182**	75,602,756
Atlas Stock Market Fund	91,534.3259	80,548.0819	56,127.1603	**115,955.2475**	**68,831,023**	62,982,893
Atlas Liquid Fund	-	200,213.6675	200,213.6675	-	-	-
Atlas Islamic Income Fund	-	448,022.0888	448,022.0888	-	-	-
Atlas Islamic Funds of Funds						
Atlas Aggressive Allocation Islamic Plan	10,328.9723	4,980.0789	-	**15,309.0512**	**8,474,056**	6,140,364
Atlas Moderate Allocation Islamic Plan	10,491.9358	1,698.1169	-	**12,190.0527**	**6,909,164**	6,120,757
Atlas Conservative Allocation Islamic Plan	42,153.8947	2,843.8484	-	**44,997.7431**	**25,524,011**	23,905,318
Atlas Islamic Dividend Plan	42,642.2641	3,246.3598	-	**45,888.6239**	**22,944,312**	21,321,132
					390,258,547	422,714,228
Investment in Government Securities						
Pakistan Investment Bond (5 Years)					**70,934,100**	73,643,700
Pakistan Investment Bond (3 Years)					-	50,209,650
					70,934,100	123,853,350
Investment in T-bills (12 Months)					**45,494,300**	-
					506,686,947	546,567,578

15. CASH AND BANK BALANCES

	Note	2022 Rupees	2021 Rupees
Cash at banks in PLS deposit accounts	15.1	**9,569,241**	16,349,498
Cash in hand		**55,000**	55,000
		9,624,241	16,404,498

15.1 These carry mark-up at the rates upto 12.25% (2021: 7.75%) per annum.

16. SHARE CAPITAL

	2022 Rupees	2021 Rupees
16.1 Authorised capital		
50,000,000 (2021: 50,000,000) ordinary shares of Rs.10 each	**500,000,000**	500,000,000
16.2 Issued, subscribed and paid-up capital		
25,000,000 (2021: 25,000,000) ordinary shares of Rs.10 each issued as fully paid in cash	**250,000,000**	250,000,000

16.3 Shirazi Investments (Private) Limited - the Holding Company as at the reporting date held 25,000,000 (2021: 25,000,000) ordinary shares, including 6 shares held by the directors as nominees of the Holding Company.

17. LONG TERM ADVANCES

	Note	2022 Rupees	2021 Rupees
Vehicle advances	**17.1**	**3,928,029**	2,945,751
Tablets advances	**17.1**	**113,575**	86,350
		4,041,604	3,032,101

17.1 These represent 10% of cost of vehicle and tablets recoverable from employees in respect of vehicles provided to them by the Company. These are recoverable over a period of 5 years and adjustable against sale proceeds at the time of disposal.

17.2 The amount owed by chief executive officer and other key management persons to Company in respect of these deposits are Nil and Rs.1,847,941 (2021: Rs.191,614 and Rs.1,177,261) respectively.

18. PROVISION FOR GRATUITY

18.1 In 2016, the Company established a gratuity fund - 'Atlas Asset Management Limited - Management Staff Gratuity Fund' through which benefits are paid on cessation of employment subject to a minimum eligibility period for gratuity of 7 years' service with the employer. This is a trustee-administered fund and is governed by local regulations which include Trust Act, 1882, Companies act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Scheme. Responsibility for governance of the Scheme, including investment decisions and contributions schedules lies with the board of trustees. The Company appoints the trustees and none of the trustee is an employee of the Company.

At November 24, 2017, the board of trustees of Atlas Asset Management Staff Gratuity Fund have decided to be merged with The Atlas Group of Companies Management Staff Gratuity Fund for the purpose of investment and administrative convenience. The merger of the above individual funds shall be for the aforementioned purpose. For other matters, the above mentioned funds shall maintain their separate independent identities and shall be governed by their own Trust Deed and Rules.

18.2 The latest actuarial valuation of the Scheme as at June 30, 2022 was carried out by an independent valuer using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

	Note	2022 Rupees	2021 Rupees
18.3 Statement of financial position reconciliation			
Present value of defined benefit obligation	**18.4**	**30,509,072**	24,553,907
Fair value of plan assets	**18.5**	**(25,188,206)**	(23,023,295)
Net liability at end of the year		**5,320,866**	1,530,612

			2022 Rupees	2021 Rupees
18.4	**Movement in the defined benefit obligation**			
	Balance at beginning of the year		**24,553,907**	19,798,713
	Current service cost	**18.7**	**2,514,462**	2,160,146
	Interest cost	**18.7**	**2,584,030**	1,885,393
	Benefit paid during the year		**(85,839)**	-
	Re-measurement loss on obligation	**18.8**	**942,512**	709,655
	Balance at end of the year		**30,509,072**	24,553,907
18.5	**Movement in the fair value of plan assets**			
	Balance at beginning of the year		**23,023,295**	17,988,626
	Actual contribution by employer		**1,530,612**	1,810,087
	Benefit paid during the year		**(85,839)**	-
	Interest income on plan assets	**18.7**	**2,434,613**	1,725,205
	Re-measurement (loss) / gain on plan assets	**18.8**	**(1,714,475)**	1,499,377
	Balance at end of the year		**25,188,206**	23,023,295
18.6	**Plan assets comprise of the following:**			
	Mutual funds		**17,986,800**	12,169,943
	Pakistan investment bonds		**3,340,081**	5,010,402
	Treasury bills		**3,475,701**	5,508,593
	Term finance certificates		**238,539**	226,707
	Cash and cash equivalents		**147,085**	107,650
			25,188,206	23,023,295
18.7	**Expense recognised in statement of profit or loss**			
	Service cost		**2,514,462**	2,160,146
	Interest cost		**2,584,030**	1,885,393
	Interest income on plan assets		**(2,434,613)**	(1,725,205)
			2,663,879	2,320,334
18.8	**Re-measurement loss/ (gain) recognised in other comprehensive income**			
	Loss on obligation		**942,512**	709,655
	Loss / (gain) on plan asset		**1,714,475**	(1,499,377)
			2,656,987	(789,722)
18.9	**Actual return on plan assets**		**791,525**	3,094,273
18.10	**Movement in the net liability**			
	Balance at beginning of the year		**1,530,612**	1,810,087
	Expense for the year		**2,663,879**	2,320,334
	Contributions by employer during the year		**(1,530,612)**	(1,810,087)
	Re-measurement recognised in other comprehensive income		**2,656,987**	(789,722)
	Balance at end of the year		**5,320,866**	1,530,612

18.11 Significant actuarial assumptions

Discount rate	**13.50%**	10.25%
Expected rate of salary increase for:		
- first year	**11.00%**	10.00%
- in long term	**12.50%**	9.25%
Demographic assumptions		
- Mortality rates (for death in service)	**SLIC (2001-05)-1**	SLIC (2001-05)-1
- Rates of employee turnover	**Moderate**	Moderate

18.12 The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Impact on net defined benefit obligation		
	Change in assumptions	**Increase in assumptions**	**Decrease in assumptions**
2022		**------------ Rupees ------------**	
Discount rate	**1%**	**27,597,185**	**33,885,763**
Increase in future salaries	**1%**	**33,736,157**	**27,671,974**
Withdrawal rates - light		**29,885,508**	
Withdrawal rates - heavy		**30,918,385**	

	Impact on net defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
2021		------------ Rupees ------------	
Discount rate	1%	22,017,509	27,458,950
Increase in future salaries	1%	27,334,136	22,130,661
Withdrawal rates - light		23,998,898	
Withdrawal rates - heavy		24,896,317	

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised within the statement of financial position.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

18.13 The weighted average duration of gratuity scheme is 10.25 years (2021: 10.91 years).

18.14 Expected charge of gratuity for the year ending June 30, 2023 is Rs.3,604,640.

18.15 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	--------------------	--------------------	Rupees	--------------------	--------------------
As at June 30, 2022	**1,411,889**	**1,709,386**	**7,788,926**	**720,922,961**	**731,833,162**
As at June 30, 2021	1,169,368	1,306,832	6,130,065	353,638,561	362,244,826

19. TRADE AND ACCRUED LIABILITIES

	Note	2022 Rupees	2021 Rupees
Trade payables		**2,324,685**	2,428,902
Accrued liabilities		**4,232,251**	2,142,787
Provision for compensated absences	**19.1**	**24,481,115**	22,089,086
Sales incentive and provision for bonus		**758,810**	60,583,484
		31,796,861	87,244,259

19.1 Provision for compensated absences

	Note	2022	2021
Balance at beginning of the year		**22,089,086**	18,151,056
Charge for the year	**19.1.1**	**3,055,051**	4,536,224
		25,144,137	22,687,280
Less: encashed during the year		**(663,022)**	(598,194)
Balance at end of the year		**24,481,115**	22,089,086

19.1.1 Includes liability in respect of key management personnel aggregating to Rs.14,652,491 (2021: Rs.11,969,840).

20. OTHER LIABILITIES

	Note	2022 Rupees	2021 Rupees
Sindh Workers' Welfare Fund	**20.1**	**3,937,677**	4,751,356
Withholding tax liabilities		**279,952**	1,165,651
Others		**2,234,252**	337,975
		6,451,881	6,254,982

20.1 Sindh Workers' Welfare Fund

	Note	2022	2021
Balance at beginning of the year		**4,751,356**	3,196,726
Charge for the year	**23**	**3,937,677**	4,751,356
Adjustment for prior year		**(280,714)**	3,063
		3,656,963	4,754,419
Payment made during the year		**(4,470,642)**	(3,199,789)
Balance at end of the year		**3,937,677**	4,751,356

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 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.

21.1.2 With effect from July 1, 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.7,660,000 as alleged Punjab Sales Tax on services for the period July 1, 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 8, 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.7,660,000, as the management is confident that the ultimate outcome will be in the Company's favour.

21.2 Commitments

Commitments outstanding for capital expenditure as at June 30, 2022 aggregated to Rs.Nil (2021: 5,201,904).

22. MANAGEMENT FEE **- Related parties**	**Note**	**2022** **Rupees**	2021 Rupees
Atlas Income Fund	**22.1**	**29,543,059**	48,212,304
Atlas Money Market Fund	**22.1**	**30,174,043**	58,693,420
Atlas Islamic Income Fund	**22.1**	**8,531,272**	9,668,322
Atlas Stock Market Fund	**22.1**	**280,771,615**	244,689,381
Atlas Islamic Stock Fund	**22.1**	**104,333,903**	64,655,431
Atlas Sovereign Fund	**22.1**	**11,819,031**	15,977,477
Atlas Pension Fund	**22.1**	**17,206,659**	16,563,067
Atlas Pension Islamic Fund	**22.1**	**17,448,561**	16,058,396
Atlas Islamic Dedicated Stock Fund	**22.1**	**13,025,836**	10,197,776
Atlas Islamic Fund of Funds	**22.1**	**340,210**	122,011
Atlas Islamic Money Market Fund	**22.1**	**1,079,851**	151,339
Atlas Liquid Fund	**22.1**	**2,653,531**	-
		516,927,571	484,988,924
Less: sales tax on services		**59,469,544**	55,795,184
Net revenue		**457,458,027**	429,193,740

22.1 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	November 30, 2021	0.50%	July 1, 2020	June 30, 2021	1.00%
		December 1, 2021	April 30, 2022	0.65%			
		May 1, 2022	June 30, 2022	0.75%			
Atlas Money Market Fund	1.00%	July 1, 2021	November 30, 2021	0.10%	July 1, 2020	December 2, 2020	0.35%
		December 1, 2021	April 30, 2022	0.16%	December 3, 2020	June 30, 2021	0.25%
		May 1, 2022	June 30, 2022	0.20%			
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	3.50%	July 1, 2020	September 30, 2021	2.40%	July 1, 2020	June 30, 2021	2.40%
		October 1, 2021	June 30, 2022	2.50%			
Atlas Islamic Stock Fund	3.50%	July 1, 2021	September 30, 2021	2.40%	July 1, 2020	June 30, 2021	2.40%
		October 1, 2021	June 30, 2022	2.50%			
Atlas Sovereign Fund	1.50%	July 1, 2021	November 30, 2021	0.40%	July 1, 2020	June 30, 2021	0.67%
		December 1, 2021	April 30, 2022	0.60%			
		May 1, 2022	June 30, 2022	0.70%			
Atlas Liquid Fund	1.00%	November 24, 2021	April 30, 2022	0.16%			
		May 1, 2022	June 30, 2022	0.20%			
Atlas Islamic Dedicated Stock Fund	3.50%	July 1, 2021	September 30, 2021	2.40%	July 1, 2020	June 30, 2021	2.40%
		October 1, 2021	December 31, 2021	2.50%			
		January 1, 2022	June 30, 2022	2.75%			
Atlas Islamic Money Market Fund	1.00%	July 1, 2021	December 31, 2021	0.05%	January 7, 2021	June 30, 2021	0.05%
		January 1, 2022	June 30, 2022	0.10%			
Atlas Pension Fund and Atlas Pension Islamic Fund							
- Equity Sub Fund	3.50%	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%

23. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2022 Rupees	2021 Rupees
Salaries and allowances	23.1	**187,439,492**	188,639,474
Advertising		**6,980,000**	8,263,023
Rent, rates and taxes		**24,052,859**	17,222,166
Depreciation	5.1	**20,257,094**	16,097,593
Repair and maintenance		**18,648,524**	18,899,025
Fee and subscription		**4,734,414**	3,257,235
Insurance	23.2	**12,706,928**	8,700,485
Travelling and conveyance		**5,612,556**	2,294,371
Utilities		**6,325,580**	3,729,044
Vehicle running expenses		**13,182,982**	7,777,460
Legal and professional charges		**3,231,966**	2,505,567
Communication		**4,680,221**	4,182,034
Back office accounting services charges	23.3	**37,569,827**	32,995,438
Staff training and development		**742,340**	812,150
Sindh Workers' Welfare Fund	20.1	**3,656,963**	4,751,356
Entertainment		**1,498,758**	1,660,555
Printing and stationery		**1,077,201**	1,039,375
Directors' meeting fee		**1,000,000**	1,000,000
Amortisation	6.	**871,855**	583,516
Auditors' remuneration	23.4	**1,149,562**	994,178
Books and periodicals		**211,758**	185,765
Postage and courier		**1,572,916**	677,816
License fee		**666,666**	722,230
Donation	23.5	**2,463,809**	1,562,797
SECP monitoring fee - Pension Funds		**99,995**	100,000
Bank charges		**126,303**	60,002
Brokerage commission		**-**	350,000
Other expenses		**3,202,797**	1,472,370
		363,763,366	330,535,025
Less: Expenses reimbursed from funds		**(84,024,632)**	(60,963,046)
		279,738,734	269,571,979

23.1 Salaries and allowances include charge of Rs.3,055,051 (2021: Rs.4,536,224) and Rs.2,663,879 (2021: Rs.2,320,334) in respect of compensated absences and provision for gratuity respectively.

23.2 This includes sufficient insurance coverage that the Company has obtained from Atlas Insurance Limited (an Associated Company having rating AA+) against any losses that may be incurred as a result of its employee's act of forgery or embezzlement, larceny or fraudulent conversion.

23.3 The Company, 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 Company 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.

23.4 Auditors' remuneration	**2022 Rupees**	2021 Rupees
Audit fee	**242,000**	207,179
Certification fee	**230,000**	122,800
Sindh sales tax	**40,709**	27,349
Out-of-pocket expenses	**36,853**	36,850
Other services	**600,000**	600,000
	1,149,562	994,178

23.5 Donation of Rs.2,463,809 (2021: Rs.1,562,797) is paid to Atlas Foundation (the Foundation). Four directors of the Foundation are the same as of the Company.

24. OTHER INCOME

	2022 Rupees	2021 Rupees
Income from financial assets		
Income from PLS deposit accounts	**2,498,613**	1,827,017
Income from Pakistan Investment Bonds	**10,031,025**	10,441,959
PIB discount amortization	**4,342,469**	4,572,350
Amortisation of discount - T bills	**699,916**	-
Income from other than financial assets		
Gain / (loss) on disposal of property and equipment	**1,744,549**	(107,955)
Other income	**4,039,739**	725,229
	23,356,311	17,458,600

25. DIVIDEND INCOME

Dividend income from Funds managed by the Company:		
- Atlas Money Market Fund	**425,170**	7,380,679
- Atlas Income Fund	**-**	3,336,127
- Atlas Islamic Dividend Plan	**1,909,610**	1,132,006
- Atlas Moderate Allocation Islamic Plan	**-**	195,150
- Atlas Conservative Allocation Islamic Plan	**693,432**	1,007,478
- Atlas Aggressive Allocation Islamic Plan	**-**	181,790
- Atlas Stock Market Fund	**-**	3,392,770
- Atlas Islamic Stock Fund	**-**	2,590,241
- Atlas Islamic Money Market Fund	**5,326,505**	2,473,789
- Atlas Liquid Fund	**1,378,489**	-
	9,733,206	21,690,030

26. TAXATION

	2022 Rupees	2021 Rupees
Current tax		
Current tax on profit for the year	**62,925,760**	74,708,936
Adjustments in respect of prior years	**(12,708,966)**	(1,566,954)
	50,216,794	73,141,982
Deferred tax	**13,761,653**	(9,941,806)
	63,978,447	63,200,176

26.1 The returns of the Company is filed under group taxation in term of section 59AA of the Income Tax Ordinance, 2001. Further separate returns of the Company also filed in compliance with the provision of Rule 231D for record purposes only. Relationship between tax expense and accounting profit for the year is as follows:

	2022 Rupees	2022 Rupees
Profit before taxation	**189,247,336**	**232,816,427**
Tax at the applicable rate of 29%	**54,881,727**	**67,516,764**
Tax effect of:		
- amount not deductible for tax purposes	**9,258,045**	**26,257,545**
- amount deductible for tax purposes but not taken to the statement of profit or loss	**(7,422,987)**	**(6,511,386)**
- income not subject to tax / income subject to final tax regime	**6,208,975**	**(12,553,987)**
Prior years' tax charge	**(12,708,966)**	**(1,566,954)**
Deferred taxation	**13,761,653**	**(9,941,806)**
	63,978,447	**63,200,176**

Tax year 2007 was selected for tax audit and finalized thereafter by the Officer Inland Revenue (OIR), wherein the OIR allocated statement of profit or loss expenses against dividend income / exempt capital gains, and also disallowed statement of profit or loss expenses against profit on bank deposits earned by the Company. The Company filed an appeal before the Commissioner of Inland Revenue (Appeals) [CIR(A)] contesting issue. The CIR(A) decided the appeal vide appellate order no. 68 under section 129 of the Income Tax Ordinance, 2001 dated May 25, 2011. The CIR(A) had allocated certain expenses and prorated against dividend income earned by the Company instead of the entire allowable statement of profit or loss expenses as done by OIR. However, regarding profit on bank deposits the CIR(A) has confirmed the action of the OIR. The ATIR vide an order dated March 3, 2012 has remanded back the impugned order to the extent of the issue of allocation of expenses against dividend income for fresh consideration to Taxation Officer and no fresh assessment order has been yet issued.

26.2 For the tax year 2011, the ACIR issued show cause notice under section 122(9) to amend the assessment of the company under section 122(5A) of the Ordinance on the issue of chargeability of Workers' Welfare Fund (WWF). The company duly submitted a reply to the above notice and pursuant to the reply, the ACIR has charged WWF amounting to Rs.265,550 for the tax year 2011 and has adjusted the WWF liability against the refund available to the company for the tax year 2012. The company filed an appeal before the CIR(A) against the above order, which is pending adjudication.

27. EARNINGS PER SHARE

27.1 Basic earnings per share

	2022 Rupees	2021 Rupees
Profit for the year	**125,268,889**	169,616,251
	-- Number of shares --	
Weighted average ordinary shares in issue	**25,000,000**	25,000,000
	-------- Rupees --------	
Basic and diluted earnings per share	**5.01**	6.78

28. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Independent Directors		Other Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021

Managerial remuneration	13,800,000	11,425,788	-	-	58,439,844	46,545,252	72,239,844	57,971,040
Meeting fee (28.2)	-	-	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Bonus	3,450,000	5,712,894	-	-	14,946,744	24,187,285	18,396,744	29,900,179
Reimbursable expenses	936,870	610,673	-	-	7,101,848	4,230,718	8,038,718	4,841,391
Retirement benefits	892,942	739,316	-	-	3,734,796	3,011,750	4,627,738	3,751,066
	19,079,812	18,488,671	1,000,000	1,000,000	84,223,232	77,975,005	104,303,044	97,463,676
Number of persons	1	1	2	2	16	13	19	16

28.1 The Chief Executive Officer is also provided with the free use of a Company maintained car and a Company policy car, as per rules of service.

28.2 This represents meeting fee paid to Independent Directors i.e. Rs.600,000 to Mr. Tariq Amin and Rs.400,000 to M/s. Zehra Naqvi for attending Board of Directors meetings and its committees during the year.

29. TRANSACTIONS AND OUTSTANDING BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

29.1 The related parties comprise directors, spouses of directors, children, close relatives, key management personnel (members of management committee of the Company), funds under management, subsidiaries and associated companies of the holding Company. The Company in the normal course of business carries out transactions with various related parties. The details of transactions and balances with connected persons / related parties are as follows:

	2022 Rupees	2021 Rupees
Shirazi Investments (Private) Limited - the Holding Company		
Rent paid	**482,628**	438,761
Payment against IT service agreement	**2,825,556**	2,100,240
Payment against IT related services	**4,523,943**	4,761,877
Received against transfer of HP Server	**-**	650,000
Dividend paid	**75,000,000**	87,500,000
Tax refund 2019-2020	**4,033,684**	-
Tax refund 2020-2021	**8,675,281**	-
Shirazi Investments (Private) Limited Employees' Provident Fund - Associated Company		
Investment advisory fee (employees provident fund)	**257,581**	553,077
Investment advisory fee received	**299,892**	712,646
Investment advisory fee receivable	**9,380**	51,691
Atlas Foundation - Associated Company		
Rent paid	**263,070**	478,296
Donation	**2,463,809**	1,562,797
Sale of operating fixed assets	**27,500**	-
Atlas Honda Limited - Associated Company		
Vehicles purchased	**2,663,918**	945,528
Advance for vehicle	**-**	488,258
Honda Atlas Cars (Pakistan) Limited - Associated Company		
Vehicles purchased	**24,466,000**	15,336,500
Advance for vehicle	**13,321,409**	-
Interest on late delivery of vehicles	**14,168**	16,200
Atlas Insurance Limited - Associated Company		
Insurance premium paid	**12,685,785**	8,419,658
Insurance claims - received	**643,048**	-
Insurance claims - receivable	**-**	183,400
Advisory fee	**4,959,239**	4,338,463
Advisory fee received	**4,894,351**	3,166,938
Advisory fee receivable	**1,236,413**	1,171,525
Shirazi Trading Company (Private) Limited - Associated Company		
Purchase of goods and services	**2,761,416**	128,674
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Advisory fee	**1,606,732**	2,164,214
Advisory fee received	**1,462,121**	2,488,318
Advisory fee receivable	**329,814**	185,203
Khawar S. Shirazi (Close member of a person's family - Individual)		
Advisory fee	**1,339,722**	341,958
Advisory fee received	**1,364,212**	-
Advisory fee receivable	**317,468**	341,958

	2022 Rupees	2021 Rupees
Atlas Income Fund **- open end fund managed by the Company**		
Investments of Nil units (2021: 100,335 units)	**-**	52,430,926
Management fee receivable	**1,822,252**	4,169,612
Management fee - including SST	**26,144,300**	42,665,756
Management fee received	**28,491,660**	41,619,173
Purchase of 119,698 units (2021: Nil)	**65,702,337**	-
Redemption of 220,033 units (2021: Nil)	**119,676,020**	-
Cash dividend	**-**	3,336,127
Reimbursement from the Fund	**8,019,101**	7,253,176
Atlas Money Market Fund **- open end fund managed by the Company**		
Investments in 42,082 units (2021: 227,956 unit)	**21,357,007**	140,611,452
Management fee receivable	**2,789,932**	4,914,324
Management fee - including SST	**26,702,693**	51,941,080
Management fee received	**28,827,085**	50,057,193
Purchase of 304,416 units (2021: 529,914 units)	**154,152,325**	263,195,858
Redemption of 540,290 units (2021: 419,220 units)	**274,870,564**	212,500,000
Cash dividend	**425,170**	7,380,679
Reimbursement from the Fund	**-**	15,456,627
Atlas Islamic Income Fund **- open end fund managed by the Company**		
Management fee receivable	**562,196**	775,248
Management fee - including SST	**7,549,798**	8,556,037
Management fee received	**7,762,850**	8,483,268
Reimbursement from the Fund	**2,588,511**	3,635,769
Purchase of 448,022 units (2021: Nil)	**231,177,923**	-
Redemption of 448,022 units (2021: Nil)	**240,874,733**	-
Atlas Stock Market Fund **- open end fund managed by the Company**		
Investments in 115,955 units (2021: 91,534 units)	**68,831,023**	62,982,893
Management fee receivable	**18,863,973**	20,250,329
Management fee - including SST	**248,470,456**	216,539,275
Management fee received	**249,856,812**	209,897,199
Sales load	**-**	10,170
Purchase of 80,548 units (2021: 36,033 units)	**51,531,696**	19,984,586
Redemption of 56,127 units (2021: 151,059 units)	**35,000,000**	98,000,000
Cash Dividend	**-**	3,392,770
Reimbursement from the Fund	**48,070,601**	22,415,408

	2022 Rupees	2021 Rupees
Atlas Islamic Money Market Fund - open end fund managed by the Company		
Investments in 370,950 units (2021: 151,206 units)	**185,475,182**	75,602,756
Management fee receivable	**121,654**	24,987
Management fee - including SST	**955,620**	133,928
Management fee received	**858,953**	108,941
Formation cost receivable	**-**	833,784
Purchase of 657,921 units (2021: 204,206 units)	**328,960,706**	102,102,752
Redemption of 438,177 units (2021: 53,000 units)	**219,088,279**	26,500,000
Cash Dividend	**5,326,505**	2,473,789
Reimbursement from the Fund	**298,387**	149,958
Atlas Islamic Stock Fund - open end fund managed by the Company		
Investments in 102,635 units (2021: 58,623 units)	**50,743,792**	33,598,630
Management fee receivable	**7,958,097**	5,386,547
Management fee - including SST	**92,330,888**	57,217,196
Management fee received	**89,759,338**	55,456,546
Purchase of 44,013 units (2021: 21,777 units)	**24,998,765**	9,989,724
Cash dividend	**-**	2,590,241
Reimbursement from the Fund	**18,022,483**	5,945,855
Atlas Sovereign Fund - open end fund managed by the Company		
Management fee receivable	**712,014**	1,248,121
Management fee - including SST	**10,459,319**	14,139,360
Management fee received	**10,995,426**	14,927,853
Reimbursement from the Fund	**3,644,784**	3,661,979

	2022 Rupees	2021 Rupees
Atlas Liquid Fund - open end fund managed by the Company		
Management fee - including SST	**2,348,258**	-
Management fee received	**1,777,044**	
Management fee receivable	**571,214**	-
Purchase of 200,214 units (2021: Nil)	**100,106,835**	-
Cash Dividend	**1,378,489**	-
Redemption of 200,214 units (2021: Nil)	**100,106,835**	-
Formation cost receivable	**602,569**	-
Atlas Pension Fund - pension fund managed by the Company		
Investments in 498,000 units (2021: 498,000 units)	**205,989,400**	207,679,280
Management fee receivable	**1,212,695**	1,275,242
Management fee	**15,227,132**	14,657,581
Management fee received	**15,289,679**	14,455,140
Atlas Pension Islamic Fund - pension fund managed by the Company		
Investments in 498,000 units (2021: 498,000 units)	**205,293,860**	210,119,480
Management fee receivable	**1,281,363**	1,228,812
Management fee	**15,441,204**	14,210,970
Management fee received	**15,388,653**	13,992,269
Atlas Islamic Dedicated Stock Fund - open end fund managed by the Company		
Management fee receivable	**1,068,106**	678,938
Formation cost received	**-**	-
Management fee - including SST	**11,527,288**	9,024,581
Management fee received	**11,138,120**	9,068,663
Reimbursement from the Fund	**2,135,096**	911,767
Atlas Islamic Fund of Funds - open end 4 plans managed by the Company		
Management fee receivable	**33,253**	12,644
Management fee - including SST	**301,071**	107,974
Management fee received	**280,462**	103,974

Atlas Aggressive Allocation Islamic Plan	2022 Rupees	2021 Rupees
Investments in 15,309 units (2021: 10,329 units)	**8,474,056**	6,140,364
Cash dividend	**-**	181,790
Purchase of 4,980 units (2021: Nil)	**3,000,000**	-
Reimbursement from the Fund	**222,863**	198,640
Atlas Moderate Allocation Islamic Plan		
Investments in 12,190 units (2021: 10,492 units)	**6,909,164**	6,120,757
Cash dividend	**-**	195,150
Purchase of 1,698 units (2021: 374 Nil)	**1,000,000**	-
Reimbursement from the Fund	**231,042**	220,544
Atlas Conservative Allocation Islamic Plan		
Investments in 44,998 units (2021: 42,153 units)	**25,524,011**	23,905,318
Cash dividend	**693,432**	1,007,478
Purchase of 2,844 units (2021: Nil)	**1,589,417**	-
Reimbursement from the Fund	**244,277**	235,079
Atlas Islamic Capital Preservation Plan		
Reimbursement from the Fund	**820,783**	833,169
Atlas Islamic Dividend Plan		
Investments in 45,889 units (2021: 42,642 units)	**22,944,312**	21,321,132
Purchase of 3,246 units (2021: 1,924 units)	**1,623,180**	962,175
Cash dividend	**1,909,610**	1,132,006
Reimbursement from the Fund	**47,876**	46,059
Mutual Funds Association of Pakistan - Common Directorship		
Annual subscription	**3,285,326**	1,336,719
Other Services	**-**	853,601
Key management personnel		
Salaries and other short term employment benefits to key management personnel	**99,675,306**	93,712,610
Sale of operating fixed asset under Company policy	**8,197,288**	3,020,412

30. FINANCIAL RISK MANAGEMENT

30.1 Financial risk factors

The Company has set up objectives and policies to manage risks that arise in connection with financial instruments. The risk management framework and policies of the Company are guided by specific objectives to ensure that comprehensive and adequate risk management policies are established to mitigate salient risk elements in operations of the Company. The establishment of overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent and robust framework of risk management policies.

In achieving the objective of maximizing returns to shareholders, the Board of Directors takes cognizance of the risk elements that the Company is confronted within its operations. In view of the multi-faceted risks inherent in the financial sector, the Company places great emphasis on importance of risk management and has put in place clear and comprehensive risk management mechanisms and strategies to identify, monitor, manage and control the relevant risk factors.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;

- liquidity risk; and

- market risk (including foreign exchange risk, interest rate risk and price risk).

(a) Credit risk

Credit risk represents the financial loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted / fail to discharge an obligation / commitment that they have entered into with the Company. Credit risk arises principally from long term and short term investments (excluding investment in government securities), loans and receivables (long term and short term), deposits, receivable from funds under management, other receivables, and bank balances. Management believes that the Company is not exposed to any significant credit risk from investments in or receivables from funds which are managed by the Company itself. The risk of default is considered minimal due to inherent systematic measures taken therein.

The carrying amounts of financial assets that represent Company's maximum credit exposure as at the reporting date are as follows:

	2022 **Rupees**	2021 Rupees
Long term investments	**411,283,260**	417,798,760
Long term loans	**2,820,083**	2,326,943
Long term deposits	**2,664,762**	2,658,362
Receivable from funds under management	**37,599,318**	40,798,588
Investment advisory fee receivable	**2,223,206**	2,074,433
Other receivables	**9,035,035**	6,076,831
Interest accrued	**2,817,680**	4,081,492
Short term investments	**390,258,547**	422,714,228
Cash and bank balances	**9,569,241**	16,349,498
	868,271,132	914,879,135

Bank balances by rating category

Bank	Rating Short term	Long term	Agency	2022 Rupees	2021 Rupees
Bank Alfalah Limited	A-1+	AA+	PACRA	**8,531,825**	15,336,662
Albaraka Islamic Bank Limited	A-1	A+	JIS-VIS	**147,967**	171,972
Sindh Bank Limited	A-1	A+	JIS-VIS	**500,992**	650,698
Standard Chartered Bank Limited	A-1+	AAA	PACRA	**388,458**	873,839

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The Company is not materially exposed to liquidity risk as all material obligations / commitments of the Company are short term in nature.

Financial liabilities in accordance with their contractual maturities are presented below:

	Carrying amount	Contractual cash flows	Maturity upto one year
	---- Rupees ----		
June 30, 2022			
Trade and accrued liabilities	**31,796,861**	**31,796,861**	**31,796,861**
Other liabilities	**2,234,252**	**2,234,252**	**2,234,252**
	34,031,113	**34,031,113**	**34,031,113**
June 30, 2021			
Trade and accrued liabilities	87,244,259	87,244,259	87,244,259
Other liabilities	337,975	337,975	337,975
	87,582,234	87,582,234	87,582,234

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to any significant foreign exchange risk as its operations are geographically restricted to Pakistan and all material transactions are carried-out in Pak Rupees.

Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

As the Company has no significant interest bearing assets and liabilities except for balances held in PLS deposit accounts and investment in government securities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

	Mark-up / profit bearing having maturity upto one year	Non mark-up / profit bearing	Total
June 30, 2022	----------------	Rupees	----------------
Financial assets			
At fair value through other comprehensive income			
Long term investments	-	411,283,260	411,283,260
At fair value through profit or loss			
Short term investments	70,934,100	435,752,847	506,686,947
At amortised cost			
Long term loans	-	2,820,083	2,820,083
Long term deposits	-	2,664,762	2,664,762
Receivable from funds under management	-	37,599,318	37,599,318
Investment advisory fee receivable	-	2,223,206	2,223,206
Other receivables	-	9,035,035	9,035,035
Interest accrued	-	2,817,680	2,817,680
Cash and bank balances	9,569,241	55,000	9,624,241
Sub-total	80,503,341	904,251,191	984,754,532
Financial liabilities - At amortised cost			
Trade and accrued liabilities	-	31,796,861	31,796,861
Other liabilities	-	2,234,252	2,234,252
Sub-total	-	34,031,113	34,031,113
Onstatement of financial position surplus	80,503,341	870,220,078	950,723,419

June 30, 2021	Mark-up / profit bearing having maturity upto one year	Non mark-up / profit bearing	Total
	------------------	Rupees	------------------
Financial assets			
At fair value through other comprehensive income			
Long term investments	-	417,798,760	417,798,760
At fair value through profit or loss			
Short term investments	123,853,350	422,714,228	546,567,578
At amortised cost			
Long term loans	-	2,326,943	2,326,943
Long term deposits	-	2,658,362	2,658,362
Receivable from funds under management	-	40,798,588	40,798,588
Investment advisory fees receivable	-	2,074,433	2,074,433
Other receivables	-	6,076,831	6,076,831
Interest accrued	-	4,081,492	4,081,492
Cash and bank balances	16,349,498	55,000	16,404,498
Sub-total	140,202,848	898,584,637	1,038,787,485
Financial liabilities - At amortised cost			
Trade and accrued liabilities	-	87,244,259	87,244,259
Other liabilities	-	337,975	337,975
Sub-total	-	87,582,234	87,582,234
Onstatement of financial position surplus	140,202,848	811,002,403	951,205,251

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Company's investments in mutual funds and pension funds units aggregating Rs.801,541,807 (2021: Rs.840,512,986) are exposed to price risk due to changes in Net Asset Value (NAV) of such funds.

A change of 1% in NAV of mutual funds and pension funds at the reporting date would have increased / (decreased) profit before taxation and other comprehensive income by the amounts shown below.

	2022 Rupees	2021 Rupees
Effect on profit before taxation	**3,902,585**	4,227,142
Effect on other comprehensive income	**4,112,833**	4,177,988
Effect on investments	**8,015,418**	8,405,130

30.2 Fair value measurement 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. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The following table presents the Company's financial assets that are measured at fair value at June 30, 2022 and June 30, 2021.

	Level 1	Level 2	Level 3	Total
	Rupees			
June 30, 2022				
Financial asset at fair value				
Investment at fair value through Other comprehensive income	-	**411,283,260**	-	**411,283,260**
Investment at fair value through Profit or loss	-	**506,686,947**	-	**506,686,947**
	-	**917,970,207**	-	**917,970,207**
June 30, 2021				
Financial asset at fair value				
Investment at fair value through Other comprehensive income	-	417,798,760	-	417,798,760
Investment at fair value through Profit or loss	-	546,567,578	-	546,567,578
	-	964,366,338	-	964,366,338

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels at the end of the reporting periods.

Refer note 4.4 for valuation techniques used to determine fair values of the financial assets.

The Company has not disclosed the fair values of other financial assets and financial liabilities as these are either short term in nature or re-priced periodically. Therefore, there carrying amounts are reasonable approximation of fair value.

30.3 Financial instruments by category	2022 Rupees	2021 Rupees
Financial assets as per statement of financial position		
At fair value through other comprehensive income		
Long term investments	**411,283,260**	417,798,760
At fair value through profit or loss		
Short term investments	**506,686,947**	546,567,578
At amortised cost		
Long term loans	**2,820,083**	2,326,943
Long term deposits	**2,664,762**	2,658,362
Receivable from funds under management	**37,599,318**	40,798,588
Investment advisory fee receivable	**2,223,206**	2,074,433
Other receivables	**9,035,035**	6,076,831
Interest accrued	**2,817,680**	4,081,492
Cash and bank balances	**9,624,241**	16,404,498
	66,784,325	74,421,147
	984,754,532	1,038,787,485
Financial liabilities as per statement of financial position		
At amortised cost		
Trade and accrued liabilities	**31,796,861**	87,244,259
Other liabilities	**2,234,252**	337,975
	34,031,113	87,582,234

30.4 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of minimum equity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 which has been already complied with.

31. NUMBER OF EMPLOYEES	2022	2021
Total number of employees as at June 30,	**97**	94
Average number of employees during the year	**95**	90

32. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

33. EVENT AFTER REPORTING PERIOD

The Board of Directors, in their meeting held on September 8, 2022, recommended a final cash dividend of Rs.1.5 per share amounting to Rs.37,500,000 for approval of the members at the Annual General Meeting of the Company.

34. DATE OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on September 8, 2022 by the Board of Directors of the Company.

Chief Financial Officer **Chief Executive Officer** **Chairman**