Directors' Report

The Directors of your Company take pleasure in presenting their report together with the Company's annual audited financial statements for the year ended June 30, 2019.

Financial Results

The financial results of the Company for the year ended June 30, 2019 are summarized as follows:

	Year ended (June 30) 2019	2018
	Rupees in '000	
Profit before taxation	428,469	4,908,221
Taxation:		
Current Year	577,240	899,744
Prior year	(148,270)	36,983
Deferred	(583)	(2,795)
	428,387	933,932
Profit after taxation	82	3,974,289
Other comprehensive income / (losses)	(33,183)	(13,531)
Impact of initial application of IFRS 9	518,824	-
Unappropriated Profit brought forward	2,897,427	2,781,254
Available for Appropriations	2,383,150	6,742,012
Final Dividend 0% (2018: 0%)	-	-
Interim Dividend 45% (2018: 52%)	(990,506)	(1,144,585)
Transfer to General Reserves	(2,800,000)	(2,700,000)
Unappropriated Profit/(loss) carried forward	(407,356)	2,897,427

Earnings per Share

The earnings per share after tax is Rs. 0.00 (2018: Rs. 18.06).

Chairman's Review

The Chairman's Review included in the Annual Report deals inter alia with the performance of the Company for the year ended June 30, 2019 and future prospects. The Directors endorse the contents of the Chairman's Review.

Board of Directors

The Board is comprised of three Executive and two Non-Executive Directors. During the year, three Board meetings were held. The attendance of directors is as under:

Name	Designation	Attended	Leave Granted
Mr. Yusuf H. Shirazi	Chairman	3	-
Mr. Iftikhar H. Shirazi	Director	3	-
Mr. Aamir H. Shirazi	Director	3	-
Mr. Saquib H. Shirazi	Director	3	-
Mr. Ali H. Shirazi	Director	3	-

Group Advisory Board
The Group Advisory Board provides intrinsic benefits of advising and guiding the Group Executive Committee on policy issues and in making strategic decisions related to sustained growth and profitability.

Group Executive Committee
The Group Executive Committee is responsible for setting overall corporate objectives and strategies, identifying opportunities, monitoring group business strategies and plans, and developing group members as leaders of their respective fields.

Group Human Resource Committee
The Group Human Resource Committee has the responsibility to create and maintain conducive work environment that instills trust and ensures respect, fair treatment, development opportunities and grooming and make succession plan for all employees. The Committee also determines the remuneration package for the management staff.

Group IT Resource Center
The Group IT Resource Center is responsible to provide an insight towards the various technological aspects of information systems. The objective of the Center is to introduce leading edge technology and IT initiative to automate information delivery and accessibility of data for enhancement of time and cost efficiency.

Management Committee
The Management Committee acts at the operating level in an advisory capacity to the CEO, providing recommendations relating to the business and other corporate affairs. The Committee has responsibility for reviewing and forwarding long-term plans, capital and expense budget development and stewardship of business plans. The committee is also responsible for maintaining healthy environment within and outside the Company through its environments friendly products.

Investment Committee
It provides necessary guidelines and approval for commitment and de-commitment of investments in equities, fixed income securities, government bonds and securities, carry over transactions, underwriting of new issues and real estate.

Auditors
The present Auditors M/s. EY Ford Rhodes, Chartered Accountants retire and being eligible, offer themselves for reappointment.

Code of Corporate Governance

- The financial statements, prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of account.
- Appropriate accounting polices have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There is no doubt about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- A summary of key operating and financial data of the Company is annexed.
- The Company operates a contributory provident fund for its management and non-management employees and funded defined benefit gratuity schemes for its management employees. The value of investments based on their respective audited accounts as at June 30, 2019 are as follows:

Provident Fund	Rs. 163.33 million
Gratuity Fund	Rs. 142.88 million

On behalf of the Board of Directors

Noorullah
Chief Executive Officer

Iftikhar H. Shirazi
Director

Karachi: October 5, 2019

Building a better working world

SHIRAZI INVESTMENTS (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
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INDEPENDENT AUDITOR'S REPORT

To the members of Shirazi Investments (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Shirazi Investments (Private) Limited** (the Company), which comprise the statement of financial position as at **30 June 2019**, and the statement of profit and 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 30 June 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 fund 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 auditor's report is Shaikh Ahmed Salman.

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 25 October 2019

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019	2018
		----------- Rupees in '000 -----------	
ASSETS			
Non current assets			
Fixed assets			
Property and equipment	7	167,836	160,753
Intangible assets	8	925	1,082
Investment properties	9	2,637,563	2,262,629
Long term investments	10	29,959,245	36,759,612
Deferred taxation - net	19	48,003	-
Loans to staff	11	656	890
Long term deposits		2,312	1,457
		32,816,540	39,186,423
Current assets			
Loans and advances	12	16,768	12,779
Prepayments and other receivables	13	286,604	121,872
Short term investments	14	7,219,028	7,885,832
Taxation - net		52,921	-
Bank balances	15	10,453	84,259
		7,585,774	8,104,742
TOTAL ASSETS		40,402,314	47,291,165
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital [240,000,000 Ordinary shares of Rs.10 each]		2,400,000	2,400,000
Issued, subscribed and paid-up capital	16	2,201,124	2,201,124
Share premium		26,839,742	26,839,742
Amalgamation reserve		1,222,562	1,222,562
Reserves		13,523,766	14,028,549
Unrealised (loss) / gain on revaluation of investments - at fair value through other comprehensive income		(5,774,704)	2,394,446
		38,012,490	46,686,423
Non current liabilities			
Long term deposits	17	4,117	3,233
Deferred liabilities	18	52,352	69,685
Deferred taxation - net	19	-	18,211
		56,469	91,129
Current liabilities			
Trade and other payables	20	61,851	137,876
Short term borrowings	21	2,159,592	-
Payable to staff gratuity fund	22	41,815	17,446
Due to associated companies		16,466	-
Taxation - net		-	349,036
Accrued mark-up		53,631	9,255
		2,333,355	513,613
TOTAL EQUITY AND LIABILITIES		40,402,314	47,291,165
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Director**

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		---------- Rupees in '000 ----------	
INCOME			
Dividend income	24	4,074,008	5,260,240
Income on loans, advances and bank balances	25	2,687	4,034
		4,076,695	5,264,274
Capital loss on sale of investments - net	26	(15,195)	(14,431)
Unrealised loss on remeasurement of investments at fair value through profit or loss	14.6	(642,027)	-
Capital gain on sale of investment property	9.2	115,339	-
Rental income	27	284,698	364,547
Reversal of provision against compensated absences		20,492	-
		3,840,002	5,614,390
EXPENSES			
Administrative expenses	28	(767,107)	(689,415)
Provision for impairment	10.1.7	(2,452,226)	-
Operating profit		620,669	4,924,975
Finance costs	29	(192,200)	(16,754)
Profit before tax		428,469	4,908,221
Taxation	30	(428,387)	(933,932)
Profit after tax		82	3,974,289
Earnings per share - basic and diluted	31	0.00	18.06

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer	Director	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	---------- Rupees in '000 ----------	
Net profit for the year	82	3,974,289
Other items of comprehensive income to be reclassified to statement of profit or loss in subsequent periods		
Net unrealised loss on revaluation of available-for-sale investments - net	-	(23,954,766)
Less: Deferred tax	-	46,509
Net unrealised gain on revaluation of available-for-sale investments - net of tax	-	(23,908,257)
Other items of comprehensive income not to be reclassified to statement of profit or loss in subsequent periods		
Net unrealised loss on revaluation of investments at fair value through other comprehensive income - net	**(7,715,957)**	-
Less: Deferred tax	**65,631**	-
Net unrealised loss on revaluation of investments at fair value through other comprehensive income - net	**(7,650,326)**	-
Remeasurement losses on defined benefit plans	**(33,183)**	(13,531)
Total comprehensive loss for the year	**(7,683,427)**	(19,947,499)

The annexed notes from 1 to 40 form an integral part of these financial statements.

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----------- Rupees in '000 -----------	
Operating activities			
Cash flows from operations	32	(511,361)	(235,667)
Finance costs paid		(147,824)	(10,003)
Dividend received		3,983,353	5,260,240
Gratuity paid		(17,446)	(224)
Payment for compensated leaves		-	(1,022)
Taxes paid		(830,927)	(691,809)
Payment under long service award scheme		(762)	-
Long term deposits		(855)	(108)
Long term loans		234	(430)
		2,985,773	4,556,644
Net cash generated from operating activities		2,474,412	4,320,977
Investing activities			
Capital expenditures			
- Property and equipment		(47,998)	(96,758)
- Investment properties		(688,671)	(543,999)
- Intangible assets		(235)	(352)
Proceeds from sale of fixed assets		6,054	8,973
Proceeds from sale of investments		57,711	61,772
Proceeds from sale of properties		371,041	-
Investments made in mutual funds		(1,751,458)	(1,752,094)
Redemption of mutual funds		1,528,100	-
Long term investments - net		(2,956,690)	(47)
Investments made in listed equity shares		(236,042)	(793,403)
Net cash used in investing activities		(3,718,188)	(3,115,908)
Financing activities			
Dividend paid		(990,506)	(1,144,585)
Long term deposits		884	1,240
Short term borrowings		2,159,592	-
Net cash generated from / (used) in financing activities		1,169,970	(1,143,345)
Net (decrease) / increase in cash and cash equivalents		(73,806)	61,724
Cash and cash equivalents at beginning of the year		84,259	22,535
Cash and cash equivalents at end of the year	15	10,453	84,259

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer	Director	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

		Reserves					
		Capital		Revenue			
	Share capital	Share premium	Amalgamation reserve	General	Unappropriated loss / profit	Unrealised (loss) / gain on revaluation of investments at fair value through OCI	Total
				Rupees in '000			
Balance as at June 30, 2017	2,201,124	26,839,742	1,222,562	8,431,122	2,781,254	26,302,703	67,778,507
Transfer to general reserves	-	-	-	2,700,000	(2,700,000)	-	-
Profit for the year	-	-	-	-	3,974,289	-	3,974,289
Other comprehensive income	-	-	-	-	(13,531)	(23,908,257)	(23,921,788)
Total comprehensive income for the year	-	-	-	-	3,960,758	(23,908,257)	(19,947,499)
Dividend paid	-	-	-	-	(1,144,585)	-	(1,144,585)
Balance as at June 30, 2018, as previously reported	2,201,124	26,839,742	1,222,562	11,131,122	2,897,427	2,394,446	46,686,423
Impact of initial application of IFRS 9 (note 4.2)	-	-	-	-	518,824	(518,824)	-
Adjusted balance as at June 30, 2018	2,201,124	26,839,742	1,222,562	11,131,122	3,416,251	1,875,622	46,686,423
Transfer to general reserves	-	-	-	2,800,000	(2,800,000)	-	-
Profit for the year	-	-	-	-	82	-	82
Other comprehensive loss	-	-	-	-	(33,183)	(7,650,326)	(7,683,509)
Total comprehensive loss for the year	-	-	-	-	(33,101)	(7,650,326)	(7,683,427)
Dividend paid	-	-	-	-	(990,506)	-	(990,506)
Balance as at June 30, 2019	2,201,124	26,839,742	1,222,562	13,931,122	(407,356)	(5,774,704)	38,012,490

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer	Director	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. THE COMPANY AND ITS OPERATIONS

1.1 Shirazi Investments (Private) Limited (the Company) was incorporated in Pakistan on August 27, 1962 as a private limited company. The Company is engaged in trading and investment in equity and debt securities, underwriting, real estate and warehousing. Its registered office is located at 2nd Floor, Federation House, Sharah-e-Firdousi, Clifton, Karachi.

1.2 Geographical location and addresses of business units are as under:

Location	**Address**
Corporate office, Karachi	2nd Floor, Federation House, Sharah-e-Firdousi, Clifton, Karachi
Regional offices:	
Lahore office	1. Mcleod Road, Lahore-54000, Pakistan.
Islamabad office	Plot No. 41, Sector F-6/G6, Ataturk Avenue, East End Plaza, Blue Area, Islamabad

1.3 These financial statements are separate financial statements of the Company in which investments in subsidiaries and associates / joint venture are accounted for at cost and fair values respectively (note 5.6.1) and are not consolidated or accounted for by applying the equity method of accounting.

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

In 2017, the High Court of Sindh through its order dated November 23, 2016 has sanctioned the scheme. Pursuant to this sanction, the entire business of SCPL and SPL including their Assets, Liabilities, and the Rights and Obligations have been amalgamated into and vest in the Company with effect from the effective date as mentioned in the scheme i.e., July 01, 2016 which the Company has considered effective date of merger. In consideration, 91,819,873 fully paid ordinary shares of Rs.10 each have been issued to the registered shareholders of SCPL whereas 9,572,566 fully paid ordinary shares of Rs.10 each have been issued to the registered shareholders of SPL.

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

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

		% of shareholding	
	Note	**2019**	**2018**
Subsidiaries			
Atlas Engineering (Private) Limited		**100**	100
Atlas Power Limited		**84.6**	84.6
Atlas Asset Management Limited		**100**	100
Shirazi Trading Company (Private) Limited		**100**	100
Atlas Autos (Private) Limited		**100**	100
Atlas Metals (Private) Limited	10.1.6	**100**	100
Atlas Energy Limited	10.1.1	**100**	84.6
Atlas Services Limited	10.1.5	**83.11**	83.11
Atlas Venture Limited - Incorporated in Jebel Ali Free Zone		**100**	100
Atlas Battery Limited		**60.17**	58.86
Atlas Insurance Limited		**75.33**	75.33
Atlas Honda Limited		**54.57**	52.43
Atlas Die Casting (Private) Limited		**100**	100
Atlas Global FZE - Incorporated in Emirates of Dubai		**100**	100
Atlas Aluminum (Private) Limited		**100**	100
Atlas World Wide General Trading LLC - Incorporated in Emirates of Dubai		**49**	49
Atlas Hitec (Private) Limited		**60.72**	60.1
Oyster International Holdings Limited		**100**	100

	% of shareholding	
	2019	2018
Associates		
Honda Atlas Cars (Pakistan) Limited	**31**	30
Honda Atlas Power Products (Private) Limited	**20**	20
Atlas Income Fund	**71**	66
Atlas Stock Market Fund	**47**	50
Atlas Sovereign Fund	**65**	51
Atlas Islamic Income Fund	**-**	7
Atlas Money Market Fund	**35**	21
Atlas Islamic Stock Fund	**6**	23
Atlas Aggressive Allocation Islamic Plan	**99**	-
Atlas Moderate Allocation Islamic Plan	**94**	-
Atlas Conservative Allocation Islamic Plan	**98**	-
Atlas Islamic Capital Preservation Plan	**90**	-

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except for investments and derivatives which are accounted for as stated in notes 4.7, 4.8 and 4.9 below, respectively.

3.2 These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except for the changes in accounting policies as explained below:

4.1.1 New / revised standards, interpretations and amendments

The Company has adopted the following International Financial Reporting Standard which became effective for the current period:

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IFRS 9 Financial Instruments

IFRS 15 – Revenue from Contracts with Customers

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Improvements to Accounting Standards Issued by the IASB in December 2016

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any material effect on the financial statements except for IFRS 9. The impact of adoption of IFRS 9 is

4.2 IFRS 9 "Financial Instruments"

The Company adopted IFRS 9 Financial Instruments on its effective date of 1 July 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting.

(a) Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on July 01, 2018. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at July 01, 2018:

Financial assets

July 01, 2018	IAS 39 Classification	IAS 39 Measurement (Rupees in '000)	IFRS 9 Classification	IFRS 9 Measurement (Rupees in '000)
Investment in listed associated company	Available for sale	13,642,626	Fair value through other comprehensive income	13,642,626
Investment in unlisted shares - related party	Available for sale	-	Fair value through other comprehensive income	-
Investment in listed shares	Available for sale	1,426,082	Fair value through other comprehensive income	1,426,082
Investment in mutual funds - Associates	Available for sale	5,427,018	Fair value through profit or	5,427,018
Investment in mutual funds - others	Available for sale	1,032,732	Fair value through profit or	1,032,732

* The Company has elected to classify its Investment in mutual funds at fair value through profit or loss. The fair value of such investment is Rs.6,459.750 (cost of Rs.5,940.926) million is based on net assets value disclosed at the Mutual Funds Association of Pakistan. Accordingly, the unrealised gain on revaluation of investments at fair value through other comprehensive income as at July 01, 2018 has been adjusted by Rs.518.824 million.

Financial liabilities

Financial liabilities continue to be carried at amortised cost.

(b) Impairment

IFRS 9 requires the Company to record expected credit losses (ECLs) on all of its debt securities and trade and other receivables, either on a 12-month or lifetime basis. The management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets and concluded that ECL on such instuments is not significantly different from existing provision held.

4.2.1 In addition to above IFRSs, certain other IFRSs, amendments to IFRSs and IFRIC interpretations have become applicable during the period. However, such IFRSs, amendments to IFRSs and IFRIC interpretations are not considered relevant for the business of the entity.

4.3 Property and equipment

4.3.1 Operating fixed assets - owned

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to statement of profit or loss applying the reducing balance method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 8.1 to the financial statements. Depreciation on additions during the year is charged from the month of addition when the asset is available for use, whereas, depreciation on disposals is charged upto the month immediately preceding the deletion.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to the statement of profit or loss in the year the asset is derecognised.

4.3.2 Capital work-in-progress

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

4.4 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on reducing balance method whereby the cost of an asset is written-off over its estimated useful life at the rate specified in note 9 to the financial statements.

4.5 Investment properties

Properties held for long-term rental yield or for capital appreciation or both are classified as investment properties. Investment properties comprise of land, buildings and warehouses.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Investment properties are depreciated on a reducing balance method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 10 to the financial statements.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major repairs and renewals are capitalised.

Any gains and losses on disposal of an investment property are recognised in the statement of profit or loss in the year of disposal.

4.6 Impairment of assets

The carrying amounts of operating fixed assets and investment properties are reviewed at each statement of financial position date to assess whether they are recorded in excess of their recoverable amounts, and where carrying value exceeds estimated recoverable amount, assets are written down to their estimated recoverable amount.

4.7 Financial instruments

In the current period, the Company has adopted IFRS 9 Financial Instruments. See note 4.2 for an explanation of the impact. Comparative figures for the year ended June 30, 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

4.7.1 Policy effective from July 01, 2018

Initial recognition and measurement

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

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

Classification

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

Financial assets

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

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

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

a) Debt instruments at FVOCI

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

b) Equity instruments at FVOCI

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

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

Financial assets measured at amortised cost

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

Financial assets measured at fair value through profit or loss

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

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

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

or

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

Financial liabilities

Financial liabilities measured at amortised cost

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

De-recognition

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

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

or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

Financial assets at fair value through profit or loss are not subject to impairment under IFRS 9.

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

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

4.7.2 Policy effective before July 01, 2018

Investments

The investments of the Company, upon initial recognition, are classified as investment as fair value through statement of profit or loss, held-to-maturity investment or available-for-sale investment, as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through statement of profit or loss, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Company commits to purchase / sell the investment.

Investments at fair value through profit and loss

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

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

Held to maturity

Investment securities with fixed maturities and fixed or determinable payments are classified as held-to-maturity investments when management has both the intention and ability to hold to maturity. After initial measurement, such investments are carried at amortised cost less provision for impairment, if any.

Available-for-sale

Investments which are not classified as above are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in statement of comprehensive income is taken to the statement of profit or loss. Unquoted investments, where fair value cannot be reliably measured are carried at cost.

Fair value of investments is determined as follows:

Listed shares

These are valued on the basis of closing market prices quoted on Pakistan Stock Exchange.

Mutual fund units

These are valued by reference to the net asset values declared by the respective asset management

Financial instruments

All financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to statement of profit or loss of the current period.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

4.8 Investment in subsidiaries, associates and joint venture

Investment in subsidiaries are stated at cost less impairment, if any.

Investments in associates and joint ventures are carried at fair value.

Unquoted investments, where fair value cannot be reliably measured are carried at cost.

4.9 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of financial position. The resultant gains and losses are included in the profit and loss statement.

4.10 Employee retirement benefits and other obligations

4.10.1 Gratuity scheme

The Company operates an approved funded gratuity scheme in respect for all permanent employees who have completed the minimum qualifying period of service for entitlement of gratuity. The scheme defines the amounts of benefit that an employee will receive on or after retirement subject to a minimum qualifying period of service under the scheme. The amounts of retirement benefits are usually dependent on one or more factors such as age, years of service and salary. The liability recognised in respect of gratuity scheme is the present values of the defined benefit obligations under the scheme at the statement of financial position date less the fair value of respective plan assets.

The gratuity is calculated annually by independent actuaries using the Projected Unit Credit Method. The most recent valuation in this regard was carried out as at June 30, 2019. The present values of the obligations are determined by discounting the estimated future cash outflows using interest rates of high quality government securities that have terms to maturity approximating to the terms of the related obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in equity in the statement of comprehensive income in the period in which they arise. All past service costs are recognised at the earlier of when the amendments or curtailment occurs and when the Company has recognised related retirement or termination benefits.

4.10.2 Defined contribution plan

The Company operates an approved defined contributory provident fund scheme for all permanent employees and defined contribution pension fund who have completed the minimum qualifying period of service. Equal contributions are made by the Company and the employees to both the fund at the rate of 11 percent of basic

4.10.3 Employee compensated absences

The Company accounts for accumulated compensated absences of employees in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out as of June 30, 2019.

4.10.4 Long service award

The company makes provision for long service award to which employees are entitled after the completion of each five year of their service, with a minimum of 15 years of service.

4.11 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available.

Deferred

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

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

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

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

4.12 Provisions for liabilities

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and are adjusted to reflect

4.13 Revenue recognition

Capital gains or losses on sale of investments are recognised in the period in which they are raised.

Dividend income from investments is recognised when the Company's rights to receive dividend have been established.

Interest / return on loans, advances and bank balances are recognised on accrual basis.

Rental and commission income is recognised on accrual basis.

Gains or losses on sale of investment properties and fixed assets are recognised in the period in which they are disposed off.

4.14 Foreign currency transactions

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the statement of financial position date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.15 Dividend and appropriation to reserves

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

4.16 Earnings per share

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

4.17 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

		Note
(a)	Classification and valuation of investments	4.7.1 & 10
(b)	Determining the residual values and useful lives of property, plant and equipment and intangible assets	4.3.1, 4.4, 7 & 8
(c)	Determining the residual values and useful lives of investment properties	4.5 & 9
(d)	Accounting for staff retirement benefits	4.10, 18, 22.2 & 28.1
(e)	Recognition of taxation and deferred tax	4.11, 19 & 30

6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretations and

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Definition of a Business (Amendments)	January 01, 2020
IFRS 3 Business Combinations: Previously held interest in joint operation	January 01, 2019

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	January 01, 2019
IFRS 9 Financial instruments – Prepayment Features with Negative Compensation (Amendments)	January 01, 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 Joint Arrangements: Previously held interest in joint operation	January 01, 2019
IFRS 16 - Leases	January 01, 2019
IAS 1/ IAS 8 Definition of Material (Amendments)	January 01, 2020
IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application. However, the Company is currently evaluating the requirements of IFRS-16 and potential impact on the financial statements of the Company.

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

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

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

	Note	2019	2018
		------- Rupees in '000 -------	
7. PROPERTY AND EQUIPMENT			
Property and equipment	7.1	167,836	157,976
Capital work-in-progress	7.2	-	2,777
		167,836	160,753

7.1 Operating fixed assets

	2019									
	Cost				Accumulated depreciation				Carrying value	
	As at July 01, 2018	Additions / transfers during the year	Disposals during the year	As at June 30, 2019	As at July 01, 2018	Charge for the year	Disposals during the year	As at June 30, 2019	As at June 30, 2019	Depreciation Rate
	------------ Rupees in '000 ------------									%
Owned										
Office premises	2,000	-	-	2,000	1,463	54	-	1,517	483	10
Furniture and fixtures	15,800	-	-	15,800	1,363	1,443	-	2,806	12,994	10
Motor vehicles	98,816	23,391	12,955	109,252	36,725	14,384	6,953	44,156	65,096	20
Office equipment	46,468	5,142	45	51,565	6,413	4,523	4	10,932	40,633	10
Air conditioners	11,323	3,563	44	14,842	1,084	1,198	25	2,257	12,585	10
Generators	11,550	-	-	11,550	4,370	718	-	5,088	6,462	10
Computers	39,766	15,902	2	55,666	19,816	9,407	2	29,223	26,443	30
Cargo lift	9,725	-	-	9,725	6,236	349	-	6,585	3,140	10
	235,448	47,998	13,046	270,400	77,472	32,076	6,984	102,584	167,836	

	2018									
	Cost				Accumulated depreciation				Carrying value	
	As at July 01, 2017	Additions during the year	Disposals during the year	As at June 30, 2018	As at July 01, 2017	Charge for the year	Disposals during the year	As at June 30, 2018	As at June 30, 2018	Depreciation Rate
	------------ Rupees in '000 ------------									%
Owned										
Office premises	2,000	-	-	2,000	1,404	59	-	1,463	537	10
Furniture and fixtures	4,953	11,484	637	15,800	1,253	490	380	1,363	14,437	10
Motor vehicles	78,293	33,027	12,504	98,816	25,877	14,565	3,717	36,725	62,091	20
Office equipment	20,686	27,735	1,953	46,468	5,555	1,962	1,104	6,413	40,055	10
Air conditioners	5,229	6,700	606	11,323	867	570	353	1,084	10,239	10
Generators	7,621	3,929	-	11,550	3,973	397	-	4,370	7,180	10
Computers	35,915	13,883	10,032	39,766	22,115	6,384	8,681	19,818	19,948	30
Cargo lift	9,725	-	-	9,725	5,849	387	-	6,236	3,489	10
	164,422	96,758	25,732	235,448	66,893	24,814	14,235	77,472	157,976	

7.1.1 The following items of operating property and equipment with net book value exceeding Rs.500,000 were disposed of during the year:

	Cost	Accumulated depreciation	Carrying value	Sale proceeds	loss	Mode of disposal	Particulars of purchaser
	------------ Rupees in '000 ------------						
Motor Vehicles							
Honda City Prosmatic	1,656	505	1,151	1,151	-	Company Policy	Adnan Hameed
Honda City Prosmatic	1,647	902	745	745	-	Company Policy	Atlas Foundation- related party
Honda City Prosmatic	1,641	981	660	660	-	Company Policy	Mohammed Javed Iqbal
Honda City Prosmatic	1,647	1,039	608	608	-	Company Policy	Shabbir Hussain
Honda City Prosmatic	1,647	1,096	551	551	-	Company Policy	Kamran Naqvi
2019	8,238	4,523	3,715	3,715	-		
2018	21,648	12,723	8,925	6,925	(2,000)		

7.2 Capital work-in-progress	2019	2018
	------- Rupees in '000 -------	
Opening balance	2,777	1,295
Additions during the year	-	13,333
Transferred during the year to operating fixed assets	(2,777)	(11,851)
Closing balance	-	2,777

	2019	2018
	------ Rupees in '000 ------	
8. INTANGIBLE ASSETS	925	1,082

	2019							
	Cost			Accumulated amortisation			Carrying value	
	As at July 01, 2018	Additions during the year	As at June 30, 2019	As at July 01, 2018	Charge for the year	As at June 30, 2019	As at June 30, 2019	Amortisation rate
	------ Rupees in '000 ------							%
Computer software	2,137	235	2,372	1,055	392	1,447	925	30

	2018							
	Cost			Accumulated amortisation			Carrying value	
	As at July 01, 2017	Additions during the year	As at June 30, 2018	As at July 01, 2017	Charge for the year	As at June 30, 2018	As at June 30, 2018	Amortisation rate
	------ Rupees in '000 ------							%
Computer software	1,785	352	2,137	654	401	1,055	1,082	30

	2019	2018
	------ Rupees in '000 ------	
9. INVESTMENT PROPERTIES	2,637,563	2,262,829

	2019							
	Cost			Accumulated depreciation			Carrying value	
	As at July 01, 2018	Additions / (Disposals) for the year	As at June 30, 2019	As at July 01, 2018	Charge for the year	As at June 30, 2019	As at June 30, 2019	Depreciation rate
	------ Rupees in '000 ------							%
Freehold land (see note 9.2)	1,431,831	(255,703)	1,176,128	-	-	-	1,176,128	-
Leasehold land	474,538	638,140	1,112,678	78,452	5,963	84,415	1,028,263	5
Warehouse building - on freehold land	68,235	-	68,235	28,225	2,000	30,225	38,010	5
Warehouse building - on leasehold land	244,047	54,228	298,275	32,464	31,404	63,868	234,407	5
Building - freehold land	5,369	-	5,369	473	245	718	4,651	5
Building - leasehold land	257,826	-	257,826	79,603	22,119	101,722	156,104	5
	2,481,846	436,665	2,918,511	219,217	61,731	280,948	2,637,563	

	2018							
	Cost			Accumulated depreciation			Carrying value	
	As at July 01, 2017	Additions for the year	As at June 30, 2018	As at July 01, 2016	Charge for the year	As at June 30, 2018	As at June 30, 2018	Depreciation rate
	------ Rupees in '000 ------							%
Freehold land	1,431,831	-	1,431,831	-		-	1,431,831	-
Leasehold land	189,867	284,671	474,538	60,921	17,531	78,452	396,086	5
Warehouse building - on freehold land	68,235	-	68,235	26,120	2,105	28,225	40,010	5
Warehouse building - on leasehold land	92,403	151,644	244,047	28,644	3,820	32,464	211,583	5
Building - freehold land	5,369	-	5,369	215	258	473	4,898	5
Building - leasehold	150,142	107,684	257,826	73,128	6,477	79,603	178,223	5
	1,937,847	543,999	2,481,846	189,026	30,191	219,217	2,262,629	

9.1 The Company carried out the fair valuation exercise by M/s. Surval Engineering- an independent professional valuer during the year ended 30 June 2019, which has determined the aggregate fair value of the above properties as Rs.11,986 million (2018: Rs.11,461 million).

9.2 During the year, the Company sold a freehold land to Atlas Honda Limited, a subsidiary company, resulting in capital gain of Rs.115.339 million.

	Note	2019	2018
		——— Rupees in '000 ———	
10. LONG TERM INVESTMENTS			
In related parties			
Investment in subsidiaries	10.1	23,554,915	23,108,162
Investment in associates	10.2	6,404,330	13,651,450
Investment in joint venture	10.3	-	-
Investment in other related party - at fair value through other comprehensive income	10.4	-	-
Investment in other related party - available-for-sale	10.5	-	-
		29,959,245	36,759,612

10.1 Investment in subsidiaries - at cost

	Note	2019	2018
Unlisted shares			
Atlas Engineering (Private) Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2018: 100%) Break-up value: Rs.64.86 (2018: Rs.65.38) per share		387,677	387,677
Atlas Energy Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2018: Nil) Break-up value: Rs.20.23 per share	10.1.1	287	-
Atlas Power Limited Fully paid ordinary shares of Rs.10 each Holding: 84.60% (2018: 84.60%) Break-up value: Rs.30.15 (2018: Rs.23.93) per share	10.1.2	5,067,729	5,067,729
Atlas Asset Management Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2018: 100%) Break-up value: Rs.29.05 (2018: Rs.28.64) per share	10.1.3	225,933	225,933
Shirazi Trading Company (Private) Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2018: 100%) Break-up value: Rs.13.58 (2018: Rs.17.86) per share	10.1.4	574,798	274,798
Atlas Venture Limited - Incorporated in Jebel Ali Fully paid ordinary shares of AED.1,000 each Holding: 100% (2018: 100%) Break-up value: Rs.1,734,487 (2018: Rs.1,107,739) per share		10,044	10,044
Atlas Autos (Private) Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2018: 100%) Break-up value: Rs.44.88 (2018: Rs.93.01) per share	10.1.4	1,000,000	400,000
Atlas Services Limited Fully paid ordinary shares of Rs.10 each Holding: 83.11% (2018: 83.11%) Break-up value: Rs.Nil (2018: Rs.10.33) per share	10.1.5	13,867	13,867
Atlas Metals (Private) Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2018: Nil) Break-up value: Rs.20.28 per share	10.1.6	1,998,692	-
Less: Impairment	10.1.7	(867,702)	-
		1,130,990	-
		8,411,325	6,380,048

	Note	2019	2018
		------- Rupees in '000 ------	
Listed shares			
Atlas Honda Limited			
Fully paid ordinary shares of Rs.10 each			
Holding: 52.43% (2018: 52.43%)			
Market value: Rs.321.67 (2018: Rs.510) per share		11,936,667	11,936,667
Atlas Battery Limited			
Fully paid ordinary shares of Rs.10 each			
Holding: 58.86% (2018: 58.86%)			
Market value: Rs.96.05 (2018: Rs.410) per share		2,961,729	2,961,729
Less: Impairment	10.1.7	(1,584,524)	-
		1,377,205	2,961,729
Atlas Insurance Limited			
Fully paid ordinary shares of Rs.10 each			
Holding: 75.33% (2018: 75.33%)			
Market value: Rs.45.60 (2018: Rs.65) per share		1,829,718	1,829,718
		15,143,590	16,728,114
		23,554,915	23,108,162

10.1.1 During the year, the Company acquired 100,003 shares of Atlas Energy Limited (ATEL) (100% paid up shares) from Atlas Power Limited (subsidiary) at a price determined on the basis of net asset value of ATEL as at December 31, 2018. The acquisition was approved via resolution of the Board of directors passed by circulation on February 26, 2019.

10.1.2 This includes 242 (2018: 242) million shares that have been deposited with a commercial bank against borrowing by Atlas Power

10.1.3 Represents sponsor shares held under blocked account as per the requirements of the Securities and Exchange Commission of Pakistan (SECP) and cannot be sold without regulatory approval.

10.1.4 During the year, the Company has invested Rs.300 million and Rs.600 million in Shirazi Trading Company (Private) Limited and Atlas Autos (Private) Limited respectively by subscription of right shares of Rs.10 each. This investment was approved by the Board of Directors of the Company.

10.1.5 During the year, shareholders of the Atlas Services Limited (ASL), by a special resolution in Extraordinary General Meeting dated April 02, 2019, resolved to wind up the affairs of ASL through members' voluntary winding up mode pursuant to section 237 of the Act and appointed a liquidator. The liquidator, in pursuance of section 371 read with section 321 of the Act submitted his preliminary report to the Registrar and made final payment to shareholders (see note 20.2). However, ASL has not been dissolved till 30 June 2019 and accordingly has been continued to be classified as subsidiary company at the year end.

10.1.6 During the year, the Company acquired 55 million shares (100% paid-up shares) of Atlas Metals (Private) Limited (AML) from Atlas Autos (Private) Limited (a wholly owned subsidiary) on the basis of net asset value of AML as at October 31, 2018. The acquisition was approved via resolution of the Board of directors passed by circulation on December 11, 2018.

10.1.7 The net asset value and market value of Atlas Metals (Private) Limited and Atlas Battery Limited (ABL) respectively have declined resulting in charge of impairment amounting to Rs.867.702 million and 1,584.524 million respectively.

10.2 Investment in associates

	Note	2019	2018
		-------- Rupees in '000 -------	
Listed shares - at fair value through other comprehensive income	10.2.1	6,395,506	-
Listed shares - at available for sale	10.2.2	-	13,642,626
Unlisted shares - at cost	10.2.3	8,824	8,824
		6,404,330	13,651,450

10.2.1 Listed shares - at fair value through other comprehensive income

2019	2018	Name of Company	2019 Cost	2019 Fair value	2018 Cost	2018 Fair value
Number of shares			---------- Rupees in '000 ----------			
43,119,650	-	Honda Atlas Cars (Pakistan) Limited Fully paid ordinary shares of Rs.10 each holding: 30.20% (2018: Nil)	11,808,916	6,395,506	-	-
			11,808,916	6,395,506	-	-

10.2.2 Listed shares - at available for sale

2019	2018	Name of Company	2019 Cost	2019 Fair value	2018 Cost	2018 Fair value
Number of shares			---------- Rupees in '000 ----------			
-	43,119,650	Honda Atlas Cars (Pakistan) Limited Fully paid ordinary shares of Rs.10 each 2018: 30.20% holding	-	-	11,808,916	13,642,626
			-	-	11,808,916	13,642,626

10.2.2.1 Movement in categories from last year is due to the adoption of IFRS-9 during the year by the Company (see note 4.2).

10.2.3 **Unlisted shares**

2018	2017	Name of Company		Cost 2019	Cost 2018
Number of shares				-------- Rupees in '000 -------	
882,400	882,400	Honda Atlas Power Product (Private) Limited Fully paid ordinary shares of Rs.10 each Holding: 20% (2018: 20%) Break-up value: Rs.54.73 (2018: Rs.54.17) per share		**8,824**	8,824
				8,824	8,824

10.3 Investment in joint venture

2019	2018	Name of Company Unlisted shares		Cost 2019	Cost 2018
Number of shares				-------- Rupees in '000 -------	
10,765,000	10,765,000	Madian Hydro Power Limited Fully paid ordinary shares of Rs.10 each Holding: 50.00% (2018: 50.00%)	10.3.1	**107,650**	107,650
		Less: Provision for impairment		**(107,650)**	(107,650)
				-	-

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

MHPL had completed technical feasibility of the project in 2009, which was approved by Private Power and Infrastructure Board (PPIB). Due to security situation in Swat, MHPL sought for an indefinite extension from PPIB for further post feasibility study deadlines applicable to the project. The PPIB's response to the request is still awaited. Some foreign investors have shown their interest in becoming part of this project, but nothing has materialised yet. In view of considerable delays associated with starting the project activities and the aforesaid uncertain situation, the management has assessed that the carrying value of the investment is impaired and, accordingly, provision for impairment had been made in these financial statements.

10.4 Investment in other related party - at fair value through other comprehensive income

2019	2018	Un-Listed shares	Cost 2019	Cost 2018
Number of Shares			-------- Rupees in '000 -------	
5,661,524	-	Techlogix International Limited Fully paid ordinary shares of US$ 0.0001468 each Percentage of holding: 5.56% (2018: Nil) Break-up value: Rs.4.25 (2018: Nil) per share	**64,748**	-
		Less: Provision for impairment	**(64,748)**	-
			-	-

10.5 Investment in other related party - available-for-sale

2019	2018	Un-Listed shares	Cost 2019	Cost 2018
Number of Shares			-------- Rupees in '000 -------	
-	5,661,524	Techlogix International Limited Fully paid ordinary shares of US$ 0.0001468 each Percentage of holding: 2018: 5.56% Break-up value: 2018: Rs.6.83 per share	-	64,748
		Less: Provision for impairment	-	(64,748)
			-	-

10.5.1 Movement in categories from last year is due to the adoption of IFRS-9 during the year by the Company (see note 4.2).

	Note	2019	2018
		------ Rupees in '000 ------	

11. LOANS TO STAFF - secured, considered good

	Note	2019	2018
Executive Director	11.1	-	-
Executives	11.2 & 11.3	1,033	4,277
Other employees	11.4	1,021	604
		2,054	4,881
Current portion of long term loans	12	(1,398)	(3,991)
		656	890

11.1 During the year, the Company provided loan to executive director for the purpose of house renovation, and purchase of household electronic items etc. The loan was repaid fully between the year.

Loan to executive director

	2019	2018
Opening balance	-	-
Disbursements	56,604	-
Repayments	(56,604)	-
Closing balance	-	-

11.2 Executives - personal loans

	2019	2018
Opening balance	4,277	2,623
Disbursements	1,705	6,152
Repayments	(4,949)	(4,498)
Closing balance	1,033	4,277

11.3 Represents interest free staff personal loan provided to executives of the Company repayable in equal monthly installments within a maximum remaining period of eighteen months. These loans are secured against provident fund balances and salaries.

11.4 Represents loans provided to employees of the Company in the form of staff personal loan and motor vehicle loan. Staff personal loans and motor vehicle loans are interest free and repayable in equal monthly installments within a maximum remaining period of sixteen months and forty eight months respectively. These loans are secured against respective retirement benefits of the employees.

12. LOANS AND ADVANCES

	Note	2019	2018
Loans - secured, considered good			
Current portion of long term loans	11	1,398	3,991
Advances to related parties			
unsecured - considered good			
Other advances	12.1	15,370	8,788
		16,768	12,779

12.1 This include advance to Atlas Honda Limited (a wholly owned subsidiary) of Rs.0.185 million and Honda Atlas Cars Pakistan Limited (associated company) of Rs.13.281 million. The maximum aggregate amount of advance to related parties at the end of any month during the year was Rs.6.328 million. These are neither past due nor impaired, aged 0-90 days.

13. PREPAYMENTS AND OTHER RECEIVABLES

	Note	2019	2018
Prepayments		5,981	6,356
Advance against shares	13.1	33,858	-
Dividend receivables from mutual funds			
- associates		84,451	-
- other related parties		6,204	-
Rent receivable from Shirazi Trading Company (Private) Limited - a subsidiary company		3,000	-
Other receivables			
Receivable from Suroor Investments Limited	13.2	102,579	102,579
Receivable from Atlas Power Limited - a subsidiary company	13.3	153,110	115,516
		255,689	218,095
Less: Provision against other receivables		(102,579)	(102,579)
	13.4	286,604	121,872

13.1 This include advance against subscription of right shares amounting to Rs.30 million paid to Atlas Energy Limited (a wholly owned

13.2 Represents the balance of the sale consideration in respect of sale of shares of Atlas Bank Limited (merged with Summit Bank Limited) which has been fully provided.

13.3 This represents amount due from Atlas Power Limited (APL), a subsidiary company, on account of the reimbursement of withholding tax deducted on dividend income pertaining to APL. As per the decision of National Electric Power Regulatory Authority (NEPRA) dated May 19, 2010, the actual withholding tax on dividend paid by APL will be reimbursed by the power purchaser to APL for onward transfer to the Company.

13.4 Receivables from related parties are neither past due nor impaired, aged 0-90 days except receivable from Atlas Power Limited - a subsidiary company aged more than one year (see note 13.3).

14. SHORT TERM INVESTMENTS

	Note	2019	2018
		—— Rupees in '000 ——	
Investment in listed shares - at fair value through other comprehensive income	14.1	1,193,143	1,426,082
Investment in mutual funds - available-for-sale			
- associates	14.3	-	5,427,018
- others	14.5	-	1,032,732
Investment in mutual funds - at fair value through profit or loss			
- associates	14.2	5,523,736	-
- other related parties	14.4	502,149	-
		7,219,028	7,885,832

14.1 Investment in listed shares - at fair value through other comprehensive income

2019 Number of shares	2018 Number of shares	Name of Company	Note	2019 Cost	2019 Fair value	2018 Cost	2018 Fair value
				---------- Rupees in '000 ----------			
166,175	144,500	Pakistan Petroleum Limited		24,958	24,001	24,958	31,053
714,965	637,800	The Hub Power Company Limited		73,832	56,303	69,974	58,780
208,500	208,500	Oil and Gas Development Company Limited		32,917	27,416	32,917	32,447
1,260,980	1,034,480	Habib Bank Limited		237,049	142,819	200,005	172,179
903,591	746,770	Meezan Bank Limited		52,085	78,757	52,085	61,026
5,043,533	4,093,533	Cherat Cement Company Limited		569,079	156,148	494,794	398,014
3,657,650	2,591,500	Bank Alfalah Limited		154,959	159,437	115,338	135,510
1,303,900	759,800	United Bank Limited		228,800	192,169	144,714	128,391
367,290	333,900	Engro Corporation Limited		95,979	97,552	95,979	104,798
894,400	894,400	International Steels Limited		102,278	35,517	102,278	90,960
2,319,434	2,103,577	Systems Limited		10,731	222,596	10,150	212,924
900	-	Archroma Pakistan Limited		425	428	-	-
			14.1.1	1,583,092	1,193,143	1,343,192	1,426,082

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

14.2 Investment in mutual funds - at fair value through profit or loss - associates

2019 Number of units	2018 Number of units	Name of Mutual Fund	2019 Carrying value	2019 Fair value	2018 Carrying value	2018 Fair value
			---------- Rupees in '000 ----------			
3,919,710	-	Atlas Income Fund Holding: 67.34% (2018: Nil)	2,093,838	2,011,047	-	-
4,539,013	-	Atlas Stock Market Fund Holding: 45.35% (2018: Nil)	2,812,345	2,288,117	-	-
7,495,151	-	Atlas Sovereign Fund Holding: 32.68% (2018: Nil)	759,276	751,538	-	-
198,079	-	Atlas Aggressive Allocation Islamic Plan Holding: 94.62% (2018: Nil)	99,039	87,925	-	-
199,639	-	Atlas Conservative Allocation Islamic Plan Holding: 81.81% (2018: Nil)	99,820	98,887	-	-
199,471	-	Atlas Moderate Allocation Islamic Plan Holding: 89.89% (2018: Nil)	99,735	92,844	-	-
396,267	-	Atlas Islamic Capital Preservation Plan Holding: 44.88% (2018: Nil)	200,000	193,378	-	-
			6,164,053	5,523,736	-	-

14.3 **Investment in mutual funds - available-for-sale - associates**

2019	2018	Name of Mutual Fund	2019 Carrying Cost	2019 Fair value	2018 Carrying Cost	2018 Fair value
Number of units			Rupees in '000			
-	5,379,242	Atlas Income Fund 2018: 42.87% Holding Indirect holding: 15.65% (2015: 15.65%)	-	-	2,755,421	2,887,912
-	3,808,381	Atlas Stock Market Fund 2018: 43.98% Holding Indirect holding: 10.45% (2015: 10.45%)	-	-	1,993,916	2,364,249
-	1,665,759	Atlas Sovereign Fund 2018: 42.82% Holding	-	-	170,078	174,857
			-	-	4,919,415	5,427,018

14.4 **Investment in mutual funds - at fair value through profit or loss - other related parties**

2019	2018	Name of Mutual Fund	2019 Carrying Value	2019 Fair value	2018 Carrying Value	2018 Fair value
Number of units			Rupees in '000			
3,950	-	Atlas Islamic Income Fund Holding: 0.14% (2018: Nil)	2,071	1,989	-	-
994,766	-	Atlas Money Market Fund Holding: 4.89% (2018: Nil)	501,788	500,160	-	-
			503,859	502,149	-	-

14.5 **Investment in mutual funds - available-for-sale - others**

2019	2018	Name of Mutual Fund	2019 Carrying cost	2019 Fair value	2018 Carrying cost	2018 Fair value
Number of units			Rupees in '000			
-	838,991	Lakson Income Fund	-	-	84,379	88,857
-	113,932	Atlas Islamic Income Fund - related party 2018: 7% Holding	-	-	57,132	60,089
-	1,669,629	Atlas Money Market Fund - related party 2018: 6.72% Holding	-	-	880,000	883,786
			-	-	1,021,511	1,032,732

	Note	2019	2018
14.6 Unrealised loss on remeasurement of investments at fair value through profit or loss		Rupees in '000	
Market value of investment	14.2 & 14.4	6,025,885	-
Carrying value of investments	14.2 & 14.4	(6,667,912)	-
		(642,027)	-

14.7 Movement in categories from last year is due to the adoption of IFRS-9 during the year by the Company (see note 4.2).

15. BANK BALANCES

	Note	2019	2018
Cash at bank			
In current accounts		1,693	228
In PLS savings account	15.1	8,760	84,031
		10,453	84,259

15.1 The rate of return on PLS saving account is 8.25% to 10.25% (2018: 4% to 4.5%) per annum.

16. ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL

Authorised capital

2019	2018		2019	2018
------ Number of shares ------			--------- Rupees in '000 ---------	
240,000,000	240,000,000	Ordinary shares of Rs.10 each	2,400,000	2,400,000

Issued, subscribed and paid-up capital

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

16.1 As at year end, the shares held by Directors and Iftikhar Shirazi Family Trust were 165.084 million (2018: 165.084 million) and 55.028 million (2018: 55.028 million) respectively.

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

17. LONG TERM DEPOSITS	Note	2019	2018
		-------- Rupees in '000 --------	
Deposits from employees	17.1	4,117	3,233

17.1 Represents deposits from employees under Company's vehicle scheme. This include Rs.0.689 million deposits from key management personnel of the Company.

18. DEFERRED LIABILITIES	Note	2019	2018
		-------- Rupees in '000 --------	
Provision for compensated absences	18.1	41,468	61,960
Provision for long service award		10,884	7,725
	18.2	52,352	69,685

18.1 The provision is made in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as of June 30, 2019.

18.2 This include provision amounting to Rs.9.936 million for key management personnel of the Company.

19. DEFERRED TAXATION - net

	Note	2019	2018
		Rupees in '000	
Deferred tax liability arising on			
- Accelerated tax depreciation		7	685
- Unrealised gain on available for sale investments		-	17,638
		7	18,323
Less: Deferred tax asset arising on			
- Employee retirement benefits		(17)	(112)
- Unrealised loss on investment - at fair value through OCI		(47,993)	-
Deferred tax (asset) / liability - net	19.1	(48,003)	18,211

19.1 The movement in the deferred tax liability during the year is as under:

	2019	2018
Balance at beginning of the year	18,211	67,515
Deferred tax recognized on unrealised loss on investment - at fair value through OCI	(65,631)	(46,509)
Reversed during the year	(583)	(2,795)
Balance at end of the year	(48,003)	18,211

20. TRADE AND OTHER PAYABLES

	Note	2019	2018
Accrued liabilities	20.1	4,141	32,943
Provision for bonus		-	85,899
Advance rentals against investment properties		-	19,034
Advance against liquidation of subsidiary company	20.2	57,710	-
		61,851	137,876

20.1 Accrued liabilities

	2019	2018
Accrued expenses	1,781	31,237
Accrual for audit fee	2,360	1,706
	4,141	32,943

20.2 This represent proceeds on liquidation of Atlas Services Limited - subsidiary company from liquidator (see note 10.1.5), which has been recorded as liability, as the subsidiary company is not legally dissolved, as per section 359 of the Act, as of the year end.

21. SHORT TERM BORROWINGS

This represent running finance facilities utilised under mark-up arrangements from various commercial bank and are secured by way of first equitable mortgage on land and properties, first hypothecation charge and assignment of receivables, pledge of shares and mutual funds. The rate of mark-up on these finances ranges from 3 months KIBOR plus 0.05% to 3 months KIBOR plus 0.75% per annum. These facilities expire on various dates, latest by December 31, 2019. The aggregate facilities from various banks amounted to Rs.4,200 million of which Rs.2,077 million remain unutilised as at the reporting date.

22. PAYABLE TO STAFF GRATUITY FUND

22.1 Reconciliation of obligations as at year end

	2019	2018
Present value of defined benefit obligation	183,249	135,372
Fair value of plan assets	(142,295)	(83,903)
	40,954	51,469
Payable to Group Companies	861	(34,023)
Net liability at year end	41,815	17,446
Net liability at beginning of the year	17,446	224
Charge for the year	8,632	3,915
Total amount of remeasurements recognised in Other Comprehensive Income	33,183	13,531
Contributions	(17,446)	(224)
Net liability at end of the year	41,815	17,446

22.2 Charge for the year

	2019	2018
Current service costs	5,145	3,902
Past service costs	485	-
Interest costs	12,155	6,370
Expected return on assets	(9,153)	(6,357)
Charge for the year	8,632	3,915

	2019	2018
	Rupees in '000	

22.3 Movement in defined benefit obligation

	2019	2018
Present value of defined benefit obligation at beginning of the year	**135,372**	82,036
Current service cost	**5,630**	3,902
Interest cost	**12,156**	6,370
Liability recognised in respect of transfers	**5,852**	35,320
Actuarial loss	**27,725**	9,314
Benefits paid during the year	**(3,486)**	(1,570)
Present value of defined benefit obligation at year end	**183,249**	135,372

22.4 Movement in fair value of plan assets

	2019	2018
Fair value of plan assets at beginning of the year	**83,903**	81,916
Expected return on plan assets	**9,153**	6,357
Contributions made by the Company	**17,446**	224
Benefits paid during the year	**(3,485)**	(1,570)
Transfer of assets to group companies	**40,736**	1,193
Actuarial (loss) / gain	**(5,458)**	(4,217)
Fair value of plan assets at year end	**142,295**	83,903

22.5 The principal assumptions used in the actuarial valuations carried out as of June 30, 2019 using the 'Projected Unit Credit' method are as follows:

	Gratuity Fund	
	2019	2018
Rate of salary increase (per annum)	**12%**	12%
Rate of return (per annum)	**3.32%**	2.61%
Discount rate (per annum)	**14.25%**	9%

	2019	2018
	Rupees in '000	
22.6 Actual return on plan assets	**3,695**	2,140

22.7 Plan assets comprise the following:

	2019		2018	
	Rs. in '000	%	Rs. in '000	%
Debt	**82,080**	**57.68**	40,721	48.53
Others	**60,215**	**42.32**	43,182	51.47
	142,295		83,903	

22.8 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

22.9 Expected contribution to the fund for the year ended June 30, 2019 is Rs.17.446 million (2018: Rs.0.224 million).

22.10 Comparison for five years:

	2019	2018	2017	2016	2015
	Rupees in '000				
Present value of defined benefit obligation	**183,249**	135,372	(82,036)	(80,979)	(64,547)
Fair value of plan assets	**(142,295)**	(83,903)	81,916	71,682	56,253
Surplus / (deficit)	**40,954**	51,469	(120)	(9,297)	(8,294)
Experience adjustments:					
Loss / (gain) on plan liabilities	**27,725**	9,314	255	602	(3,762)
(Loss) / gain on plan assets	**(5,458)**	(4,217)	4,133	4,133	4,133

	Note	2019	2018
		---------- Rupees in '000 ----------	

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

	Note	2019	2018
Cross corporate guarantee in favour of related parties to a foreign commercial bank		915,044	694,619

23.2 Commitments

	Note	2019	2018
Commitments in respect of office rent expense	23.2.1	43,136	78,280

23.2.1 This includes the rent to be paid under the agreement till June 30, 2020.

24. DIVIDEND INCOME

	2019	2018
Subsidiary companies:		
Atlas Power Limited	501,250	1,704,250
Atlas Honda Limited	1,084,414	1,463,959
Atlas Battery Limited	102,417	358,460
Atlas Insurance Limited	369,965	343,539
Atlas Autos (Private) Limited	1,000,000	100,000
Atlas Engineering (Private) Limited	23,686	-
Atlas Venture Limited	21,778	17,130
Atlas Services Limited	4,617	-
	3,108,127	3,987,338
Associated companies / mutual funds:		
Honda Atlas Cars (Pakistan) Limited	523,904	1,161,212
Atlas Income Fund	277,012	-
Atlas Stock Market Fund	-	46,874
Atlas Sovereign Fund	26,933	14,772
	827,849	1,222,858
Other Companies	70,429	50,044
Mutual Funds		
Atlas Islamic Income Fund - a related party	2,943	-
Atlas Money Market Fund - a related party	60,463	-
Lakson Income Fund	4,197	-
	67,603	-
	4,074,008	5,260,240

25. INCOME ON LOANS, ADVANCES AND BANK BALANCES

	Note	2019	2018
Interest on PLS saving accounts		1,226	3,992
Interest income on loan to director	25.1	1,351	-
Other income		110	42
		2,687	4,034

25.1 This represent mark-up on loan to executive director ranging from 9.57% to 12.74% (see note 11.1).

26. CAPITAL LOSS ON SALE OF INVESTMENTS - net

	2019	2018
Quoted ordinary shares	-	(14,431)
Open ended mutual funds	(15,195)	-
	(15,195)	(14,431)

27. RENTAL INCOME

	2019	2018
Rental income from investment properties		
Warehouse building - on freehold land	145,384	190,215
Warehouse building - on leasehold land	89,425	132,060
Building - leasehold	49,889	42,272
	284,698	364,547

28. ADMINISTRATIVE EXPENSES

	Note	2019	2018
		---------- Rupees in '000 ----------	
Salaries and benefits	28.1	**424,103**	416,340
Rent, rates and taxes		**58,074**	59,022
Travelling, conveyance and entertainment		**19,565**	19,262
Printing and stationery		**5,207**	2,922
Gas, water and electricity		**12,176**	8,326
Motor vehicle expense		**13,305**	10,658
Legal and professional		**7,507**	9,686
Auditor's remuneration	28.2	**2,360**	2,430
Insurance		**23,336**	14,939
Fee and subscription		**11,502**	9,837
Repairs and maintenance		**60,379**	59,052
Depreciation on:			
- Operating fixed assets		**32,057**	24,814
- Investment properties	9	**61,732**	30,191
Amortisation on intangible assets	8	**392**	401
Postage, telephone and telegrams		**6,827**	4,764
Newspapers and periodicals		**592**	462
Staff training		**2,520**	2,501
Internet charges		**8,601**	5,473
Security guard services		**3,423**	2,518
Loss on sale of property and equipment		**14**	2,525
Registration fees for incorporation - Atlas Trading (Private) Limited		**2,011**	-
Stamp duty fees on transfer of shares		**8,250**	-
Others		**3,174**	3,292
		767,107	689,415

28.1 Salaries and benefits include Rs.17.625 million (2018: Rs.10.881 million) in respect of employees retirement benefits.

28.2 Auditor's remuneration

	2019	2018
Annual audit fee	**775**	650
Audit fee for provident and gratuity funds	**120**	80
Audit fee for consolidated and special purpose financial statements	**1,025**	850
Sindh Sales tax	**154**	166
Out of pocket and other expenses	**286**	684
	2,360	2,430

29. FINANCE COSTS

	Note	2019	2018
Interest / mark-up on short term borrowings	29.1	**191,907**	16,073
Bank and other charges		**293**	681
		192,200	16,754

29.1 These represent mark-up on short-term borrowings obtained from various banks which carried mark-up ranging from 11.03% to 11.74%.

30. TAXATION

	2019	2018
	---------- Rupees in '000 ----------	
Current	**577,240**	899,744
Prior	**(148,270)**	36,983
	428,970	936,727
Deferred	**(583)**	(2,795)
	428,387	933,932

30.1 The income tax assessments of the Company have been finalised up to and including the tax year 2018 under the self assessment scheme.

30.2 The relationship between income tax expense and accounting loss has not been presented in the financial statements as the provision for taxation has mainly been made on the basis of Final Tax Regime (FTR).

30.3 Current year tax charge includes super tax as levied under Finance Act, 2017 amounting to Rs.88.900 million.

30.4 The Company has opted for group taxation under section 59AA of the Income Tax Ordinance, 2001 whereby the Company and its subsidiaries - Shirazi Trading Company (Private) Limited, Atlas Autos (Private) Limited, Atlas Engineering (Private) Limited, Atlas Asset Management and Atlas Metals (Private) Limited shall be taxed as one fiscal unit. The provision for taxation is made on the same basis in the financial statements.

30.5 For the tax year 2010, the Company filed its return of income claiming exemption on dividend income from wholly-owned subsidiary under clause (103A) of Part I of the First Schedule to the Ordinance amounting to Rs.475 million and claiming a refund of Rs.38.013 million.

The tax authorities disallowed the aforesaid claim of exemption. Further, certain additions out of administrative and financial expenses were made. Accordingly, a tax demand of Rs.30.422 million was raised.

The company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] pursuant to which the CIR(A) allowed the above claim of exemption on inter-corporate dividend. As per appeal affect order, a refund of Rs.33.426 million was assessed.

The tax department filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A) pursuant to which the ATIR decided the matter against the company. Against the order of the ATIR, the company has filed a reference application before the High Court of Sindh, which is pending adjudication. The management of the Company is confident that the matter will be decided in favor of the Company.

30.6 For tax year 2011, the Company filed its return of income claiming exemption on dividend income from wholly-owned subsidiary under clause (103A) of Part I of the First Schedule to the Ordinance amounting to Rs.450 million and claiming a refund of Rs.61.863 million.

The tax authorities disallowed the aforesaid claim of exemption. Further, certain additions out of administrative expenses were made. Accordingly, a tax demand of Rs.10.045 million was raised.

The tax authorities also passed another order u/s 122(5A) whereby minimum tax on service income was levied under section 153 of the Ordinance and a tax demand of Rs.10.698 million was created.

The aforesaid order contained certain errors, accordingly the Company filed a rectification application against the above order. The order was duly rectified and a refund of Rs.9.173 million was assessed.

30.7 For tax year 2012, the Company filed its return of income under Group Taxation in terms of Section 59AA of the Ordinance with its wholly owned subsidiaries namely Shirazi Trading Company (Private) Limited, claiming a refund

The tax authorities passed an order under section 122(5A) whereby certain additions out of administrative expenses were made. Accordingly, a tax demand of Rs.6.144 million was created which was adjusted against

The Company did not prefer an appeal against the above order.

30.8 For tax year 2013, the Company filed its return of income under Group Taxation in terms of Section 59AA of the Ordinance with its wholly owned subsidiaries namely Shirazi Trading Company (Private) Limited and Atlas autos

The tax authorities passed an order under section 122(5A) whereby certain additions were made and a tax demand of Rs.2.436 million was created which was duly paid by the Company. Further, the Company did not prefer an appeal against the above order.

30.9 For tax year 2014, the Company filed its return of income under Group Taxation in terms of Section 59AA of the Ordinance with its wholly owned subsidiaries namely Shirazi Trading Company (Private) Limited, Atlas Autos (Private) Limited and Atlas Asset Management Limited claiming a tax refund of Rs.9.717 million. The return so filed is deemed to be an assessment order in terms of section 120 of the Ordinance.

30.10 For tax year 2015, The Company filed its return of income under Group Taxation in terms of Section 59AA of the Ordinance with its wholly-owned subsidiaries namely Shirazi Trading Company (Private) Limited (STC), Atlas Autos (Private) Limited (AAL) and Atlas Asset Management Limited.

The tax authorities passed an order under section 122(5A) whereby certain additions were made and tax refundable was curtailed to Rs.47.054 million.

The Company along with its wholly-owned subsidiaries also filed a suit against levy of super tax for the above year before the High Court of Sindh pursuant to which a stay has been granted by the Court.

As a matter of prudence, the Company has recorded provision in respect of the super tax liability for the year.

30.11 For tax year 2016, the Company filed its return of income under Group Taxation in terms of Section 59AA of the Ordinance with its wholly-owned subsidiaries namely Shirazi Trading Company (Private) Limited (STC), Atlas Autos (Private) Limited (AAL) and Atlas Asset Management Limited.

The tax authorities passed an order under section 122(5A) whereby certain additions were made creating a tax demand of Rs.7.979. The company has filed an appeal with the Commissioner Inland Revenue (Appeals), Karachi, which is pending adjudication.

The Company along with its wholly-owned subsidiaries has also filed a suit against levy of super tax for the above year before the High Court of Sindh pursuant to which a stay has been granted by the Court.

Based on the judgment of the Supreme Court of Pakistan for the purpose of maintainability of the above suit, the Company has paid 50% of the Super Tax liability.

As a matter of prudence, the Company has recorded provision in respect of the remaining super tax liability for the y

30.12 For tax year 2017, the Company filed its return of income under Group Taxation in terms of Section 59AA of the Ordinance with its wholly-owned subsidiaries namely Shirazi Trading Company (Private) Limited (STC), Atlas Autos (Private) Limited (AAL) and Atlas Asset Management Limited which is deemed to be an assessment order under section 120 of the Ordinance.

The Company along with its wholly-owned subsidiaries has also filed a suit against levy of Super Tax for the above tax year before the High Court of Sindh pursuant to which a stay has been granted by the Court.

Based on the judgment of the Supreme Court of Pakistan for the purpose of maintainability of the above suit, the Company has paid 50% of the Super Tax liability.

As a matter of prudence, the Company has recorded provision in respect of the remaining super tax liability for the y

30.13 For tax year 2018, the Company filed its return of income under Group Taxation in terms of Section 59AA of the Ordinance with its wholly-owned subsidiaries namely Shirazi Trading Company (Pvt) Limited (STC), Atlas Autos (Private) Limited (AAL), Atlas Engineering (Private) Limited and Atlas Asset Management Limited. The return so filed is deemed to be an assessment order in terms of section 120 of the Ordinance.

The tax authorities issued notice for payment of super tax for the above tax year. The Company along with its subsidiaries has filed a constitutional petition before the High Court of Sindh against the aforesaid levy pursuant to which a stay has been granted by the Court.

As a matter of prudence, the Company has recorded provision in respect of the super tax liability for the year.

31. EARNINGS PER SHARE - BASIC AND DILUTED

	2019	2018
	---------- Rupees in '000 ----------	
Profit after tax for the year	82	3,974,289
	(Number of shares in '000)	
Weighted average number of shares of Rs.10 each	220,112	220,112
	------------- Rupees -------------	
Earnings per share - basic and diluted	0.00	18.06

31.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

32. CASH FLOWS FROM OPERATIONS

	2019	2018
	---------- Rupees in '000 ----------	
Profit before taxation	428,469	4,908,221
Less: Dividend income	4,074,008	5,260,240
Adjustments for:		
Depreciation	93,789	55,005
Amortisation	392	401
(Decrease) / increase in provision for employees compensated absences	(20,492)	14,532
Provision for long service award	3,159	3,703
Provision for staff gratuity fund	8,632	3,915
Provision for impairment	2,452,226	-
Financial charges	192,200	16,754
Net loss on sale of investments	15,195	14,431
Gain on sale of investment property	(115,339)	-
Net loss on sale of property and equipment	14	2,525
Net unrealized loss on remeasurement of investments	642,027	-
	3,271,803	111,266
(Increase) / decrease in loans and advances	(3,989)	31,405
Decrease in deposits, prepayments and other receivables	(74,077)	(48,474)
(Decrease) / increase in trade and other payables	(76,025)	63,966
Increase / (decrease) in due to associated companies	16,466	(41,811)
	(511,361)	(235,667)

33. REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2019			
	Chief Executive	Directors	Executives	Total
	Rupees in '000			
Managerial remuneration	12,628	74,327	186,076	273,031
Bonus	5,907	29,155	81,256	116,318
Medical expenses	139	-	3,852	3,991
Retirement benefits	817	3,884	7,988	12,689
	19,491	107,366	279,172	406,029
Number of persons	1	3	26	30

	2018			
	Chief Executive	Directors	Executives	Total
	Rupees in '000			
Managerial remuneration	11,692	57,710	142,995	212,397
Bonus	3,771	18,611	46,730	69,112
Medical expenses	108	1,991	2,083	4,181
Retirement benefits	757	3,734	6,610	11,101
	16,328	82,046	198,418	296,791
Number of persons	1	2	21	24

33.1 Executive means any employee whose basic salary exceeds Rs.1.2 million per annum.

34. TRANSACTIONS WITH RELATED PARTIES

34.1 Related parties comprise of group companies, staff retirement funds, key management personnel and major shareholders of the Company.

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

Name of Related parties	Percentage of shareholding	Relationship
Atlas Honda Limited	52.43%	Subsidiary Company
Atlas Battery Limited	58.86%	Subsidiary Company
Atlas Insurance Limited	75.33%	Subsidiary Company
Atlas Power Limited	84.60%	Subsidiary Company
Atlas Asset Management Limited	100.00%	Subsidiary Company
Shirazi Trading Company (Private) Limited	100.00%	Subsidiary Company
Atlas Engineering (Private) Limited	100.00%	Subsidiary Company
Atlas Autos (Pvt.) Limited	100.00%	Subsidiary Company
Atlas Energy Limited	100.00%	Subsidiary Company
Atlas Services Limited	0.00%	Subsidiary Company
Atlas Venture Limited*	100.00%	Subsidiary Company
Atlas Metals (Private) Limited	100.00%	Subsidiary Company
Atlas Global FZE**	49.00%	Sub subsidiary Company
Atlas World Wide General Trading LLC***	60.72%	Sub subsidiary Company
Honda Atlas Cars Pakistan Limited	30.20%	Associated Company
Atlas Income Fund	67.34%	Associated mutual fund
Atlas Stock Market Fund	45.35%	Associated mutual fund

Name of Related parties	Percentage of shareholding	Relationship
Atlas Sovereign Fund	32.68%	Associated mutual fund
Atlas Islamic Income Fund	0.14%	Fund managed by Subsidiary Company
Atlas Money Market Fund	4.89%	Fund managed by Subsidiary Company
Atlas Aggressive Allocation Islamic Plan	94.62%	Associated mutual fund
Atlas Conservative Allocation Islamic Plan	81.81%	Associated mutual fund
Atlas Moderate Allocation Islamic Plan	89.89%	Associated mutual fund
Atlas Islamic Capital Preservation Plan	44.88%	Associated mutual fund
Iftikhar Shirazi Family Trust	25.00%	Substantial Shareholder
Atlas Foundation	N/A	Common Directorship
Yusuf H. Shirazi	0.00%	Chairman
Iftikhar H. Shirazi	0.00%	Executive Directors
Aamir H. Shirazi	25.00%	Executive Directors
Noorullah R. Hassan	N/A	Chief Executive Officer
Irfan Ibrahim	N/A	Chief Financial Officer

* The registered address of Atlas Venture Limited is c/o Sajjad Haider & Co. Chartered Accountants, Office 8A, Dubai Creek Tower, Bani Yas Street Deira, PO Box 3251, Dubai, UAE.

** The registered address of Atlas Global FZE is Office No. 323, Block B, Tech Park Building, Jebel Ali Free Zone, Dubai, United Arab Emirates.

*** The registered address of Atlas World Wide General Trading LLC is Suite No. 311, Nasir Ahmed Nasir Lootah Building, Khalid Bin Al Waleed Road, Dubai, United Arab Emirates.

34.3 The outstanding balances with related parties are disclosed in respective notes to the financial statements. The remuneration of Directors, Chief Executive and Executives are disclosed in note 33. The details of transactions with related parties during the year are as follows:

Nature of relationship	Nature of Transaction	2019	2018
		Rupees in '000	
Subsidiary companies	Purchase of assets	**1,566**	19,918
	Sale of Assets	**650,000**	5,360
	Expenses paid on behalf of subsidiaries	**1,387**	6,474
	Dividend income	**3,108,127**	3,987,338
	Insurance premium paid	**22,800**	14,939
	Rental income / paid	**289,173**	362,212
	Intergroup net tax receipts	**168,935**	44,824
	Investments made	**2,898,980**	47
	Service rendered to the company	**501**	-
	Transfer of security deposits upon transfer of employ	**5**	4,145
	Transfer of salary	-	672
	Transfer of fixed assets upon transfer of employee	**279**	-
	Sale proceeds from disposal of Investments	**57,709**	-
	Reimbursements	**1,736**	-
	Advance against further issue of shares	**30,000**	-
Associated companies / mutual fund	Purchase of assets	**27,418**	4,293
	Dividend income	**827,849**	1,161,212
	Investment made	**1,706,945**	1,752,094
	Sales proceed on disposal of Investment	**950,000**	-
	Interest income	**51**	-

Nature of relationship	Nature of Transaction	2019	2018
		------- Rupees in '000 -------	
Common directorship	Expenses paid on their behalf	1,032	-
	Dividend paid	247,626	286,146
	Funds received against settlement of fixed assets	745	-
	Expenses charged	200	-
Key Management Personnel	Loans disbursed during the year	710	-
	Loan repaid from director	1,477	-
	Interest income on loan to director	1,351	-
Retirement benefit funds	Contribution to gratuity fund	17,446	224
	Contribution to provident fund	15,815	7,974
	Contribution to pension fund	14,637	9,553
Fund managed by Subsidiary Company	Investments made	40,944	1,752,094
	Dividend income	63,406	61,647
	Sale proceeds from disposal of Investments	485,000	-

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

35.1 The Company's objective in managing risk is the creation and protection of shareholders' value. The Board of Directors of the Company supervises the overall risk management approach within the Company. The Company is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

35.2 Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term investments, bank deposits in saving accounts and short term borrowings from banks. At the statement of financial position date, the interest rate profile of the Company's interest-bearing financial instruments is as follows:

	2019			
	Interest / mark-up bearing			
	Effective yield / mark-up rate %	Upto six months	More than six months	Total
		------------ (Rupees in '000)		------------
Financial assets				
Bank balances	8.25 to 10.25	8,760	-	8,760
Financial liabilities				
Short term borrowings	11.03 to 11.74	(2,159,592)	-	(2,159,592)

	2018			
	Interest / mark-up bearing			
	Effective yield / mark-up rate %	Upto six months	More than six months	Total
		------------ (Rupees in '000)		------------
Financial assets				
Bank balances	4.0 to 4.5	84,031	-	84,031

The following table demonstrates the sensitivity of Company's income for the year to a reasonably possible change in interest rates, with all other variables held constant.

Change in basis point	Effect on profit 2019	Effect on profit 2018
	(Rupees in '000)	
+ 100	(21,508)	840
- 100	21,508	(840)

(ii) **Foreign exchange risk**

Foreign currency risk is the risk of exposures to movement in foreign exchange rates. Company's risk is limited to the extent of investment in foreign companies and dividend income from such companies. As of the statement of financial position date, the Company is not exposed to such risk.

(iii) **Equity price risk**

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the investee Company, change in business circumstances of the investee Company, its business sector, industry and / or the economy in general. The Company estimates that a 5% increase in the overall equity prices in the market with all other factors remaining constant would increase the Company's equity by Rs.379.432 million (2018: Rs.71.30 million) and a 5% decrease would result in a decrease in the Company's equity by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

35.3 **Liquidity risk**

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

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

	Within 1 month	Within 1 to 3 months	Within 3 to 12 months	Within 1 to 5 years	More than 5 years	Total
	Rupees in '000					
2019						
Long term deposits	-	-	-	4,117	-	4,117
Trade and other payables	-	4,141	-	-	-	4,141
Payable to staff gratuity fund	-	-	41,815	-	-	41,815
Short term borrowings	-	-	2,159,592	-	-	2,159,592
Due to associated companies	16,466	-	-	-	-	16,466
Accrued mark-up	53,631	-	-	-	-	53,631
Total	70,097	4,141	2,201,407	4,117	-	2,279,762

	Within 1 month	Within 1 to 3 months	Within 3 to 12 months	Within 1 to 5 years	More than 5 years	Total
	Rupees in '000					
2018						
Long term deposits	-	-	-	3,233	-	3,233
Trade and other payables	85,899	51,977	-	-	-	137,876
Payable to staff gratuity fund	-	-	17,446	-	-	17,446
Accrued mark-up	9,255	-	-	-	-	9,255
Total	95,154	51,977	17,446	3,233	-	167,810

35.4 Credit risk

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

	2019	2018
	------ (Rupees in '000) ------	
Loans and advances	**16,768**	12,779
Long term deposits	**2,312**	1,349
Deposits and other receivables	**280,623**	115,516
Bank balances and term deposit	**10,453**	84,259
Investment in mutual funds	**6,025,885**	6,459,750
	6,336,041	6,673,653

Bank balances by rating category	**Rating Long-term / short-term**	**2019**	**2018**
		------ (Rupees in '000) ------	
Current accounts			
Summit Bank Limited	Unrated	**1,362**	65
United Bank Limited	AAA/A1+	**1**	1
National Bank of Pakistan	AAA/A1+	**0**	45
MCB Bank Limited	AAA/A1+	**327**	74
Standard Chartered Bank (Pakistan) Limited	AAA/A1+	**1**	3
Soneri Bank Limited	AA-/A1+	**-**	4
Allied Bank Limited	AAA/A1+	**-**	1
Habib Bank Limited	AAA/A1+	**-**	34
Meezan Bank Limited	AA+/A1+	**2**	-
		1,693	227
PLS savings account			
Soneri Bank Limited	AA-/A1+	**86**	1
Sindh Bank Limited	A+/A1	**6,985**	24,902
Summit Bank Limited	Unrated	**1,689**	59,127
		8,760	84,030
		10,453	84,257

The maximum exposure to credit risk before any credit enhancement as at June 30, 2019 is the carrying amount of the financial assets. None of these assets are impaired nor past due.

The analysis below summarizes the credit quality of the Company's investment in mutual funds as at June 30, 2018 and June 30, 2019:

Investments by rating category	**2019**	**2018**
	------------ % ------------	
AAA, AA, AA-, AA+	**50**	30
A, A-, A+	**-**	70
Unrated	**50**	-
	100	100

35.5 **Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

35.5.1 **Fair value hierarchy**

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

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

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

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

	---------- June 30, 2019 ----------			
	Level 1	**Level 2**	**Level 3**	**Total**
	---------- **(Rupees in '000)** ----------			
Investment in related parties - at fair value through OCI				
- Mutual funds	-	**6,025,885**	-	**6,025,885**
- Listed Shares	**6,395,506**	-	-	**6,395,506**
Investment in other listed shares - at fair value through OCI	**1,193,143**	-	-	**1,193,143**
	7,588,649	**6,025,885**	-	**13,614,534**

	---------- June 30, 2018 ----------			
	Level 1	**Level 2**	**Level 3**	**Total**
	---------- **(Rupees in '000)** ----------			
Investment in related parties - available-for-sale				
- Mutual funds	-	5,427,018	-	5,427,018
- Listed Shares	13,642,626	-	-	13,642,626
Investment in other mutual fund units - available-for-sale	-	148,946	-	148,946
Investment in other listed shares - available-for-sale	1,426,082	-	-	1,426,082
	15,068,708	5,575,964	-	20,644,672

During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

35.5.1.1 Valuation techniques used in determination of fair values within level 2

Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.

35.6 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

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

The Company monitors capital using the gearing ratio, which is debt divided by total equity plus debt. However, there are short term borrowings amounting to Rs.2,159.592 million (2018: Rs.Nil), resulting into 5.33% (2018: Nil) gearing ratio.

36. NUMBER OF EMPLOYEES

The total and average number of employees during the year end as at June 30, 2019 and 2018 respectively are as follows:

Average number of employees during the year	103	103
Number of employees as at June 30	103	101

37. EMPLOYEES' PROVIDENT FUND (the Fund)

	Unaudited	
	2019	2018
	Rupees in '000	
Size of the Fund	164,806	161,654
Investments made	163,329	158,212
Fair value of investments	163,329	158,212
	In %	
Percentage of investments made	99.10%	97.87%

37.1 Break-up of investments of the Fund

Break-up of investments in terms of amount and percentage of the size of the Fund are as follows:

	2019		2018	
	Investments Rupees in '000	% of investment as size of the	Investments Rupees in '000	% of investment as size of the
Special Saving Certificates	102,419	62.15%	86,354	53.42%
Mutual Funds	60,910	36.96%	71,858	44.45%
	163,329	99.11%	158,212	97.87%

37.1.1 The investments of provident fund, maintained by the Company, have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the Rules formulated for this purpose.

37.2 Number of employees

	2019	2018
Employees as on year end	52	52
Average number of employees	52	47

38. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Company in their meeting held on 05 Oct 2019 have approved the following:

(i) Transfer of Rs. 2800 million from unappropriated profit to general reserve; and

(ii) Payment of cash dividend of Rs. 4.50 per share for the year ended June 30, 2019 for approval of the members at the Annual General Meeting to be held on 28 Oct 2019.

These financial statements do not reflect the above mentioned approved items.

39. GENERAL

Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements. All figures have been rounded off to the nearest thousand Rupees.

40. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors of the Company on 05 OCT 2019.

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