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, 2018.

Financial Results

The financial results of the Company for the year ended June 30, 2018 are summarized as follows:

	Year ended (June 30)	
	2018	2017
	Rupees in '000	
Profit before taxation	4,908,221	4,277,450
Taxation:		
Current Year	899,744	664,751
Prior year	36,983	(59,266)
Deferred	(2,795)	(1,361)
	933,932	604,124
Profit after taxation	3,974,289	3,673,326
Other comprehensive income / (losses)	(13,531)	3,878
Unappropriated Profit brought forward	2,781,254	1,628,522
Available for Appropriations	6,742,012	5,305,726
Final Dividend 0% (2017: 0%)	-	-
Interim Dividend 52% (2017: 42%)	(1,144,585)	(924,472)
Transfer to General Reserves	(2,700,000)	(1,600,000)
Unappropriated Profit carried forward	2,897,427	2,781,254

Earnings per Share

The earnings per share after tax is Rs. 18.06 (2016: Rs. 21.68).

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, 2018 and future prospects. The Directors endorse the contents of the Chairman's Review.

Board of Directors

The Board is comprised of two Executive and three 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	-

Shirazi Investments

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, 2018 are as follows:

Provident Fund	Rs. 158.21 million
Gratuity Fund	Rs. 101.35 million

On behalf of the Board of Directors

Noorullah
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Karachi: October 6, 2018

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SHIRAZI INVESTMENTS (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
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INDEPENDENT AUDITORS' 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 2018**, 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 2018 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- 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);

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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 auditors' report is Shaikh Ahmed Salman.

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 06 October 2018

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018	2017
		---------- Rupees in '000 ----------	
ASSETS			
Non current assets			
Fixed assets			
Property and equipment	8	**160,753**	98,824
Intangible assets	9	**1,082**	1,131
Investment properties	10	**2,262,629**	1,748,821
Long term investments	11	**36,759,612**	60,531,428
Loans to staff	12	**890**	460
Long term deposits		**1,457**	1,349
		39,186,423	62,382,013
Current assets			
Loans and advances	13	**12,779**	44,184
Prepayments and other receivables	14	**121,872**	73,398
Short term investments	15	**7,885,832**	5,599,440
Bank balances	16	**84,259**	22,535
		8,104,742	5,739,557
TOTAL ASSETS		**47,291,165**	68,121,570
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	17	**2,201,124**	2,201,124
Share premium		**26,839,742**	26,839,742
Amalgamation reserve		**1,222,562**	1,222,562
Reserves		**14,028,549**	11,212,376
Unrealised gain on revaluation of available-for-sale investments		**2,394,446**	26,302,703
		46,696,423	67,778,507
Non current liabilities			
Long term deposits	18	**3,233**	1,993
Deferred liabilities	19	**69,685**	52,473
Deferred taxation - net	20	**18,211**	67,515
		91,129	121,981
Current liabilities			
Trade and other payables	21	**137,876**	69,630
Payable to staff gratuity fund	22	**17,446**	224
Due to associated companies		**-**	41,811
Taxation - net		**349,036**	106,913
Accrued mark-up		**9,255**	2,504
		513,613	221,082
TOTAL EQUITY AND LIABILITIES		**47,291,165**	68,121,570
CONTINGENCIES AND COMMITMENTS	23		

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		---------- Rupees in '000 ----------	
INCOME			
Dividend income	24	5,260,240	4,664,437
Income on loans, advances and bank balances	25	4,034	1,266
		5,264,274	4,665,703
Capital (loss) / gain on sale of investments - net	26	(14,431)	17,355
Rental income	27	364,547	299,524
		5,614,390	4,982,582
EXPENSES			
Administrative expenses	28	(689,415)	(781,804)
Reversal of provision Workers' Welfare Fund		-	121,297
Operating profit		4,924,975	4,322,075
Finance costs	29	(16,754)	(44,625)
Profit before tax		4,908,221	4,277,450
Taxation	30	(933,932)	(604,124)
Profit after tax		3,974,289	3,673,326
Earnings per share - basic and diluted	31	18.06	21.68

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----------- Rupees in '000 -----------	
Net profit for the year	**3,974,289**	3,673,326
Other items of comprehensive income to be reclassified to profit and loss account in subsequent periods		
Net unrealised (loss) / gain on revaluation of available-for-sale investments - net	**(23,954,766)**	10,074,182
Less: Deferred tax	**46,509**	(49,599)
Net unrealised gain on revaluation of available-for-sale investments - net of tax	**(23,908,257)**	10,024,583
Other items of comprehensive income not to be reclassified to profit and loss account in subsequent periods		
Remeasurement (losses) / gains on defined benefit plans	**(13,531)**	3,878
Total comprehensive (loss) / income for the year	**(19,947,499)**	13,701,787

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		----------- Rupees in '000 -----------	
Operating activities			
Cash flows from operations	32	**(235,667)**	(53,315)
Finance costs paid		**(10,003)**	(50,751)
Dividend received		**5,260,240**	4,650,911
Gratuity paid		**(224)**	(5,063)
Payment for compensated leaves		**(1,022)**	(2,074)
Taxes paid		**(691,809)**	(493,694)
Payment under long service award scheme		**-**	(4,506)
Long term deposits		**(108)**	(14)
Long term loans		**(430)**	(36)
		4,556,644	4,094,773
Net cash generated from operating activities		**4,320,977**	4,041,458
Investing activities			
Capital expenditures			
- Property and equipment		**(96,758)**	(61,903)
- Investment properties		**(543,999)**	(960,672)
- Intangible assets		**(352)**	(1,014)
Proceeds from sale of fixed assets		**8,973**	10,082
Proceeds from sale of investments		**61,772**	235,362
Investments made in mutual funds		**(1,752,094)**	(690,524)
Redemption of mutual funds		**-**	85,567
Long term investments - net		**(47)**	143,761
Investments made in listed equity shares		**(793,403)**	(542,116)
Net cash used in investing activities		**(3,115,908)**	(1,781,457)
Financing activities			
Dividend paid		**(1,144,585)**	(924,472)
Long term deposits		**1,240**	(756)
Short term borrowings		**-**	(1,315,379)
Net cash used in financing activities		**(1,143,345)**	(2,240,607)
Net increase in cash and cash equivalents		**61,724**	19,394
Cash and cash equivalents at beginning of the year		**22,535**	3,141
Cash and cash equivalents at end of the year	16	**84,259**	22,535

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

		Reserves					
		Capital		Revenue			
	Share capital	Share premium	Amalgamation reserve	General	Unappropriated profit	Unrealised gain on revaluation of available-for-sale investments	Total
		Rupees in '000					
Balance as at June 30, 2016	1,187,200	1,974,440	-	6,831,122	1,628,522	16,278,120	27,899,404
Shares issued pursuant to amalgamation (note 1.4)	1,013,924	24,865,302	-	-	-	-	25,879,226
Reserve arising on amalgamation (note 1.4)	-	-	1,222,562	-	-	-	1,222,562
Transfer to general reserves	-	-	-	1,600,000	(1,600,000)	-	-
Profit for the year	-	-	-	-	3,673,326	-	3,673,326
Other comprehensive income	-	-	-	-	3,878	10,024,583	10,028,461
Total comprehensive income for the year	-	-	-	-	3,677,204	10,024,583	13,701,787
Dividend paid	-	-	-	-	(924,472)	-	(924,472)
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	**2,201,124**	**26,839,742**	**1,222,562**	**11,131,122**	**2,897,427**	**2,394,446**	**46,686,423**

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

Chairman | Chief Executive Officer | Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

During the last year, 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 and cost less accumulated impairment losses, if any, respectively. As of reporting date, the Company has the following subsidiaries and associates:

	% of shareholding	
	2018	**2017**
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	**100**	100
Atlas Energy Limited (formerly Powergen Limited)	**100**	100
Atlas Services Limited	**100**	100
Atlas Venture Limited - Incorporated in Jebel Ali	**100**	100
Atlas Battery Limited	**58.86**	58.86
Atlas Insurance Limited	**75.33**	75.33
Atlas Honda Limited	**52.43**	52.43
Atlas Die Casting (Private) Limited	**100**	100
Atlas Global FZE	**100**	100
Atlas Aluminium (Private) Limited	**100**	100
Atlas World Wide General Trading (LLC)	**49**	49
Atlas Hitec (Private) Limited	**60**	60

	% of shareholding	
	2018	**2017**
Associates		
Honda Atlas Cars (Pakistan) Limited	**30.2**	30.2
Honda Atlas Power Products (Private) Limited	**20**	20
Atlas Income Fund	**42.87**	18.42
Atlas Stock Market Fund	**43.98**	37.7
Atlas Sovereign liquid Fund	**48.82**	67.97

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

There are no significant transactions and events that have affected the Company's financial position and performance of the Company other the adoptation of Companied Act, 2017 (refer note 3.2).

3. STATEMENT OF COMPLIANCE

3.1 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.

3.2 The Act is applicable for the current year financial statements and has brought certain changes with regard to the preparation and presentation of these financial statements. Additional disclosure of management assessment of sufficiency of tax provision (refer note 30.5), change in threshold for identification of executives for disclosing their remuneration (refer note 33) and disclosure requirements for related parties (refer note 34) etc.

4. BASIS OF MEASUREMENT

4.1 These financial statements have been prepared under the historical cost convention except for investments and derivatives which are accounted for as stated in notes 5.6 and 5.7 below, respectively.

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Standards, amendments and interpretations adopted during the year

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

Amended Standards

The Company has adopted the following amended standards which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

The adoption of the above amendments to accounting standards did not have any material effect on these financial statements.

5.2 Property and equipment

5.2.1 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 profit and loss account 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 profit and loss account 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 profit and loss account in the year the asset is derecognised.

5.2.2 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.

5.3 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.

5.4 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 profit and loss account as and when incurred. Major repairs and renewals are capitalised.

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

5.5 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.

5.6 Investments

5.6.1 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.

5.6.2 Other investments

The investments of the Company, upon initial recognition, are classified as investment as fair value through profit and loss account, 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 profit and loss account, 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 profit and loss account. 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 companies.

5.7 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.

5.8 Employee retirement benefits and other obligations

5.8.1 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, 2018. 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.

EY

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.

5.8.2 Defined contribution plan

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

5.8.3 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, 2018.

5.8.4 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.

5.9 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.

5.10 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 the current best estimate.

5.11 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.

5.12 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 profit and loss account of the current period.

5.13 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.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

6. 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	5.6 & 11
(b)	Determining the residual values and useful lives of property, plant and equipment and intangible assets	5.2, 5.3 , 8 & 9
(c)	Determining the residual values and useful lives of investment properties	5.4 & 10
(d)	Accounting for staff retirement benefits	5.8, 19, 22.2 & 28.1
(e)	Recognition of taxation and deferred tax	5.9, 20 & 30

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

The following revised 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 amendments:

Standard or interpretation		Effective date (annual periods beginning on or after)
IFRS 2	Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9	Financial Instruments	July 01, 2018
IFRS 9	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 15	Revenue from Contracts with Customers	July 01, 2018
IFRS 16	Leases	January 01, 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28	Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40	Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23	Uncertainty over Income Tax Treatments	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.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and 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, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB effective date (accounting periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 – Insurance Contracts	January 01, 2021

8. PROPERTY AND EQUIPMENT

	Note	2018	2017
		-------- Rupees in '000 -------	
Property and equipment	8.1	157,976	97,529
Capital work-in-progress	8.2	2,777	1,295
		160,753	98,824

8.1 Operating fixed assets

	2018									
	Cost				Accumulated depreciation				Carrying value	
	As at July 01, 2017	Additions / transfers 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	

* This represents transfer from CWIP

	2017									
	Cost				Accumulated depreciation				Carrying value	
	As at July 01, 2016	Additions during the year	Disposals during the year	As at June 30, 2017	As at July 01, 2016	Charge for the year	Disposals during the year	As at June 30, 2017	As at June 30, 2017	Depreciation Rate
	---------- Rupees in '000 ----------									%
Owned										
Office premises	2,000	-	-	2,000	1,338	66	-	1,404	596	10
Furniture and fixtures	1,764	3,189	-	4,953	1,080	173	-	1,253	3,700	10
Motor vehicles	63,399	37,973	23,079	78,293	28,689	11,058	13,870	25,877	52,416	20
Office equipment	14,268	6,418	-	20,686	4,394	1,161	-	5,555	15,131	10
Air conditioners	2,229	3,332	332	5,229	796	239	168	867	4,362	10
Generators	5,657	1,964	-	7,621	3,695	278	-	3,973	3,648	10
Computers	27,979	9,027	1,091	35,915	18,577	4,486	948	22,115	13,800	30
Cargo lift	9,725	-	-	9,725	5,419	430	-	5,849	3,876	10
	127,021	61,903	24,502	164,422	63,988	17,891	14,986	66,893	97,529	

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

	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
	---------- Rupees in '000 ----------						
Office Equipment	1,956	1,032	924	39	(885)	Negotiation	Dawood Hussain
Air Conditioners	611	358	253	35	(218)	Negotiation	Dawood Hussain
Furnitures And Fixtures	675	358	317	10	(307)	Negotiation	Dawood Hussain
Computers	9,986	8,768	1,218	103	(1,115)	Negotiation	Dawood Hussain
Motor Vehicles							
HONDA CIVIC I-VTEC 1800 CC	1,972	1,285	687	687	-	Company Policy	Irfan Ibrahim
SUZUKI MEHRAN VXR CNG 800 CC	683	228	455	455	-	Company Policy	Shirazi Trading Company - related party
SUZUKI MEHRAN VXR CNG 800 CC	753	241	512	512	-	Company Policy	Irfan Kabir Faridi
SUZUKI CULTUS VXR CNG 1000 CC	1,114	369	745	745	-	Company Policy	Atlas Honda Limited
SUZUKI MEHRAN VXR CNG 800 CC	753	257	496	496	-	Company Policy	Wasif Afzal Siddiqui
SUZUKI MEHRAN VXR CNG 800 CC	581	132	449	449	-	Company Policy	Abdullah Haji
HONDA HRV CVT	3,633	727	2,906	2,906	-	Company Policy	Atlas Honda Limited - related party
HONDA CITY CVT	1,665	273	1,392	1,392	-	Company Policy	Theresa Dias
SUZUKI CULTUS VXR CNG 993 CC	569	28	541	541	-	Company Policy	Rizwan Yousuf
SUZUKI MEHRAN VXR BFD 154	538	63	475	475	-	Company Policy	Haider Abbas
Honda CG 125	96	57	39	39	-	Company Policy	Sajid Muslim
Honda CD 70	65	38	27	27	-	Company Policy	Shaikh Salman
HONDA PRIDOR CD 100	82	21	61	61	-	Company Policy	Shirazi Trading Company - related party
2018	25,732	14,235	11,497	8,972	(2,525)		
2017	24,502	14,986	9,516	10,082	566		

8.2 Capital work-in-progress

	2018	2017
	-------- Rupees in '000 -------	
Opening balance	1,295	-
Additions during the year	13,333	1,295
Transferred during the year to operating fixed assets	(11,851)	-
Closing balance	2,777	1,295

Ern

	2018	2017
	-------- Rupees in '000 -------	
9. INTANGIBLE ASSETS	1,082	1,131

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

2017

	Cost			Accumulated amortisation			Carrying value	
	As at July 01, 2016	Additions during the year	As at June 30, 2017	As at July 01, 2016	Charge for the year	As at June 30, 2017	As at June 30, 2018	Amortisation rate
	Rupees in '000							%
Computer software	771	1,014	1,785	473	181	654	1,131	30

	2018	2017
	-------- Rupees in '000 -------	
10. INVESTMENT PROPERTIES	2,262,629	1,748,821

2018

	Cost			Accumulated depreciation			Carrying value	
	As at July 01, 2017	Additions for 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	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	4,896	5
Building - leasehold land	150,142	107,684	257,826	73,126	6,477	79,603	178,223	5
	1,937,847	543,999	2,481,846	189,026	30,191	219,217	2,262,629	

2017

	Cost			Accumulated depreciation			Carrying value	
	As at July 01, 2016	Additions for the year	As at June 30, 2017	As at July 01, 2016	Charge for the year	As at June 30, 2017	As at June 30, 2017	Depreciation rate
	Rupees in '000							%
Freehold land	497,462	934,369	1,431,831	-		-	1,431,831	-
Leasehold land	168,000	21,867	189,867	54,741	6,180	60,921	128,946	5
Warehouse building - on freehold land	68,235	-	68,235	23,902	2,218	26,120	42,115	5
Warehouse building - on leasehold land	92,403	-	92,403	25,288	3,356	28,644	63,759	5
Building - freehold land	933	4,436	5,369	-	215	215	5,154	5
Building - leasehold	150,142	-	150,142	69,073	4,053	73,126	77,016	5
	977,175	960,672	1,937,847	173,004	16,022	189,026	1,748,821	

10.1 The Company carried out the fair valuation exercise by M/s. Surval Engineering- an independent professional valuer during the year ended 30 June 2018, which has determined the aggregate fair value of the above properties as Rs.11,461 million (2017: Rs. 10,457 million).

11. LONG TERM INVESTMENTS

	Note	2018	2017
		-------- Rupees in '000 -------	
In related parties			
Investment in subsidiaries	11.1	**23,108,162**	23,108,115
Investment in associates	11.2	**13,651,450**	37,423,313
Investment in joint venture	11.3	-	-
Investment in other related party - available-for-sale	11.4	-	-
		36,759,612	60,531,428

11.1 Investment in subsidiaries - at cost

	Note	2018	2017
Unlisted shares			
Atlas Engineering (Private) Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2017: 100%) Break-up value: Rs.65.38 (2017: Rs.61.38) per share		**387,677**	387,677
Atlas Power Limited Fully paid ordinary shares of Rs.10 each Holding: 84.60% (2017: 84.60%) Break-up value: Rs.23.93 (2017: Rs.21.48) per share	11.1.1	**5,067,729**	5,067,729
Atlas Asset Management Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2017: 100%) Break-up value: Rs.28.64 (2017: Rs.26.45) per share	11.1.2	**225,933**	225,933
Shirazi Trading Company (Private) Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2017: 100%) Break-up value: Rs.17.86 (2017: Rs.21.36) per share		**274,798**	274,798
Atlas Venture Limited - Incorporated in Jebel Ali Fully paid ordinary shares of AED.1,000 each Holding: 100% (2017: 100%) Break-up value: Rs.1,107,739 (2017: 891,005) per share		**10,044**	10,044
Atlas Autos (Private) Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2017: 100%) Break-up value: Rs 93.01 (2017: Rs.71.08) per share		**400,000**	400,000
Atlas Services Limited Fully paid ordinary shares of Rs.10 each Holding: 100% (2017: 100%) Break-up value: Rs.10.33 (2017: Rs.9.95) per share		**13,867**	13,820
		6,380,048	6,380,001
Listed shares			
Atlas Honda Limited Fully paid ordinary shares of Rs.10 each Holding: 52.43% (2017: 52.43%) Market value: Rs 510 (2017: Rs 604.03) per share		**11,936,667**	11,936,667
Atlas Battery Limited Fully paid ordinary shares of Rs.10 each Holding: 58.86% (2017: 58.86%) Market value: Rs.410 (2017: Rs.900) per share		**2,961,729**	2,961,729
Atlas Insurance Limited Fully paid ordinary shares of Rs.10 each Holding: 75.33% (2017: 75.33) Market value: Rs.65 (2017: Rs.71) per share		**1,829,718**	1,829,718
		16,728,114	16,728,114
		23,108,162	23,108,115

11.1.1 This includes 242 (2017: 242) million shares that have been deposited with a commercial bank against borrowing by Atlas Power Limited.

11.1.2 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.

11.2 Investment in associates

	Note	2018	2017
		-------- Rupees in '000 --------	
Listed shares	11.2.1	**13,642,626**	37,414,489
Unlisted shares	11.2.2	**8,824**	8,824
		13,651,450	37,423,313

11.2.1 Listed shares

2018	2017	Name of Company	2018		2017	
Number of shares			Cost	Fair value	Cost	Fair value
			------------------------- Rupees in '000	-------------------------		
43,119,650	43,119,650	Honda Atlas Cars (Pakistan) Limited Fully paid ordinary shares of Rs.10 each Holding: 30.20% (2017: 30.20%)	**11,808,916**	**13,642,626**	11,808,916	37,414,489
			11,808,916	**13,642,626**	11,808,916	37,414,489

11.2.2 Unlisted shares

2018	2017	Name of Company	Cost 2018	Cost 2017
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% (2017: 20%) Break-up value: Rs.54.17(2017: Rs.49.06) per share	**8,824**	8,824
			8,824	8,824

11.3 Investment in joint venture

2018	2017	Name of Company Unlisted shares		Cost 2018	Cost 2017
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% (2017: 50.00%)	11.3.1	**107,650**	107,650
		Less: Provision for impairment		**(107,650)**	(107,650)
				-	-

11.3.1 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.

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

2018	2017	Un-Listed shares	Cost 2018	Cost 2017
Number of Shares			-------- Rupees in '000 -------	
5,661,524	5,661,524	Techlogix International Limited Fully paid ordinary shares of US$ 0.0001468 each Percentage of holding: 5.56% (2017: 5.56%) Break-up value: Re.6.83 (2017: Re.0.04) per share	**64,748**	64,748
		Less: Provision for impairment	**(64,748)**	(64,748)
			-	-

12. LOANS TO STAFF - secured, considered good

	Note	2018	2017
		------- Rupees in '000 -------	
Executives	12.1 & 12.2	4,277	2,623
Other employees	12.3	604	477
		4,881	3,100
Current portion of long term loans	13	(3,991)	(2,640)
		890	460

12.1 Executives - personal loans

	2018	2017
Opening balance	2,623	1,378
Disbursements	6,152	4,672
Repayments	(4,498)	(3,427)
Closing balance	4,277	2,623

12.2 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.

12.3 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.

13. LOANS AND ADVANCES

	Note	2018	2017
		------- Rupees in '000 -------	
Loans - secured, considered good			
Current portion of long term loans	12	3,991	2,640
Advances to related parties			
unsecured - considered good			
Other advances		8,788	41,544
		12,779	44,184

14. PREPAYMENTS AND OTHER RECEIVABLES

	Note	2018	2017
Prepayments		6,356	2,995
Other receivables			
Receivable from Suroor Investments Limited	14.1	102,579	102,579
Receivable from Atlas Power Limited - a related party	14.2	115,516	70,403
		218,095	172,982
Less: Provision against other receivables		(102,579)	(102,579)
		121,872	73,398

14.1 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.

14.2 This represents amount due from Atlas Power Limited (APL), a related party, 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.

15. SHORT TERM INVESTMENTS

	Note	2018	2017
		------- Rupees in '000 -------	
Investment in listed shares - available-for-sale	15.1	1,426,082	891,740
Investment in mutual funds - available-for-sale			
- associates	15.2	5,427,018	4,565,940
- others	15.3	1,032,732	141,760
		7,885,832	5,599,440

15.1 Investment in listed shares - available-for-sale

2018	2017	Name of Company	Note	2018 Cost	2018 Fair value	2017 Cost	2017 Fair value
Number of shares				---------- Rupees in '000 ----------			
144,500	144,500	Pakistan Petroleum Limited		24,958	31,053	24,960	21,410
637,800	223,000	The Hub Power Company Limited		69,974	58,780	24,760	26,190
-	45,900	Lucky Cement Limited		-	-	25,100	38,380
208,500	208,500	Oil and Gas Development Company Limited		32,917	32,447	32,920	29,330
-	66,500	Pakistan State Oil Company Limited		-	-	25,650	25,760
1,034,480	268,180	Habib Bank Limited		200,005	172,179	59,190	72,180
746,770	704,500	Meezan Bank Limited		52,085	61,026	49,970	55,660
4,093,533	2,093,533	Cherat Cement Company Limited		494,794	398,014	289,130	374,280
2,591,500	-	Bank Alfalah Limited		115,338	135,510	-	-
759,800	40,000	United Bank Limited		144,714	128,391	8,850	9,420
333,900	164,500	Engro Corporation Limited		95,979	104,798	49,860	53,610
894,400	-	International Steels Limited		102,278	90,960	-	-
-	380,000	Adamjee Insurance Company Limited		-	-	25,450	25,980
2,103,577	2,103,577	Systems Limited		10,150	212,924	10,150	159,540
			15.1.1	1,343,192	1,426,082	625,990	891,740

15.1.1 All the above shares have been pledged with various banks as per the respective financing facility agreements.

15.2 Invsetment in mutual funds - available-for-sale - associates

2018	2017	Name of Mutual Fund	2018 Cost	2018 Fair value	2017 Cost	2017 Fair value
Number of units			---------- Rupees in '000 ----------			
5,379,242	4,513,149	Atlas Income Fund Holding: 42.87% (2017: 18.42%)	2,755,421	2,887,912	2,305,423	2,311,820
3,808,381	3,124,959	Atlas Stock Market Fund Holding: 43.98% (2017: 37.70%)	1,993,916	2,364,249	1,582,901	2,083,790
1,665,759	1,554,968	Atlas Sovereign Liquid Fund Holding: 48.82% (2017: 67.97%)	170,078	174,857	158,998	170,330
			4,919,415	5,427,018	4,047,322	4,565,940

15.3 Invsetment in mutual funds - available-for-sale - others

2018	2017	Name of Mutual Fund	Note	2018 Cost	2018 Fair value	2017 Cost	2017 Fair value
Number of units				---------- Rupees in '000 ----------			
838,991	838,991	Lakson Income Fund	13.3.1	84,379	88,857	84,379	84,470
113,932	113,932	Atlas Islamic Income Fund Holding: 7% (2017: 4%)		57,132	60,089	57,132	57,290
1,669,629	-	Atlas Money Market Fund Holding: 6.72% (2017: Nil)		880,000	883,786	-	-
				1,021,511	1,032,732	141,511	141,760

15.3.1 Units of this mutual fund have been pledged with a commercial bank as per the financing facilities agreement.

16. BANK BALANCES

	Note	2018	2017
		------- Rupees in '000 -------	
Cash at bank			
In current accounts		228	17,056
In PLS savings account	16.1	84,031	5,479
		84,259	22,535

16.1 The rate of return on PLS saving account is 4% to 4.5% (2017: 3.5% to 4.55%) per annum.

17. ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL

Authorised capital

2018	2017		2018	2017
------ Number of shares ------			--------- Rupees in '000 ---------	
240,000,000	150,000,000	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

17.1 As at year end, the shares held by Directors and Iftikhar Shirazi Family Trust were 165.084 million (2017: 165.655 million) and 55.028 million (2017: 54.458 million) respectively.

18. LONG TERM DEPOSITS

	Note	2018	2017
		--------- Rupees in '000 ---------	
Deposits from employees	18.1	**3,233**	1,993

18.1 Represents deposits from employees under Company's vehicle scheme.

19. DEFERRED LIABILITIES

	Note	2018	2017
		--------- Rupees in '000 ---------	
Provision for compensated absences	19.1	**61,960**	48,451
Provision for long service award		**7,725**	4,022
		69,685	52,473

19.1 The provision is made in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as of June 30, 2018.

	Note	2018	2017
20. DEFERRED TAXATION - net		---------- Rupees in '000 ----------	
Deferred tax liability arising on			
- Accelerated tax depreciation		**685**	3,447
- Unrealised gain on available for sale investments		**17,638**	64,147
		18,323	67,594
Less: Deferred tax asset arising on			
- Employee retirement benefits		**(112)**	(79)
Deferred tax liability - net	20.1	**18,211**	67,515

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

	2018	2017
Balance at beginning of the year	**67,515**	19,277
Deferred tax recognized on unrealised (loss) / gain on available for sale investments	**(46,509)**	49,599
Reversed during the year	**(2,795)**	(1,361)
Balance at end of the year	**18,211**	67,515

21. TRADE AND OTHER PAYABLES

	Note	2018	2017
Accrued liabilities	21.1	**32,943**	2,562
Provision for bonus		**85,899**	57,005
Advance rentals against investment properties		**19,034**	10,063
		137,876	69,630

21.1 Accrued liabilities

	2018	2017
Accrued expenses	**31,237**	1,029
Accrual for audit fee	**1,706**	1,533
	32,943	2,562

22. PAYABLE TO STAFF GRATUITY FUND

22.1 Reconciliation of obligations as at year end

	2018	2017
Present value of defined benefit obligation	**135,372**	82,036
Fair value of plan assets	**(83,903)**	(81,916)
	51,469	120
Receivable from Group Companies	**(34,023)**	104
Net liability at year end	**17,446**	224
Net liability at beginning of the year	**224**	5,063
Charge for the year	**3,915**	4,102
Total amount of remeasurements recognised in Other Comprehensive Income	**13,531**	(3,878)
Contributions	**(224)**	(5,063)
Net liability at end of the year	**17,446**	224

22.2 Charge for the year

	2018	2017
Current service costs	**3,902**	3,596
Interest costs	**6,370**	5,681
Expected return on assets	**(6,357)**	(5,176)
Charge for the year	**3,915**	4,101

		2018	2017
		---- Rupees in '000 ----	
22.3	**Movement in defined benefit obligation**		
	Present value of defined benefit obligation at beginning of the year	**82,036**	80,979
	Current service cost	**3,902**	3,596
	Interest cost	**6,370**	5,682
	Liability recognised in respect of transfers	**35,320**	155
	Actuarial loss	**9,314**	255
	Benefits paid during the year	**(1,570)**	(8,631)
	Present value of defined benefit obligation at year end	**135,372**	82,036
22.4	**Movement in fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**81,916**	71,682
	Expected return on plan assets	**6,357**	5,176
	Contributions made by the Company	**224**	5,063
	Benefits paid during the year	**(1,570)**	(8,631)
	Transfer of assets to group companies	**1,193**	4,493
	Actuarial (loss) / gain	**(4,217)**	4,133
	Fair value of plan assets at year end	**83,903**	81,916

22.5 The principal assumptions used in the actuarial valuations carried out as of June 30, 2018 using the 'Projected Unit Credit' method are as follows:

	Gratuity Fund	
	2018	**2017**
Rate of salary increase (per annum)	**12%**	12%
Rate of return (per annum)	**3%**	13%
Discount rate (per annum)	**9%**	8%

		2018	2017
		---- Rupees in '000 ----	
22.6	Actual return on plan assets	**2,140**	8,697

22.7 Plan assets comprise the following:

	2018		2017	
	Rs. in '000	%	**Rs. in '000**	%
Debt	**40,721**	**48.53**	38,554	47.07
Others	**43,182**	**51.47**	43,362	52.93
	83,903		81,916	

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, 2018 is Rs.0.224 million (2017: Rs.5.06 million).

22.10 Comparison for five years:

	2018	2017	2016	2015	2014
	---- Rupees in '000 ----				
Present value of defined benefit obligation	**135,373**	(82,036)	(80,979)	(64,547)	(52,804)
Fair value of plan assets	**(83,903)**	81,916	71,682	56,253	46,829
Deficit	**51,470**	(120)	(9,297)	(8,294)	(5,975)
Experience adjustments:					
Loss / (gain) on plan liabilities	**9,314**	255	602	(3,762)	(1,228)
(Loss) / gain on plan assets	**(4,217)**	4,133	4,133	4,133	4,133

23. CONTINGENCIES AND COMMITMENTS

23.1 There are no contingencies as at June 30, 2018.

	Note	2018	2017
		---------- Rupees in '000 ----------	
23.2 Commitments in respect of office rent expense	23.2.1	**78,280**	113,930

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

24. DIVIDEND INCOME

	2018	2017
	---------- Rupees in '000 ----------	
Subsidiary companies:		
Atlas Power Limited	**1,704,250**	2,005,000
Atlas Honda Limited	**1,463,959**	1,003,083
Atlas Battery Limited	**358,460**	158,747
Atlas Insurance Limited	**343,539**	343,539
Atlas Autos (Private) Limited	**100,000**	100,000
Atlas Venture Limited	**17,130**	-
Shirazi Trading Company (Private) Limited	-	50,000
	3,987,338	3,660,369
Associated companies:		
Honda Atlas Cars (Pakistan) Limited	**1,161,212**	862,393
Other Companies	**50,044**	25,126
Mutual Funds		
Atlas Income Fund - a related party	-	97,950
Atlas Islamic Income Fund - a related party	-	3,114
Atlas Stock Market Fund - a related party	**46,874**	15,485
Atlas Sovereign Liquid Fund - a related party	**14,772**	-
	61,646	116,549
	5,260,240	**4,664,437**

25. INCOME ON LOANS, ADVANCES AND BANK BALANCES

	2018	2017
Interest on PLS saving accounts	**3,992**	393
Interest income on loan to director	-	220
Interest on housing loan to employee	-	2
Other income	**42**	651
	4,034	1,266

26. CAPITAL (LOSS) / GAIN ON SALE OF INVESTMENTS - net

	2018	2017
Quoted ordinary shares	**(14,431)**	10,790
Open ended mutual funds	-	6,565
	(14,431)	17,355

27. RENTAL INCOME

	2018	2017
Rental income from investment properties	**335,946**	259,120
Office rental income	**28,601**	40,404
	364,547	299,524

	Note	2018	2017
		---------- Rupees in '000 ----------	
28. ADMINISTRATIVE EXPENSES			
Salaries and benefits	28.1	**416,340**	294,691
Rent, rates and taxes		**59,022**	46,082
Travelling, conveyance and entertainment		**19,262**	21,666
Printing and stationery		**2,922**	1,777
Gas, water and electricity		**8,326**	5,189
Motor vehicle expense		**10,658**	27,824
Legal and professional		**9,686**	15,195
Auditors' remuneration	28.2	**2,430**	2,104
Insurance		**14,939**	14,333
Fee and subscription		**9,837**	6,441
Repairs and maintenance		**59,052**	6,158
Depreciation on:			
- Operating fixed assets	8.1	**24,814**	17,891
- Investment properties	10	**30,191**	16,022
Amortisation on intangible assets	9	**401**	181
Postage, telephone and telegrams		**4,764**	4,879
Newspapers and periodicals		**462**	327
Staff training		**2,501**	1,938
Internet charges		**5,473**	3,097
Security guard services		**2,518**	1,476
Donation to Atlas Foundation - a related party		-	271,908
Social welfare / community development		-	16,088
Loss on sale of property and equipment		**2,525**	-
Others		**3,292**	6,537
		689,415	781,804

28.1 Salaries and benefits include Rs.14.736 million (2017: Rs.10.881 million) in respect of employees retirement benefits.

28.2 Auditors' remuneration

Annual audit fee	**1,150**	972
Audit fee for provident / gratuity funds	**80**	121
Audit fee for consolidated financial statements	**850**	855
Sindh sales tax	**166**	156
Out of pocket expenses	**184**	-
	2,430	2,104

29. FINANCE COSTS

Interest / mark-up			
Banking companies			
- short term borrowings	29.1	**16,073**	23,345
- long term borrowings		-	20,643
Bank and other charges		**681**	637
		16,754	44,625

29.1 These represent mark-up on short-term borrowings obtained from various banks which carried mark-up ranging from 4% to 4.5% and was repaid during the year.

	2018	2017
	---------- Rupees in '000 ----------	
30. TAXATION		
Current	**899,744**	664,751
Prior	**36,983**	(59,265)
	936,727	605,486
Deferred	**(2,795)**	(1,361)
	933,932	604,125

30.1 The income tax assessments of the Company have been finalised up to and including the tax year 2017 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 166.509 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 and Atlas Asset Management shall be taxed as one fiscal unit. The provision for taxation is made on the same basis in the financial statements.

31. EARNINGS PER SHARE - BASIC AND DILUTED

	2018	2017
	---------- Rupees in '000 ----------	
Profit after tax for the year	**3,974,289**	3,673,326
	(Number of shares in '000)	
Weighted average number of shares of Rs.10 each	**220,112**	169,416
	------------- Rupees --------------	
Earnings per share - basic and diluted	**18.06**	21.68

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

	2018	2017
	---------- Rupees in '000 ----------	
Profit before taxation	**4,908,221**	4,277,450
Less: Dividend income	**5,260,240**	4,664,437
Adjustments for:		
Depreciation	**55,005**	33,913
Amortisation	**401**	181
Provision for employees compensated absences	**14,532**	23,934
Provision for long service award	**3,703**	4,565
Provision for staff gratuity fund	**3,915**	4,102
Provision for Workers' Welfare Fund	**-**	(121,297)
Financial charges	**16,754**	44,624
Net loss / (gain) on sale of investments	**14,431**	(17,355)
Net loss / (gain) on sale of property and equipment	**2,525**	(627)
	111,266	(27,960)
Increase in loans and advances	**31,405**	(39,822)
Decrease in deposits, prepayments and other receivables	**(48,474)**	449,207
Increase in trade and other payables	**63,966**	(47,753)
Decrease in due to associated companies	**(41,811)**	-
	(235,667)	(53,315)

33. REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2018			
	Chief Executive	Directors	Executives	Total
	Rupees in '000			
Managerial remuneration	**11,692**	**57,710**	**168,654**	**238,056**
Bonus	**3,771**	**18,611**	**55,007**	**77,389**
Medical expenses	**108**	**1,991**	**3,402**	**5,501**
Retirement benefits	**757**	**3,734**	**8,062**	**12,553**
	16,328	**82,046**	**235,125**	**333,499**
Number of persons	**1**	**2**	**37**	**40**

	2017			
	Chief Executive	Directors	Executives	Total
	Rupees in '000			
Managerial remuneration	10,826	53,435	94,879	159,140
Bonus	4,006	19,771	35,105	58,882
Medical expenses	167	2,372	2,285	4,824
Retirement benefits	701	3,457	4,502	8,660
	15,700	79,035	136,771	231,506
Number of persons	1	2	33	36

33.1 Executive means any employee whose basic salary exceeds Rs.500,000 (2017: Rs.500,000) per year.

33.2 No remuneration is paid by the Company to its Chairman.

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 The outstanding balances with related parties are disclosed in respective notes to the financial statements. The details of transactions with related parties during the year are as follows:

Nature of relationship	Nature of Transaction	2018	2017
		Rupees in '000	
Subsidiary companies	Purchase of assets	**19,918**	5,373
	Sale Of Assets	**5,360**	
	Expenses paid on behalf of subsidiaries	**6,474**	314
	Dividend income	**3,987,338**	3,660,368
	Insurance premium paid	**14,939**	12,807
	Claim received	-	75
	Claim received	-	1,336
	Fund received	-	375
	Rental income / paid	**362,212**	298,116
	Intergroup net tax receipts	**44,824**	41,811
	Investments made	**47**	-
	Service rendered to the company	-	193
	Receipts of withholding tax on dividend	-	290,060
	Transfer of security deposits upon transfer of employee	**4,145**	224
	Transfer of salary	**672**	-
	Transfer of fixed assets upon transfer of employee	-	532
	Transfer of staff loan		100
Associated companies	Purchase of assets	**4,293**	30,177
	Dividend income	**1,161,212**	862,393

Nature of relationship	Nature of Transaction	2018	2017
		--------- Rupees in '000	--------
Common directorship	Expenses paid on their behalf	-	4,653
	Dividend paid	286,146	228,723
	Donations paid	-	271,908
Retirement benefit funds	Contribution to gratuity fund	17,446	224
	Contribution to provident fund	7,974	7,940
Other related parties	Investments made	1,752,094	606,152
	Disposal / redemption of investments	-	85,567
	Dividend income	61,647	116,549

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:

	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

	2017			
	Interest / mark-up bearing			
	Effective yield / mark-up rate %	Upto six months	More than six months	Total
		-------------- (Rupees in '000)		--------------
Financial assets				
Bank balances	3.5 to 4.5	5,479	-	5,479

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.

	Effect on profit	
	2018	2017
Change in basis point	(Rupees in '000)	
+ 100	840	55
- 100	(840)	(55)

(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.71.30 million (2017: Rs.45.59 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					
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
Total	85,899	51,977	17,446	3,233	-	158,555

	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					
2017						
Long term deposits	-	-	-	1,993	-	1,993
Trade and other payables	57,005	12,625	-	-	-	69,630
Payable to staff gratuity fund	-	-	224	-	-	224
Due to associated companies	-	41,811	-	-	-	41,811
Total	57,005	54,436	224	1,993	-	113,658

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:

	2018	2017
	------ (Rupees in '000) ------	
Loans and advances	**12,779**	44,184
Long term deposits	**1,457**	1,349
Deposits and other receivables	**115,516**	70,403
Bank balances and term deposit	**84,259**	22,535
Investment in mutual funds	**6,459,750**	4,707,700
	6,673,761	4,846,171

Bank balances by rating category	**Rating Long-term / short-term**	**2018**	**2017**
		------ (Rupees in '000) ------	
Current accounts			
Summit Bank Limited	A-/A-1	**65**	62
United Bank Limited	AAA/A-1+	**1**	-
National Bank of Pakistan	AAA/A1+	**45**	16,711
MCB Bank Limited	AAA/A1+	**74**	22
Standard Chartered Bank (Pakistan) Limited	AAA/A1+	**3**	171
Soneri Bank Limited	AA-/A1+	**4**	87
Allied Bank Limited	AAA/A1+	**1**	-
Habib Bank Limited	AAA/A-1+	**34**	-
Meezan Bank Limited	AA/A-1+	**-**	2
		227	17,055
Deposit accounts			
Soneri Bank Limited	AA-/A1+	**1**	31
Sindh Bank Limited	AA/A-1+	**24,902**	3,787
Summit Bank Limited	A-/A-1	**59,127**	1,662
		84,030	5,480
		84,257	22,535

The maximum exposure to credit risk before any credit enhancement as at June 30, 2018 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, 2017:

Investments by rating category	**June 30, 2018**	**June 30, 2017**
	------------ % ------------	
AAA, AA, AA-, AA+	**30%**	95%
A, A-, A+	**70%**	5%
	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, 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**

	June 30, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)			
Investment in related parties - available-for-sale				
- Mutual funds	-	4,565,940	-	4,565,940
- Listed Shares	37,414,489	-	-	37,414,489
Investment in other mutual fund units - available-for-sale	-	141,760	-	141,760
Investment in other listed shares - available-for-sale	891,740	-	-	891,740
	38,306,229	4,707,700	-	43,013,929

During the year ended June 30, 2018, 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 no outstanding debt (long-term loans and short term borrowings) at the end of current year as well as last year, resulting into 0% gearing ratio.

36. NUMBER OF EMPLOYEES

The total and average number of employees during the year end as at June 30, 2018 and 2017 respectively are as follows:

Average number of employees during the year	**97**	83
Number of employees as at June 30	**103**	80

37. EMPLOYEES' PROVIDENT FUND (the Fund)

Size of the Fund	**161,654**	82,120
Investments made	**158,212**	80,744
Fair value of investments	**158,212**	80,744
	-------- In % --------	
Percentage of investments made	**97.87%**	98.32%

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:

	2018		2017	
	Investments Rupees in '000	% of investment as size of the Fund	Investments Rupees in '000	% of investment as size of the Fund
Special Saving Certificates	**86,354**	**54.58%**	53,666	66.46%
Mutual Funds	**71,858**	**45.42%**	27,024	33.47%
Listed shares	**-**	**0.00%**	54	0.07%
	158,212	**100%**	80,744	100%

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

	2018	2017
Employees as on year end	**52**	41
Average number of employees	**47**	52

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

The Board of Directors of the Company in their meeting held on 06 October 2018 have approved the following:

(i) Transfer of Rs. 2,800 million from unappropriated profit to general reserve; and

(ii) Payment of cash dividend of Rs. 5.2 per share for the year ended June 30, 2018 for approval of the members at the Annual General Meeting to be held on 29 October 2018

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 06 October 2018.

Chairman	Chief Executive Officer	Director