SHIRAZI INVESTMENTS (PRIVATE) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

"AUDITED BY:"

SW PAKISTAN

ShineWing Hameed Chaudhri & Co.
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INDEPENDENT AUDITORS' REPORT

To the members of Shirazi Investments (Private) Limited

Opinion

We have audited the annexed consolidated financial statements of **Shirazi Investments (Private) Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Shinewing Hameed Chaudhri & co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; October 06, 2023
UDIN : AR202310104JGefVnBxD

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

ASSETS	Note	2023	2022 Re-stated
		---------- Rupees in '000 -------	
Non-current assets			
Property,plant and equipment	7	54,756,740	52,003,709
Intangible assets	8	63,059	101,436
Investment in associates and joint venture	9	13,233,483	16,358,185
Investment in associates - mutual funds	10	18,083,735	16,592,517
Long term investments	11	865,319	6,972,200
Long term loans and trade debts	12	186,144	217,240
Long term deposits and other receivables	13	437,181	299,414
Net investment in finance lease	14	31,084	47,084
		87,656,745	92,591,785
Current assets			
Stores, spare parts and loose tools	15	4,174,373	2,778,569
Stock-in-trade	16	22,883,289	17,656,171
Trade debts	17	24,338,018	20,558,724
Receivable from funds under management	18	50,651	37,600
Loans and advances	19	1,007,117	1,260,482
Deposits, prepayments and other receivables	20	7,204,184	5,050,688
Accrued investment income		297,094	41,515
Short term investments	21	10,343,816	9,641,574
Taxation - net		1,362,671	1,694,064
Sales tax receivable - net		1,203,972	1,760,482
Non-current asset held for sale	22	-	101,250
Current portion of net investment in finance lease	14	9,011	-
Cash, bank balances and deposits	23	39,800,838	22,673,925
		112,675,034	83,255,044
		200,331,779	175,846,829

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
EQUITY AND LIABILITIES		----- Rupees in '000 -----	
Equity attributable to the Holding Company			
Share capital	24	**2,201,124**	2,201,124
Capital reserve		**17,686,184**	17,686,184
General reserve		**34,340,883**	33,340,883
Unappropriated profit		**10,679,910**	11,203,298
Unrealised gain on revaluation of investments		**6,592,179**	5,733,660
Revaluation surplus on property, plant and equipment		**5,526,710**	5,526,710
		77,026,990	75,691,859
Non-controlling interests		**16,926,916**	15,716,659
Total equity		**93,953,906**	91,408,518
Non-current liabilities			
Long term loans - secured	25	**16,212,724**	16,650,255
Long term deposits	26	**49,274**	44,458
Deferred liabilities	27	**1,037,518**	892,414
Lease liabilities	28	**1,285,922**	1,348,225
Deferred income - government grant	29	**326,379**	420,156
Deferred taxation	30	**1,757,675**	1,097,895
		20,669,492	20,453,403
Current liabilities			
Trade and other payables	31	**68,103,014**	43,517,509
Current portion of lease liabilities	28	**334,324**	249,111
Current portion of deferred income	29	**94,058**	105,192
Short term borrowings - secured	32	**11,287,890**	16,740,897
Accrued mark-up		**1,055,505**	799,553
Current portion of long term loans	25	**3,284,642**	2,352,696
Current portion of long term deposits	26	**1,392**	-
Unclaimed divided / dividend payable		**1,547,556**	219,950
		85,708,381	63,984,908
Contingencies and commitments	33		
		200,331,779	175,846,829

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022 Re-stated
		------- Rupees in '000 ------	
Income			
Sales of goods and rendering of services	34	215,056,535	197,358,735
Fee / commission from asset management	35	552,124	457,458
Dividend income		832,297	575,987
Other operating income	36	3,441,529	1,540,303
		219,882,485	199,932,483
Expenses			
Cost of sales and services	37	188,117,555	175,707,972
Distribution costs and administrative expenses	38	10,392,816	8,077,409
Other expenses	39	2,845,214	4,858,483
Finance costs	40	4,965,619	3,044,610
		206,321,204	191,688,474
Profit from operations		13,561,281	8,244,009
Impairment of investment in associates	9	(3,172,520)	(975,533)
Share of profit of associates and joint venture including mutual funds - net of tax		2,116,093	1,480,644
Profit before taxation		12,504,854	8,749,120
Taxation - net	41	(7,184,320)	(4,341,591)
Profit after taxation		5,320,534	4,407,529
Attributable to:			
Equity holders of the Holding Company		1,885,772	2,852,674
Non-controlling interest		3,434,762	1,554,855
		5,320,534	4,407,529
Earnings per share - basic and diluted	42	8.57	12.96

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Chairman

Chief Executive Officer

Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	------ Rupees in '000 -----	
Net profit for the year	**5,320,534**	4,407,529
Other comprehensive income to be reclassified to - statement of profit and loss account in subsequent periods		
Exchange gain on translation of net assets of foreign operations	**536,415**	318,827
Other comprehensive income / (loss) not to be reclassified - to statement of profit and loss account in subsequent periods		
Net unrealised gain / (loss) on revaluation of investments - at fair value through other comprehensive income	**468,506**	(2,665,617)
Actuarial (loss) on defined benefit plan	**(73,858)**	(80,102)
Related deferred taxation	**(138,410)**	519,847
	256,238	(2,225,872)
Total comprehensive income - net of tax	**6,113,187**	2,500,484
Attributable to:		
Equity holders of the Holding Company	**2,744,291**	945,629
Non-controlling interest	**3,368,896**	1,554,855
	6,113,187	2,500,484

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Share capital	Capital reserves		Revenue reserves		Unrealised gain on revaluation of investments	Revaluation surplus on property, plant and equipment	Sub-total	Non-controlling interest	Total
		Share premium	Amalgamation reserve (Note 1.1)	Genral reserve	Unappropriated profit					
	Rupees in '000									
Balance as at June 30, 2021	2,201,124	26,839,742	(13,355,382)	14,431,122	33,725,807	5,875,746	5,565,144	75,283,303	14,161,804	89,445,107
Transfer to general reserves	-	-	4,201,824	18,909,761	(24,838,110)	1,764,959	(38,434)	-	-	-
Profit for the year	-	-	-	-	2,852,674	-	-	2,852,674	1,554,855	4,407,529
Other comprehensive loss	-	-	-	-	-	(1,907,045)	-	(1,907,045)	-	(1,907,045)
Share of other comprehensive loss from associates	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	-	-	2,852,674	(1,907,045)	-	945,629	1,554,855	2,500,484
Equity adjustment on further acquisition of shares in subsidiary	-	-	-	-	662,980	-	-	662,980	-	662,980
Dividend paid during the year	-	-	-	-	(1,200,053)	-	-	(1,200,053)	-	(1,200,053)
Balance as at June 30, 2022	2,201,124	26,839,742	(9,153,558)	33,340,883	11,203,298	5,733,660	5,526,710	75,691,859	15,716,659	91,408,518
Transfer of reserves	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-
Profit for the year	-	-	-	-	1,885,772	-	-	1,885,772	3,434,762	5,320,534
Other comprehensive income	-	-	-	-	-	858,519	-	858,519	(65,866)	792,653
Total comprehensive income for the year	-	-	-	-	1,885,772	858,519	-	2,744,291	3,368,896	6,113,187
Dividend paid during the year	-	-	-	-	(1,409,160)	-	-	(1,409,160)	(2,158,639)	(3,567,799)
Balance as at June 30, 2023	**2,201,124**	**26,839,742**	**(9,153,558)**	**34,340,883**	**10,679,910**	**6,592,179**	**5,526,710**	**77,026,990**	**16,926,916**	**93,953,906**

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

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Chairman

Chief Executive Officer

Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022 Re-stated
		---------- Rupees in '000 ----------	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	43	34,832,096	20,328,580
Mark-up / interest paid		(4,709,667)	(2,609,983)
Tax paid		(6,331,557)	(5,477,489)
Gratuity paid		(71,663)	(59,664)
Long term loans - net		31,096	(150,051)
Long term deposits - net		(137,767)	(110,731)
		(11,219,558)	(8,407,918)
Net cash generated from operating activities		23,612,538	11,920,662
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(7,702,609)	(12,341,468)
Proceeds from sale of fixed assets		662,131	379,388
Proceed from disposal of non-current asset held for sale		101,250	308,750
Purchase of intangible assets		(21,247)	(41,008)
Intangible assets written off		523	-
Investment in associates - net		(1,491,218)	3,223,748
Dividends received from associates		-	301,836
Dividends received from investments		832,297	575,988
Investments - net		6,643,296	(3,715,823)
Net investment in finance lease		6,989	-
Short term investment - net		(233,736)	(4,837,624)
Net cash used in investing activities		(1,202,324)	(16,146,211)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		327,053	4,338,485
Proceeds from long term financing - government grant		(104,911)	-
Dividend paid to owners of the parent company		(81,554)	(1,240,181)
Lease liabilities - net		22,910	(104,764)
Long term deposits - net		6,208	30,892
Short term borrowings - net		(5,453,007)	301,967
Net cash (used in) / generated from financing activities		(5,283,301)	3,326,399
Net increase / (decrease) in cash and cash equivalents		17,126,913	(899,150)
Cash and cash equivalents at beginning of the year		22,673,925	23,573,075
Cash and cash equivalents at end of the year		39,800,838	22,673,925

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Chairman | Chief Executive Officer | Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 THE GROUP AND ITS OPERATIONS

The "Group" consists of:

Holding Company	Note
- Shirazi Investments (Private) Limited (SIL)	1.1

These financial statements are the consolidated financial statements of the Holding Company and its subsidiaries ("the Group"). In addition to the consolidated financial statements, the Holding Company prepares and presents its separate financial statements for the year ended June 30, 2023.

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

Subsidiary companies	Note	Percentage holding
- Atlas Asset Management Limited (AAML)	1.2	100.00%
- Atlas Engineering (Private) Limited (AEL)	1.3	100.00%
- Shirazi Trading Company (Private) Limited (STC)	1.4	100.00%
- Atlas Power Limited (APL)	1.5	92.09%
- Atlas Venture Limited (AVL)	1.6	100.00%
- Atlas Autos (Private) Limited (AAPL)	1.7	100.00%
- Atlas Metal (Private) Limited (AML)	1.8	100.00%
- Atlas Energy Limited (AENL)	1.90	100.00%
- Atlas Global FZE (AGF)	1.10	100.00%
- Atlas Insurance Limited (AIL)	1.11	75.33%
- Atlas Battery Limited (ABL)	1.12	60.17%
- Atlas Honda Limited (AHL)	1.13	54.57%
- Atlas World Wide General Trading LLC (AWWGT)	1.14	49.00%
- Atlas Hitec (Private) Limited (AHPL)	1.15	60.72%
- Atlas Solar Limited (ASL) (formerly Zhenfa Pakistan New Energy Company Limited)	1.16	93.67%
- Atlas DID (Private) Limited (ADIDL)	1.17	60.00%
- Atlas GCI (Private) Limited (AGCIL)	1.18	44.29%
- Oyster International Holdings Limited (OIHL)	1.19	100.00%

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

1.1 Shirazi Investments (Private) Limited (SIL)

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

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

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

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

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

1.2 Atlas Asset Management Limited (AAML)

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

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

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

1.3 Atlas Engineering (Private) Limited (AEL)

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

1.4 Shirazi Trading Group (Private) Limited (STC)

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

1.5 Atlas Power Limited (APL)

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

1.6 Atlas Venture Limited (AVL)

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

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

1.7 Atlas Autos (Private) Limited (AAPL)

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

1.8 Atlas Metals (Private) Limited (AML)

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

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

1.9 Atlas Energy Limited (AENL)

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

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

1.10 Atlas Global FZE (AGF)

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

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

AGF is principally engaged in general trading activities.

1.11 Atlas Insurance Limited (AIL)

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

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

1.12 Atlas Battery Limited (ABL)

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

1.13 Atlas Honda Limited (AHL)

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

1.14 Atlas World Wide General Trading LLC (AWWGT)

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

1.15 Atlas Hitec (Private) Limited (AHPL)

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

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

1.16 Atlas Solar Limited (ASL)

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

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

SIL and APL holds 20% and 80% shareholding of ASL.

1.17 Atlas DID (Private) Limited (ADIDPL)

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

AAPL holds 60% shareholding of ADIDPL.

1.18 Atlas GCI (Private) Limited (AGCIPL)

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

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

1.19 Oyster International Holdings Limited (OIHL)

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

2 STATEMENT OF COMPLIANCE

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

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

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

3 BASIS OF CONSOLIDATION

These consolidated financial statements have been prepared from the information available in the audited financial statements of the Holding Company and the audited financial statements of the subsidiaries. Subsidiary companies are consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control the company is established and are excluded from consolidation from the date of disposal or when the control is lost.

The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis. Material intra-group balances and transactions have been eliminated.

IFRS 10 "Consolidated Financial Statements" was made applicable from periods beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by Securities and Exchange Commission of Pakistan (SECP). However, vide S.R.O 56(I) /2016 dated January 28, 2016, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance, 1984 (now Companies Act, 2017) and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of this standard have not been considered in the preparation of these consolidated financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

4.1.1 Operating fixed assets - owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any except for leasehold land which is stated at revalued amount. The leasehold land is held by AEL, ABL and AHL (subsidiary companies) which carry leasehold land at revalued amount. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to profit and loss account applying the reducing balance / straight line method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 7.1 to the financial statements. In respect of additions depreciation is charged from the month in which asset is available for use and on disposal up to the month immediately preceding the deletion.

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

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

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

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

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

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

4.1.2 Capital work-in-progress

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

4.1.3 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised at the rates specified in note 8.1 to the financial statements. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

4.1.4 Right-of-use assets

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

4.2 Impairment of non-financial assets

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

4.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.3.1 Initial recognition and measurement

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

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

Classification

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

Financial assets

The Group classifies its financial assets as subsequently measured at 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.

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

a) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value 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 Group elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of equity instruments under IAS 32 Financial Instruments: Presentation and are not held for trading. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.

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

4.3.3 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.

4.3.4 Financial assets measured at fair value through profit or loss

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

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

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

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

4.3.5 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 Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Group has:

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

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

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

Impairment of financial assets

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

The Group considers a financial asset in default when contractual payments are past due ranging from 210 days to 300 days depending upon customer segment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group has applied the standard's simplified approach and calculated ECL based on life-time ECL on its financial assets. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The expected credit losses are recognised in the statement of profit or loss.

Offsetting of financial assets and financial liabilities

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

4.4 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 balance sheet. The resultant gains and losses are included in the profit and loss account.

4.5 Securities under repurchase / reverse repurchase agreements

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

4.5.1 Repurchase agreements

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

4.5.2 Reverse repurchase agreements

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

4.6 Financial Instruments

All financial assets and financial liabilities are recognised at the time when the Group 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. 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 income currently.

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

4.7 Stores, spare parts and loose tools

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

4.8 Stock-in-trade

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

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

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

4.9 Trade debts

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

4.10 Loans and advances

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

4.11 Employee Benefits

4.11.1 Employee compensated absences

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

4.11.2 Post employment benefits

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

(i) Defined benefit plans

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

(a) Gratuity plan

Funded

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

Unfunded

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

(ii) Defined contribution plans

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

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

4.11.3 Long service award

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

4.12 Borrowing costs

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

4.13 Ijarah rentals

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

4.14 Trade and other payables

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

4.15 Provisions

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligations can be made.

4.16 Warranty

The Company recognises the estimated liability to repair or replace products still under warranty at the reporting date. Provision for warranty is calculated based on past experience / history of the level of repairs and replacements.

4.17 Government Grant

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

4.18 Lease liabilities

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Group uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate

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

4.19 Taxation

Current

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

Deferred

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

Deferred tax liabilities are 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 balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be 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 balance sheet date.

4.20 Revenue recognition

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

- If the time between the recognition of revenue and payment from the customer is expected to be more than one year and the impact is material, the amount of consideration is discounted using appropriate discount rates wherever necessary.

4.21 Offsetting of financial assets and liabilities

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

4.22 Foreign currency transactions

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

4.23 Goodwill

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

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

4.24 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.

4.25 Transactions with related parties

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

4.26 Earnings per share

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

4.27 Cash and cash equivalents

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

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:

(a) Determining the residual values and useful lives of property, plant and equipment and intangible assets [note 4.1, 7.1 & 8];

(b) Lease term and discount rate for calculation of lease liabilities [note 4.18];

(c) Impairment of non-financial assets [note 4.2]

(d) Classification and valuation of investments [note 4.3]

(e) Provision for slow moving stock-in-trade and adjustment of stock-in-trade to their net realisable value [note 4.7 & 4.8]

(f) Accounting for staff retirement benefits [note 4.11]

(g) Estimate of provisions and warranty [note 4.16]

(h) Estimation of current and deferred taxation [note 4.19]

6 NEW AND AMENDED STANDARDS AND INTREPRETATIONS

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

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2022:

(a) IAS 37 Onerous contracts **Effective date: January 1, 2022**

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

(b) IAS 16 Proceeds before an asset's intended use **Effective date: January 1, 2022**

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

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2022 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2022 and have not been early adopted by the Group:

(a) IAS 1 Disclosure of accounting policies **Effective date: January 1, 2023**

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

(b) IAS 8 Definition of accounting estimates **Effective date: January 1, 2023**

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

(c) IAS 12 Deferred tax **Effective date: January 1, 2023**

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

(d) IAS 1 Classification of liabilities as current or non current **Effective date: January 1, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(e) IFRS 16 Sale and leaseback **Effective date: January 1, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Group and, therefore, have not been presented here.

7 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022 Re-stated
		------ Rupees in '000 ------	
Operating fixed assets	7.1	**53,081,883**	49,832,545
Capital work-in-progress	7.3	**400,009**	866,596
Right of use assets	7.4	**1,274,848**	1,304,568
		54,756,740	52,003,709

7.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Leasehold improve-ments	Plant and machinery	Electrical equipment and fitting	Air condit-ioners	Furniture and fixtures	Vehicles	Office / factory equipment	Computers and related equipment	Sui gas, water and drainage lines	Measuring instruments, dies, jigs, patterns and other equipment	Total
	Rupees in '000														
At July 1, 2021															
Cost	2,140,467	7,561,644	4,758,572	2,283,284	1,497,752	34,558,322	1,517,733	52,539	336,626	1,447,926	411,716	622,234	17,311	2,138,298	59,344,424
Accumulated depreciation	-	268,884	2,103,466	787,879	332,870	15,789,873	719,960	16,437	202,797	511,782	188,994	477,004	8,199	1,647,857	23,036,002
Net book value	2,140,467	7,292,760	2,655,106	1,495,405	1,164,882	18,768,449	797,773	36,102	133,829	936,144	222,722	145,230	9,112	490,441	36,308,422
Year ended June 30, 2022															
Opening net book value	2,140,467	7,292,760	2,655,106	1,495,405	1,164,882	18,768,449	797,773	36,102	133,829	936,144	222,722	145,230	9,112	490,441	36,308,422
Additions	288,163		197,788	431,894	480,626	14,569,391	105,546	3,572	20,691	700,305	188,611	109,102	-	363,192	17,438,491
Disposals															
- cost	-	-	-	50,074	103,196	639,083	61,285	251	8,120	437,493	12,912	62,771	4,568	410,465	1,796,218
- accumulated depreciation	-	-	-	35,006	19,425	401,331	14,995	151	4,513	190,926	7,356	57,156	2,295	344,133	1,077,277
	-	-	-	15,068	83,771	237,752	46,290	100	3,607	246,567	5,556	5,615	2,283	72,332	718,941
Written off															
- cost	-	-	-	7,657	-	59,345	18,708		1,043	2,369	3,441	6,591	12,743	6,470	118,367
- accumulated depreciation	-	-	-	3,081	-	46,454	10,066	-	495	1,358	1,826	4,793	6,743	3,186	78,002
	-	-	-	4,576	-	12,891	8,642	-	548	1,011	1,615	1,798	6,000	3,284	40,365
Depreciation charge	-	45,448	217,398	181,775	111,506	1,804,753	60,838	3,485	30,543	252,582	73,988	74,730	829	317,189	3,155,064
Closing net book value	2,428,630	7,247,312	2,635,496	1,745,680	1,450,233	31,299,354	787,549	36,089	125,822	1,136,189	310,174	169,189	-	460,828	49,832,545
At June 30, 2022															
Cost	2,428,630	7,561,644	4,956,360	2,657,247	1,875,184	48,428,105	1,543,286	55,860	354,154	1,708,269	563,974	658,974	-	2,078,555	74,866,332
Accumulated depreciation	-	314,332	2,320,864	911,567	424,951	17,128,841	755,737	19,771	228,332	572,080	253,800	489,785	-	1,617,727	25,035,787
Net book value	2,428,630	7,247,312	2,635,496	1,745,680	1,450,233	31,299,354	787,549	36,089	125,822	1,136,189	310,174	169,189	-	460,828	49,832,545
Year ended June 30, 2023															
Opening net book value	2,428,630	7,247,312	2,635,496	1,745,680	1,450,233	31,299,354	787,549	36,089	125,822	1,136,189	310,174	169,189		460,828	49,832,545
Additions	82,123		294,719	331,815	11,360	5,020,383	383,544	4,134	32,248	1,021,810	240,615	181,851	-	432,850	8,017,438
Disposals															
- cost	-	-	-	-		529,714	75,622	401	76	554,022	11,966	47,711	-	177,144	1,396,656
- accumulated depreciation	-		-	-	-	196,370	33,218	195	74	226,600	7,668	41,931	-	144,988	650,044
	-	-	-	-	-	333,344	42,404	206	2	327,422	4,298	5,780	-	32,156	745,612
Depreciation charge	-	43,201	230,208	199,679	126,124	2,499,470	58,637	3,374	27,205	336,433	76,761	86,432	-	324,964	4,022,486
Closing net book value	2,510,753	7,204,111	2,699,007	1,877,816	1,335,469	33,486,903	1,050,052	36,643	130,863	1,494,156	469,730	258,828	-	536,558	53,081,883
At June 30, 2023															
Cost	2,510,753	7,561,644	5,251,079	2,989,062	1,886,544	52,917,644	1,831,208	59,593	389,326	2,176,069	792,623	803,114	-	2,334,261	81,490,114
Accumulated depreciation	-	357,533	2,551,072	1,111,246	551,075	19,430,941	781,156	22,950	258,463	681,913	322,893	544,286	-	1,797,703	28,408,231
Net book value	2,510,753	7,204,111	2,699,007	1,877,816	1,335,469	33,486,903	1,050,052	36,643	130,863	1,494,156	469,730	258,828	-	536,558	53,081,883
Depreciation rate (per annum)	0%	0 - 5%	4 - 5%	5-10%	10%	4-10%	10-35%	10%	10%	20%	10 - 20%	30%	10%	20%	

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

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	---------- Rupees in '000 ----------						
Assets with individual net book amount exceeding Rs.500,000 each							
Plant and machinery							
	8,527	(6,219)	2,308	86	(2,222)	Scrap	Roshan Traders, Baway Di Kuttya Near Fatima Fertilizer Limited, Lahore Road Sheikhupura
	12,861	(10,977)	1,884	127	(1,557)		
	12,463	(10,804)	1,659	125	(1,534)		
	1,950	(713)	1,237	20	(1,217)		
	1,374	(353)	1,021	233	(788)		
	7,027	(6,092)	935	71	(864)		
	12,658	(11,763)	895	127	(768)		
	12,658	(11,763)	895	127	(768)		
	1,204	(310)	894	233	(661)		
	11,388	(10,581)	806	114	(691)		
	6,829	(6,233)	596	69	(527)		
	3,088	(2,544)	544	31	(513)		
	7,351	(6,831)	520	74	(446)		
	5,846	(5,336)	510	59	(451)		
	21,738	(6,826)	14,912	729	(14,183)		Akram Scrap Dealer, Karachi
	20,072	(13,938)	6,134	739	(5,395)		
	14,657	(7,246)	7,411	362	(7,049)		
	13,285	(2,411)	10,874	1,000	(9,874)		
	174,774	(120,940)	53,834	4,326	(49,508)		
Dies and Jigs							
	32,457	(26,372)	6,085	326	(5,759)	Negotiation	Roshan Traders, Baway Di Kuttya Near Fatima Fertilizer Limited, Lahore Road Sheikhupura
	11,905	(8,432)	3,473	120	(3,353)		
	6,614	(4,685)	1,929	66	(1,863)		
	1,019	(255)	764	10	(754)		
	2,848	(2,267)	581	29	(552)		
	3,394	(1,838)	1,556	244	(1,312)		Javed & Sons, 2-A Near Attack Petrol Pump G.T Road Deroghawala, Lahore
	3,394	(1,838)	1,556	244	(1,312)		
	3,612	(2,107)	1,505	260	(1,245)		
	3,612	(2,107)	1,505	260	(1,245)		
	2,777	(2,025)	752	200	(552)		
	2,777	(2,025)	752	200	(552)		
	6,690	(2,090)	4,600	7,691	3,091		Daido Sittipol Co. Ltd
	7,172	(2,092)	5,080	8,168	3,088		
	88,271	(58,133)	30,138	17,816	(12,322)		

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	——— Rupees in '000 ———						
Power Generators							
	68,317	(27,842)	40,475	4,150	(36,325)	Negotiation	Akram Scrap Dealer, Karachi
	4,338	(3,113)	1,225	60	(1,165)		
	72,655	(30,955)	41,700	4,210	(37,490)		
Office / factory equipment							
	1,024	(515)	509	61	(448)	Negotiation	Akram Scrap Dealer, Karachi
	1,305	(604)	701	54	(647)		Zee Traders, Baway Di Kuttiya Near Fatima Fertilizer Limited, Lahore Road Sheikupura
	2,329	(1,119)	1,210	115	(1,095)		
Vehicles							
	6,305	(209)	6,096	6,850	754	Negotiation	M/s Honda Qaideen, P.E.C.H.S, Block-2, Karachi
	1,091	-	1,091	3,410	2,319	Negotiation	M/s Imtiaz Bhatti, Iqbal Avenue Housing, Society Phase III Central Bank Road, Lahore.
	2,834	(378)	2,456	2,870	414	Negotiation	M/s Auto Deals, Block C2, Gulberg III, Lahore.
	3,667	(2,640)	1,027	3,000	1,973	Negotiation	Mr. Syed Rehan Ahmed
	2,613	(1,855)	758	3,853	3,095	Negotiation	Mr.Usman Shahid, B6, Sec11, North Karachi.
	10,534	(9,589)	945	2,900	1,955	Negotiation	Roshan Traders, Baway Di Kuttiya Near Fatima Fertilizer Limited, Lahore Road, Sheikhupura.
	769	(90)	679	3,175	2,496	Negotiation	Mr. Musa Raza Kazmi, B-53, KDA Scheme No.1, Karachi
	1,575	(735)	840	3,020	2,180	Negotiation	Open Market
	3,669	(482)	3,187	3,187	-	Company Policy	Mr. Muhammad Sharif
	1,673	(379)	1,294	1,294	-	Company Policy	Ms. Atia Usman Ansari
	2,258	(1,364)	894	894	-	Company Policy	Mr. Kamran Naqvi
	2,552	(1,499)	1,053	1,053	-	Company Policy	Mr. Muhammad Jawaid Iqbal
	2,936	(382)	2,554	2,554	-	Company Policy	Mr. Rizwan Yousuf
	2,049	(465)	1,584	1,584	-	Company Policy	Mr. Shakil Ahmed
	1,468	-	1,468	1,468	-	Company Policy	Mr. Muhammad Irfan Khan
	1,395	(446)	949	949	-	Company Policy	Mr. Atta Ahmed Malik
	1,335	(390)	945	945	-	Company Policy	Mr. Abdul Rehman
	948	-	948	948	-	Company Policy	Mr.Junaid Ahmed Siddiqui
	2,775	(540)	2,235	2,235	-	Company Policy	Mr. Syed Amjad Ali
	870	(116)	754	754	-	Company Policy	Ms. Sadaf Ashraf
	3,667	(2,545)	1,122	1,122	-	Company Policy	Mr. Maqsood Ahmad Basra
	3,464	(1,779)	1,685	1,685	-	Company Policy	Mr. Maqsood Ahmad
	1,392	(703)	689	689	-	Company Policy	Mr. Khadim Hussain Awan
	2,310	(1,325)	985	985	-	Company Policy	Mr. Tariq Haider Khan
	1,745	(874)	871	871	-	Company Policy	Mr. Azhar Abbas

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	———— Rupees in '000 ————						
Vehicles							
	3,857	(1,759)	2,098	2,098	-	Company Policy	Mr. Rizwan Shafique
	1,986	(1,054)	932	932	-	Company Policy	Ms. Zainab Hussain
	1,986	(1,054)	932	932	-	Company Policy	Mr. Muhammad Uzair uddin siddiqui
	1,340	(796)	544	544	-	Company Policy	Mr. Mohsin Ali Khan
	1,340	(796)	544	544	-	Company Policy	Mr. Qaiser Tanvir
	1,124	(554)	570	570	-	Company Policy	Mr. Syed Najmus Saqib
	1,374	(265)	1,109	1,109	-	Company Policy	Mr. Hassan Askari
	2,270	(1,330)	940	940	-	Company Policy	Mr. Tariq Ahmed Siddiqui
	1,860	(1,091)	769	769	-	Company Policy	Mr. Malik Asjad Ali
	1,986	(1,178)	808	808	-	Company Policy	Mr. Farhan Ahmed
	3,353	(660)	2,693	2,693	-	Company Policy	Ms. Ayesha Salahuddin
	1,374	(226)	1,148	1,148	-	Company Policy	Zohaib Rajput
	1,374	(226)	1,148	1,148	-	Company Policy	Ms. Abeera Saeed
	1,474	(372)	1,102	1,102	-	Company Policy	Mr. Moin Ali Bilwani
	1,124	(614)	510	510	-	Company Policy	Mr. Sohaib Malik Zameer
	1,474	(467)	1,007	1,007	-	Company Policy	Mr. Taimoor Asif
	2,787	(533)	2,254	2,254	-	Company Policy	Mr. Abdul Sattar Abro
	2,359	(157)	2,202	2,202	-	Company Policy	Mr. Mohsin Khan
	2,330	(194)	2,136	2,136	-	Company Policy	Mr. Umer Ali Qureshi
	3,228	(1,900)	1,328	1,328	-	Company Policy	Mr. Tanveer Ahmed Malik
	1,668	(416)	1,252	1,252	-	Company Policy	Mr. Syed Ali Raza
	2,839	(1,684)	1,155	1,155	-	Company Policy	Mr. Munis Iqbal
	1,745	(643)	1,102	1,102	-	Company Policy	Mr. Yasir Saeed Khan
	1,445	(403)	1,042	1,042	-	Company Policy	Mr. Abdul Faheem
	1,347	(335)	1,012	1,012	-	Company Policy	Mr. Kamran Shafiq
	1,347	(336)	1,011	1,011	-	Company Policy	Mr. Muhammad Bilal Amin
	1,398	(485)	913	913	-	Company Policy	Mr. Rizwan Ahmed
	2,008	(1,175)	833	833	-	Company Policy	Mr. Amer Shahhzad
	2,263	(1,442)	821	821	-	Company Policy	Mr. Syed Amjad Habib
	2,263	(1,444)	819	819	-	Company Policy	Mr. Asif Hanif
	1,800	(1,054)	746	746	-	Company Policy	Mr. Majid Amin
	1,800	(1,081)	719	719	-	Company Policy	Mr. Zariq Naveed
	1,800	(1,098)	702	702	-	Company Policy	Mr. Ahmed Sheraz Abdullah
	1,132	(538)	594	594	-	Company Policy	Mr. Muhammad Shahid
	1,348	(759)	589	589	-	Company Policy	Mr. Kashif Qadeer
	1,348	(779)	569	569	-	Company Policy	Mr. Muhammad Saqib Sheikh
	1,348	(789)	559	559	-	Company Policy	Mr. Qamar ul Hassan

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	————	———— Rupees in '000	————				
Vehicles							
	1,348	(789)	559	559	-	Company Policy	Mr. Syed Shams Raza
	1,348	(800)	548	548	-	Company Policy	Mr. Affan Alam
	1,348	(799)	549	549	-	Company Policy	Mr. Masood Arman
	1,662	(908)	754	754	-	Company Policy	Mr. Suhail Ahmed
	2,568	(1,584)	984	984	-	Company Policy	Mr. Tahir Naseem
	2,578	(1,515)	1,063	1,063	-	Company Policy	Mr. Fahad Masood
	3,797	(63)	3,734	3,734	-	Company Policy	Mr. Amir Shahzad
	1,018	(51)	967	967	-	Company Policy	Mr. Noman Khan
	3,476	(1,750)	1,726	1,726	-	Company Policy	Mr. Muhammad Irfan
	1,745	(955)	790	790	-	Company Policy	Mr. Khurram Iqbal
	1,745	(894)	851	851	-	Company Policy	Ms. Tuba Iqbal
	1,745	(894)	851	851	-	Company Policy	Mr. Usamah Naseem
	1,745	(894)	851	851	-	Company Policy	Mr. Haseeb Idrees
	1,745	(738)	1,007	1,007	-	Company Policy	Mr. Murtuza uddin Qureshi
	1,300	(781)	519	519	-	Company Policy	Mr. Zafar Shahbaz
	1,300	(772)	528	528	-	Company Policy	Ms. Yasmin Sultan
	1,270	(766)	504	504	-	Company Policy	Mr. Farooq Imran
	1,308	(643)	665	665	-	Company Policy	Mr. Naseer Butt
	1,101	(553)	548	548	-	Company Policy	Mr. Faisal Shoaib
	1,101	(553)	548	548	-	Company Policy	Mr. Shahood ur Rehman
	1,335	(254)	1,081	1,081	-	Company Policy	Mr. Muhammad Imran
	1,373	(198)	1,175	1,175	-	Company Policy	Mr. Khalid Jameel
	1,335	(254)	1,081	1,081	-	Company Policy	Mr. Asif Riaz
	1,009	(496)	513	513	-	Company Policy	Ms. Rabiha Mataret
	1,094	(36)	1,058	1,058	-	Company Policy	Mr. Rameez Baig
	778	(274)	504	504	-	Company Policy	Mr. Syed Danish Ali
	2,822	-	2,822	2,822	-	Company Policy	Mr. Talha Altaf
	1,696	(839)	857	857	-	Company Policy	Mr. Mohsin Ghafoor
	1,655	(319)	1,336	1,336	-	Company Policy	Mr. Muhammad Faizan
	1,398	(528)	870	870	-	Company Policy	Mr. Abdul Haseeb
	1,398	(482)	916	916	-	Company Policy	Mr. Noman Wajid Khan
	1,877	-	1,877	1,877	-	Company Policy	Mr. Muhammad Tariq
	1,395	(372)	1,023	1,023	-	Company Policy	Mr. Muhammad Hassan Iqbal
	1,101	(564)	537	537	-	Company Policy	Mr. Talha Altaf
	1,335	(276)	1,059	1,059	-	Company Policy	Mr. Owais Siddiqui

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	Rupees in '000						
Vehicles							
	1,300	(782)	518	518	-	Company Policy	Mr. Raja Muhammad Arif
	587	(20)	567	567	-	Company Policy	Mr. Tanzil Ur Rahman
	3,354	(792)	2,562	2,562	-	Company Policy	Mr. Muhammad Rafi
	2,270	(1,382)	888	888	-	Company Policy	Mr. Iftikhar ul Islam
	2,479	(1,073)	1,406	1,406	-	Company Policy	Mr. Sheikh Muhammad Mahmood
	1,655	(316)	1,339	1,339	-	Company Policy	Mr. Muhammad Hammad
	1,433	(470)	963	963	-	Company Policy	Mr. Mubashir Iqbal
	1,433	(470)	963	963	-	Company Policy	Mr. Umer Asif
	1,433	(487)	946	946	-	Company Policy	Mr. Hammad Farooq Siddiqui
	2,270	(1,330)	940	940	-	Company Policy	Mr. Imtiaz Askari
	2,270	(1,334)	936	936	-	Company Policy	Mr. Muhammad Irfan
	1,984	(1,068)	916	916	-	Company Policy	Mr. Muhammad Irfan
	1,919	(1,080)	839	839	-	Company Policy	Mr. Sajid Mahmood
	1,919	(1,080)	839	839	-	Company Policy	Mr. Shariq Shamim
	1,860	(1,078)	782	782	-	Company Policy	Mr. Shahid Shakeel
	1,860	(1,078)	782	782	-	Company Policy	Mr. Fakhar Abbas
	1,715	(1,048)	667	667	-	Company Policy	Mr. Amjad Ali Khan
	1,715	(1,081)	634	634	-	Company Policy	Mr. Anwar Khan
	1,238	(633)	605	605	-	Company Policy	Mr. Ishtiaq Hussain Khan
	1,300	(772)	528	528	-	Company Policy	Mr. Abdul Qudoos
	1,300	(781)	519	519	-	Company Policy	Mr. Iftikhar Hasan Faridy
	1,300	(793)	507	507	-	Company Policy	Mr. Adil Nawaz
	1,398	(518)	880	880	-	Company Policy	Mr. Sara Ashraf
	1,300	(756)	544	544	-	Company Policy	Mr. Abdullah Zaheer
	1,300	(775)	525	525	-	Company Policy	Mr. Shariq Saleem
	2,817	(495)	2,322	2,322	-	Company Policy	Mr. Zia Ahmed Khan
	2,507	(1,116)	1,391	1,391	-	Company Policy	Mr. Fawad Ahmed Tanwri
	1,480	(99)	1,381	1,381	-	Company Policy	Ms. Maheen Fatima
	2,467	(1,167)	1,300	1,300	-	Company Policy	Mr. Muhammad Qamar Nazir
	2,763	(1,659)	1,104	1,104	-	Company Policy	Mr. Kashif Yasin
	2,763	(1,680)	1,083	1,083	-	Company Policy	Mr. Syed Tanvir Hyder
	3,713	(2,657)	1,056	1,056	-	Company Policy	Mr. Saquib H. Shirazi
	2,568	(1,544)	1,024	1,024	-	Company Policy	Mr. Zahid Saleem

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	Rupees in '000						
Vehicles							
	2,613	(1,589)	1,024	1,024	-	Company Policy	Mr. Manzoor Qadir Abbasi
	2,613	(1,608)	1,005	1,005	-	Company Policy	Mr. Shahzada Jamal Hamid
	1,028	(69)	959	959	-	Company Policy	Mr. Daniyal Ahmed Rasheed
	2,151	(1,246)	905	905	-	Company Policy	Mr. Yaseen Murtaza
	2,263	(1,362)	901	901	-	Company Policy	Mr. Motyib Ekhlaq
	2,225	(1,326)	899	899	-	Company Policy	Mr. Muhammad Raza
	2,225	(1,326)	899	899	-	Company Policy	Mr. Abdul Wahid
	2,226	(1,328)	899	899	-	Company Policy	Mr. Muhammad Asif Imran
	2,225	(1,326)	899	899	-	Company Policy	Mr. Muhammad Qamer Bashir
	1,170	(281)	889	889	-	Company Policy	Mr. Iftikhar Ahmed
	2,043	(1,184)	859	859	-	Company Policy	Mr. Osama Qureshi
	2,363	(1,505)	858	858	-	Company Policy	Mr. Azmatullah Khattak
	1,243	(393)	850	850	-	Company Policy	Mr. Zeeshan Mehdi
	1,483	(729)	754	754	-	Company Policy	Mr. Imran Shehzad
	1,483	(729)	754	754	-	Company Policy	Mr. Osama Zahid Butt
	1,883	(1,131)	752	752	-	Company Policy	Mr. Amir Habib
	1,476	(726)	750	750	-	Company Policy	Mr. Jawad Hanif
	1,145	(418)	727	727	-	Company Policy	Mr. Waleem Abbas
	1,483	(756)	727	727	-	Company Policy	Mr. Shahzad Sarwar
	1,483	(756)	727	727	-	Company Policy	Mr. Saif Ullah
	1,483	(756)	727	727	-	Company Policy	Mr. Muhammad Munam
	1,483	(756)	727	727	-	Company Policy	Mr. Muhammad Rizwan Aslam
	1,483	(756)	727	727	-	Company Policy	Mr. Sohaib Qamer
	1,483	(756)	727	727	-	Company Policy	Mr. Taimoor Hassan
	1,483	(756)	727	727	-	Company Policy	Mr. Hafiz Sufyan Khalid
	1,476	(766)	710	710	-	Company Policy	Mr. Muhammad Ammar
	1,476	(780)	696	696	-	Company Policy	Mr. Saeed Ahmed
	1,101	(499)	602	602	-	Company Policy	Mr. Omer Shahzad
	1,101	(499)	602	602	-	Company Policy	Mr. Muhammad Raza
	1,101	(499)	602	602	-	Company Policy	Mr. Kafeel Ahmed
	1,101	(510)	591	591	-	Company Policy	Mr. Muhammad Rizwan
	1,101	(510)	591	591	-	Company Policy	Mr. Muhammad Zunair Nawaz
	1,101	(510)	591	591	-	Company Policy	Mr. Abdul Waheed
	1,101	(521)	580	580	-	Company Policy	Mr. Umer Irfan
	1,101	(521)	580	580	-	Company Policy	Mr. Ali Zia
	1,101	(551)	550	550	-	Company Policy	Mr. Shahid Iqbal
	1,101	(551)	550	550	-	Company Policy	Mr. Muhammad Daniyal Alam
	1,101	(562)	539	539	-	Company Policy	Mr. Syed Faiz Ul Bari

Description	Cost	Accumu-lated deprec-iation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	---------- Rupees in '000 ----------						
Vehicles							
	3,412	(341)	3,071	3,071	-	Company Policy	Mr. Majid Badar Siddiqui
	3,580	(689)	2,891	2,891	-	Company Policy	Mr. Naveed Ahmed
	3,342	(643)	2,699	2,699	-	Company Policy	Mr. Farrukh
	2,817	(453)	2,364	2,364	-	Company Policy	Mr. Wasim Ul Haq
	1,675	(168)	1,507	1,507	-	Company Policy	Mr. Muhammad Shahzaib
	2,507	(1,159)	1,348	1,348	-	Company Policy	Mr. Syed Arsalan Hasan
	1,730	(406)	1,324	1,324	-	Company Policy	Mr. Tayyib Aftab
	2,467	(1,235)	1,232	1,232	-	Company Policy	Mr. Abdul Nasir
	1,395	(229)	1,166	1,166	-	Company Policy	Mr. Muhammad Bilal Riaz
	1,395	(269)	1,126	1,126	-	Company Policy	Mr. Muhammad Abid
	2,467	(1,349)	1,118	1,118	-	Company Policy	Mr. Muhammad Imran Siddique
	1,395	(347)	1,048	1,048	-	Company Policy	Mr. Abdul Sammad
	1,395	(387)	1,008	1,008	-	Company Policy	Mr. Asad Omer
	1,109	(164)	945	945	-	Company Policy	Mr. Anas Nasir
	1,483	(702)	781	781	-	Company Policy	Mr. Muhammad Yasir Ejaz
	1,398	(622)	776	776	-	Company Policy	Mr. Saad Hoda
	1,812	(1,094)	718	718	-	Company Policy	Mr. Syed Shahid Ali
	1,280	(210)	1,070	1,070	-	Company Policy	Mr. Abdullah Irfan
	951	(127)	824	824	-	Company Policy	Mr. Ausaf Siddiqui
	1,353	(601)	752	752	-	Company Policy	Mr. Muhammad Adeel
	1,398	(447)	951	951	-	Company Policy	Mr. Faisal Mehmood
	1,101	(511)	590	590	-	Company Policy	Mr. Abdur Rehman
	1,777	(754)	1,023	1,023	-	Company Policy	Mr. Khawaja Shujauddin
	1,398	(447)	951	951	-	Company Policy	Mr. Ausaf
	2,250	(188)	2,062	2,062	-	Company Policy	Mr. Abdur Rehman
	361,500	(155,867)	205,633	220,819	15,186		
	699,529	(367,014)	332,515	247,288	(85,227)		
Various assets having net book amount upto Rs. 500,000 each	696,127	(283,030)	413,097	414,843	1,746		
	1,395,656	**(650,044)**	**745,612**	**662,131**	**(83,481)**		
Year Ended: June 30, 2022	1,914,586	(1,155,279)	759,307	379,388	(379,919)		

7.3 Capital work-in-progress

	Note	2023	2022
		—— Rupees in '000 ——	
Electric and gas fittings		-	35,456
Plant and machinery		**150,880**	340,876
Furniture and fixtures		-	1,964
Software, computers and equipment		**7,136**	20,293
Civil works		**66,671**	232,812
Factory equipment		**4,283**	31,973
Advance payment against - motor vehicle		**63,424**	70,019
Dies and jigs		**83,236**	78,553
Other		**24,379**	54,650
		400,009	866,596

7.4 Right of use assets

	Note	2023	2022
Balance at the beginning of the year		**1,304,568**	1,481,351
Adjustment due to lease modification		**124,581**	(87,608)
Additions during the year		**220,613**	245,525
Disposal		**(26,474)**	(18,187)
Depreciation charged during the year		**(348,440)**	(316,613)
Balance at the end of the year		**1,274,848**	1,304,568

8 INTANGIBLE ASSETS

	Note	2023	2022
Net book value at the beginning of the year		**101,436**	108,253
Additions		**21,247**	41,008
Written off		**(523)**	-
Amortisation charge	8.1	**(59,101)**	(47,825)
Net book value at the end of the year		**63,059**	101,436
Annual rate of amortisation		**10 - 50%**	10 - 50%

8.1 Amortisation charge for the year Rs.59 million (2022: Rs.47.83 million) has been grouped under cost of sales and servies (Note - 37) and distribution costs and administrative expenses (Note 38).

9 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

	Note	2023	2022
		------ Rupees in '000 ------	
Investment in associates	9.1	13,233,483	16,286,185
Investment in joint venture	9.3	-	72,000
		13,233,483	16,358,185

9.1 Investment in associates

	Honda Atlas Cars (Pakistan) Limited		Honda Atlas Power Products (Private) Limited		Naymat Collateral Management Company Limited		Integration Experts		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees in '000									
Balance as at July 1, 2022	16,140,389	16,574,267	40,365	61,641	-	21,534	105,431	164,583	16,286,185	16,822,025
Investment transferred	-	-	-	-	-	(21,534)	-	-	-	(21,534)
Share of Profit	79,718	789,035	371	276	-	-	26,534	24,359	106,623	793,670
Remeasurement gain / (loss)	13,195	(30,606)	-	-	-	-	-	-	13,195	(30,606)
Dividend received	-	(301,838)	-	-	-	-	-	-	-	(301,838)
Carrying value at the end of the year	16,233,302	17,010,858	40,736	61,917	-	-	131,965	188,942	16,406,003	17,261,717
Impairment loss for the year	(3,172,520)	(870,469)	-	(21,552)	-	-	-	(83,511)	(3,172,520)	(975,532)
Balance as at June 30, 2023	13,060,782	16,140,389	40,736	40,365	-	-	131,965	105,431	13,233,483	16,286,185

9.2 Share of associates net assets and profit and loss

Name of associate	Interest held		Profit		Total assets		Total liabilities		Share of net assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			Rupees in '000							
Honda Atlas Cars (Pakistan) Limited	30.64%	30.64%	79,707	789,035	19,207,629	21,528,598	13,305,040	15,412,632	5,902,589	6,115,966
Honda Atlas Power Products (Private) Limited	20.00%	20.00%	371	276	56,155	51,675	15,419	11,311	40,736	40,365
Integration Experts	26.00%	26.00%	26,343	24,359	239,838	171,330	107,873	65,899	131,965	105,431

9.3 Investment in joint venture

2023	2022	Name of Company	2023	2022
Number of shares			—— Rupees in '000 ——	
		Unlisted shares		
-	10,765,000	Madian Hydro Power Limited Fully paid ordinary shares of Rs.10 each Holding: Nil (2022: 50.00%)	-	107,650
		Less: provision for impairment	-	(35,650)
			-	72,000

9.3.1 During the current year, the members of Madian Hydro Power Limited approved the winding up of the company through the Members' Voluntarily Winding up scheme, and a liquidator was appointed. Consequently, the Company have received Rs. 82.8 million against its shares from the final liquidation proceeds

10 INVESTMENTS IN ASSOCIATES - MUTUAL FUNDS

2023	2022		2023	2022
Number of units				
4,950,287	4,156,029	Atlas Income Fund	**2,852,844**	2,265,716
3,994,663	4,325,459	Atlas Stock Market Fund	**2,288,613**	2,569,758
83,402	10,866,977	Atlas Sovereign Fund	**8,473**	1,144,541
3,093,113	3,035,170	Atlas Islamic Stock Fund	**1,478,173**	1,507,125
-	39	Atlas Islamic Income Fund	-	21
15,183,604	11,247,567	Atlas Money Market Fund	**7,749,341**	5,714,498
213,625	213,388	Atlas Aggressive Allocation Islamic - Plan	**117,727**	118,117
212,262	211,661	Atlas Moderate Allocation Islamic Plan	**119,898**	119,966
248,757	244,637	Atlas Conservative Allocation Islamic Plan	**140,847**	138,765
899,340	898,124	Atlas Islamic Capital Preservation Plan I	**461,887**	454,884
732,231	878,759	Atlas Islamic Money Market Fund	**367,101**	439,379
-	45,889	Atlas Islamic Dividend Plan	-	22,944
4,111,068	3,169,109	Atlas Liquid Fund	**2,055,535**	1,685,520
498,000	498,000	Atlas Pension Fund	**224,837**	205,989
498,000	498,000	Atlas Pension Islamic Fund	**218,459**	205,294
			18,083,735	16,592,517

11 LONG TERM INVESTMENTS

	Note	2023	2022
		---- Rupees in '000 ----	
Unlisted shares - at fair value through - other comprehensive income	11.1	-	-
Government securities - at cost	11.2	-	6,355,920
Available-for-sale - others			
Listed shares	11.3	**865,319**	616,280
		865,319	6,972,200

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

2023 Number of shares	2022 Number of shares	Name of Company	2023	2022
5,661,524	5,661,524	Techlogix International Limited Fully paid ordinary shares of - US $ 0.0001488	**64,748**	64,748
		Less: Provision for impairment	**(64,748)**	(64,748)
350,000	350,000	Arabian Sea Country Club Limited Fully paid ordinary shares of 10 each	**3,500**	3,500
		Less: Provision for impairment	**(3,500)**	(3,500)
50,000	50,000	Automotive Testing & Training - Centre (Private) Limited	**500**	500
		Ordinary shares of Rs.10 each - cost		
		Less: Provision for impairment	**(500)**	(500)
			-	-

11.2 The Group during the preceding year received Government securities (PIBs & Sukuk Bonds) from CPPA-G as per mechanism agreed in revised agreement amounting Rs.10,732 million which have been redeemed on discount.

11.3 Listed securities include an amount of Rs.1,132 million (2022: Rs.2,020 million) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 879 million (2022: Rs.644 million).

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

	Note	2023	2022
		------ Rupees in 000 ------	
Loans and advances to:			
Key Management Personnel	12.2	**8,212**	7,570
Other employees		**201,251**	166,189
	12.1	**209,463**	173,759
Current portion of long term loans		**(156,676)**	(103,360)
		52,787	70,399
Loan to Multan Electric Power Company Limited	12.3	**133,357**	133,355
		186,144	203,754
Trade debts:			
Receivable against hire-purchase sales		-	13,486
	12.4	**186,144**	217,240

12.1 These represent interest free loans provided to employees of the Company in the form of staff personal loan and motor vehicle loan. Loans aggregating Rs.139.1 million (2022: Rs.108.8 million) are provided for purchase of motorcycles and are repayable in forty eight equal monthly instalments. These loans are secured against respective motorcycles and employees' vested retirement benefits. Advances are unsecured and are repayable in twenty four equal monthly instalments.

12.2 The maximum amount of loans and advances to the key management personnel outstanding at the end of any month during the year ended June 30, 2023 was Rs.17.60 million (2022: Rs.1.64 million).

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

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

13 LONG TERM DEPOSITS, PREPAYMENTS - AND OTHER RECEIVABLES

	2023	2022
	---- Rupees in '000 ----	
Deposits and retention money	**240,617**	187,743
Deferred commission	**196,564**	111,671
	437,181	299,414

14 During the year, ASL has changed its accounting policy with regard to IFRS 16 "Leases" and IAS 21 "The Effect of Changes in Foreign Exchange Rates" to the extent of exemption granted by SECP through S.R.O. 986 (I)/2019 dated September 02, 2019. Under the new policy power plant which was previously treated as lease under IFRS 16 "Leases" is now recorded under IAS 16 "Property, plant and equipment". The management believes that the new policy provides reliable and more relevant information related to recoding of said assets. This accounting policy has been applied retrospectively as per the requirements of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). The effect on prior periods is disclosed in note 48.

15 STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2023	2022
		---- Rupees in '000 ----	
Stores and spare parts		**2,809,141**	1,524,019
Loose tools		**733,980**	677,773
Maintenance spares		**797,929**	788,690
		4,341,050	2,990,482
Less: Provision for slow moving stores		**(166,677)**	(211,913)
		4,174,373	2,778,569

16 STOCK-IN-TRADE

	Note	2023	2022
Raw and ancillary materials			
In hand		**13,560,118**	9,568,926
held with vendors		**862,439**	752,116
In transit		**393,485**	540,751
		14,816,042	10,861,793
Work-in-process		**2,158,353**	1,234,987
Finished goods in hand		**6,080,665**	5,733,308
Less: Provision for obsolescence	16.1	**(171,771)**	(173,917)
		22,883,289	17,656,171

16.1 Reconciliation of provision for obsolescence is as follows:

	Note	2023	2022
		---- Rupees in '000 ----	
Balance at the beginning of the year		173,917	143,258
Charge for the year		25,031	35,055
Amount written off during the year		(27,177)	(4,396)
Balance at the end of the year		171,771	173,917

17 TRADE DEBTS

	Note	2023	2022 Re-stated
Considered good	17.1	22,454,996	19,976,056
Contract asset		1,888,459	588,098
Less: Provision for doubtful debts		(5,437)	(5,430)
		1,883,022	582,668
Considered doubtful		88,412	96,336
Less: Provision for doubtful debts		(88,412)	(96,336)
		-	-
		24,338,018	20,558,724

17.1 These include trade receivables from CPPA-G (previously from NTDC) under PPA and are considered good. These are secured by a guarantee from the Government of Pakistan (GoP) under the Implementation Agreement and are in normal course of business and interest free. However, a penal mark-up at the rate of 3 months KIBOR plus 2% for first 60 days and 4.5% thereafter is charged in case the amounts are not paid within due dates. Included herein is delayed payment interest of Rs.2,356 million (June 2022: Rs.1,117 million) at the KIBOR plus 2% for first 60 days and 4.5% thereafter (June 2022: KIBOR plus 4.5%) per annum.

17.2 Reconciliation of provision against doubtful debts is as follows:

	2023	2022
	---- Rupees in '000 ----	
Balance at the beginning of the year	96,336	133,237
Charge for the year	7,074	2,104
Amount written-off during the year	-	(19,452)
Reversal during the year	(14,998)	(19,553)
Balance at the end of the year	88,412	96,336

18 RECEIVABLE FROM ASSOCIATE FUNDS

	2023	2022
	---- Rupees in '000 ----	
Management fee		
Atlas Income Fund	**3,607**	1,822
Atlas Stock Market Fund	**16,566**	18,864
Atlas Islamic Stock Fund	**6,743**	7,958
Atlas Islamic Income Fund	**757**	562
Atlas Pension Fund	**1,077**	1,213
Atlas Islamic Dedicated Stock Fund	**1,247**	1,068
Atlas Money Market Fund	**14,600**	2,790
Atlas Sovereign Liquid Fund	**553**	712
Atlas Islamic Fund of Funds	**33**	33
Atlas Pension Islamic fund	**1,162**	1,281
Atlas Islamic Money Market Fund	**1,144**	122
Atlas Liquid Fund	**3,162**	571
	50,651	36,996
Current portion of receivable in respect of		
Formation cost - Atlas Liquid Fund	-	604
	50,651	37,600

18.1 The maximum aggregate amount of receivable from associate funds at the end of any month during the year was Rs.52.39 million (2022: Rs.41.27 million). These balances are recoverable within one month. As of date of the financial statements, these are neither past due nor impaired.

19 LOANS AND ADVANCES - unsecured, considered good

	Note	2023	2022
		------ Rupees in '000 ------	
Current portion of long term loans	12	**156,676**	103,360
Advances			
Due from staff	19.1	**15,244**	16,107
Due from suppliers		**366,217**	972,158
Others		**476,823**	176,676
		858,284	1,164,941
Less: provision for doubtful debts		**(7,843)**	(7,819)
		1,007,117	1,260,482

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

20 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023	2022
		---- Rupees in '000 ----	
Security / trade deposits		**89,687**	63,683
Prepayments for rent, insurance and others		**1,956,720**	1,313,284
Earnest money		**86,816**	156,141
Other receivables			
Letter of credit and guarantee margin		**3,806,531**	1,908,854
Advance against shares	20.1	**176,630**	176,630
Advisory fee receivable		**2,020**	2,223
Profit on term deposit receipt		**4,780**	339
Receivable from Suroor Investments Limited	20.1	**102,579**	102,579
Dividends receivable		**38,938**	3,925
Due from employees		**3,946**	1,808
Due from suppliers		**11,243**	11,934
Due from insurance contract holder		**266,453**	307,126
Provident fund		**223**	5,219
Workers' Profit Participation Fund from CPPA-G		**167,595**	168,111
Receivable from funds under back office accounting services		**41,014**	9,035
Assets from window takaful		**371,476**	321,202
Receivable from gratuity fund		**33,396**	42,639
Others		**333,254**	597,807
		5,360,078	3,659,431
Less: Provision against other receivables		**(289,117)**	(141,851)
		7,204,184	5,050,688

20.1 This represents convertible cash advance against subscription of shares amounting to Rs. 176.63 million paid to MedznMore (Private) Limited. In June 2023, the company faced liquidity issues, which led to the closure of its operations across the country. As a result, the entire cash advance amount has been fully provided and accounted for as a loss.

20.2 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 in the prior year.

21 SHORT TERM INVESTMENTS

	Note	2023	2022
		---- Rupees in '000 ----	
Investment at fair value through - other comprehensive income			
Listed shares	21.1	7,133,298	6,316,579
Available-for-sale			
Term finance certificates		20,000	20,000
Investment at fair value through profit or loss			
Listed shares	21.2	950,380	2,122,981
Pakistan investment bonds	21.3	349,999	70,934
Mutual funds	21.4	456,343	923,019
Held-to-maturity			
Pakistan investment bonds	21.5	49,710	141,566
Treasury bills	21.6	1,359,086	45,495
Investment at amortised cost			
Term deposit receipts		25,000	1,000
		10,343,816	9,641,574

21.1 Listed shares

2023	2022			2023		2022	
Number of shares		Name of Company	Note	Cost	Fair value	Cost	Fair value
				---- Rupees in '000 ----			
-	12,003,424	Habib Bank Limited		-	-	1,475,377	1,096,393
6,089,524	10,081,386	Meezan Bank Limited		706,262	525,952	1,286,161	1,138,995
14,636,936	14,636,936	Cherat Cement Company Limited		1,307,436	1,760,531	1,307,435	1,361,821
5,560,500	-	Habib Metropolitan Bank Limited		175,656	168,038	-	-
656,885	-	Pakistan Oilfields Limited		263,025	263,917	-	-
7,609,654	7,609,654	Systems Limited		178,280	3,069,202	178,280	2,510,120
2,087,250	1,500,000	Pakistan Cables Limited		240,407	173,075	240,407	209,250
4,504,423	-	Engro Fertilizers Limited		366,155	371,750	-	-
3,122,961	-	Fauji Fertilizer Company Limited		320,038	307,424	-	-
4,197,795	-	United Bank Limited		464,359	493,409	-	-
			21.1.1	4,021,617	7,133,298	4,487,660	6,316,579

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

21.2 Listed securities include an amount of Rs.1,107 million (2022: Rs.2,020 million) being the fair market value under an arrangement permissible under Shariah.

21.3 Investment in Government securities

These carrying markup at a fixed rate of 20.63%.

21.4 Mutual funds

2023	2022	Name of Funds	Note	2023	2022
Number of units				— Rupees in '000 —	
2,593,190	2,015,333	HBL Money Market Fund	**21.4.1**	**266,654**	207,150
1,114,731	7,033,024	Lakson Money Market Fund		**114,892**	715,869
29,447	-	National Investment Trust		**1,491**	-
717,524	-	HBL Cash Fund		**73,306**	-
				456,343	923,019

21.4.1 2,593,190 units of HBL Money Market Fund valuing Rs.267 million (2022: 2,015,333 units of HBL Money Market Fund valuing Rs.207 million) are under lien of a commercial bank against guarantees aggregating Rs.239 million (2022: Rs.169 million) issued in favour of Sui Southern Gas Co. Ltd. and Excise & Taxation Department, Government of Sindh on behalf of the Group.

21.5 This represents carrying amount of government securities placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance 2000.

21.6 Includes treasury bills having cost of Rs. 190,604 thousand (2022: 86,314) are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance, 2000.

22 NON-CURRENT ASSET HELF FOR SALE

	Note	2023	2022
		—— Rupees in 000 ——	
Carrying amount	**22.1**	**101,250**	410,000
Disposal	**22.2**	**(101,250)**	(308,750)
		-	101,250

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

22.2 The Company during the year sold the non-current asset held for sale to M/s. Bilal Metals Engineering (SMC-Private) Limited for Rs.101.25 million and to M/s. Atlas Autos (Private) Limited, a related party Rs.Nil (2022: Rs.140 million) to based on above mentioned valuation report.

23 CASH, BANK BALANCES AND DEPOSITS

	Note	2023	2022
		--- Rupees in '000 ---	
Bank balances and deposits:			
Current accounts		**2,463,192**	737,168
PLS saving accounts	**23.1**	**5,634,650**	4,963,403
Term deposit receipts / treasury bills	**23.2**	**30,957,093**	16,780,405
In hand:			
Cheques in hand	**23.3**	**745,827**	192,798
Cash in hand		**76**	151
		39,800,838	22,673,925

23.1 These carry interest rates ranging from 12.25% to 19.5% (2022: 9% to 13.5%) per annum.

23.2 These carry mark-up rates ranging from 16.36% to 20.5% (2022: 5.7% to 15%) per annum with maturity ranging from 6 days to 20 days (2022: 8 days to 365 days). These include term deposit receipts of Rs.40 million (2022: Rs.20 million) which are under lien with the bank against a bank guarantee issued on behalf of the Group. Also includes Rs.27,372.08 million (2022: Rs.3,435.40 million) invested in Treasury Bills and Pakistan Investments bonds having maturity of upto 182 days and carries markup ranging from 15.68% to 21.06% (2022: 12.3% to 15%).

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

24 SHARE CAPITAL

Authorised Capital

2023	2022		2023	2022
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

2023	2022		2023	2022
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

24.1 As at year end, the shares held by Directors and Iftikhar Shirazi Family Trust were 165.084 million (2022: 165.084 million) and 55.028 million (2022: 55.028 million) respectively.

24.2 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.

25 LONG TERM LOANS - secured

	Note	2023	2022
		Rupees in '000	
Local currency loans - secured			
Term finance facility - I	25.1	-	200,000
Term finance facility - II	25.2	3,063,573	3,224,670
Term finance facility - III	25.3	-	238,981
Term finance facility - IV	25.4	-	312,500
Temporary economic refinance facility	25.5	195,215	195,215
Temporary economic refinance facility - I	25.6	224,296	224,996
Temporary economic refinance facility - II	25.6	44,167	37,843
Temporary economic refinance facility - IIII	25.7	1,396,023	1,460,565
Green financing facility - phase 1	25.8	52,144	59,321
Green financing facility - phase 2	25.8	93,157	97,207
Green financing facility - phase 3	25.9	135,000	272,500
Islamic financing facility	25.10	2,812,500	3,000,000
Islamic financing facility - I	25.11	1,000,000	1,500,000
Islamic financing facility - II	25.12	2,000,000	2,000,000
Renewable energy refinancing facility	25.13	59,282	66,256
Demand financing facility	25.14	300,000	400,000
Salary loan	25.15	-	453,502
Musharakah I	25.16	708,333	-
Musharakah II	25.17	312,500	-
		12,396,190	13,743,556
Foreign currency loans - secured			
Term finance facility	25.18	7,492,129	5,783,120
		19,888,319	19,526,676
Adjustment pertaining to fair value of loan at - below market interest rate		(390,953)	(523,725)
Current portion		(3,284,642)	(2,352,696)
		16,212,724	16,650,255

25.1 Represents financing obtained by AEL from a commercial bank for capital expenditure (incurred and to be incurred) carrying mark-up at the rate of 3 months KIBOR + 0.95% (2022: 3 months KIBOR + 0.95%). The loan along with the mark-up is repayable in 18 equal quarterly instalment commencing from January 2021. AEL during the year repaid instalments aggregating Rs.200 million (2022: Rs.66.667 million). The facility is secured by way of first pari-passu charge over immovable fixed assets and by way of hypothecation on movable fixed assets of the AEL.

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

25.3 AAL had obtained term finance amounting Rs.500 million from Allied Bank Limited for the purpose of strategic investments. The loan carries mark-up at the rate of 3 months KIBOR plus 0.6% and is secured against first pari passu hypothecation charge on existing and future plant & machinery with 25% margin and equitable mortgage against land with 25% margin of AAL. This loan is for five years from the date of disbursement (November 28, 2018) and is repayable in 16 quarterly instalments with grace period of one year. The principal repayments have been further deferred for twelve months inline with the State Bank of Pakistan's BPRD Circular letter No. 13 of 2020 dated March 26, 2020. Resultantly the revised maturity date was November 28, 2024 as compare to its previous maturity of November 28, 2023. The Company, during the year early repaid the remaining outstanding amount Rs. 238.98 million.

25.4 The ABL had obtained term loan amounting Rs.500 million from Allied Bank Limited for the purpose of its balance sheet re-profiling. The loan carries mark-up at the rate of 6 months KIBOR plus 0.6% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. This loan is for five years from the date of disbursement (November 27, 2019) and is repayable in 8 equal bi-annual instalments with a grace period of one year. The entire amount of the loan has been repaid during the year.

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

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

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

25.8 AENL has arranged long term finance facility amounting Rs.270 million from Habib Bank Limited under SBP Financing Scheme for Renewable Energy. The bank against the said facility disbursed Rs.203 million in three tranches of different amounts. The loan is repayable in 40 equal quarterly installments. These finances carry mark-up at the SBP rate plus 1% and are secured against first charge over all present and future current and non-current assets of the Company with the margin of 10% and 20% respectively.

25.9 During the preceding year, AENL has arranged long term finance facility amounting Rs.272.5 million having a total limit of Rs.400 million including loan from SBP under Green Financing Facility of Rs.150 million repayable in 40 equal quarterly instalments. This facility has obtained by the Company for the purpose of financing the capital expenditure. This facility is secured by current and non-current assets of the Company with the margin of 20%. The rate of mark-up is 4% for the loan facility of Rs.150 million and KIBOR plus 1% for the loan facility of Rs.122.5 million. The mark-up will be payable on each quarter along with the payment of principal. This facility also includes certain financial covenants. breaches in meeting the financial covenants would permit the bank to immediately call these bank facilities.

25.10 APL has arranged a long term Islamic finance facility (Diminishing Musharakah Facility) amounting Rs.3,000 million from Meezan Bank Limited (Islamic) to restructure the Company's balance sheet and pay off conventional debt. The bank against the said facility disbursed Rs.3,000 million. This loan is repayable in 16 quarterly installments commenced from March, 2023. This finances carry mark-up at the rate of 3 month KIBOR + 0.15% per annum and are secured against 1st pari passu charge over plant and machinery of the company with 25% margin.

25.11 APL has arranged a long term Islamic finance facility (Diminishing Musharakah Facility) amounting Rs.1,500 million from National Bank of Pakistan for rationalization and reprofiling of balance sheet of the Company. The bank against the said facility disbursed Rs.1,500 million. The loan is repayable in 6 semi annual installments commenced from July, 2022. These finances carry mark-up at the rate of 3 month KIBOR + 0.15% per annum and are secured against 1st parri passu charge over plant and machinery of the Company with 25% margin.

25.12 APL has arranged another long term Islamic finance facility (Diminishing Musharakah Facility) amounting Rs.2,000 million from National Bank Limited of Pakistan for rationalization and reprofiling of balance sheet of the Company. The bank against the said facility disbursed Rs.2,000 million. The loan is repayable in 6 semi annual installments commencing from July, 2023. These finances carry mark-up at the rate of 3 month KIBOR + 0.15% per annum and are secured against 1st parri passu charge over plant and machinery of the Company with 25% margin.

25.13 This represents long term loan obtained by AAL from Habib Bank Limited under Renewable Energy Refinancing Facility of an amount upto the equivalent of Rs.68 million, introduced by State Bank of Pakistan. The facility is secured against first pari passu hypothecation charge over all present and future plant and machinery and equipment of the company with 25% margin. Mark-up is chargeable at SBP rate (2%) plus 1% per annum. The loan is for ten years with a grace period of three months and is repayable in forty quarterly instalments starting from April 2022. The Company during the year repaid Rs.6.97 million (2022: Rs.1.74 million).

25.14 AAL obtained demand finance amounting Rs.500 million from National Bank of Pakistan for the purpose of strategic investments. The loan carries mark-up at the rate of 6 months KIBOR plus 0.95% and is secured against first pari passu by the way of hypothecation on existing and future plant & machinery and equipment with 25% margin amounting to Rs.666.67 million. This loan is for six and half years from the date of disbursement (December 20, 2019) and is repayable in 10 semi-annual equal instalments with grace period of one and half year. The Company during the year repaid Rs.100 million (2022: Rs.100 million).

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

25.16 ABL has obtained loan amounting to Rs.750 million under diminishing musharakah arrangement from Askari Bank Limited for the purpose of financing BMR. The loan carries mark-up at the rate of 3 months KIBOR plus 0.5% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. This loan is for five years from the date of disbursement (August 26, 2022) and is repayable in 18 equal quarterly installments with a grace period of 6 months.

25.17 ABL has obtained loan amounting Rs.312.50 million under diminishing musharakah arrangement from National Bank of Pakistan for the purpose balance sheet re-profiling. The loan carries mark-up at the rate of 3 months KIBOR plus 0.3% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. This loan is for five years from the date of disbursement (December 28,2022) and is repayable in 8 equal bi-annual instalments with a grace period of 18 months.

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

26 LONG TERM DEPOSITS

	Note	2023	2022
		Rupees in '000	
Deposits from employees	26.1	50,666	44,458
Less: Current portion shown under current liabilities		(1,392)	-
		49,274	44,458

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

27 DEFERRED LIABILITIES

	Note	2023	2022
		Rupees in '000	
Provision for employees' compensated absences	27.1 & 27.2	880,781	774,013
Provision for long service award	27.2	22,633	16,373
Provision for gratuity	27.3	134,104	102,028
		1,037,518	892,414

27.1 The provision is made in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as of June 30, 2023.

27.2 This includes provision amounting to Rs.19.21 million (2022: Rs.24.18 million) for key management personnel of the Holding Company.

27.3 Provision for gratuity

	2023	2022
	------ Rupees in '000 ------	
27.3.1 Reconciliation		
Present value of defined benefit obligation	853,734	771,147
Fair value of plan assets	(619,754)	(562,151)
Inter-group adjustments	(19,393)	(44,926)
Less: payable within next twelve months	(80,483)	(62,042)
	134,104	102,028
27.3.2 Movement in the present value of defined benefit obligation		
Balance at beginning of the year	771,147	647,232
Current service cost	52,387	44,128
Interest cost	95,942	60,241
Benefits paid	(51,466)	(57,077)
Re-measurement	10,126	26,099
Receivable from / (payable to) related parties in respect of transferees	(24,402)	50,524
Balance at end of the year	853,734	771,147
27.3.3 Movement in the fair value of plan assets		
Balance at beginning of the year	562,152	535,293
Expected return on plan assets	73,969	49,892
Contributions	71,374	55,612
Benefits paid	(51,177)	(56,905)
Re-measurement	(37,691)	(21,200)
Receivable from / (payable to) related parties in respect of transferees	1,127	(540)
Balance at end of the year	619,754	562,152
27.3.4 Movement in net liability in the statement of financial position		
Balance at beginning of the year	164,073	118,079
Expense recognised for the year	74,360	54,478
Contributions made during the year	(71,663)	(55,784)
Re-measurement	47,817	47,300
	214,587	164,073
Less: payable within next twelve months	(80,483)	(62,042)
	134,104	102,031

	2023	2022
27.3.5 Expense recognised in the statement of profit or loss	------ Rupees in '000 ------	
Current service cost	52,387	44,128
Interest cost	28,617	14,782
Expected return on assets	(6,644)	(4,433)
	74,360	54,477
27.3.6 Re-measurements recognised in other comprehensive income		
(Gain) / loss from change in financial assumptions	(12,245)	5,460
Loss from change in demographic assumptions	-	(7,809)
Experience gain on re-measurement	21,386	27,506
Gain on re-measurement of plan assets	37,559	20,348
Difference in opening fair value	1,117	1,795
Net re-measurements	47,817	47,300

27.3.7 The principal assumptions used in the actuarial valuations carried out as of June 30, 2023 using the 'Projected Unit Credit' method are as follows:

	Gratuity Fund	
	2023	2022
	------- Percentages ------	
Discount rate	16.25%	13.25%
Rate of salary increase (per annum)	15%	12%
Long term salary increase rate	15.25%	12.25%
Mortality rates	SLIC (2001-05)-1	
Rate of employee turnover	Moderate	Light

	2023	2022
28 LEASE LIABILITIES	---- Rupees in '000 ----	
Lease liabilities	1,620,246	1,597,336
Current portion of lease liabilities	(334,324)	(249,111)
	1,285,922	1,348,225
29 DEFERRED INCOME - GOVERNMENT GRANT		
Balance at beginning of the year	525,348	365,280
Recognized during the year	-	258,780
Amortisation of deferred income - government grant	(104,911)	(98,712)
Balance at end of the year	420,437	525,348
Less: Current portion of deferred income - government grant	(94,058)	(105,192)
	326,379	420,156

30 DEFERRED TAXATION

	Note	2023	2022
		---- Rupees in '000 ----	
Deferred tax liability / (asset) arising due to temporary differences in respect of;			
- Net investment in finance lease		**(1,760)**	690
- Right of use asset		**337**	1,096
- Investment in associates and joint venture		**(369)**	(2,920)
- Lease liabilities - net		**(86,032)**	(55,232)
- Employees retirement benefits - gratuity		**(66,017)**	(47,017)
- Provisions for compensated abscences and bonus		**(231,959)**	(173,658)
- Provision for warranty		**(290,325)**	(76,256)
- Provision for tax on share of profit from associate		**(23,472)**	146,482
- Provisions for slow moving inventories and doubtful debts		**(122,288)**	(90,632)
- Accelerated tax depreciation and amortisation		**2,094,226**	1,594,580
- Unrealised loss on investments at fair value through profit or loss		**(8,111)**	(53,794)
- Unrealised gain on investments at fair value through other comprehensive income		**388,960**	231,785
- Alternative corporate and minimum tax and unused tax losses		**(309,303)**	(594,990)
- Others		**413,788**	217,761
Deferred tax liability		**1,757,675**	1,097,895

31 TRADE AND OTHER PAYABLES

	Note	2023	2022
Trade payables		**15,591,869**	13,921,050
Due to related parties		**19,113**	227,097
Import bills payable		**2,295,961**	606,118
Royalty payable		**7,944,159**	1,794,443
Retention money		**3,342**	7,155
Accrued liabilities	31.1	**7,363,005**	5,635,507
Workers' Profit Participation Fund		**551,418**	560,257
Workers' Welfare Fund		**282,295**	216,477
Withholding tax payable		**42,409**	33,060
Custom / additional custom duty payable		**1,611,722**	1,611,722
Contract liabilities - advances from customers		**24,680,821**	13,004,850
Payable to staff provident and gratuity fund		**145,213**	116,370
Provision for compensated absences		**121,283**	29,373
Premium received in advance		**80,800**	109,538
Insurance / reinsurance payable		**845,761**	741,561
Total liabilities from window takaful operations		**196,948**	78,315
Provision for outstanding claims and warranty		**2,239,219**	1,901,123
Provision for unearned premium		**1,821,488**	1,122,848
Unearned reinsurance commission		**194,699**	208,644
Sindh government infrastructure fee		**1,450,628**	1,084,616
Provision for gas infrastructure development cess		**324,993**	306,173
Deposits from employees		**2,784**	1,858
Others		**293,084**	199,354
		68,103,014	43,517,509

31.1 Includes Rs. 10.02 million (2022: Rs.6.87 million) due to Honda Motor Company Limited, Japan - related party.

32 **SHORT TERM BORROWINGS - SECURED**	Note	2023	2022
		---- Rupees in '000 ----	
Running finance under mark-up arrangements	32.1	7,461,818	6,684,143
Money market facilities under mark-up arrangement	32.1	666,999	2,000,000
Islamic financing	32.1	3,159,073	8,005,754
Short term loan		-	51,000
		11,287,890	16,740,897

32.1 The Group has short term running finance, musharakah and money market facilities under mark-up arrangements aggregating to Rs. 29,202 million (2022: Rs. 51,030 million) from various commercial and Islamic banks carrying mark-up ranging between 11.44% to 23.70%. The facilities utilized against these arrangements are secured against equitable mortgage on lands and buildings, first pari passu hypothecation charge over present and future book debts, stock, spares and tools, fuel stock and pledge of shares and mutual funds units. These facilities are expiring on various dates upto 30 June 2024.

33 CONTINGENCIES & COMMITMENTS

33.1 Contingencies in respect of subsidiaries

Atlas Asset Management Limited (AAML)

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

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

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

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

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

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

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

Atlas Battery Limited (ABL)

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

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

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

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

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

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

While passing the rectified order, the DCIR created an additional demand of Rs.81.593 million including default surcharge and penalty on account of non-deduction of tax on discounts allowed to dealers. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on March 10, 2016 against the rectified order and challenged the aggregate demand of Rs.81.991 million. Pursuant to this appeal, CIR(A) passed an order dated June 8, 2016 under section 129 of the Ordinance and granted relief to the Company on aggregate demand of Rs.81.991 million. The Commissioner Inland Revenue (CIR) filed an appeal on August 5, 2016 against the above mentioned order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). ATIR on July 30, 2019 had remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh. Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and created a demand of Rs.121.735 million including default surcharge and penalty. The Company filed an appeal before CIR(A) on July 19, 2021. Pursuant to the appeal, CIR(A) passed an order on August 23, 2022 under section 129 of the Ordinance and upheld the decision of DCIR on the issue of non-deduction of tax on discounts allowed to dealers. The Company then filed an appeal on September 7, 2022 against the above mentioned order of CIR(A) before ATIR. ATIR on September 30, 2022 has deleted the demand and decided the case in favour of the Company. CIR has filed an appeal before Honourable High Court of Sindh on January 20, 2023, which is pending for hearing.

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

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

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

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

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

Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and payment of rent, and created a demand of Rs.266.060 million including default surcharge and penalty. The Company filed an appeal before CIR(A) on July 19, 2021. Pursuant to the appeal, CIR(A) passed an order on August 23, 2022 under section 129 of the Ordinance and upheld the decision of DCIR on the issue of non-deduction of tax on discounts allowed to dealers. The Company then filed an appeal on September 7, 2022 against the above mentioned order of CIR(A) before ATIR. ATIR on September 30, 2022 has deleted the demand and decided the case in favour of the Company. Commissioner Inland Revenue (CIR) has filed an appeal before Honourable High Court of Sindh on January 20, 2023, which is pending for hearing.

33.1.10 Assistant / Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2017 passed an order dated October 24, 2018 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of tax on (i) trade discount allowed to dealers, (ii) sales promotion, (iii) travelling, (iv) repair and maintenance expenses, (v) water charges, (vi) cartages and (vii) local purchase. DCIR through the order created an aggregate demand of Rs.266.079 million including default surcharge and penalty.

The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on November 13, 2018 against (i) and (ii), where as tax levied for (iii), (iv), (v), (vi) and (vii) were not contested in appeal. The Company paid the demand of Rs.1.441 million on November 19, 2018 in respect of issues not contested in appeals. Pursuant to the appeal, CIR(A), on December 20, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of issue contested at (ii) sales promotion and upheld the decision of DCIR in respect of issue contested at (i) trade discount allowed to dealers. The Company had filed an appeal on December 31, 2018 against the abovementioned order of CIR(A) in respect of issue at (i) trade discount allowed to dealers before the Appellate Tribunal Inland Revenue (ATIR). Moreover, the company had obtained stay from the High Court of Sindh against the demand confirmed by CIR(A). ATIR on July 30, 2019 had remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh. Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and created a demand of Rs.333.955 million including default surcharge and penalty. The Company filed an appeal before CIR(A) on July 19, 2021. Pursuant to the appeal, CIR(A) passed the order on August 23, 2022 under section 129 of the Ordinance and upheld the decision of DCIR on the issue of non-deduction of tax on discounts allowed to dealers. The Company then filed an appeal on September 7, 2022 against the above mentioned order of CIR(A) before ATIR. ATIR on September 30, 2022 has deleted the demand and decided the case in favour of the Company. Commissioner Inland Revenue (CIR) has filed an appeal before Honourable High Court of Sindh on January 20, 2023, which is pending for hearing.

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

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

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

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

The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021. Pursuant to the appeal, CIR(A) on April 14, 2022, passed an order under section 45B of the Act and granted partial relief to the Company by deleting the demand on various issues, remanded back the allegations including input tax adjustment on fake and flying sales tax invoices and reduced the aforementioned demand to the extent of Rs.5.645 million pertaining to inadmissible input tax adjustments including default surcharge and penalty. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on June 07, 2022 in respect of issues confirmed by CIR(A). ATIR in its order dated January 1, 2023 remanded back the pending issues pertaining to inadmissible input tax adjustments to income tax authorities with the directions to re-examine the issue afresh.

33.1.14 Deputy Commissioner Inland Revenue (DCIR), Unit -4, Audit-1, Large Taxpayers' Office, Karachi conducted sales tax audit for the period from July 2019 to June 2020 and passed an order dated June 30, 2021 under section 11(2) of the Sales Tax Act, 1990 (the Act) and created demand of Rs.1.669 billion including default surcharge and penalty. The significant issue alleged in this order is claiming of input tax adjustment on fake and flying sales tax invoices. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021. Pursuant to the appeal, CIR(A) on April 14, 2022, passed an order under section 45B of the Act and granted partial relief to the Company by deleting the demand on various issues, remanded back the allegations including input tax adjustment on fake and flying sales tax invoices and reduced the aforementioned demand to the extent of Rs.4.382 million pertaining to inadmissible input tax adjustments including default surcharge and penalty. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on June 07, 2022 in respect of issues confirmed by CIR(A). ATIR in its order dated January 1, 2023 remanded back the pending issues pertaining to inadmissible input tax adjustments to income tax authorities with the directions to re-examine the issue afresh.

33.1.15 Assistant / Deputy Commissioner Inland Revenue (DCIR), Unit-4, Audit-1, Large Taxpayers' Office, Karachi conducted income tax audits for the tax years 2016, 2018, 2019 & 2020 and accordingly, passed orders dated July 29, 2021 under section 122(1) of the Income Tax Ordinance, 2001 (the Ordinance) and created demand of Rs.2.597 billion, Rs.3.746 billion, Rs.2.963 billion and Rs.2.225 billion, respectively for the said tax years. The significant issues alleged in these orders are disallowance of purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts, add backs of additional discounts and disallowance of certain expenditures. The Company filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on August 23, 2021. Pursuant to the appeals, CIR(A) o April 14, 2022, passed an order under section 129 of the Ordinance and granted partial relief to the Company by remanded back various issues including disallowance of purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts and disallowance of certain expenditures for fresh verification and upheld the demands in respect of other issues which significantly involves the add backs on additional discounts . The Company has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) on June 10, 2022 in respect of the issues confirmed by the CIR(A), which is pending for hearing.

Atlas Honda Limited (AHL)

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

Atlas Insurance Limited (AIL)

33.1.17 The tax authorities had raised demand amounting to Rs. 117.8 million against the Company for the tax years 2009 to 2014, that primarily pertained to the rate of tax on dividend, rental income and WWF. Commissioner Inland Revenue (Appeals) [CIR (A)] partially upheld the decision and reduced the demand to Rs. 59.7 million. The Company filed appeals against the CIR(A) decision before the Appellate Tribunal Inland Revenue (ATIR) wherein the decision of CIR(A) was upheld.

The Company has filed a reference application against the decision of ATIR before the Honorable Lahore High Court which is currently pending adjudication. No provision has been recognized in these financial statements since the management believes that there are meritorious grounds that the case will be decided in favor of the Company.

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

Atlas Metals (Private) Limited (AML)

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

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

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

Atlas Solar Limited (ASL)

33.1.21 The enforcement officer of Punjab Revenue Authority (PRA), Lahore has issued a notice dated June 19, 2023, calling upon the Company to pay Workers' Welfare Fund under Punjab Workers' Welfare Fund Act, 2019, for the financial year 2020-21 and 2021-22. The management of the Company through its letter dated July 11, 2023 replied that as income of the Company is not taxable so it does not fall under the purview of the provisions of the Act. Management further replied that the Company had not commenced any business operations during the specified financial years and thus no income was incurred that could be allocated to the profit and loss account in the Company's financial statements. Based on the said reply no provision has been recorded in these financial statements. As per management it will be also a pass-through item under EPA through NEPRA tariff in case of applicability of WWF.

		2023	2022
		---- Rupees in '000 ----	
33.2	Outstanding bank guarantees	**10,882,414**	10,406,638
33.3	**Commitments**		
	Commitments in respect of letters of credits	**9,581,767**	5,517,807
	Commitments other than through letters of credits	**251,363**	275,378
	Commitments in respect of Ijarah arrangements:		
	- not later than one year	**498,616**	393,807
	- later than one year and not later than five years	**1,360,835**	1,514,986

34 REVENUE

	2023	2022
	— Rupees in '000 —	
Sales including lease income	259,777,706	238,047,618
Hire-purchase sales	2,001,305	969,418
Service income / insurance income	1,434,973	1,543,731
Commission Income	422,549	445,501
	263,636,533	241,006,268
Less: Sales tax	(42,862,076)	(39,191,059)
Less: Discounts / returns / sales load	(5,717,922)	(4,456,474)
	215,056,535	197,358,735

35 FEE / COMMISSION FROM ASSET MANAGEMENT

	2023	2022
Open-ended		
Atlas Income Fund	46,419	29,543
Atlas Islamic Income Fund	11,124	8,531
Atlas Islamic Money Market Fund	8,675	1,080
Atlas Islamic Stock Fund	103,054	104,334
Atlas Money Market Fund	128,219	30,174
Atlas Pension Fund	15,336	17,207
Atlas Sovereign Liquid Fund	10,733	11,819
Atlas Pension Islamic Fund	16,054	17,449
Atlas Islamic Dedicated Stock Fund	15,535	13,026
Atlas Islamic Fund of Funds	485	340
Atlas Liquid Fund	27,561	2,653
Atlas Stock Market Fund	240,705	280,772
	623,900	516,928
Less: Sales tax	(71,776)	(59,470)
	552,124	457,458

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

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

Funds under the management of the Company	2023		2022	
	Maximum	Minimum	Maximum	Minimum
Atlas Income Fund	1.25%	0.75%	0.75%	0.50%
Atlas Money Market Fund	0.90%	0.10%	0.20%	0.10%
Atlas Islamic Income Fund	0.55%	0.50%	0.35%	0.35%
Atlas Stock Market Fund	2.50%	2.50%	2.50%	2.40%
Atlas Islamic Stock Fund	2.50%	2.50%	2.50%	2.40%
Atlas Sovereign Fund	1.25%	0.75%	0.70%	0.40%
Atlas Liquid Fund	1.00%	0.25%	0.20%	0.15%
Atlas Islamic Dedicated Stock Fund	3.00%	2.75%	2.75%	2.40%
Atlas Islamic Money Market Fund	0.43%	0.15%	0.10%	0.05%
Atlas Pension Fund and Atlas Pension Islamic Fund				
- Equity Sub Fund	1.50%	1.50%	1.50%	1.50%
- Debt Sub Fund	0.75%	0.50%	0.75%	0.75%
- Money Market Sub Fund	0.50%	0.30%	0.50%	0.50%
Atlas Islamic Fund of Funds				
- Atlas Aggressive Allocation Islamic Plan	1.00%	1.00%	1.00%	1.00%
- Atlas Moderate Allocation Islamic Plan	1.00%	1.00%	1.00%	1.00%
- Atlas Conservative Allocation Islamic Plan	1.00%	1.00%	1.00%	1.00%
- Atlas Islamic Capital Preservation Plan	1.00%	1.00%	1.00%	1.00%
- Atlas Islamic Dividend Plan	1.00%	1.00%	1.00%	1.00%

36 OTHER OPERATING INCOME

	2023	2022 Re-stated
	---- Rupees in '000 ----	
Income on loans, advances and bank balances	1,487,536	1,239,355
Scrap sales	98,023	88,237
Earned carrying charges on hire-purchase sales	21,505	2,847
Ammortisation of deferred income - government grant	38,267	45,265
Reversal of expected credit loss - net	15,412	101,766
Profit from window takaful operations	105,846	62,833
Gain on sale of treasury bills and PIBs	1,651,703	-
Others	23,237	-
	3,441,529	1,540,303

37 COST OF SALES AND SERVICES

	Note	2023	2022
		---- Rupees in '000 —	
Raw and ancillary materials consumed		133,114,312	128,412,141
Salaries, wages and benefits	37.1	8,991,677	8,410,337
Spare parts and other maintenance		2,135,018	1,664,591
Travelling and conveyance		196,191	108,696
Store consumption		2,283,553	2,546,308
Fuel, water and power		5,416,825	3,455,195
Rent rates and taxes including ijarah rental		499,894	120,003
Insurance		52,014	26,982
Training expense		2,100	565
Repairs and maintenance		1,930,730	1,307,164
Depreciation on operating fixed assets	7.1	3,531,560	2,767,655
Depreciation on operating right of use assets	7.4	147,578	133,871
Amortisation and software charges	8	45,012	70,205
Canteen		325,944	289,172
Royalties and technical fee	37.2	7,247,149	7,098,441
Printing and stationery		70,273	56,809
Postage and telephone		19,414	15,427
Feees and Subscription		14,279	6,963
Provision for stock, stores, spare parts & loose tools obsolescence		37,463	242,572
Marking fee		121,929	121,532
Free replacement		1,568,918	731,727
Vehicle running		169,433	95,455
Installation charges / subcontracting costs		487,150	249,953
General expenses		139,613	80,567
		168,548,029	158,012,331
Opening - Finished goods		3,191,427	1,676,937
- Work-in-progress		1,219,217	925,667
Purchases during the year		22,721,834	19,519,553
Transfers to fixed assets		(9,487)	(15,872)
Closing - Finished goods		(5,399,003)	(3,191,427)
- Work-in-progress		(2,154,462)	(1,219,217)
		19,569,526	17,695,641
		188,117,555	175,707,972

37.1 Salaries, wages and benefits include Rs. 280.73 million (2022: Rs.229.24 million) in respect of employees retirement benefits.

37.2 Royalty charged in these financial statement pertains to:

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

38 DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	Note	2023	2022
		---- Rupees in '000 —	
Salaries, wages and benefits	38.1	**4,157,034**	3,442,501
Back office accounting services charges	38.2	**40,565**	61,573
Rent, rates and taxes including ijarah rentals		**110,756**	107,983
Travelling, conveyance and entertainment		**862,709**	367,188
Freight and forwarding		**1,226,404**	1,187,843
Printing and stationery		**57,683**	51,663
Gas, water and electricity		**147,827**	95,879
Vehicle running		**293,541**	194,960
Legal and professional fee		**135,691**	113,256
Auditors' remuneration	38.3	**33,576**	26,529
Insurance		**14,676**	6,327
Fee and subscription		**214,633**	80,891
Repairs and maintenance		**128,798**	151,788
Depreciation on			
- Operating fixed assets	7.1	**490,928**	387,409
- Right of use assets		**200,862**	182,642
Amortisation on intangible assets and license fee		**14,089**	15,317
Postage, telephone and internet		**99,558**	99,663
Newspapers, magazines and subscriptions		**18,424**	15,325
Staff training		**36,159**	19,609
Advertisements / sales promotion		**1,086,794**	841,239
Donation to Atlas Foundation - a related party		**536,740**	217,328
Directors' meeting fees and remuneration		**66,616**	54,865
Exchange loss / (gain) - net		**-**	195,026
Others		**545,474**	244,630
Less: Expenses reimbursed from funds under management		**(126,721)**	(84,025)
		10,392,816	8,077,409

38.1 Salaries and benefits include Rs. 187.96 million (2022: Rs.205 million) in respect of employees' retirement benefits.

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

38.3 Auditors' remuneration

	Shinewing Hameed Chaudhri & Co.	EY Ford Rhodes	Sajjad Haider & Co.	2023 Total	2022 Total
	Rupees in 000				
Annual audit fee of Holding Company and subsidiary companies	13,923	3,866	-	17,789	15,110
Fee for half yearly review	850	288	-	1,138	1,155
Audit fee for consolidated financial statements	1,752	-	-	1,752	1,293
Audit fee for provident and gratuity funds	1,466	1,811	-	3,277	854
Consultancy and advisory services	-	1,165	-	1,165	91
Out of pocket expenses	1,535	574	-	2,109	2,936
Others	5,568	778	-	6,346	5,090
	25,094	8,482	-	33,576	26,529

39 OTHER EXPENSES

	Note	2023	2022
		---- Rupees in '000 ----	
Net loss on disposal on disposal of fixed assets		83,481	379,919
Provision of impairment of investments		-	195,028
Workers' profit participation fund		691,685	551,426
Workers' welfare fund		253,028	192,497
Exchange loss - net		1,817,020	705,332
Fixed assets written off		-	2,720,497
Others		-	113,786
		2,845,214	4,858,483

40 FINANCE COST

	Note	2023	2022
Interest / mark-up:			
- long term loans		2,633,116	919,059
- short term borrowings	40.1	1,985,016	1,866,755
- lease liabilities		146,858	154,199
Workers' Profit Participation Fund		5,023	3,899
Guarantee and commission charges		9,546	9,591
Banks and other charges		116,656	75,283
Others		69,404	15,824
		4,965,619	3,044,610

40.1 These represent mark-up on short-term borrowings obtained from various banks which carried mark-up ranging from 14.42% to 22.83% (2022: 7.85% to 16.65%).

41 TAXATION

	2023	2022
	---- Rupees in '000 ----	
Current	6,175,421	4,299,428
Prior	497,628	122,969
Deferred	511,271	(80,806)
	7,184,320	4,341,591

42 EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022
	---- Rupees in '000 ----	
Profit for the year after taxation attributable to equity holders of the Holding Company	1,885,772	2,852,674
Weighted average number of ordinary shares	220,112	220,112
	---- Rupees ----	
Earnings per share - basic and diluted	8.57	12.96

43 CASH GENERATED FROM OPERATIONS

	2023	2022
	---- Rupees in '000 ----	
Profit before taxation	12,504,854	8,749,120
Adjustments for:		
Depreciation	4,370,928	3,471,577
Amortisation of intangible asset	59,101	47,825
Provision for compensated absences	106,768	74,600
Provision for long service award	6,260	(282)
Provision for gratuity	106,879	87,280
Provision for stock obsolescence	191,708	246,968
Loss on sale of operating fixed assets / written off	(83,481)	(3,100,416)
Provision for impairment of associate	3,172,520	975,532
Financial charges	4,965,619	3,044,611
Share of profit from associated companies	(2,116,093)	(1,480,644)
Dividend income	(832,297)	(575,988)
	9,947,912	2,791,063
	22,452,766	11,540,183
Increase in stores, spare parts and loose tools	(1,562,481)	(754,939)
Increase in stock-in-trade	(5,262,149)	(5,883,472)
(Increase) / decrease in trade debts	(3,779,294)	8,807,833
(Increase) / decrease in receivable from funds under management	(13,051)	3,198
Decrease in loans and advances	253,365	804,229
Increase in deposits, prepayments and other receivables	(2,153,496)	(742,103)
Decrease / (increase) in sales tax receivable - net	556,510	(862,303)
Increase in accrued interest	(255,579)	(8,962)
Increase in trade and other payables	24,585,505	7,424,916
	12,379,330	8,788,397
	34,832,096	20,328,580

44 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND EXECUTIVES

	Chief Executive (Holding Company)		Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees in '000					
Managerial remuneration	**18,900**	16,112	**43,200**	36,148	**1,105,893**	1,320,711
Bonus	**5,261**	9,620	**12,024**	36,590	**418,907**	407,903
Medical Expenses and other benefits	**300**	309	**3,008**	7,886	**375,791**	90,437
Retirement benefits	**1,223**	1,043	**2,795**	2,339	**88,214**	81,271
	25,684	27,084	**61,027**	82,963	**1,988,805**	1,900,321
Number of persons	**1**	1	**2**	2	**683**	375

45 TRANSACTIONS WITH RELATED PARTIES

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

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

Nature of relationship / transaction	2023	2022
	Rupees in '000	
Associated Companies		
Purchase of operating fixed assets	**890,565**	409,600
Purchase of goods and services	**33,495,519**	3,925
Investments made	**17,670,318**	9,741,208
Investments redeemed	**5,926,634**	10,630,043
Dividend income	**1,511,417**	891,430
Sale of goods and rendering of service	**20,797,495**	20,517
Management fee	**526,547**	457,458
Advisory Fee	**7,323**	6,566
Payment made on behalf of employees	**456,145**	10,957
Donations paid	**536,740**	217,328
Dividend paid	**461,897**	318,177
Expenses paid	**-**	30
Retirement benefit funds		
Contribution to retirement benefit funds	**277,971**	232,369
Payments made on behalf of employees	**-**	12,018
Key management personnel		
Sale of fixed assets on company policy	**35,331**	10,603
Salaries and other employment benefits	**615,040**	561,597
Loan disbursed by Group	**-**	1,638
Loan repaid to the Group	**819**	614

45.1 **Details of Related Parties**

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

Name of related parties	Basis of relationship	Shares held
Honda Atlas Cars Pakistan Limited	Associated company	30.64%
Honda Atlas Power Products (Private) Limited	Associated company	20.00%
Denso Corporation	Associated company	26.00%
Honda Motor Company Limited	Associated company	35.00%
Integration Xperts (Private) Limited	Associated company	26.00%
Atlas Foundation	Common directorship	-
Atlas Income Fund	Associated mutual fund	97.20%
Atlas Stock Market Fund	Associated mutual fund	26.12%
Atlas Sovereign Fund	Associated mutual fund	0.70%
Atlas Islamic Income Fund	Associated mutual fund	0.00%
Atlas Islamic Stock Fund	Associated mutual fund	39.62%
Atlas Money Market Fund	Associated mutual fund	42.11%
Atlas Islamic Money Market Fund	Associated mutual fund	25.31%
Atlas Aggressive Allocation Islamic Plan	Associated mutual fund	89.27%
Atlas Conservative Allocation Islamic Plan	Associated mutual fund	90.24%
Atlas Moderate Allocation Islamic Plan	Associated mutual fund	85.35%
Atlas Islamic Capital Preservation Plan II	Associated mutual fund	95.14%
Atlas Income Fund	Associated mutual fund	59.73%
Iftikhar Shirazi Family Trust	Substantial Shareholder	25.00%

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

46.2 **Market risk**

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

(i) Interest rate risk

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

	2023			
	Carrying amount	**Increase / (decrease) in basis points**	**Effect on profit before tax**	**Effect in Other Comprehensive Income**
	Rupees in 000			
Financial assets				
Cash and bank balances	**36,591,743**	**100**	**365,917**	-
		(100)	**(365,917)**	-
Short term investments	**349,999**	**100**	**3,500**	-
		(100)	**(3,500)**	-
Long term loans - secured	**186,144**	**100**	**1,861**	-
		(100)	**(1,861)**	-
Financial liabilities				
Long term loans	**19,497,366**	**100**	**194,974**	-
		(100)	**(194,974)**	-
Short term borrowings - secured	**11,287,890**	**100**	**112,879**	-
		(100)	**(112,879)**	-

	2022			
	Carrying amount	Increase / (decrease) in basis points	Effect on profit before tax	Effect in Other Comprehensive Income
	Rupees in '000			
Financial assets				
Cash and bank balances	21,743,808	100	217,438	-
		(100)	(217,438)	-
Short term investments	70,934	100	709	
		(100)	(709)	-
Long term loans - secured	217,240	100	2,172	-
		(100)	(2,172)	-
Financial liabilities				
Long term loans	19,002,951	100	190,030	-
		(100)	(190,030)	-
Short term borrowings - secured	16,740,897	100	167,409	-
		(100)	(167,409)	-

(ii) Foreign exchange risk

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

46.3 Liquidity risk

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

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

2023	Less than 1 year	1 to 5 years	More than 5 years	Total
	Rupees in '000			
Liabilities				
Term loans	**3,284,642**	**16,212,724**	-	**19,497,366**
Deposits	**1,392**	**49,274**	-	**50,666**
Trade and other payables	**68,103,014**	-	-	**68,103,014**
Short term borrowings	**11,287,890**	-	-	**11,287,890**
Lease liabilities	**334,324**	**1,285,922**	-	**1,620,246**
Accrued mark-up	**1,055,505**	-	-	**1,055,505**
	84,066,767	**17,547,920**	-	**101,614,687**
2022				
Liabilities				
Term loans	2,352,696	16,650,255	-	19,002,951
Deposits	-	44,458	-	44,458
Trade and other payables	43,517,509	-	-	43,517,509
Short term borrowings	16,740,897	-	-	16,740,897
Lease liabilities	249,111	1,348,225	-	1,597,336
Accrued mark-up	799,553	-	-	799,553
	63,659,766	18,042,938	-	81,702,704

46.4 Credit risk

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

	2023	2022
	Rupees in '000	
Long term investments	-	6,355,920
Long term loans	**186,144**	217,240
Deposits and other receivables	**330,304**	251,555
Trade debts	**24,338,018**	20,558,724
Receivable from funds under management	**50,651**	37,600
Short term loans and advances	**1,007,117**	1,260,482
Short term investments	**2,810,809**	3,112,495
Bank balances	**39,800,838**	22,673,925
	68,523,881	54,467,941

The analysis below summarizes the credit quality of the Company's investment in mutual funds as at June 30, 2023 and June 30, 2022:

Investments by rating category	2023	2022
	%	
AM1, AM2+, AM2++	**29.85%**	0.75%
AA, AA-, AA+	**70.15%**	99.25%
	100%	100%

46.5 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.

46.5.1 Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
2023				
Investment at fair value through OCI - Listed shares	**7,133,298**	-	-	**7,133,298**
Investment in others at fair value through OCI - Listed shares	**865,319**	-	-	**865,319**
Investment- Mutual funds fair value through profit and loss	-	**456,343**	-	**456,343**
Investment - Pension Funds at fair value through OCI	-	**443,296**	-	**443,296**
Investment- Pakistan investment bonds fair value through profit and loss	-	**349,999**	-	**349,999**
	7,998,617	**1,249,638**	-	**9,248,255**
2022				
Investment in related parties - available-for-sale - Listed shares	6,316,579	-	-	6,316,579
Investment in others available-for-sale - Listed shares	616,280	-	-	616,280
Investment- Mutual funds fair value through profit and loss	-	923,019	-	923,019
Investment - Pension Funds at fair value through OCI	-	411,283	-	411,283
Investment- Pakistan investment bonds fair value through profit and loss	-	70,934	-	70,934
	6,932,859	1,405,236	-	8,338,095

During the year ended June 30, 2023, 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.

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

46.6 Capital management

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

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

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

	2023	2022
	------ Rupees in '000 ------	
Term loans	**19,497,366**	19,002,951
Short term borrowings	**11,287,890**	16,740,897
Debt	**30,785,256**	35,743,848
Equity	**93,953,906**	91,408,517
Equity plus debt	**124,739,162**	127,152,365
Gearing ratio	**25%**	28%

47 Number of employees

	2023	2022
Employees as on year end	**3,082**	2,913
Average number of employees	**3,106**	2,928

48 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. This did not affect profit, net assets or equity.

Reclassified from	**Reclassified to**	**Rupees in '000**
Net investment in finance lease	Property,plant and equipment	10,908,190
Other operating income	Other expenses	4,858,483
Trade debts	Contract assets	531,127

49 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on October 6, 2023 have approved the transfer of Rs. 1,000 million from unappropriated profits to general reserve.

50 GENERAL

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

51 DATE OF AUTHORISATION FOR ISSUE

The consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company on October 6, 2023.

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