SHIRAZI INVESTMENTS (PRIVATE) LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Directors' Report

The Directors of your Company take pleasure in presenting their report together with the Company's annual audited financial statements for the year ended 30 June 2023.

Financial Results

The financial results of the Company for the year ended 30 June 2023 are summarized as follows:

	Year ended (30 June) 2023	2022
	Rupees in '000	
Profit before taxation	4,142,654	2,869,348
Taxation:		
Current Year	1,046,679	656,126
Prior year	(239,422)	(117,564)
Deferred	303,529	(25,941)
	1,110,786	512,621
Profit after taxation	3,031,868	2,356,727
Other comprehensive income / (losses)	(5,642)	(10,637)
Unappropriated Profit brought forward	1,262,654	2,517,087
Available for Appropriations	4,288,880	4,863,177
Interim Dividend 64.02% (2022: 54.52)	(1,409,160)	(1,200,053)
Transfer to General Reserves during the year	(1,000,000)	(2,300,000)
Reclassification adjustment of realized loss on sale of investment at fair value through other comprehensive income	(728,059)	(100,470)
Unappropriated Profit/(loss) carried forward	1,151,661	1,262,654
Transfer to General Reserves (**proposed**)	1,000,000	1,000,000

Earnings per Share

The earnings per share after tax is Rs. 13.77 (2022: Rs. 10.71).

Chairman's Review

The Chairman's Review included in the Annual Report deals inter alia with the Company's performance for the year ended 30 June 2023 and future prospects. The Directors endorse the contents of the Chairman's Review.

Board of Directors

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

Name	Designation	Meetings Attended	Leave Granted
Mr. Iftikhar H. Shirazi	Chairman	3	1
Mr. Aamir H. Shirazi	Director	4	-
Mr. Frahim Ali Khan	Director	4	-
Mr. Saquib H. Shirazi	Director	4	-
Mr. Ali H. Shirazi	Director	4	-

Shirazi Investments

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

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

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

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

Investment Committee
The primary responsibility of the Committee is to assist the Board in discharging its responsibilities in overseeing Company's investment portfolio, including developing, reviewing, and recommending to the Board investment strategies and investment guidelines.

Auditors
The present Auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants retire and, being eligible, offer themselves for reappointment.

Code of Corporate Governance

- The financial statements, prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flows, and changes in equity.
- The Company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There is no doubt about the Company's ability to continue as a going concern.

- There has been no material departure from the best practices of corporate governance.
- A summary of key operating and financial data of the Company is annexed.
- The Company operates a contributory provident fund for its management and non-management employees and funded defined benefit gratuity schemes for its management employees. The value of investments based on their respective audited accounts as at 30 June 2023 are as follows:

Provident Fund	Rs. 37.72 million
Gratuity Fund	Rs. 185.15 million

On behalf of the Board of Directors

Noorullah
Chief Executive Officer

Frahim Ali Khan
Director

Karachi: 6 October 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIRAZI INVESTMENTS (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Shirazi Investments (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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: AR202310104pmKjCDtGS

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

ASSETS	**Note**	**2023**	2022
		----- Rupees in '000 -----	
Non current assets			
Property and equipment	**5**	**405,692**	406,799
Net investment in finance lease	**6**	**31,084**	40,095
Intangible assets	**7**	**385**	319
Investment properties	**8**	**2,263,327**	2,149,587
Long term investments	**9**	**29,787,898**	34,166,167
Deferred taxation - net	**21**	**-**	81,889
Loans to staff	**10**	**1,704**	2,521
Long term deposits		**2,883**	2,883
		32,492,973	36,850,260
Current assets			
Loans and advances	**11**	**4,847**	6,149
Prepayments and other receivables	**12**	**109,425**	262,268
Short term investments	**13**	**12,022,567**	11,233,628
Current portion of net investment in finance lease	**6**	**9,011**	6,989
Receivable from staff gratuity fund	**14**	**33,396**	42,639
Taxation - net		**559,114**	332,646
Bank balances	**15**	**23,479**	2,327
		12,761,839	11,886,646
Total assets		**45,254,812**	48,736,906

The annexed notes 1 to 41 form an integral part of these financial statements.

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

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

	Note	2023	2022
EQUITY AND LIABILITIES		----- Rupees in '000 -----	
Equity			
Share capital	16	**2,201,124**	2,201,124
Reserves	17	**47,045,087**	46,156,080
		49,246,211	48,357,204
Unrealized loss on revaluation of investments - at fair value through other comprehensive income		**(5,103,664)**	(1,904,908)
		44,142,547	46,452,296
Liabilities			
Non current liabilities			
Long term deposits	18	**4,108**	4,496
Deferred liabilities	19	**83,047**	69,917
Lease liabilities	20	**101,430**	174,361
Deferred taxation - net	21	**378,378**	-
		566,963	248,774
Current liabilities			
Trade and other payables	22	**18,871**	33,050
Loan form Subsidiary Company	23	**450,000**	-
Short term borrowings	24	**-**	1,868,260
Current portion of long term financing		**-**	25,758
Current portion of deferred income - government grant		**-**	341
Current portion of lease liabilities	20	**72,930**	58,332
Accrued mark-up		**3,501**	50,095
		545,302	2,035,836
Total liabilities		**1,112,265**	2,284,610
Contingencies and commitments	25		
Total equity and liabilities		**45,254,812**	48,736,906

The annexed notes 1 to 41 form an integral part of these financial statements.

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

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

	Note	2023	2022
		-------- Rupees in '000 --------	
INCOME			
Investment income			
Dividend income	26	**5,279,363**	4,205,325
Capital gain on sale of investments		**84,275**	66,659
Unrealized loss on remeasurement of investments - at fair value through profit or loss	13.4	**(105,209)**	(523,245)
		5,258,429	3,748,739
Service income		**151,812**	102,830
Rental income	27	**130,039**	120,160
Reversal of expected credit losses		**6,145**	29,755
Other income	28	**15,257**	56,074
		5,561,682	4,057,558
EXPENSES			
Administrative and other expenses	29	**(1,189,364)**	(825,706)
Provision for impairment of long term investment - net	9.5	**(68,741)**	(195,026)
Operating profit		**4,303,577**	3,036,826
Finance costs	30	**(160,923)**	(167,478)
Profit before taxation		**4,142,654**	2,869,348
Income tax expense	31	**(1,110,786)**	(512,621)
Profit for the year		**3,031,868**	2,356,727
		------------ Rupees ------------	
Earnings per share - basic and diluted	32	**13.77**	10.71

The annexed notes 1 to 41 form an integral part of these financial statements.

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

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

	2023	2022
	-------- Rupees in '000 --------	
Profit for the year	**3,031,868**	2,356,727
Items that will not be reclassified to profit or loss		
Loss on sale of investment at fair value through other comprehensive income	**(189,736)**	(7,611)
Unrealized loss on revaluation of investments - at fair value through other comprehensive income	**(3,576,734)**	(7,890,262)
Impact of deferred tax	**(160,345)**	496,939
	(3,926,815)	(7,400,934)
Remeasurement loss on defined benefit plans	**(9,249)**	(14,982)
Impact of deferred tax	**3,607**	4,345
	(5,642)	(10,637)
Other comprehensive loss for the year - net of tax	**(3,932,457)**	(7,411,571)
Total comprehensive loss for the year	**(900,589)**	(5,054,844)

The annexed notes 1 to 41 form an integral part of these financial statements.

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

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

	Share capital	Capital reserves		Revenue reserves		Unrealised gain / (loss) on revaluation of investments at fair value through OCI	Total
		Share premium	Amalgamation reserve	General reserve	Unappropriated profit		
	Rupees in '000						
Balance as at June 30, 2021	2,201,124	26,839,742	1,222,562	14,531,122	2,517,087	5,395,556	52,707,193
Transfer to general reserves	-	-	-	2,300,000	(2,300,000)	-	-
Profit for the year	-	-	-	-	2,356,727	-	2,356,727
Other comprehensive loss	-	-	-	-	(10,637)	(7,400,934)	(7,411,571)
	-	-	-	-	2,346,090	(7,400,934)	(5,054,844)
Dividend paid	-	-	-	-	(1,200,053)	-	(1,200,053)
Reclassification adjustment of realised loss on sale of investment at fair value through other comprehensive income	-	-	-	-	(100,470)	100,470	-
Balance as at June 30, 2022	2,201,124	26,839,742	1,222,562	16,831,122	1,262,654	(1,904,908)	46,452,296
Transfer to general reserves	-	-	-	1,000,000	(1,000,000)	-	-
Profit for the year	-	-	-	-	3,031,868	-	3,031,868
Other comprehensive loss	-	-	-	-	(5,642)	(3,926,815)	(3,932,457)
	-	-	-	-	3,026,226	(3,926,815)	(900,589)
Dividend paid	-	-	-	-	(1,409,160)	-	(1,409,160)
Reclassification adjustment of realised loss on sale of investment at fair value through other comprehensive income	-	-	-	-	(728,059)	728,059	-
Balance as at June 30, 2023	**2,201,124**	**26,839,742**	**1,222,562**	**17,831,122**	**1,151,661**	**(5,103,664)**	**44,142,547**

The annexed notes 1 to 41 form an integral part of these financial statements.

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

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

	Note	2023	2022
		--------- Rupees in '000 ---------	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in operations	33	**(713,435)**	(338,821)
Finance costs paid		**(186,255)**	(100,393)
Dividend received		**5,244,350**	4,218,869
Payment for compensated absences		**(3,866)**	(8,204)
Taxes paid		**(1,033,725)**	(989,382)
Payment under long service award scheme		**-**	(15,376)
Long term deposits		**-**	(34)
Long term loans to staff		**817**	88
Net cash generated from operating activities		**3,307,886**	2,766,747
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property and equipment and intangible		**(124,434)**	(98,417)
Payments for capital work in progress		**(7,020)**	(42,471)
Payments for investment properties		**(175,226)**	(18,618)
Proceeds from sale of fixed assets		**31,975**	32,633
Proceeds from sale of investments in listed equity shares		**1,420,202**	249,686
Investments made in mutual funds		**(2,732,863)**	(1,098,248)
Redemption of mutual funds		**2,728,908**	2,257,221
Long term investments - net		**82,800**	(669,623)
Investments made in listed equity shares		**(1,589,233)**	(2,703,120)
Net cash used in investing activities		**(364,891)**	(2,090,957)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(1,409,160)**	(1,200,053)
Long term deposits - net		**(388)**	631
Loan from a Subsidiary Company		**450,000**	-
Repayment of long term financing - government grant		**(25,758)**	(49,080)
Lease liability paid		**(79,595)**	(72,732)
Proceeds from investment in finance lease		**11,318**	10,311
Short term borrowings - net		**(1,868,260)**	633,477
Net cash used in financing activities		**(2,921,843)**	(677,446)
Net increase / (decrease) in cash and cash equivalents		**21,152**	(1,656)
Cash and cash equivalents at beginning of the year		**2,327**	3,983
Cash and cash equivalents at end of the year	15	**23,479**	2,327

The annexed notes 1 to 41 form an integral part of these financial statements.

Chairman	Chief Executive Officer	Director

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

1. THE COMPANY AND ITS OPERATIONS

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

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

Location	**Address**
Corporate office, Karachi	2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi.
Regional offices:	
Lahore office	64/XX, Khayaban e Iqbal Phase III, DHA, Lahore, Pakistan.
Islamabad office	Plot No. 41, Sector F-6/G6, Ataturk Avenue, East End Plaza, Blue Area, Islamabad.

1.3 These financial statements are the separate financial statements of the Company, in which investments in subsidiaries and associates have been accounted for at fair value / cost less accumulated impairment losses, if any. As of reporting date, the Company has subsidiaries and associates as specified in note 9 to the financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act. 2017 (the Act); and
- Provision of and directives issued under the Act.

Where provision of and directives issued under the Act differ from the IFRS, the provision of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgements are:

(i) Classification and valuation of investments [notes 4.5 & 9]

(ii) Estimated useful life of property and equipment and intangible assets [notes 4.1, 4.2, 5 & 7]

(iii) Determining the residual values and useful lives of investment properties [notes 4.3 &

(iv) Estimate of payables and receivables in respect of staff retirement benefit schemes [notes 4.11, 19, 14 & 29.1]

(v) Estimation of current and deferred tax [notes 4.17, 21 & 31]

3. NEW AND AMENDED STANDARDS AND INTREPRETATIONS

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

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

(a) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) Amendment to IAS 16 'Property, plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments prohibit a Company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, a Company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments.

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

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

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

(a) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendments includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' will be applicable on accounting periods beginning on or after January 1, 2023. The International Accounting Standards Board (the Board) has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) Amendments to IAS 12, 'Income taxes' will be applicable on accounting periods beginning on or after January 1, 2023. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(d) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after 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) Amendments to IAS 16, 'Sale and leaseback transaction' is applicable on accounting periods beginning on or after 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 Company and, therefore, have not been presented here.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property and equipment

(a) Owned assets and depreciation thereon

The Company has adopted cost model for its property and equipment. Property and equipment except for capital work-in-progress are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises acquisition and other directly attributable cost. Items of property and equipment individually costing Rs.25,000 or less are charged to the statement of profit or loss as and when purchased.

Capital work-in-progress is stated at cost accumulated upto the reporting date less accumulated impairment loss, if any. It consists of expenditure incurred and advances made in respect of property and equipment in the course of their acquisition, erection, construction and installation. Capital work-in-progress is recognised as an operating fixed asset when it is made available for its intended use.

Subsequent costs including major renewals and improvements are included in the carrying amount of the asset or are recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised at the time of replacement. Normal repair and maintenance and day-to-day servicing are charged to the statement of profit or loss as and when incurred.

Depreciation is charged to the statement of profit or loss using reducing balance method at the rates specified in note 5.1 to the financial statements. Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged for the month in which the asset is disposed-of.

The depreciation methods, useful lives and residual values of items of property and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the sales proceeds and are recognised within 'other income / other operating expenses' in the statement of profit or loss.

(b) Right-of-use assets

The Company recognises a right-of-use asset 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 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any and represent cost of software licenses.

Costs associated with maintaining these assets are charged to the statement of profit or loss as and when incurred, however, costs that are directly attributable to the identifiable asset and have probable economic benefits exceeding one year, are recognised as intangible asset. Direct costs include purchase cost of the asset, salaries and other service benefits of staff deployed towards development of the asset and other related overheads. Expenditure incurred in respect of design, construction and testing of an intangible asset are also added to the carrying amount of that asset.

Expenditure which enhances or extends the performance of the asset beyond its original specifications is recognised as a capital improvement and added to the original cost of the asset.

Intangible assets are amortised on reducing balance method whereby the cost of an asset is written-off over its estimated useful life at the rate specified in note 7 to the financial statements.

4.3 Investment properties

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

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

Investment properties are depreciated on a reducing balance method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 8 to the financial statements.

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

Gain / loss on disposal of an investment property is charged to statement of profit or loss .

4.4 Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.5 Financial Assets

4.5.1 Classification

The Company has classified its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

(a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

Debt instruments where contractual cash flows are solely payments of principal and interest and the objective of the Company is achieved by both collecting cash flows and selling the financial assets.

Equity investment that are not held for trading and the Company made an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

(c) Financial assets at fair value through profit or loss

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

4.5.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

After initial recognition, financial assets are measured at fair value or amortised cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'other income / other operating expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of 'other income' when the Company's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in the statement of profit or loss.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

4.6 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognised in the statement of profit or loss.

4.7 Off setting financial instruments

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

4.8 Derivatives financial instruments

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

4.9 Investment in subsidiaries, associates and joint venture

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

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

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

4.10 Cash and cash equivalents

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

4.11 Retirement and other service benefit obligations

4.11.1 Defined benefit plan

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. Defined benefit plan define an amount of gratuity that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. The receivable recognised in the statement of financial position is the difference between present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

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

The amount arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost are recognised immediately in the statement of profit or loss.

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

4.11.2 Defined contribution plan

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. Obligation for contribution to a defined contribution plan is recognised as an employee service benefit expense in the statement of profit or loss when it is due.

The Company operates defined contribution plan for its permanent employees excluding ex-patriates, through either one of the following ways:

- a recognised provident fund; or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members, have the option to opt for either of two above-mentioned defined contribution plans.

Equal monthly contributions at the rate of 11% of the basic salary are made to the fund / scheme both by the Company and the employees. The fund is a separate legal entity and its assets are being held separately under the control of its Trustees.

4.11.3 Employee compensated absences

Employees' entitlement to annual leaves is recognised when they accrue to the employees. A provision, based on actuarial valuations, is made for the estimated liability for annual leaves as a result of services rendered by employees up to the reporting date. Current Service cost, actuarial gains or losses and past service cost are recognised immediately in the statement of profit or loss.

4.11.4 Long service award

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

4.12 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.13 Lease liabilities

The Company 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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 Company 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 Company 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 Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company 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 Company 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 Company 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 Company has several lease contracts that include extension and termination options. The Company 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 Company 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 Company 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 Company 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.

4.14 Company as a lessor

The Company shall classify each of its leases as either an operating lease or a finance lease.

Finance lease

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Recognition and measurement

At the commencement date, the company shall recognise assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease.

Initial measurement

The Company shall use the incremental borrowing rate to measure the net investment in the lease. In the case of a sublease, if the incremental borrowing rate cannot be readily determined, the company may use the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term.

Subsequent measurement

The Company shall recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the company's net investment in the lease.

Operating lease

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Recognition and measurement

The Company shall recognise lease payments from operating leases as income on either a straight-line basis or another systematic basis. The company shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

The Company shall recognise costs, including depreciation, incurred in earning the lease income as an expense.

The Company shall add initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognise those costs as an expense over the lease term on the same basis as the lease income.

The depreciation policy for depreciable underlying assets subject to operating leases shall be consistent with the company's normal depreciation policy for similar assets. The Company shall calculate depreciation in accordance with IAS 16 and IAS 38.

4.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.16 Government grants

Government grants are recognized where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions of the grant. Government grants relating to costs are deferred and recognized in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.17 Taxation

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

Current

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

Deferred

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

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

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

4.18 Revenue recognition

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

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

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

Rental and service income is recognised on accrual basis.

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

4.19 Foreign currency transactions

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

4.20 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.

4.21 Earnings per share

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

5 PROPERTY AND EQUIPMENT

	Note	2023	2022
		-------- Rupees in '000 -------	
Operating fixed assets	**5.1**	**247,001**	200,411
Capital work-in-progress	**5.3**	**69,112**	62,092
Right of use assets	**5.4**	**89,579**	144,296
		405,692	406,799

5.1 Operating fixed assets

	Office Premises	Furniture & Fixtures	Motor Vehicles	Office Equipment	Air Conditioner	Generators	Computers	Cargo Lift	Total
	Rupees in '000								
As at July 01, 2021									
Cost	2,000	15,706	119,087	57,904	19,072	14,625	75,658	9,725	313,777
Accumulated depreciation	(1,608)	(5,239)	(52,890)	(18,807)	(5,101)	(6,646)	(46,344)	(7,182)	(143,817)
Net Book Value	**392**	**10,467**	**66,197**	**39,097**	**13,971**	**7,979**	**29,314**	**2,543**	**169,960**
Year ended June 30, 2022									
Opening net book value	392	10,467	66,197	39,097	13,971	7,979	29,314	2,543	169,960
Additions	-	1,991	78,842	2,349	1,783	-	13,452	-	98,417
Disposals									
Cost	-	-	(60,114)	(185)	-	-	(458)	-	(60,757)
Accumulated depreciation	-	-	29,926	19	-	-	249	-	30,194
	-	-	(30,188)	(166)	-	-	(209)	-	(30,563)
Depreciation	(39)	(1,159)	(18,174)	(4,042)	(1,535)	(798)	(11,402)	(254)	(37,403)
Closing net book value	**353**	**11,299**	**96,677**	**37,238**	**14,219**	**7,181**	**31,155**	**2,289**	**200,411**
As at June 30, 2022									
Cost	2,000	17,697	137,815	60,068	20,855	14,625	88,652	9,725	351,437
Accumulated depreciation	(1,647)	(6,398)	(41,138)	(22,830)	(6,636)	(7,444)	(57,497)	(7,436)	(151,026)
Net Book Value	**353**	**11,299**	**96,677**	**37,238**	**14,219**	**7,181**	**31,155**	**2,289**	**200,411**
Year ended June 30, 2023									
Opening net book value	353	11,299	96,677	37,238	14,219	7,181	31,155	2,289	200,411
Additions	-	124	80,022	3,361	3,048	-	37,671	-	124,226
Disposals									
Cost	-	-	(40,308)	(20)	(317)	-	(557)	-	(41,202)
Accumulated depreciation	-	-	11,751	-	150	-	224	-	12,125
	-	-	(28,557)	(20)	(167)	-	(333)	-	(29,077)
Depreciation	(35)	(1,138)	(26,363)	(3,892)	(1,483)	(718)	(14,701)	(229)	(48,559)
Closing net book value	**318**	**10,285**	**121,779**	**36,687**	**15,617**	**6,463**	**53,792**	**2,060**	**247,001**
As at June 30, 2023									
Cost	2,000	17,821	177,529	63,409	23,586	14,625	125,766	9,725	434,461
Accumulated depreciation	(1,682)	(7,536)	(55,750)	(26,722)	(7,969)	(8,162)	(71,974)	(7,665)	(187,460)
Net Book Value	**318**	**10,285**	**121,779**	**36,687**	**15,617**	**6,463**	**53,792**	**2,060**	**247,001**
Depreciation rate -									
(% - per annum)	**10**	**10**	**20**	**10**	**10**	**10**	**30**	**10**	

5.2 Details of operating assets disposed off during the year

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Method of disposal	Sold to
	---------- Rupees in 000 ----------						
Items with individual net book value exceeding Rs.500,000							
Motor vehicles							
	3,669	(482)	3,187	3,187	-	Company Policy	Ex-employee - Mr. Muhammad Sharif
	1,673	(379)	1,294	1,294	-	Company Policy	Ex-employee - Ms. Attia Usman Ansari
	7,036	(880)	6,156	6,156	-	Company Policy	Subsidiary company - Atlas Battery Limited
	3,024	(202)	2,822	2,822	-	Company Policy	Subsidiary company - Atlas Honda Limited
	2,258	(1,364)	894	894	-	Company Policy	Employee - Mr. Kamran Naqvi
	2,552	(1,499)	1,053	1,053	-	Company Policy	Employee - Mr. Muhammad Jawaid Iqbal
	2,936	(382)	2,554	2,554		Company Policy	Employee - Mr. Rizwan Yousuf
	2,049	(465)	1,584	1,584	-	Company Policy	Employee - Mr. Shakil Ahmad
	6,305	(209)	6,096	6,850	754	Negotiation	Other - M/s Honda Qaideen, P.E.C.H.S, Block-2, Karachi.
	31,502	**(5,862)**	**25,640**	**26,394**	**754**		
Various assets having net book value upto Rs.500,000 each	**9,700**	**(6,262)**	**3,438**	**5,581**	**2,143**		
June 30, 2023	**41,202**	**(12,124)**	**29,078**	**31,975**	**2,897**		
June 30, 2022	60,757	(30,194)	30,563	32,633	2,070		

5.3 Capital work-in-progress

	Note	2023	2022
		-------- Rupees in '000 --------	
Building		**64,488**	42,915
Advance for capital expenditure			
- Computer		**457**	1,635
- Vehicles		**452**	4,006
- Investment property		**-**	12,500
- Intangible assets		**-**	1,036
- Office lift		**3,715**	-
		69,112	62,092

			2023	2022
5.4	**Right of use assets**	**Note**	-------- Rupees in '000 -------	
	Balance at beginning of the year		**144,296**	184,836
	Depreciation charged during the year		**(54,717)**	(40,540)
	Net book value at end of the year		**89,579**	144,296
6.	**NET INVESTMENT IN FINANCE LEASE**			
	Net investment in finance lease		**40,095**	47,084
	Current portion shown under current assets		**(9,011)**	(6,989)
		6.1	**31,084**	40,095

6.1 Maturity analysis of finance lease payments

June 30, 2023	**Not later than one year**	**One to five year**	**2023**
	-------- Rupees in '000 -------		
Gross investment in lease	**12,475**	**34,355**	**46,830**
Less: unearned finance income	**(3,464)**	**(3,271)**	**(6,735)**
	9,011	**31,084**	**40,095**

June 30, 2022	Not later than one year	One to five year	2022
	-------- Rupees in '000 -------		
Gross investment in lease	11,341	46,830	58,171
Less: unearned finance income	(4,352)	(6,735)	(11,087)
	6,989	40,095	47,084

			2023	2022
7.	**INTANGIBLE ASSETS**	**Note**	-------- Rupees in '000 -------	
	This represent computer software license:			
	Net book value at the beginning of the year		**319**	456
	Additions during the year		**208**	-
	Amortisation charge	**29.**	**(142)**	(137)
	Net book value at the end of the year		**385**	319
	Annual rate of amortisation		**30%**	30%

8. INVESTMENT PROPERTIES

	Freehold land	Leasehold land	Warehouse building on leasehold land	Warehouse building on freehold land under construction	Building on freehold land	Building on leasehold land	Total
	Rupees						
As at July 01, 2021							
Cost	910,573	1,112,678	296,570	-	5,369	259,532	2,584,722
Accumulated depreciation	-	(213,976)	(69,125)	-	(1,182)	(105,239)	(389,522)
Net Book Value	**910,573**	**898,702**	**227,445**	-	**4,187**	**154,293**	**2,195,200**
Year ended June 30, 2022							
Opening net book value	910,573	898,702	227,445	-	4,187	154,293	2,195,200
Additions	-	-	-	18,618	-	-	18,618
Depreciation charged	-	(44,935)	(11,372)	-	(209)	(7,715)	(64,231)
Closing net book value	**910,573**	**853,767**	**216,073**	**18,618**	**3,978**	**146,578**	**2,149,587**
As at June 30, 2022							
Cost	910,573	1,112,678	296,570	18,618	5,369	259,532	2,603,340
Accumulated depreciation	-	(258,911)	(80,497)	-	(1,391)	(112,954)	(453,753)
Net Book Value	**910,573**	**853,767**	**216,073**	**18,618**	**3,978**	**146,578**	**2,149,587**
Year ended June 30, 2023							
Opening net book value	910,573	853,767	216,073	18,618	3,978	146,578	2,149,587
Additions	82,123	-	93,103	-	-	-	175,226
Re-classification	-	-	18,618	(18,618)	-	-	-
Depreciation charged	-	(42,688)	(11,270)	-	(199)	(7,329)	(61,486)
Closing net book value	**992,696**	**811,079**	**316,524**	-	**3,779**	**139,249**	**2,263,327**
As at June 30, 2023							
Cost	992,696	1,112,678	408,291	-	5,369	259,532	2,778,566
Accumulated depreciation	-	(301,599)	(91,767)	-	(1,590)	(120,283)	(515,239)
Net Book Value	**992,696**	**811,079**	**316,524**	-	**3,779**	**139,249**	**2,263,327**
Depreciation rate (% - per annum)	**0**	**5**	**5**	**0**	**5**	**5**	

The Company carried out the fair valuation exercise by M/s. Surval Engineering an independent professional valuer during the year ended June 30, 2023, which has determined the aggregate fair value of the above properties as Rs. 13,792 million (2022: Rs.12,289 million).

9. LONG TERM INVESTMENTS

	Note	2023	2022
		------ Rupees in '000 -----	
In related parties			
Investment in subsidiaries	9.1	**25,635,155**	25,527,266
Investment in associates	9.2	**4,152,743**	8,566,901
Investment in joint venture	9.3	-	72,000
Investment in other companies	9.4	-	-
		29,787,898	34,166,167

9.1 Investment in subsidiaries - at cost

2023	2022	**Name of the Company**	**Note**	**2023**	2022
Number of shares				------ **Rupees in '000** -----	
23,686,454	23,686,454	Atlas Engineering (Private) Limited Holding: 100% (2022: 100%)		**387,677**	387,677
7,400,003	7,400,003	Atlas Energy Limited Holding: 100% (2022: 100%)		**73,287**	73,287
436,500,000	436,500,000	Atlas Power Limited Holding: 92.1% (2022: 92.1%)	**9.1.1**	**5,671,229**	5,671,229
49,999,998	25,000,000	Atlas Asset Management Limited Holding: 100% (2022: 100%)	**9.1.2**	**225,933**	225,933
75,000,000	55,000,000	Shirazi Trading Company (Private) Limited Holding 100% (2022: 100%)	**9.1.2**	**574,798**	574,798
600	600	Atlas Venture Limited Holding: 100% (2022: 100%)		**10,044**	10,044
100,000,000	100,000,000	Atlas Autos (Private) Limited Holding: 100% (2022: 100%)		**1,000,000**	1,000,000
39,000,000	39,000,000	Atlas Solar Limited (formerly: Zhenfa Pakistan New Energy Company Limited) Holding: 100% (2022: 75.25%)		**390,000**	390,000
55,000,000	55,000,000	Atlas Metals (Private) Limited Holding: 100% (2022: 100%)	**9.1.3**	**1,998,692**	1,998,692
		Less: impairment		**(1,424,619)**	(1,405,433)
				574,073	593,259
		Listed shares			
65,064,831	65,064,831	Atlas Honda Limited Market value Rs.256.98 per share Holding: 52.4% (2022: 52.4%)		**11,936,667**	11,936,667
20,611,466	16,489,173	Atlas Battery Limited Market value Rs.204.39 per share Holding: 58.9% (2022: 58.9%)	**9.1.3**	**2,961,729**	2,961,729
		Less: impairment		**-**	(127,075)
				2,961,729	2,834,654
112,553,826	70,346,141	Atlas Insurance Limited Market value Rs.38.40 per share Holding: 75.3% (2022: 75.3%)	**9.1.2**	**1,829,718**	1,829,718
				25,635,155	25,527,266

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

9.1.2 During the year, these Subsidiary Companies have issued bonus shares resulting increase in number of shares held by the Company.

9.1.3 The recoverable amount of Atlas Battery Limited has increased resulting in a reversal of impairment of Rs. 127.075 million (2022: Charge of Rs. 127.075 million), whereas the recoverable amount of Atlas Metals (Private) Limited have further declined resulting in charge of impairment amounting to Rs.19,186 million (2022: Rs.118.417 million).

9.2 Investment in associates	Note	**2023**	2022
		-------- Rupees in '000 -----	
Listed shares - at fair value through other comprehensive income	**9.2.1**	**3,982,531**	8,396,689
Unlisted shares - at cost	**9.2.2**	**170,212**	170,212
		4,152,743	8,566,901

9.2.1 Listed shares - at fair value through other comprehensive income

2023	2022	Name of Company	**2023 Cost**	**2023 Fair value**	2022 Cost	2022 Fair value
Number of shares			**------ Rupees in '000 ------**			
43,119,650	43,119,650	Honda Atlas Cars (Pakistan) Limited Fully paid ordinary shares of Rs.10 Holding: 30.20% (2022: 30.20%)	**11,808,916**	**3,982,531**	11,808,916	8,396,689

9.2.2 Unlisted shares

2023	2022	**Name of Company**	**Note**	**2023**	2022
Number of shares				**------ Rupees in '000 ------**	
882,400	882,400	Honda Atlas Power Product (Private) Limited Holding: 20% (2022: 20%)		**8,824**	8,824
258,728	258,728	Integration Xperts (Private) Limited Holding: 26% (2022: 26%)		**161,388**	161,388
				170,212	170,212

9.3 Investment in Joint venture - unlisted

2023	2022	**Name of Company**			
Number of shares					
		Un-listed shares			
-	10,765,000	Madian Hydro Power Limited Holding: Nil (2022: 50%)	**9.3.1**	-	107,650
		Provision for impairment		-	(35,650)
				-	72,000

9.3.1 Madian Hydro Power limited (MHPL) is a joint venture of the Company and Cherat Cement Company Limited. The project is formed to build, operate and maintain hydro power generation plant at Madian over River Swat for the generation and supply of electric power. Due to the law and order situation in Swat and adjoining areas, the project was not undertaken.

In the prior year, MHPL entered into an agreement with Pakhtunkhwa Energy Development Organization (PEDO) for the sale of the feasibility study for total consideration of Rs.160 million and had also received the sale consideration net of tax. Accordingly, the reversal of impairment loss net of tax was booked in last year's financial statements.

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 resulting in a gain on disposal of investment of Rs. 10.8 million.

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

2023	2022	**Name of Company**	**2023**	2022
Number of shares			------ **Rupees in '000** ------	
		Un-listed shares		
5,661,524	5,661,524	Techlogix International Limited Fully paid ordinary shares of US$ 0.0001468 each Holding: 5.6% (2022: 5.6%)	**64,748**	64,748
		Provision for impairment	**(64,748)**	(64,748)
			-	-
3,000,000	3,000,000	Naymat Collateral Management Company Limited Holding: 10.2% (2022: 10.2%)	**30,000**	30,000
		Provision for impairment	**(30,000)**	(30,000)
			-	-
			-	-

9.5 Movement in provision for impairment

		2023	2022
Balance at beginning of the year		**1,662,906**	1,467,880
Charge for the year	9.1.3	**19,186**	267,026
Reversal for the year	9.1.3	**(127,075)**	(72,000)
Written off during the year		**(35,650)**	-
		(143,539)	195,026
Balance at end of the year		**1,555,017**	1,662,906

	Note	2023	2022
10 LOANS TO STAFF - secured, considered good		-------- Rupees in '000 -----	
Key management personnel		205	1,024
Others		6,346	7,341
	10.1	6,551	8,365
Less: amounts due within one year - and shown under current assets			
Key management personnel		(205)	(820)
Others		(4,642)	(5,024)
	11	(4,847)	(5,844)
		1,704	2,521

10.1 Represents loans provided to employees of the Company in the form of staff personal loan and motor vehicle interest free loan. Loans aggregating Rs. 3.435 million (2022: Rs. 1.335 million) are provided for purchase of motor vehicles and are repayable in forty eight equal monthly instalments. Personal loans are secured against respective retirement benefits of the employees and motor vehicle loans are secured against respective motor vehicles and employees' vested retirement benefits. Advances are unsecured and are repayable in twenty four equal monthly instalments.

10.2 The maximum amount of loans to the key management personnel outstanding at the end of any month during the year ended June 30, 2023 was Rs. 0.96 million (2022: Rs.1.64 million).

11 LOANS AND ADVANCES	Note	2023	2022
		------- Rupees in '000 -------	
Current portion of long term loans	10	4,847	5,844
Unsecured advances - considered good			
Other advances	11.1	-	305
		4,847	6,149

11.1 This includes advance to Honda Atlas Cars (Pakistan) Limited (associated company) of Rs. Nil (2022: Rs.0.305 million). The maximum aggregate amount of advance to related parties at the end of any month during the year was Rs. 13.554 million (2022: Rs.19.653 million).

12. PREPAYMENTS AND OTHER RECEIVABLES	Note	2023	2022
		------- Rupees in '000 -------	
Prepayments		22,526	19,001
Convertible cash advance	12.1	176,630	176,630
Sales tax asset		10,776	1,512
Dividend receivables		38,938	3,925
Other receivables			
Receivable from Suroor Investments Limited	12.2	102,579	102,579
Receivable from employees		3,946	1,808
Receivable from a subsidiary company	12.3	32,738	65,475
Receivable from staff provident fund		223	-
Others		280	65
		139,766	169,927
Provision for expected credit losses		(2)	(6,148)
Provision against other receivables	12.2	(102,579)	(102,579)
Convertible cash advance - written off	12.1	(176,630)	-
	12.4	109,425	262,268

12.1 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 written off and accounted for as a loss.

12.2 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.

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

12.4 Receivables from related parties are neither past due nor impaired, aged 0-180 days.

13. SHORT TERM INVESTMENTS	**Note**	**2023**	2022
		------- Rupees in '000 -------	
Investment in listed shares - at fair value through other comprehensive income	**13.1**	**7,133,298**	6,316,579
Investment in mutual funds - at fair value through profit or loss			
- associates	**13.2**	**3,522,703**	4,493,556
- other related parties	**13.3**	**1,366,566**	423,493
		12,022,567	11,233,628

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

2023 Number of shares	2022 Number of shares	**Name of Company**	**Note**	**2023 Cost**	**2023 Fair value**	2022 Cost	2022 Fair value
				Rupees in 000			
14,636,936	14,636,936	Cherat Cement Company Limited		**1,307,435**	**1,760,531**	1,307,435	1,361,821
4,504,423	-	Engro Fertilizers Limited		**366,155**	**371,750**	-	-
3,122,961	-	Fauji Fertilizer Company Limited		**320,038**	**307,424**	-	-
-	12,003,424	Habib Bank Limited		**-**	**-**	1,475,377	1,096,393
5,560,500	-	Habib Metropolitan Bank Limited		**175,656**	**168,038**	-	-
6,089,524	10,081,386	Meezan Bank Limited		**706,262**	**525,952**	1,286,161	1,138,995
2,087,250	1,500,000	Pakistan Cables Limited		**240,407**	**173,075**	240,407	209,250
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
4,197,795	-	United Bank Limited		**464,359**	**493,409**	-	-
			13.1.1	**4,021,617**	**7,133,298**	4,487,660	6,316,579

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

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

2023	2022	Name of Mutual Funds	Note	2023 Carrying value	2023 Fair value	2022 Carrying Value	2022 Fair value
Number of units				Rupees in 000			
198,079	198,079	Atlas Aggressive Allocation Islamic Plan Holding: 50.64% (2022: 82.77%)		**109,643**	**109,159**	117,754	109,643
199,471	199,471	Atlas Moderate Allocation Islamic Plan Holding: 48.23% (2022: 80.20%)		**113,057**	**112,673**	116,367	113,057
199,639	199,639	Atlas Conservative Allocation Islamic Plan Holding: 42.19% (2022: 72.42%)		**113,241**	**113,036**	113,215	113,241
424,697	424,697	Atlas Islamic Capital Preservation Plan II Holding: 43.96% (2022: 44.93%)		**212,298**	**211,825**	212,349	212,298
-	1,339,297	Atlas Income Fund Holding: Nil (2022: 26.30%)		**-**	**-**	699,863	701,072
1,964,413	1,964,413	Atlas Islamic Stock Fund Holding: 28.96% (2022: 25.16%)		**971,221**	**938,911**	1,122,880	971,221
3,555,657	3,829,218	Atlas Stock Market Fund Holding: 25.33% (2022: 25.04%)		**2,110,638**	**2,037,099**	2,634,807	2,273,024
			13.2.1	**3,630,098**	**3,522,703**	5,017,235	4,493,556

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

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

2023	2022	Name of Mutual Funds	2023 Carrying Value	2023 Fair value	2022 Carrying Value	2022 Fair value
Number of units			Rupees in 000			
-	1,994,554	Atlas Sovereign Fund Holding: Nil (2022: 16.63%)	**-**	**-**	201,533	201,969
-	443,049	Atlas Islamic Money Market Fund Holding: Nil (2022: 15.31%)	**-**	**-**	221,524	221,524
2,687,410	-	Atlas Money Market Fund Holding: 5.75% (2022: Nil)	**1,364,380**	**1,366,566**	-	-
			1,364,380	**1,366,566**	423,057	423,493

		Note	2023	2022
13.4	**Unrealised loss on remeasurement of investments at fair value through profit or loss**		------- Rupees in '000 -------	
	Market value of investment	13.2 & 13.3	**4,889,269**	4,917,049
	Carrying value of investments	13.2 & 13.3	**(4,994,478)**	(5,440,294)
			(105,209)	(523,245)

14. RECEIVABLE FROM STAFF GRATUITY FUND

		2023	2022
14.1	**Reconciliation**		
	Present value of defined benefit obligation	**145,870**	130,447
	Fair value of plan assets	**(185,148)**	(174,097)
		(39,278)	(43,650)
	Payable to group companies	**5,882**	1,011
	Net receivable at year end	**(33,396)**	(42,639)
14.2	**Movement in the net defined benefit asset**		
	Net asset at beginning of the year	**(42,639)**	(55,153)
	Reversal for the year	**(6)**	(2,468)
	Re-measurement recognised in other comprehensive income	**9,249**	14,982
	Net receivable at end of the year	**(33,396)**	(42,639)
14.3	**Reversal for the year**		
	Current service costs	**5,368**	4,996
	Interest costs	**14,294**	11,288
	Expected return on assets	**(19,668)**	(18,752)
	Reversal for the year	**(6)**	(2,468)
14.4	**Movement in the present value of defined benefit obligation**		
	Balance at beginning of the year	**130,447**	115,831
	Current service cost	**5,368**	4,996
	Interest cost	**14,294**	11,288
	Liability recognised in respect of transfers	**3,428**	(1,011)
	Actuarial loss	**4,971**	1,130
	Benefits paid during the year	**(12,638)**	(1,787)
	Balance at end of the year	**145,870**	130,447

		2023	2022
14.5	**Movement in fair value of plan assets**	------- Rupees in '000 -------	
	Balance at beginning of the year	**174,097**	216,172
	Expected return on plan assets	**19,668**	18,752
	Benefits paid during the year	**(12,638)**	(1,787)
	Transfer of assets from / (to) group companies	**8,298**	(45,188)
	Actuarial loss	**(4,277)**	(13,852)
	Balance at end of the year	**185,148**	174,097
14.6	Actual return on plan assets	**15,098**	5,603

14.7 Plan assets comprise the following:

	2023		2022	
	Rs. in '000'	**%**	Rs. in '000'	%
Debt	**28,199**	**15.23%**	48,758	28.01%
Others	**156,949**	**84.77%**	125,339	71.99%
	185,148		174,097	

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

14.9 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
Discount rate	**16.25%**	13.25%
Rate of salary increase (per annum)	**15.00%**	12.00%
Long term salary increase rate	**15.25%**	12.25%
Mortality rates	**SLIC (2001-05)-1**	SLIC (2001-05)-1
Rate of employee turnover	**Light**	Light

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

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	1.00%	137,944,188	154,824,420
Future salary	1.00%	154,157,071	138,415,474

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

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

14.10 Expected charge to gratuity plan for the year ending June 30, 2024 are Rs.1,188 thousand.

14.11 The weighted average duration of defined benefit obligation for plan is 5.76 years. The expected maturity analysis of undiscounted retirement benefits is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Between 5-20 years	Total
	Rupees in '000				
At June 30, 2023	**2,442**	**65,485**	**54,592**	**780,103**	**902,622**

14.1 Historical information

	2023	2022	2021	2020	2019
	Rupees in '000				
Present value of defined benefit obligation	**145,870**	130,447	115,831	158,348	183,249
Fair value of plan assets	**(185,148)**	(174,097)	(216,171)	(154,407)	(142,295)
(Surplus) / deficit	**(39,278)**	(43,650)	(100,340)	3,941	40,954
Experience adjustments:					
Loss / (gain) on plan liabilities	**4,971**	1,130	9,004	23,543	(27,725)
(Loss) / gain on plan assets	**(4,277)**	(13,852)	(24,828)	1,227	5,485

15. BANK BALANCES

	Note	2023	2022
		------- Rupees in '000 -------	
Balances with bank in:			
- current accounts		**11,758**	1,415
- saving accounts	15.1	**11,724**	914
		23,482	2,329
Provision for expected credit loss		**(3)**	(2)
		23,479	2,327

15.1 The rate of return on saving account is 12.25% to 19.5% (2022: 12.25% to 13.5%) per annum.

16. 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

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

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

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

17. RESERVES	Note	2023	2022
		------- Rupees in '000 -------	
Capital reserves			
Share premium		**26,839,742**	26,839,742
Amalgamation reserve	17.1	**1,222,562**	1,222,562
		28,062,304	28,062,304
Revenue reserves			
General reserve:			
- at beginning of the year		**16,831,122**	14,531,122
- transferred from unappropriated PROFIT		**1,000,000**	2,300,000
- at end of the year		**17,831,122**	16,831,122
Unappropriated profit		**1,151,661**	1,262,654
		18,982,783	18,093,776
		47,045,087	46,156,080

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

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

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

18. LONG TERM DEPOSITS	Note	2023	2022
		------- Rupees in 000 -------	
Deposits against rented property		-	1,517
Deposits from employees	18.1	**4,108**	2,979
		4,108	4,496

18.1 Represents deposits from employees under Company's vehicle scheme. This include Rs.0.35 million (2022: Rs. 0.026 million) deposits from key management personnel of the Company.

19. DEFERRED LIABILITIES

	Note	2023	2022
		------- Rupees in 000 -------	
Provision for compensated absences	19.1	**65,577**	57,290
Provision for long service award		**17,470**	12,627
	19.2	**83,047**	69,917

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

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

20. LEASE LIABILITIES

	2023	2022
	------ Rupees in '000 ------	
Balance at beginning of the year	**232,693**	278,537
Interest accrued	**21,262**	26,888
Repaid during the year	**(79,595)**	(72,732)
	174,360	232,693
Current portion of lease liabilities	**(72,930)**	(58,332)
Balance at end of the year	**101,430**	174,361

20.1 The future minimum lease payments to which the Company is committed under the agreements will be due as follows:

Particulars	Not later than one year	One to five years	2023	Not later than one year	One to five years	2022
	------------ Rupees in '000 ------------					
Minimum lease payments	**87,110**	**108,005**	**195,115**	79,595	195,115	274,710
Finance cost allocated to future periods	**(14,180)**	**(6,575)**	**(20,755)**	(21,263)	(20,754)	(42,017)
Present value of minimum lease payments	**72,930**	**101,430**	**174,360**	58,332	174,361	232,693

	Note	2023	2022
21. DEFERRED TAXATION - net		------- Rupees in '000 ------	
Deferred tax liability arising on:			
- Accelerated tax depreciation		**197**	210
- Net investment in finance lease		**151**	357
- Right of use asset		**337**	1,096
		685	1,663
Less: deferred tax asset arising on:			
- Lease liabilities		**(655)**	(1,767)
- Employee retirement benefits		**(187)**	(207)
- Alternative corporate tax over and above Normal tax regime u/s 113C		**-**	(256,399)
- Unrealised loss on investment - at fair value through other comprehensive income		**388,960**	228,615
- Unrealised gain on investment - at fair value through profit or loss		**(10,425)**	(53,794)
Deferred tax liability / (asset) - net	**21.1**	**378,378**	(81,889)

21.1 Movement of deferred tax

	2023	2022
Balance at beginning of the year	**(81,889)**	445,336
Deferred tax recognized on unrealised loss on investment:		
- at fair value through other comprehensive income	**160,345**	(496,939)
- at fair value through profit or loss	**43,369**	(152,527)
- alternative corporate tax over and above normal tax regime u/s 113C	**256,399**	122,550
Charge / (reversal) during the year	**154**	(309)
Balance at end of the year	**378,378**	(81,889)

22.	**TRADE AND OTHER PAYABLES**	**Note**	**2023**	2022
			------- **Rupees in '000**	------
	Accrued liabilities	**22.1**	**18,381**	30,085
	Sales tax payable		**87**	1,419
	Accrued expenses - performance bonus		-	834
	Unearned rental income		-	712
	Unearned service income	**22.2**	**403**	-
			18,871	33,050

22.1	**Accrued liabilities**		
	Accrued expenses	**14,917**	27,083
	Accrual for audit fee	**3,464**	3,002
		18,381	30,085

22.2 This represents unearned IT related service income received from Atlas Engineering (Private) Limited - a related party.

23. Represents amount of loan from Atlas Metals (Private) Limited - a wholly owned Subsidiary Company. The loan is repayable on demand.

24. SHORT TERM BORROWINGS

This represent running finance facilities utilised under mark-up arrangements from various commercial bank and are secured by way of first equitable mortgage on land and properties, first hypothecation charge and assignment of receivables, pledge of shares and mutual funds. The rate of mark-up on these finances ranges from 3 months KIBOR plus 0.25% to 3 months KIBOR plus 0.75% per annum and 1 month KIBOR plus 0.25% to 1 month KIBOR plus 0.5% (2022: 3 months KIBOR plus 0.25% to 3 months KIBOR plus 0.75% per annum and 1 month KIBOR plus 0.25%). These facilities expire on various dates, latest by November 30, 2023. The aggregate facilities from various banks amounted to Rs. 5,700 million (2022: Rs.5,800 million) of which Rs. 5,700 million (2022: Rs.3,932 million) remain unutilised as at the reporting date.

25.	**CONTINGENCIES AND COMMITMENTS**	**Note**	**2023**	2022
			------- **Rupees in '000**	-------
25.1	**Contingencies**			
	Cross corporate guarantee in favour of related parties - to a foreign commercial bank		**5,252,000**	3,381,000
25.2	**Commitments**			
	Commitments in respect of office rent expense	**25.2.1**	**49,183**	79,595
	Commitments in respect of capital expenditure		**5,201**	-

25.2.1 This includes the rent to be paid under the agreement till June 30, 2024.

		Note	2023	2022
26.	**DIVIDEND INCOME**		------- Rupees in '000 -------	
	Subsidiary companies:			
	Atlas Honda Limited		**1,561,556**	1,756,750
	Atlas Battery Limited		**669,873**	57,354
	Atlas Insurance Limited		**604,977**	447,657
	Atlas Asset Management Limited		**112,500**	75,000
	Atlas Autos (Private) Limited		**1,200,000**	300,000
	Atlas Engineering (Private) Limited		**35,530**	23,686
	Atlas Venture Limited		**26,078**	27,758
	Atlas Power Limited		**436,500**	873,000
	Shirazi Trading Company (Private) Limited		**141,250**	82,500
	Atlas Metals (Private) Limited		**25,300**	-
			4,813,564	3,643,705
	Associated companies / mutual funds:			
	Honda Atlas Cars (Pakistan) Limited		-	301,838
	Atlas Income Fund		-	57,724
	Atlas Aggressive Allocation Islamic Plan		**2,001**	-
	Atlas Conservative Allocation Islamic Plan		**12,098**	3,284
	Atlas Moderate Allocation Islamic Plan		**6,493**	-
	Atlas Islamic Capital Preservation Plan - II		**18,347**	641
			38,939	363,487
	Other listed companies		**399,941**	156,183
	Mutual funds - related parties			
	Atlas Islamic Money Market Fund - a related party		**2,773**	19,358
	Atlas Money Market Fund - a related party		**24,146**	8,160
	Atlas Sovereign Fund - a related party		-	14,432
			26,919	41,950
			5,279,363	4,205,325
27.	**RENTAL INCOME - investment properties**			
	Warehouse building - on leasehold land		**99,899**	91,456
	Building - leasehold		**30,140**	28,704
			130,039	120,160
28.	**OTHER INCOME**			
	Interest on PLS saving accounts and treasury bills		**7,115**	596
	Interest income from net investment in finance lease		**4,329**	5,037
	Gain on disposal of operating fixed assets		**2,897**	2,070
	Amortization of deferred income - government grant		**341**	3,094
	Others	**28.1**	**575**	45,277
			15,257	56,074

28.1 Includes interest income of Rs. Nil (2022: 0.011 million) from Honda Atlas Cars (Pakistan) Limited, a related party.

29. ADMINISTRATIVE AND OTHER EXPENSES

	Note	2023	2022
		-------- Rupees in 000 --------	
Salaries and benefits	29.1	**420,076**	353,244
Provision against compensated absences		**12,153**	15,932
Rent, rates and taxes		**16,620**	22,276
Travelling, conveyance and entertainment		**29,276**	16,045
Printing and stationery		**9,725**	4,593
Gas, water and electricity		**21,813**	15,810
Motor vehicle expense		**2,609**	13,155
Legal and professional		**26,265**	29,088
Auditor's remuneration	29.2	**3,648**	3,002
Insurance		**29,333**	25,818
Fee and subscription		**107,322**	86,235
Repairs and maintenance		**53,648**	55,430
Depreciation on:			
- Operating fixed assets	5.1	**48,559**	37,403
- Right of use assets	5.4	**54,717**	40,540
- Investment properties	8	**61,486**	64,231
Amortisation on intangible assets	7	**142**	137
Postage, telephone and telegrams		**5,062**	5,915
Newspapers and periodicals		**725**	416
Staff training		**2,458**	578
Internet charges		**17,234**	20,007
Security guard services		**5,367**	4,235
Donation	29.3	**257,000**	-
Stamp duty fees on transfer of shares		**544**	5,795
Others		**3,582**	5,821
		1,189,364	825,706

29.1 Salaries and benefits include Rs.28.19 million (2022: Rs.39.22 million) in respect of employees retirement benefits.

29.2 Auditor's remuneration

	Note	2023	2022
		------- Rupees in '000 -------	
Annual audit fee		**1,089**	990
Audit fee for provident and gratuity funds		**470**	154
Audit fee for consolidated and special purpose financial statements		**1,422**	1,293
Sindh sales tax		**297**	195
Out of pocket and other expenses		**370**	370
		3,648	3,002

29.3 Represent donation paid to Atlas Foundation, 2nd Floor, Federation House, Share-e-Firdausi, Clifton, Karachi (the Foundation). Mr. Iftikhar H. Shirazi, Chairman, and Mr. Ali H. Shirazi and Mr. Frahim Ali Khan, the Directors of the Company and also the Directors of the Foundation.

30. FINANCE COSTS

	Note	2023	2022
		------- Rupees in '000 -------	
Interest / mark-up on short term borrowings	30.1	**139,042**	136,244
Mark-up on long term financing - government grant		**372**	3,552
Interest expense on lease liability		**21,262**	26,888
Bank and other charges		**247**	794
		160,923	167,478

30.1 These represent mark-up on short term borrowings obtained from various banks which carried mark-up ranging from 14.42% to 22.83% (2022: 11.44% to 14.81%).

31. INCOME TAX EXPENSE

	2023	2022
	------- Rupees in '000 -------	
Current	**1,046,679**	656,126
Prior	**(239,422)**	(117,564)
	807,257	538,562
Deferred	**303,529**	(25,941)
	1,110,786	512,621

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

31.2 For the tax year 2022, the Additional Commissioner Inland Revenue passed an order u/s122(5A) of the Income Tax Ordinance, 2001 and made certain disallowance. The Company filed an appeal with Commissioner Inland Revenue (Appeals), Karachi CIR(A). CIR(A) decided the all other matters in favour of the Company except the disallowance of discount written off during the year and levy of super tax under section 4C. The Company have filed further appeal before the ATIR in respect of the issues confirmed by CIR(A), which is pending adjudication.

31.3 For the tax year 2021, the Additional Commissioner Inland Revenue issued a notice u/s 122(5A) of the Income Tax Ordinance, 2001 and passed an order and made certain additions. The Company has filed an appeal with Commissioner Inland Revenue (Appeals), Karachi which was decided in favour of the Company.

31.4 The Company has opted for group taxation under section 59AA of the Income Tax Ordinance, 2001 whereby the Company and its subsidiaries - Shirazi Trading Company (Private) Limited, Atlas Autos (Private) Limited, Atlas Engineering (Private) Limited, Atlas Asset Management Limited and Atlas Metals (Private) Limited shall be taxed as one fiscal unit. The provision for taxation is made on the same basis in the financial statements. For the tax years 2016 to 2018, amendments to assessments were made under section 122 of the Ordinance in respect of the group returns filed by the Company, wherein various disallowances were made by the assessing officers. These cases are pending at various levels in the tax department. No provisions have been made in the financial statements of the Company as these matters pertain to other group companies. In case of any financial obligation discharged by the Company under these matters, the amount shall be recovered from the relevant group company.

31.5 For the tax year 2010, the Company filed its returns of income claiming exemption on dividend income from wholly-owned subsidiary under clause (103A) of Part I of the First Schedule to the Ordinance amounting to Rs.475 million and tax amount involved of Rs.47.50 million.

The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] pursuant to which the CIR(A) allowed the above claim of exemption on inter-corporate dividend. The tax department filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A) pursuant to which the ATIR decided the matter against the company. Against the order of the ATIR, the company has filed a reference application before the High Court of Sindh, which is pending adjudication. The management of the Company is confident that the matter will be decided in favour of the Company.

32. EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022
	------- Rupees in '000 -------	
Profit after tax for the year	**3,031,868**	2,356,727
	(Number of shares in '000)	
Weighted average number of shares of Rs.10 each	**220,112**	220,112
	----------- Rupees -----------	
Earnings per share - basic and diluted	**13.77**	10.71

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

33. CASH FLOWS FROM OPERATIONS

	2023	2022
	------- Rupees in '000 -------	
Profit before taxation	**4,142,654**	2,869,348
Less: dividend income	**5,279,363**	4,205,325
Adjustments for:		
Depreciation	**164,762**	142,174
Amortisation	**142**	137
Reversal of impairment long term investment - net	**(107,889)**	-
Provision against compensated absences	**12,153**	15,932
Provision for long service award	**4,843**	13,810
Reversal in provision for staff gratuity fund	**(6)**	(2,468)
Other income	**(7,226)**	(7,107)
Finance cost	**160,923**	167,478
Amortisation of long term financing - government grant	**(341)**	(3,094)
Net gain on sale of investments	**(84,275)**	(66,659)
Net unrealized loss on remeasurement of investments	**105,209**	523,245
	248,295	783,448
Decrease in loans and advances	**1,302**	204,711
Decrease in deposits, prepayments and other receivables	**187,856**	99,832
Decrease in trade and other payables	**(14,179)**	(90,835)
	(713,435)	(338,821)

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees in '000							
Managerial remuneration	**18,900**	16,112	**43,200**	36,148	**110,463**	94,210	**172,563**	146,470
Bonus	**5,261**	9,620	**12,024**	36,590	**28,297**	54,370	**45,582**	100,580
Medical expenses	**300**	309	**3,008**	7,886	**2,426**	2,239	**5,734**	10,434
Retirement benefits	**1,223**	1,043	**2,795**	2,339	**6,073**	5,477	**10,091**	8,859
	25,684	27,084	**61,027**	82,963	**147,259**	156,296	**233,970**	266,343
Number of persons	**1**	1	**2**	2	**27**	27	**30**	30

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

34.2 The Chief Executive Officer and a Director are provided with free use of Company maintained cars and telephones at residences and furnished accommodations.

35. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

35.1 Name and nature of relationship

a) Subsidiary Companies

Shirazi Trading Company (Private) Limited - 100% shares held in the company

Atlas Engineering (Private) Limited - 100% shares held in the company

Atlas Autos (Private) Limited - 100% shares held in the company

Atlas Asset Management Limited - 100% shares held in the company

Atlas Venture Limited* - 100% shares held in the company

Atlas Metals (Private) Limited - 100% shares held in the company

Atlas Energy Limited - 100% shares held in the company

Atlas Power Limited - 92.09% shares held in the company

Atlas Solar Limited (formerly: Zhenfa Pakistan New Energy Company Limited) - 100% shares held in the company

Atlas Insurance Limited - 75.33% shares held in the company

Atlas Battery Limited - 60.17% effective shares held in the company

Atlas Honda Limited - 54.57% effective shares held in the company

b) Sub-subsidiary Companies

Atlas Global FZE - 100% shares held in the company

Oyster International Holdings Limited - 100% shares held in the company

Atlas Hitec (Private) Limited - 60.72% shares held in the company

Atlas DID (Private) Limited - 60% shares held in the company

Atlas GCI (Private) Limited - 50.67% shares held in the company

Atlas World Wide General Trading LLC - 49% shares held in the company

c) **Associated Companies / mutual funds due to significant influence based on holding**

Honda Atlas Cars Pakistan Limited - 30.20% shares held in the company

Honda Atlas Power Product (Private) Limited - 20% shares held in the company

Integration Xperts (Private) Limited - 26% shares held in the company

Atlas Aggressive Allocation Islamic Plan II - 50.64% shares held in the company

Atlas Moderate Allocation Islamic Plan - 48.23% shares held in the company

Atlas Conservative Allocation Islamic Plan - 42.19% shares held in the company

Atlas Islamic Capital Preservation Plan II - 43.96% shares held in the company

Atlas Islamic Stock Fund - 28.96% shares held in the company

Atlas Stock Market Fund - 25.33% shares held in the company

d) **Associated Companies / Undertakings due to common directorship**

- Batool's Benefit Trust
- Atlas Foundation
- Iftikhar Shirazi Family Trust
- Techlogix International Limited
- Syeda Rida Batool's Benefit Trust

e) **Associated mutual funds due to funds managed by subsidiary company**

Atlas Sovereign Fund

Atlas Income Fund

Atlas Islamic Money Market Fund

Atlas Money Market Fund

f) **Directors**

Mr. Iftikhar H. Shirazi

Mr. Ali H. Shirazi

Mr. Aamir H. Shirazi

Mr. Saquib H. Shirazi

Mr. Frahim Ali Khan

g) **Key Management Personnel**

Mr. Iftikhar H. Shirazi

Mr. Noorullah R. Hassan

Mr. Aamir H. Shirazi

Mr. Irfan Ibrahim

h) **Retirement benefits funds**

Shirazi Investments (Private) Limited Provident Fund

Atlas Islamic Pension Fund

Atlas Pension Fund

Atlas Group of Companies - Management Staff Gratuity Fund

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

35.2 Transactions with related parties	**2023**	2022
	------- Rupees in '000 -------	
Subsidiary / sub-subsidiary companies		
Purchase of operating fixed assets	**2,765**	6,878
Transfer out of fixed assets upon transfer of employees	**8,979**	11,111
Transfer in of fixed assets upon transfer of employees	**16,552**	2,093
Investments made	-	76,972
Receipts in respect of net investment in finance lease	**11,319**	10,310
Payment made on behalf of employees	**1,939**	1,087
Sponsors loan repaid to the Company	-	240,000
Loan obtained	**450,000**	-
Share capital issued to the Company	-	275,016
Long term deposits taken on transfer of employees	**230**	344
Long term deposits transferred on transfer of employees	**309**	516
Transfer out of staff loans on transfer of employees	**414**	2,088
Transfer in of staff loans on transfer of employees	**28**	-
Dividend income	**4,813,563**	3,643,706
Rendering of IT services	**151,614**	102,830
Rental income / paid	**123,511**	107,218
Reimbursements of expenses	**1,398**	488
Purchase of goods or services	**426**	989
Insurance premium paid	**31,937**	25,992
Payments under group taxation	**591,850**	540,206
Receipt in respect of withholding tax on dividend	**65,475**	152,775
Associated companies / mutual fund		
Purchase of assets	**47,240**	56,170
Purchases of services	-	1,074
Dividend income	**38,938**	363,487
Investment made	-	1,081,794
Sales proceed on disposal of investments / mutual funds	-	1,400,000
Payments made on behalf of employees	**2,430**	938
Funds managed by subsidiary company		
Investment made	**2,732,862**	16,455
Dividend income	**26,918**	**41,950**
Sale proceeds from disposal of investments	**2,728,909**	857,225
Common directorship		
Dividend income	-	1,346
Dividend paid	**352,290**	300,013
Purchases of services	-	30
Donation paid	**257,000**	-
Other related parties		
Contributions paid to:		
- provident funds / pension schemes	**26,726**	23,964
Key management personnel		
- Loan disbursed by the Company	-	1,638
- Loan repaid to the Company	**819**	614
- Sale of operating fixed assets	-	3,497
- Dividend paid	**352,290**	300,013
- Salaries and other employment benefits	**122,788**	120,141

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

36.2 Market risk

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

(i) Interest rate risk

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

	Interest / markup bearing			
	Effective Yield / mark-up rate	**Upto six months**	**More than six months**	**Total**
June 30, 2023	**%**		**Rupees in '000**	
Financial assets:				
Bank balances	**12.25% to 19.5%**	**11,724**	**-**	**11,724**
Net investment in finance lease	**11.31%**	**4,766**	**35,329**	**40,095**
Financial liabilities:				
Short term borrowings	**14.42% to 22.83%**	**-**	**-**	**-**
Lease liabilities	**11.31%**	**(43,385)**	**(130,975)**	**(174,360)**

	Interest / markup bearing			
	Effective Yield / mark-up rate	Upto six months	More than six months	Total
June 30, 2022	%		Rupees in '000	
Financial assets:				
Bank balances	12.25% to 13.50%	914	-	914
Net investment in finance lease	11.31%	3,747	43,337	47,084
Financial liabilities:				
Short term borrowings	14.44% to 14.81%	(1,868,260)	-	(1,868,260)
Lease liabilities	11.31%	(28,228)	(204,465)	(232,693)
Long term financing	8.87%	(12,704)	(13,054)	(25,758)

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

	Effect on profit	
	2023	2022
	Rupees in '000	
Change in basis point		
+100	**(1,226)**	(20,787)
-100	**1,226**	20,787

(ii) Foreign exchange risk

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

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the investee company, change in business circumstances of the investee company, its business sector, industry and / or the economy in general. The Company estimates that a 5% increase in the overall equity prices in the market with all other factors remaining constant would increase the Company's equity by Rs. 555.79 million (2022: Rs.735.66 million) and a 5% decrease would result in a decrease in the Company's equity by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

36.3 Liquidity risk

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

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

	Within 1 month	**Within 1 to 3**	**Within 3 to 12 months**	**Within 1 to 5 years**	**Total**
			Rupees in '000		
June 30, 2023					
Long term deposits	-	-	-	**4,108**	**4,108**
Trade and other payables	-	**18,381**	-	-	**18,381**
Loan from Subsidiary	-		**450,000**	-	**450,000**
Lease liabilities	**15,789**	**2,126**	**69,195**	**87,250**	**174,360**
Accrued mark-up	**3,501**	-	-	-	**3,501**
Total	**19,290**	**20,507**	**519,195**	**91,358**	**650,350**

	Within 1 month	Within 1 to 3	Within 3 to 12 months	Within 1 to 5 years	Total
			Rupees in '000		
June 30, 2022					
Long term deposits	-	-	-	4,496	4,496
Trade and other payables		30,085	-	-	30,085
Short term borrowings	-	-	1,868,260	-	1,868,260
Lease liabilities	12,395	1,017	50,920	168,361	232,693
Long term financing	13,044	12,714	-	-	25,758
Accrued mark-up	50,095	-	-	-	50,095
Total	75,534	43,816	1,919,180	172,857	2,211,387

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

	2023	2022
	------ Rupees in 000 ------	
Loans and advances	**4,847**	6,149
Long term deposits	**2,883**	2,883
Deposits and other receivables	**86,899**	243,267
Bank balances	**23,479**	2,327
Net investment in finance lease	**40,095**	47,084
Investment in mutual funds	**4,889,269**	4,917,049
	5,047,472	5,218,759

Bank balances by rating category

	Rating			
	Long term	**Short**		
Current accounts				
Summit Bank Limited	Un-rated	Un-rated	**1,359**	1,359
MCB Bank Limited	AAA	A1+	**220**	45
Meezan Bank Limited	AAA	A1+	**2**	2
Allied Bank Limited	AAA	A1+	**-**	5
United Bank Limited	AAA	A1+	**5**	5
Habib Bank Limited	AAA	A1+	**8,125**	-
National Bank of Pakistan	AAA	A1+	**229**	-
Soneri Bank Limited	AA-	A1+	**1,639**	-
Bank Al Falah Limited	AA+	A1+	**2**	-
Standard Chartered Bank	AAA	A1+	**195**	-
			11,776	1,416
PLS saving accounts				
Soneri Bank Limited	AA-	A1+	**11,692**	901
Sindh Bank Limited	A+	A1+	**14**	12
			11,706	913
			23,482	2,329

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. None of these assets are impaired nor past due.

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

Investments by rating category	**2023**	2022
	----------- % -----------	
A, A-, A+	**100**	100
Unrated	**-**	-
	100	100

36.5 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.

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

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

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

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

	Level 1		Level 2		Level 3		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rupees in 000							
Investment in related parties at fair value through OCI								
- Mutual funds	**4,889,269**	4,917,049	-	-	-	-	**4,889,269**	4,917,049
- Listed shares	**3,982,531**	8,396,689	-	-	-	-	**3,982,531**	8,396,689
Investment in other listed shares at fair value through OCI	**7,133,298**	6,316,579	-	-	-	-	**7,133,298**	6,316,579
	16,005,098	19,630,317	-	-	-	-	**16,005,098**	19,630,317

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.

Valuation techniques used in determination of fair values within level 1

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

36.6 Capital management

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

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

The Company monitors capital using the gearing ratio, which is debt divided by total equity plus debt. There are no short term borrowings (2022: Rs.1,868.26 million), resulting into Nil (2022: 4.02%) gearing ratio.

37. NUMBER OF EMPLOYEES

The total and average number of employees during the year end as at June 30, 2023 and 2022 respectively are as follows:

	2023	2022
Average number of employees during the year	**90**	95
Number of employees as at June 30,	**90**	87

38. EMPLOYEES' PROVIDENT FUND (the Fund)

	Unaudited	
	2023	2022
	Rupees in '000	
Size of the Fund	**38,452**	64,914
Investments made	**37,718**	63,106
Fair value of investments	**37,718**	63,106
	In %	
Percentage of investments made	**98.09%**	97.21%

38.1 Break-up of investments of the Fund

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

	2023		2022	
	nvestment	% of investment as size of the fund	Investments	% of investment as size of the fund
	Rupees in '000			
Special Saving Certificates	-	**0.00%**	5,993	9.23%
Mutual Funds	**24,763**	**64.40%**	26,118	40.23%
Money Market Collective Investment Schemes	**12,956**	**33.69%**	30,995	47.75%
	37,718	**98.09%**	63,106	97.21%

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

	2023	2022
	Numbers	
38.2 Number of members	**20**	25

39. EVENT AFTER THE REPORTING PERIOD

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.

40. GENERAL

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

41. DATE OF AUTHORIZATION FOR ISSUE

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

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