Shirazi Investments

Directors' Report
On the Consolidated Financial Statements

The Directors of Shirazi Investments (Private) Limited (Company) are pleased to present the audited consolidated financial statements of the Group for the year ended 30 June 2018.

Group Results

The comparison of annual audited results for the year ended 30 June 2018 as against the year 2017 is as follows:

(Rupees in million)

Particulars	June 30 2018	June 30 2017
Total Revenue	121,693.74	129,028.75
Share of profit of associates and joint venture-net of tax	1,424.93	1,842.12
Profit before tax	15,915.49	16,324.43
Profit after tax	12,041.46	12,878.48
Attributable to:		
Equity holders of the Holding Company	8,862.10	9,820.61
Non-controlling interest	3,179.36	3,057.87

Total revenue of the Group was Rs. 121,693.74 million in the year 2018 as against Rs. 129,028.75 million during last year due to a decrease in revenues of Group companies and other operating income of the subsidiary companies. As a result, profit before tax reduced to Rs. 15,915.49 million from Rs. 16,324.43 million last year and Profit after tax declined to Rs. 12,041.46 million from Rs. 12,878.48 million last year.

A brief review of the operational performance of Group entities for the year is as follows:

Atlas Asset Management Limited

Income from management fee increased to Rs. 306.19 million against Rs. 279.31 million last year. During the year, Atlas Assets Management earned after tax profit of Rs. 65.51 million against Rs. 68.99 million last year. Profit was decreased due to a decline in gain on sale of investments to Rs. 3.51 million against last year of Rs. 6.49 million and unrealized loss on re-measurement of investments of Rs. (5.52) million against last year unrealized gain on re-measurement of investments of Rs. 31.01 million. Earnings per share for the year was Rs. 2.62 against Rs. 2.76 last year.

Atlas Engineering (Private) Limited

Atlas Engineering (Private) Limited changed its accounting year from 1 April - 31 March to 1 July - 30 June. Accordingly, the comparative figures are relating to the period of three months from 1 April 2017 to 30 June 2017. Sales for the year were Rs. 2,230.41 million against Rs. 529.61 million for the last period. Profit after tax for the year was Rs. 93.59 million against Rs. 38.11 million during last period. Earnings per share was Rs. 3.95 against Rs. 1.61 in the last period.

Atlas Power Limited

Sales for the year were Rs. 18,613 million against Rs. 17,336 million last year. Profit after tax for the year was Rs. 3,179.77 million against Rs. 3,307.91 million last year. Earnings per share for the year was Rs. 6.71 against Rs. 6.98 last year.

Shirazi Trading Company (Private) Limited

Revenue for the year was Rs. 4,564.13 million against Rs. 3,148.26 million last year. Loss after tax for the year was Rs. (77.67) million against profit of Rs. 43.22 million last year. Loss per share for the year was Rs. (3.11) against earnings per share Rs. 1.73 last year.

Atlas Autos (Private) Limited
Sales for the year were Rs. 12,789.47 million against Rs. 10,406.50 million last year. Profit after tax for the year was Rs. 979.49 million against Rs. 813.84 million last year. Earnings per share for the year was Rs.24.49 against Rs. 20.35 last year.

Atlas Metals (Private) Limited
Sales for the year were Rs. 11526.32 million against Rs. 8,479.69 million last year. Profit after tax for the year was Rs.459.18 million against Rs. 497.39 million last year. Earnings per share for the year was Rs.8.35 against Rs. 9.04 last year.

Atlas Die Casting (Private) Limited
Sales for the year were Rs. 265.84 million against Rs. 9.11 million last year. Profit after tax for the year was Rs. 30.97 million against Rs.0.43 million last year. Earnings per share for the year was Rs.1.94 against Rs. 0.01 last year.

Atlas Aluminum (Private) Limited
Atlas Aluminum (Private) Limited was incorporated on 18 August 2016. It started its operations during the year with polymer business from September 2017 and aluminum business from June 2018. Sales for the year were Rs. 33.23 million. Loss after tax for the year was Rs. (85.13) million against loss of Rs. (23.06) million in the last period. Loss per share for the year was Rs. (1.22) against Rs. (0.76) last period.

Atlas Venture Limited (offshore company at Jebel Ali Free Zone, UAE)
Consolidated Revenue for the year was Rs. 4,271.14 million against Rs. 6,153.82 million last year. Profit for the year was Rs. 9.84 million against Rs. 247.44 million last year.

Atlas World Wide General Trading LLC (UAE)
Sales for the year was Rs. 2,033.94 million against Rs. 2,615.65 million last year. Profit for the year was Rs. 21.93 million against Rs. 11.98 million last year.

Atlas Global FZE (UAE)
Sales for the year was Rs. 2,237.20 million against Rs. 3,538.16 million last year. Profit for the year was Rs. 9.78 million against Rs. 85.77 million last year.

Oyster International Holdings Limited (offshore company at Jebel Ali Free Zone, UAE)
Oyster International Holdings Limited (a subsidiary of Atlas Global FZE) was incorporated on 25 April 2017. Account cover a period of fourteen months. Revenues for the period were Rs. 0.10 million. Loss for the period was Rs. 0.86 million.

Atlas Honda Limited
Sales for the year ended 31 March 2018 were Rs. 77,478.85 million against Rs. 64,534.02 million last year. Profit after tax for the year ended 31 March 2018 was Rs. 4,663.64 million against Rs. 3,752.48 million last year. Earnings per share for the year was Rs. 45.10 against Rs. 36.29 last year.

Atlas Battery Limited
Sales for the year were Rs. 18,332.86 million against Rs. 17,169.91 million last year. Profit after tax for the year was Rs. 590.59 million against Rs. 1,476.63 million last year. Earnings per share for the year was Rs. 33.94 against Rs. 84.86 last year.

Atlas Insurance Limited
Net premium for the year was Rs. 1,378.94 million against Rs. 929.48 million last year. Profit after tax for the year was Rs. 641.5 million against Rs. 632.19 million last year.

Atlas Hitec (Private) Limited
Revenue for the year ended 31 March 2018 was Rs. 2,272.06 million against Rs. 1,857.15 million last year. Profit after tax for the year ended 31 March 2018 was Rs. 175.04 million against Rs. 185.45 million last year.

Atlas Services Limited

Atlas Services Limited is in the start-up phase and has not commenced its operations. Profit after tax for the year was Rs. 2.72 million against Rs. 0.12 million last year.

Atlas Energy Limited

Atlas Energy Limited was incorporated to establish and operate a power plant. The Company could not get the required approvals from relevant authorities. Profit after tax for the year was Rs. 0.41 million against Rs. 0.14 million last year.

On behalf of the Board of Directors

Noorullah	Yusuf H. Shirazi
Chief Executive Officer	Chairman

Karachi: October 6, 2018

Building a better working world

SHIRAZI INVESTMENTS (PRIVATE) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REPORT

To the members of Shirazi Investments (Private) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Shirazi Investments (Private) Limited** (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at **30 June 2018**, and the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at **30 June 2018** and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

EY
Building a better working world

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Building a better
working world

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

The engagement partner on the audit resulting in this independent auditors' report is Shaikh Ahmed Salman.

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 06 October 2018

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

	Note	2018	Restated 2017	Restated 2016
			(Refer note 6)	
		---------- Rupees in '000 ----------		
ASSETS				
Non-current assets				
Fixed assets	7	**31,577,148**	28,432,860	17,290,549
Investment properties	8	**2,262,629**	1,748,821	804,171
Investment in associates and joint venture	9	**31,153,894**	28,777,432	15,772,791
Long term investments	10	**2,327,600**	3,115,769	443,381
Long term loans	11	**44,942**	28,399	4,477
Long term deposits and other receivables	12	**130,113**	102,339	18,777
		67,496,326	62,205,620	34,334,146
Current assets				
Stores, spare parts and loose tools	13	**3,391,295**	2,143,610	1,220,284
Stock-in-trade	14	**10,849,398**	8,167,846	3,273,234
Trade debts	15	**19,286,873**	13,693,946	9,030,190
Receivable from funds under management	16	**25,975**	25,576	16,588
Loans and advances	17	**222,009**	201,678	101,795
Deposits, prepayments and other receivables	18	**3,852,919**	2,887,907	2,129,498
Accrued investment income		**22,816**	40,076	-
Short term investments	19	**2,396,564**	1,812,602	415,311
Taxation - net		**2,164,436**	745,596	320,102
Cash, bank balances and deposits	20	**13,795,963**	10,795,185	761,583
		56,008,248	40,514,022	17,268,585
TOTAL ASSETS		**123,504,574**	102,719,643	51,602,731
EQUITY AND LIABILITIES				
Equity attributable to the Holding Company				
Reserves				
Share capital	21	**2,201,124**	2,201,124	1,187,200
Capital reserve		**13,484,360**	13,484,360	1,974,440
General reserve		**11,131,122**	8,431,122	6,831,122
Unappropriated profit		**27,446,723**	22,439,171	15,154,413
Unrealised gain on revaluation of investments		**2,632,585**	3,089,932	2,809,075
Revaluation surplus on property, plant and equipment		**937,810**	937,810	543,840
		57,833,723	50,583,519	28,500,090
Non-controlling interests		**12,308,456**	10,737,039	1,429,777
Total equity		**70,142,180**	61,320,559	29,929,868
Non-current liabilities				
Long term loans - secured	22	**3,209,587**	3,600,598	6,151,214
Long term deposits	23	**6,670**	1,993	5,560
Deferred liabilities	24	**483,473**	500,799	151,557
Deferred taxation	25	**1,828,740**	1,068,097	157,608
		5,528,470	5,171,487	6,465,939
Current liabilities				
Trade and other payables	26	**24,665,526**	20,275,972	4,938,471
Short term borrowings - secured	27	**20,470,025**	13,124,056	8,267,593
Accrued mark-up		**302,506**	277,353	241,740
Current portion of long term loans	22	**2,393,122**	2,550,217	1,757,084
Current portion of long term deposits	23	**2,745**	-	2,037
		47,833,924	36,227,597	15,206,925
Contingencies and commitments	28			
TOTAL EQUITY AND LIABILITIES		**123,504,574**	102,719,643	51,602,731

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chairman	Chief Executive Officer	Director

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

	Note	2018	Restated (Refer note 1.3) 2017
		----------- Rupees in '000 -----------	
Income			
Sales of goods and rendering of services	29	**118,420,348**	125,616,504
Fee / commission from asset management	30	**306,187**	279,311
Dividend income	31	**1,603,741**	1,323,223
Rental income	32	**361,305**	263,545
Other operating income	33	**1,002,158**	1,546,162
		121,693,739	129,028,745
Expenses			
Cost of sales and services	34	**98,593,577**	106,934,796
Distribution costs and administrative expenses	35	**6,888,261**	6,083,927
Finance costs	36	**1,721,340**	1,527,713
		107,203,178	114,546,436
		14,490,561	14,482,309
Share of profit of associates and joint venture - net of tax	37	**1,424,925**	1,842,122
Profit before taxation	38	**15,915,486**	16,324,431
Taxation - net	39	**(3,874,031)**	(3,445,955)
Profit after taxation		**12,041,455**	12,878,476
Attributable to:			
Equity holders of the Holding Company		**8,862,096**	9,820,604
Non-controlling interest		**3,179,359**	3,057,872
		12,041,455	12,878,476
Earnings per share - basic and diluted	40	**40.26**	44.62

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

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

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

	2018	Restated (Refer note 1.3) 2017
	----------- Rupees in '000 -----------	
Net profit for the year	**12,041,455**	12,878,476
Other comprehensive income to be reclassified to profit and loss account in subsequent periods		
Net unrealised (loss) / gain on revaluation of available-for-sale investments arising during the year	**(585,807)**	315,525
Related deferred taxation	**51,354**	(43,353)
Exchange gain on translation of net assets of foreign operations	**124,546**	675
	(409,907)	272,847
Other comprehensive income not to be reclassified to profit and loss account in subsequent periods		
Actuarial (loss) / gain on defined benefit plan	**(57,033)**	8,360
Related deferred taxation	**9,593**	(350)
	(47,440)	8,010
Share of other comprehensive loss from associates' in respect of revaluation on available-for-sale investments	**(9,960)**	(11,374)
Total comprehensive income - net of tax	**11,574,149**	13,147,959

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chairman	Chief Executive Officer	Director

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

		Reserves								
		Capital		Revenue						
	Share capital	Share premium	Amalgamation reserve	General	Unappropriated profit	Unrealised gain on revaluation of investments	Revaluation surplus on property, plant and equipment	Sub-total	Non-controlling interest	Total
	Rupees in '000									
Balance as at June 30, 2016 - previously reported	1,187,200	1,974,440	-	6,831,122	15,154,413	2,809,075	-	27,956,250	1,429,777	29,386,028
Adjustment due to change in accounting policy note 6	-	-	-	-	-	-	543,840	543,840	-	543,840
Balances as at June 30, 2016 - restated	1,187,200	1,974,440	-	6,831,122	15,154,413	2,809,075	543,840	28,500,090	1,429,777	29,929,868
Shares issued pursuant to amalgamation (note 1.1)	1,013,924	24,865,302	-	-	-	-	-	25,879,226	-	25,879,226
Reserve arising on amalgamation (notes 1.1 and 21.2)	-	-	(13,355,382)	-	-	-	-	(13,355,382)	-	(13,355,382)
Transfer to general reserves	-	-	-	1,600,000	(1,600,000)	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-
Increase during the period due to acquisition	-	-	-	-	-	-	-	-	7,193,642	7,193,642
Profit for the year	-	-	-	-	9,820,604	-	-	9,820,604	3,057,872	12,878,476
Other comprehensive income	-	-	-	-	-	280,857	-	280,857	-	280,857
Share in other comprehensive income of associates - net	-	-	-	-	(11,374)	-	-	(11,374)	-	(11,374)
Total comprehensive income for the year	-	-	-	-	9,809,230	280,857	-	10,090,087	3,057,872	13,147,959
Share in revaluation surplus	-	-	-	-	-	-	393,970	393,970	357,451	751,421
Dividend paid during the year	-	-	-	-	(924,472)	-	-	(924,472)	(1,301,703)	(2,226,175)
Balance as at June 30, 2017	2,201,124	26,839,742	(13,355,382)	8,431,122	22,439,171	3,089,932	937,810	50,583,519	10,737,039	61,320,559
Transfer to general reserves	-	-	-	2,700,000	(2,700,000)	-		-	-	-
Acquisition of non-controlling interests	-	-	-	-		-		-	-	-
Profit for the year	-	-	-	-	8,862,096	-	-	8,862,096	3,179,359	12,041,455
Other comprehensive loss	-	-	-	-	-	(457,347)	-	(457,347)	-	(457,347)
Share in other comprehensive income of associates - net	-	-	-	-	(9,960)	-	-	(9,960)	-	(9,960)
Total comprehensive income for the year	-	-	-	-	8,852,137	(457,347)	-	8,394,790	3,179,359	11,574,149
Dividend paid during the year	-	-	-	-	(1,144,585)	-	-	(1,144,585)	(1,607,942)	(2,752,527)
Balance as at June 30, 2018	2,201,124	26,839,742	(13,355,382)	11,131,122	27,446,723	2,632,585	937,810	57,833,724	12,308,456	70,142,180

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chairman

Chief Executive Officer

Director

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

	Note	2018	2017
		----------- Rupees in '000 -----------	
Cash flows from operating activities			
Cash generated from operations	41	**10,909,544**	20,438,386
Mark-up / interest paid		**(1,696,187)**	(1,492,383)
Tax paid		**(4,338,269)**	(3,746,406)
Gratuity paid		**(89,210)**	(18,414)
Payment of deferred liabilities		**(25,608)**	(45,697)
		(6,149,274)	(5,302,899)
Net cash generated from operating activities		**4,760,270**	15,135,487
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(4,233,055)**	(4,240,753)
Proceeds from sale of fixed assets		**330,922**	254,103
Acquisition of investment properties		**(543,999)**	(960,672)
Purchase of intangible assets		**(68,462)**	-
Investment in associates and joint venture - net		**(1,697,414)**	(268,852)
Dividends received from associates		**1,327,888**	(62,931)
Dividends received from investments		**275,853**	1,386,154
Effects of exchange differences on translation of net assets of foreign operations		**124,546**	675
Investments - net		**(2,428,797)**	(2,893,799)
Disbursements in long term loans		**(16,543)**	(23,922)
Disbursements in long term deposits and other receivables		**(27,774)**	(83,562)
Net cash used in investing activities		**(6,956,835)**	(6,893,559)
Cash flows from financing activities			
Repayment of long term loans		**(548,106)**	(1,757,483)
Dividend paid to non controlling interests		**(1,607,942)**	(1,301,703)
Long term deposits - net		**7,422**	(5,603)
Short term borrowings - net		**7,345,970**	4,856,463
Net cash generated from financing activities		**5,197,343**	1,791,674
Net increase in cash and cash equivalents		**3,000,778**	10,033,602
Cash and cash equivalents at beginning of the year		**10,795,185**	761,583
Cash and cash equivalents at end of the year		**13,795,963**	10,795,185

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

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

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

1. THE GROUP AND ITS OPERATIONS

The "Group" consists of:

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

These financial statements are the consolidated financial statements of the Holding Company and its subsidaries ("the Group"). In addition to the consolidated financial statements, the Holding Company prepares and presents its separate financial statements for the year ended 30 June 2018.

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

Subsidiary companies		**Percentage holding**
- Atlas Asset Management Limited (AAML)	1.2	**100.00%**
- Atlas Engineering (Private) Limited (AEL)	1.3	**100.00%**
- Shirazi Trading Company (Private) Limited (STC)	1.4	**100.00%**
- Atlas Power Limited (APL)	1.5	**84.60%**
- Atlas Venture Limited (AVL)	1.6	**100.00%**
- Atlas Autos (Private) Limited (AAPL)	1.7	**100.00%**
- Atlas Metal (Private) Limited (AML)	1.8	**100.00%**
- Atlas Services Limited (ASL)	1.9	**83.11%**
- Atlas Energy Limited (AENL)	1.10	**100.00%**
- Atlas Global FZE (AGF)	1.11	**100.00%**
- Atlas Insurance Limited (AIL)	1.12	**75.33%**
- Atlas Battery Limited (ABL)	1.13	**58.86%**
- Atlas Honda Limited (AHL)	1.14	**52.43%**
- Atlas Die Casting (Private) Limited (ADL)	1.15	**100.00%**
- Atlas Aluminum Limited (AAL)	1.16	**100.00%**
- Atlas World Wide General Trading LLC (AWWGT)	1.17	**49.00%**
- Atlas Hitec (Private) Limited (AHPL)	1.18	**60.00%**

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

1.1 Shirazi Investments (Private) Limited (SIL)

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

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

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

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

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

1.2 Atlas Asset Management Limited (AAML)

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

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

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

1.3 Atlas Engineering Limited (AEL)

AEL was incorporated in Pakistan as a private limited company in 1963 and was converted into a public limited company on July 15, 1966. Its shares were listed on Karachi and Lahore stock exchanges. The board of directors of the AEL in its meeting held on October 27, 2011 decided to voluntarily delist AEL from the Stock Exchanges as per Listing regulations of Pakistan Stock Exchange (PSX).

AEL is engaged in manufacturing of components and parts for automotive vehicles and tractors. The registered office of AEL is situated at 15th Mile, National Highway, Landhi, Karachi, Pakistan.

The Board of Directors has also approved change of accounting year of the Company from March 31 to June 30. Accordingly the comparative figures have been restated and presents comparative information for the period from July 01,2017 to June 30,2018.

1.4 Shirazi Trading Company (Private) Limited (STC)

STC was incorporated in Pakistan as a private limited company on June 20, 1975 under the Companies Act, 1913 (now Companies Act, 2017). STC is primarily engaged in the business of trading and maintenance of office equipment, power generators, security and medical equipment and trading of automotive parts. STC has countrywide sales and services network and its branches are located at Karachi, Lahore, Islamabad, Multan, Faisalabad and Peshawar. The registered office of STC is situated at 8th Floor, Adamjee House, I. I. Chundrigar Road, Karachi.

1.5 Atlas Power Limited (APL)

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

1.6 Atlas Venture Limited (AVL)

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

1.7 Atlas Autos (Private) Limited (AAPL)

AAL is a private limited company incorporated in Pakistan on March 16, 2011 under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company is engaged in the manufacturing, processing and trading of automotive parts, components, accessories and tools including trading of automotives. The registered office is situated at Federation House, Sharah-e-Firdousi, Clifton, Karachi.

1.8 Atlas Metals (Private) Limited (AML)

AML was incorporated in Pakistan as a private limited company on September 18, 2012 under the Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of AML is to carry on the business of recycling of all ferrous and non-ferrous metals, alloys, polymers and papers. The registered office of AML is situated at Second Floor, Federation House, Sharah-e-Firdousi, Clifton Karachi, Pakistan.

AAL owns 100 percent shareholding of AML and consequently, Shirazi Investments (Private) Limited becomes the ultimate holding company of AML.

1.9 Atlas Services Limited (ASL)

ASL was incorporated in Pakistan as a public limited company, under the Companies Ordinance, 1984, on September 17, 2015. The registered office of the Company is situated at 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi, Pakistan. ASL is a wholly owned subsidiary of Shirazi Investments (Private) Limited (the Holding Company). The Company will be engaged in manufacturing of components and parts for automotive vehicles. The Company is in start-up phase and has not commenced its operations.

1.10 Atlas Energy Limited (AENL)

AENL was incorporated as an unquoted public limited company in Pakistan on May 18, 2016 under the Companies Ordinance 1984 (now Companies Act, 2017). The registered office of the Company is situated at 26-27 km Lahore, Sheikhupura Road, Sheikhupura.

The Company has been incorporated to establish, build and operate 220 Megawatt, Regasified Liquified Natural Gas (RLNG), based power plant for generation of electricity and onward sale to National Transmission and Dispatch Company (NTDC). The Company has applied for letter of support from Private Power Infrastructure Board (PPIB).

APL owns 100 percent shareholding of AENL and consequently, Shirazi Investments (Private) Limited becomes the ultimate holding company of AENL.

1.11 Atlas Global FZE (AGF)

AGF is a Free Zone Establishment with limited liability in the Jebel Ali Free Zone, Dubai formed under the Law no. 9 of 1992 and implementing regulations issued there under by Jebel Ali Free Zone.

AGF was registered on November 19, 2015. The registered office of AGF is Office No. 323, Block B, Tech Park Building, Jebel Ali Free Zone, Dubai, UAE.

AGF is principally engaged in general trading activities.

1.12 Atlas Insurance Limited (AIL)

Atlas Insurance Limited (the Company) was incorporated as a public limited company on September 6, 1934 and is listed on Pakistan Stock Exchange. The Company is engaged in general insurance business. The registered office of the Company is situated at 3-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.

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

1.13 Atlas Battery Limited (ABL)

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1996 and its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing and sale of automotive and motorcycle batteries & allied products. The registered office and manufacturing facilities are located at D-181, Central Avenue, S.I.T.E, Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar and Sukkur.

1.14 Atlas Honda Limited (AHL)

Atlas Honda Limited (the Company) was incorporated as a public limited company on October 16, 1992 under the repealed Companies Act, 1913 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The registered office is located at 1- McLeod Road, Lahore. The Company is principally engaged in progressive manufacturing and marketing of motorcycles and spare parts. The manufacturing and assembling facilities of the Company are located at Karachi and Sheikhupura, with branches, customer care centres, warranty & training centres and other offices located in Karachi, Hyderabad, Multan, Lahore, Faisalabad, Rahim Yar Khan and Rawalpindi.

1.15 Atlas Die Casting (Private) Limited (ADL)

Atlas Die Casting (Private) Limited (the Company), is a private limited company incorporated in Pakistan on July 29, 2016, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a subsidiary of Atlas Auto (Private) Limited. The registered office is situated at Federation House, Shahra-e-Firdousi, Clifton, Karachi. The Company is engaged in the manufacturing, processing and trading of dies, automotive parts, components, accessories and tools. The manufacturing facility of the Company is situated at Karachi.

1.16 Atlas Aluminum Limited (AAL)

Atlas Aluminum (Private) Limited (the Company) was incorporated in Pakistan as a private limited company on August 18, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is recycling of ferrous and non-ferrous metals, alloys, polymers, plastics, and paper. The registered office of the Company is situated at 2nd Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi, Pakistan.

1.17 Atlas World Wide General Trading LLC (AWWGT)

Atlas Worldwide General Trading LLC (the "Company") is a Limited Liability Company registered in the Emirate of Dubai under Federal Law No. 2 of 2015 as amended. It is owned jointly by U.A.E national and a foreign company. The Company is principally engaged in general trading activities. The Company was established on 25 February 2007. The registered office of the Company is Suite No. 31 I, Nasir Ahmed Nasir Lootah Building, Khalid Bin Al Waleed Road, Dubai, United Arab Emirates.

1.18 Atlas Hitec (Private) Limited (AHPL)

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

1.19 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

Shirazi Investments (Private) Limited (SIL)

There are no significant transactions and events that have affected the SIL's financial position and performance of the SIL other than the adoptation of Companies Act, 2017

Shirazi Trading Company (Private) Limited (STC)

Following is the summary of significant transactions and events that have affected the financial position and performance of the STC:

- Capital expenditure incurred during the year
- Short term loan obtained during the year

Atlas Asset Management Limited (AAML)

The AAML has transferred its net outstanding liability under defined benefit obligation at the start of the year to a group gratuity fund (Atlas Group Management Staff Gratuity Fund) after obtaining approval from Federal Bureau of Revenue amounting to Rs.17.490.798.

Atlas Autos (Private) Limited (AAPL)

During the year, the AAPL incurred major capital expenditure and introduced four new products. Further, the Company have fully subscribed 30,000,000 right shares of Atlas Die Casting (Private) Limited amounting to Rs.300,000 thousand.

Atlas Hitec (Private) Limited (AHPL)

Following are the summary of significant events and transactions:

- declared final dividend (refer statement of changes in equity).
- the adoption of the Companies Act, 2017 which has resulted in additional disclosures in AHPL's financial statements.

Atlas Honda Limited (AHL)

Following are the summary of significant events and transactions:

- During the year, the AHL incurred major capital expenditure as part of its plan for capacity expansion.
- In May 2017, the Company launched its new model in the 150cc category named as CB 150F.

Atlas Metals (Private) Limited (AML)

Following are the summary of significant events and transactions:

- The Companies Act, 2017 (the Act) has been promulgated. Accordingly, the AML's financial statements for the year ended June 30, 2018 have been prepared in accordance with approved accounting standards as applicable in Pakistan.

- During the year the AML has further invested Rs. 400 million i.e. 40 million ordinary shares of Rs. 10 each in a 100% owned subsidiary i.e. Atlas Aluminium (Private) Limited.

Atlas Battery Limited (ABL)

Following are the summary of significant events and transactions:

- During the year, the ABL incurred major capital expenditure as part of its continuing plan for capacity expansion.
- Significant surge in major material prices forced the cost of sales to grow resulting decline in gross profit margin which stood at 10.9% as compared to 17.3% during corresponding year.
- the ABL's trade debts have increased due to credit sales allowed to dealers with in the approved limits.

Atlas Engineering Limited (AEL)

On account of Balancing, Modernization and Replacement program, the Company has sold its fixed assets at a loss of Rs.119 million and certain fixed assets were written off which resulted in a loss of Rs.16 million.

Atlas Aluminum Limited (AAL)

Following are the summary of significant events and transactions:

- The Companies Act, 2017 (the Act) has been promulgated. Accordingly, the AAL's financial statements for the year ended June 30, 2018 have been prepared in accordance with approved accounting standards as applicable in Pakistan.
- During the year the AAL has issued 40 million ordinary shares of Rs. 10 each to the Holding Company i.e. Atlas Metals (Private) Limited aggregating to Rs. 400 million.

Atlas Die Casting (Private) Limited (ADL)

Following are the summary of significant events and transactions:

- During the year, the Company incurred major capital expenditure and introduced new products.
- During the year, the Company have issued 30,000,000 right shares of Rs.10 each aggregating Rs.300,000 thousand.

2. STATEMENT OF COMPLIANCE

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

The Act is applicable for the current year financial statements and has brought certain changes with regard to the preparation and presentation of these financial statements. The significant changes include particulars of property & equipment disposals with an aggregating net book value exceeding five hundred thousand rupees (refer note 7.1.5), change in threshold for identification of executives for disclosing their remuneration (refer note 42) and additional disclosure requirements for related parties (refer note 43) etc.

3. BASIS OF CONSOLIDATION

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

New / revised standards, interpretations and amendments

The Group has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

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

4.2 Property, plant and equipment

4.2.1 Operating fixed assets - owned

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

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

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

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

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

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

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

4.2.2 Capital work-in-progress

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

4.2.3 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised at the rates specified in note 7.3 to the financial statements. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

4.2.4 Assets subject to finance lease

Leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are capitalized at the inception of the lease, at the fair value of the leased property or, if lower at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

4.3 Impairment

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

4.4 Investment Properties

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

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.

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

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.

4.5 Investments

4.5.1 Investment in associates and joint ventures

Investments in associates and joint ventures, that are not held exclusively with a view to its disposal in near future, are accounted for under the equity method, less accumulated impairment losses, if any. Such investments are carried in the balance sheet at cost, plus post – acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The profit and loss account reflects the Group's share of the results of its associates and joint ventures.

4.5.2 Other investments

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

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

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

Held-to-maturity

Investments with fixed maturity where the Group has both the intent and ability to hold till maturity, are classified as held to maturity investments.

Held-to-maturity investments are subsequently measured at amortised cost using effective interest rate method, less any impairment loss. Gains and losses are recognized in the profit and loss account when the investments are derecognised or impaired, as well as through amortization process.

At fair value through profit or loss

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified at fair value through profit or loss, if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the profit and loss account.

Available-for-sale

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

Fair value of investments is determined as follows:

Listed shares

These are valued on the basis of closing market prices quoted on the respective stock exchange.

Mutual fund units

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

4.6 Derivatives

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

4.7 Securities under repurchase / reverse repurchase agreements

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

4.7.1 Repurchase agreements

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

4.7.2 Reverse repurchase agreements

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

4.8 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

4.9 Stores, spare parts and loose tools

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

4.10 Stock-in-trade

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

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

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

4.11 Trade debts

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

4.12 Loans and advances

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

4.13 Employee retirement benefits and other obligations

4.13.1 Defined benefit plan

SIL (Holding Company)

The Holding Company operates an approved and funded defined gratuity scheme for all permanent employees who have completed the minimum qualifying period of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out as of June 30, 2018 using the Projected Unit Credit Method.

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 Holding Company has recognised related retirement or termination benefits.

AAML (Subsidiary Company)

AAML operates an unfunded gratuity scheme for its all permanent employees who complete the qualifying period of ten years of service with AAML.

The liability recognised in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated on the basis of an actuarial valuation, which is carried out by an independent expert, using the "Projected Unit Credit Method'. The amount arising as a result of the remeasurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

AEL (Subsidiary Company)

AEL operates an unfunded gratuity scheme for workers and a funded gratuity scheme for management staff. Annual charge is based on actuarial recommendations. Actuarial valuation of the scheme is carried out annually, using the Projected Unit Credit Method. Actuarial gains or losses are recognised in full in the period in which they occur in other comprehensive income. All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when AEL has recognised related restructuring or termination benefits.

STC (Subsidiary Company)

STC operates an approved and funded gratuity scheme for its staff who have completed the minimum qualifying period of service for entitlement of gratuity. Contributions under the scheme are made on the basis of actuarial valuation and are charged to profit and loss account. The actuarial valuation of the schemes was carried out on June 30, 2018 using the Projected Unit Credit Method. Actuarial gains or losses, if any, are recognised in equity as they occur.

APL (Subsidiary Company)

APL operates a funded and approved gratuity scheme for its all permanent employees completing prescribed period of service in accordance with service rules of APL. Provision for gratuity is made in accordance with the requirements laid down by IAS 19. The latest actuarial valuation was carried out by APL as on June 30, 2018. Actuarial gains and losses are recognised in other comprehensive income when they occur.

AAPL (Subsidiary Company)

The Company operates an approved funded gratuity scheme for its staff who completes the qualifying period of service. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. Contribution under the scheme is made on the basis of actuarial valuation.

The amount arising as a result of re-measurements is 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 is recognised immediately in profit and loss account.

AML (Subsidiary Company)

AML operates a funded gratuity scheme for management staff. Annual charge is based on actuarial recommendations. Actuarial valuation of the schemes carried out annually, using the Projected Unit Credit Method. Actuarial gains and losses are recognised in other comprehensive income when they occur. The latest actuarial valuations were carried out at June 30, 2018.

AIL (Subsidiary Company)

AIL operates two separate funded gratuity schemes in respect of all permanent employees to which the Company makes contribution on the basis of recommendations made by the actuary. The latest actuarial valuation was carried out as at December 31, 2017, using the 'Projected Unit Credit Method'. Actuarial gains and losses are recognised in other comprehensive income when they occur.

ABL (Subsidiary Company)

ABL operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non-management staff. The liability recognised in the balance sheet in respect of defined benefit obligation at the end of reporting period less fair value of plan assets. Contributions under the scheme are made on the basis of actuarial valuation. Actuarial gains and losses are recognised in other comprehensive income when they occur.

AHL (Subsidiary Company)

AHL has established separate funded gratuity schemes for its management and non-management staff who completes qualifying period of service. Contributions under the schemes are made on the basis of actuarial valuation using 'Projected Unit Credit Method'. Actuarial gains and losses are recognised in other comprehensive income when they occur.

AHPL (Subsidiary Company)

AHPL operates a funded gratuity plan for management employees of the Company. Contributions are made on the basis of the actuarial valuation. The latest actuarial valuation was carried out as at March 31, 2018, using the 'Projected Unit Credit Method'.

4.13.2 Defined contribution plan

SIL (Holding Company)

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

AAML (Subsidiary Company)

AAML operates a funded and approved provident fund for its permanent employees for retirement benefits uptil September 30, 2007.

For permanent employees becoming eligible for retirement benefits with effect from October 01, 2007, AAML has introduced the Voluntary Pension Schemes- Atlas Pension Fund (APF), or Atlas Pension Islamic Fund (APIF), managed by AAML as Pension Fund Manager, under the Voluntary Pension System (VPS) Rules, 2005, as per the fund opted for by the eligible employees. Equal monthly contributions are made by AAML and its employees to the fund at the rate of 11% of basic salary.

AEL (Subsidiary Company)

AEL operates a recognised provident fund for its permanent employees. Equal monthly contributions are made to the fund at the rate of 9% for workers and 11% for management staff by the employees and AEL in accordance with the rules of the scheme.

STC (Subsidiary Company)

STC operates an approved defined contribution provident fund for employees who have completed the minimum qualifying period of service. STC also contributes to an independent pension fund operated by the Atlas Asset Management Limited, a related party in respect of eligible employees. Equal contributions are made by the STC and the employees to both the fund and the scheme at the rate of 11% of basic salary.

APL (Subsidiary Company)

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

- a recognized provident fund; or

- voluntary pension schemes managed by Atlas Assets Management Limited, a related party, under the Voluntary Pension Scheme 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 abovementioned 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.

AAPL (Subsidiary Company)

AAL operates a defined contribution plan for its permanent employees through voluntary pension schemes managed by AAML, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund. Equal monthly contributions at the rate of 11% of the basic salary are made to the scheme by both AAL and its employees.

AML (Subsidiary Company)

AML operates a recognised provident fund for its management staff. Equal monthly contributions are made to the fund at the rate of 11% by the employees and AML in accordance with the rules of the scheme.

Employees are given option to transfer the complete amount or any portion thereof standing to credit of his accumulated balance in the Fund, to any of the Voluntary Pension Schemes managed by the Atlas Asset Management Company Limited, an associated company under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund by a request to the Trustees of fund, in writing.

As of the reporting date, no eligible employee falls under provident fund as during the year all the eligible employees have opted to transfer the complete balance to voluntary pension schemes managed by the Atlas Management Company Limited. Further, the size of the provident fund as at the year-end amounted to Rs.421,001 (2017: Rs.407,783) which are placed in deposit accounts.

AIL (Subsidiary Company)

AIL operates a funded contributory provident fund for all employees. Equal monthly contributions are made, both by the Company and the employees, to the fund, under the terms of the scheme.

ABL (Subsidiary Company)

ABL operates a recognised provident fund for its management staff. Equal monthly contributions are made to the fund at the rate of 11% by the employees and ABL in accordance with the rules of the scheme.

AHL (Subsidiary Company)

AHL operates a recognised provident fund for its management staff. Equal monthly contributions are made to the fund at the rate of 11% by the employees and AHL in accordance with the rules of the scheme.

AHPL (Subsidiary Company)

AHPL operates an approved contributory pension fund for all management employees. The assets of the pension fund are under the control of Atlas Asset Management Limited, a related party. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 11% of base salary in respect of management employees.

AAL (Subsidiary Company)

The Company operates an un-funded gratuity scheme for its eligible employees.

4.13.3 Employee compensated absences

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

4.13.4 Long service award

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

4.14 Borrowing costs

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

4.15 Ijarah rentals

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

4.16 Trade and other payables

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

4.17 Provisions

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

4.18 Taxation

Current

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

Deferred

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

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

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

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

4.19 Revenue recognition

Sale of goods is recognised when significant risks and rewards of ownership of the goods have been passed to the customers, which usually coincides with the delivery of goods.

Revenue from provision of services is recognised upon rendering of services.

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

Dividend income from investments is recognised when the Group's right to receive dividend has been established.

Interest / return on Term Finance Certificates, loans and advances and bank deposits are recognised on accrual basis.

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

Rental and commission income is recognised on accrual basis.

Income from reverse repurchase transactions is recognised on a time proportion basis.

Remuneration for asset management, investment advisory, and pension fund management services is calculated on Net Assets Value basis and is recognised on an accrual basis.

Commission income from funds under management is recognised at the time of the sale of units.

4.20 Financial instruments

All financial assets and liabilities are recognised at the time when the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights under the instruments are realised, expired or surrendered. Financial liabilities are derecognised when the obligation is extinguished, discharged, cancelled or expired. Any gain or loss on recognition or derecognition of the financial assets and financial liabilities is taken to the profit and loss account.

4.21 Offsetting of financial assets and liabilities

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

4.22 Foreign currency transactions

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

4.23 Goodwill

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

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

4.24 Dividend and appropriation to reserves

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

4.25 Transactions with related parties

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

4.26 Earnings per share

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

4.27 Cash and cash equivalents

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

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in the relevant accounting policies / notes in the financial statements.

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

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

Standard or interpretation		**Effective date (annual periods beginning on or after)**
IFRS 2	Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9	Financial Instruments	July 01, 2018
IFRS 9	Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019

Standard or interpretation		Effective date (annual periods beginning on or after)
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 16	Leases	January 01, 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28	Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40	Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

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

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

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

6. CHANGE IN ACCOUNTING POLICY

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been retained in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of property, plant and equipment would now be presented under equity.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect of change in accounting policy is summarised below:

	2017	2016
	---------- Rupees in '000 ----------	
Equity without impact of restatement	**61,320,559**	29,929,868
Effect of change in accounting policy	**-**	-
Equity after impact of change in accounting policy	**61,320,559**	29,929,868

Ehw

7. FIXED ASSETS

	Note	2018	2017
		Rupees in '000	
Property, plant and equipment	7.1	**30,140,771**	27,839,209
Capital work-in-progress	7.2	**1,374,332**	581,238
Intangible assets	7.3	**62,045**	12,413
		31,577,148	28,432,860

7.1 Property, plant and equipment

	Cost / revaluation*				Accumulated depreciation				Carrying value	
	As at July 01, 2017	Additions	Disposals	As at June 30, 2018	As at July 01, 2017	Charge for the year	Disposals	As at June 30, 2018	As at June 30, 2018	Rate
	(Rupees in '000)									%
Owned										
Land - freehold	385,390	-	-	385,390	-	-	-	-	385,390	-
Land - leasehold *	1,875,522	27,501	-	1,903,023	11,553	513	-	12,066	1,890,957	-
Building on freehold land	3,966,697	233,946	(7,583)	4,193,060	1,168,982	205,071	(4,015)	1,370,038	2,823,022	4
Power plant	17,035,552	-	-	17,035,552	5,135,511	681,422	-	5,816,933	11,218,619	4
Building on leasehold land					-		-			
- Factory	330,792	230,080	(32,527)	528,345	161,516	37,575	(29,057)	170,034	358,311	10
- Generator premises	4,924	-	(4,924)	-	4,174	88	(4,262)	-	-	10
- Residential	153	-	-	153	139	-	-	139	14	5
- Office	728,770	293,476	(10,307)	1,011,939	154,913	61,948	(2,622)	214,239	797,700	5-10
Leasehold improvements	248,769	462,815	(1,500)	710,084	74,502	36,091	(453)	110,140	599,944	10
Plant and machinery	12,952,098	2,622,336	(469,846)	15,104,588	5,078,840	956,966	(324,906)	5,710,900	9,393,688	10
Generators	190,504	145,170	(59,798)	275,876	133,082	8,710	(49,037)	92,755	183,121	10-35
Electrical equipment and fitting	945,833	186,089	(16,070)	1,115,852	419,877	63,543	(11,900)	471,520	644,332	10
Air conditioners	23,343	9,427	(756)	32,014	5,714	2,024	(435)	7,303	24,711	10
Furniture and fixtures	219,223	51,973	(6,068)	265,128	93,712	26,630	(5,051)	115,291	149,837	10
Motor vehicles	933,349	362,493	(187,808)	1,108,034	315,009	140,680	(66,535)	389,154	718,880	20
Office equipment	208,381	121,796	(7,633)	322,544	77,957	30,793	(6,204)	102,546	219,998	10
Computers and related equipment	415,598	68,485	(28,677)	455,406	314,917	47,152	(25,542)	336,527	118,879	30
Sui gas, water and drainage lines	34,268	6,873	(2,097)	39,044	10,175	2,571	(1,771)	10,975	28,069	10
Measuring instruments, dies, jigs,	-				-					
patterns and other equipment	1,417,562	356,944	(110,755)	1,663,751	920,822	251,234	(90,115)	1,081,941	581,810	20
Cargo lift	9,725	-	-	9,725	5,849	387	-	6,236	3,489	20
	41,926,453	5,179,404	(946,349)	46,159,508	14,087,244	2,553,398	(621,905)	16,018,737	30,140,771	

	Cost / Revaluation *					Accumulated depreciation					Carrying value	
	As at July 01, 2016	Acquired on merger	Additions / revaluation*	Disposals	As at June 30, 2017	As at July 01, 2016	Acquired on merger	Charge for the year	Disposals	As at June 30, 2017	As at June 30, 2017	Rate
	(Rupees in '000)											%
Owned												
Land - freehold	92,346	293,044	-	-	385,390	-	-	-	-	-	385,390	-
Land - leasehold *	557,280	550,572	16,249	-	1,875,522	-	11,040	513	-	11,553	1,863,969	-
	-	-	751,421 *				-					
Building on freehold land	2,595,052	734,799	636,978	(132)	3,966,697	677,811	317,053	174,241	(123)	1,168,982	2,797,715	4
Power plant	16,753,253	279,498	2,801	-	17,035,552	4,421,372	32,723	681,416	-	5,135,511	11,900,041	4
Building on leasehold land	-	-					-					
- Factory	54,871	296,840	8,186	(29,105)	330,792	17,934	145,579	19,170	(21,167)	161,516	169,276	10
- Generator premises	1,684	3,240	-	-	4,924	850	3,241	83	-	4,174	750	10
- Residential	153	-	-	-	153	139	-	-	-	139	14	5
- Office	4,611	524,727	199,432	-	728,770	1,887	106,805	46,221	-	154,913	573,857	5-10
Leasehold improvements	233,989	(1)	14,781	-	248,769	55,117	-	19,385	-	74,502	174,267	10
Plant and machinery	1,673,349	9,175,999	2,246,855	(144,105)	12,952,098	231,482	4,169,539	762,443	(84,624)	5,078,840	7,873,258	10
Generators	124,648	63,854	2,002	-	190,504	61,721	63,703	7,658	-	133,082	57,422	10-35
Electrical equipment and fitting	119,819	668,729	164,629	(7,344)	945,833	23,456	354,168	47,593	(5,340)	419,877	525,956	10
Air conditioners	2,229	13,129	8,522	(537)	23,343	796	3,671	1,510	(263)	5,714	17,629	10
Furniture and fixtures	37,580	113,898	69,056	(1,311)	219,223	11,739	61,615	21,135	(777)	93,712	125,511	10
Motor vehicles	295,185	464,503	405,294	(231,633)	933,349	81,740	196,732	127,718	(91,181)	315,009	618,340	20
Office equipment	95,871	54,802	58,552	(844)	208,381	31,416	32,996	14,133	(588)	77,957	130,424	10
Computers and related equipment	105,117	263,495	51,137	(4,151)	415,598	72,400	205,275	40,689	(3,447)	314,917	100,681	30
Sui gas, water and drainage lines	7,790	25,689	789	-	34,268	2,610	4,899	2,666	-	10,175	24,093	10
Measuring instruments, dies, jigs,	-	-					-					
patterns and other equipment	160,231	1,383,230	238,024	(363,923)	1,417,562	39,094	1,010,374	206,943	(335,589)	920,822	496,740	20
Cargo lift	9,725	-	-	-	9,725	5,419	-	430	-	5,849	3,876	20
	22,924,783	14,910,047	4,874,708	(783,085)	41,926,453	5,736,983	6,719,413	2,173,947	(543,099)	14,087,244	27,839,209	

7.1.1 Surplus on revaluation of property, plant and equipment

Leasehold land costing Rs.0.160 million was revalued by Razzaque Umrani & Co., Engineers and Surveyors on June 20, 1998 resulting in surplus amounting to Rs.118.680 million which has been credited to surplus on revaluation of property, plant and equipment account. The basis of revaluation was market value. In the year 2007, another revaluation of the above land was carried out by M/s. Surval - Engineers, Surveyors and Technical Consultants on June 22, 2007 resulting in surplus amounting to Rs.297.100 million which has been credited to surplus on revaluation account. The basis of revaluation was market value. In the year 2010, another revaluation of the above land was carried out by M/s. Surval - Engineers, Surveyors and Technical Consultants on August 18, 2009. The result of the said valuation was not materially different from the valuation carried out on June 22, 2007. In the year 2011, another revaluation of the above land was carried out by M/s. Surval - Engineers, Surveyor and Technical Consultant on June 30, 2011 resulting in a deficit of Rs.59.420 million which was debited to surplus on revaluation account. The basis of revaluation was market value. Another revaluation of the above land was carried out by M/s. Surval - Engineers, Surveyor and Technical Consultant on March 15, 2016 resulting in surplus amounting to Rs.191.701 million which has been credited to surplus on revaluation of property, plant and equipment account. The basis of revaluation was market value.

7.1.2 Leasehold land costing Rs.34.132 million was revalued by Pee Dee & Associates on October 06, 2017 resulting in surplus amounting to Rs.751.421 million which has been credited to surplus on revaluation of property, plant and equipment account. The basis of revaluation was market value.

7.1.3 Leasehold land is carried at revalued amount. Had the land been carried at cost, it would have been carried at Rs.59.60 million.

7.1.4 The depreciation charge for the year has been allocated as follows:

	2018	2017
	-------- (Rupees in '000) --------	
Cost of sales and services	2,327,418	2,010,853
Selling and administrative expenses	225,980	163,094
	2,553,398	2,173,947

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

	Acquisition Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars
	----------	---------- (Rupees in '000)	----------				
Plant and machinery							
Plant and machinery	12,064	10,569	1,495	214	(1,281)	Negotiation	B-A Electric Store
Plant and machinery	7,218	5,591	1,627	184	(1,443)	Negotiation	Zahid Machinery Store
Plant and machinery	6,916	5,358	1,558	176	(1,382)	Negotiation	Zahid Machinery Store
Plant and machinery	6,496	5,718	778	165	(613)	Negotiation	Zahid Machinery Store
Plant and machinery	6,496	5,718	778	165	(613)	Negotiation	Zahid Machinery Store
Plant and machinery	6,494	5,716	778	165	(613)	Negotiation	Zahid Machinery Store
Plant and machinery	6,494	5,716	778	165	(613)	Negotiation	Zahid Machinery Store
Plant and machinery	4,528	3,323	1,205	410	(795)	Negotiation	Dawood Hussain Contractor
Plant and machinery	4,387	3,364	1,023	109	(914)	Negotiation	K.H. Machinery Store
Plant and machinery	3,500	2,861	639	248	(391)	Negotiation	SaithTaj Malook Khan
Plant and machinery	8,625	4,416	4,209	240	(3,969)	Scrap - Negotiation	Iqbal Traders
Plant and machinery	890	252	638	100	(538)	Scrap - Negotiation	M/s. Malik Traders
Plant and machinery	1,381	840	541	285	(256)	Scrap - Negotiation	M/s. Sher Khan & Sons
Plant and machinery	356,856	237,359	119,497	10,507	(108,990)	Negotiation	Mr. Akram - Scrap Dealer
Vehicles							
Vehicle	753	247	506	506	-	Company policy	Mr. Fahad Kirmani (Employee)
Vehicle	1,115	178	937	937	-	Company policy	Mr. Muhammad Akhlaque (Employee)
Vehicle	1,540	389	1,151	1,151	-	Company policy	Mr. Khawar Saeed (Key Management Personnel)
Vehicle	1,199	195	1,004	1,004	-	Company policy	Mr. Akhtar Ali (Ex employee)
Vehicle	705	12	693	693	-	Company policy	Mr. Yaseen Murtaza (Employee)
Vehicle	1,438	607	831	831	-	Company policy	Mr. Zahid Saleem (Employee)
Vehicle	1,597	383	1,214	1,214	-	Company policy	Mr. Ghulam Mujtaba Khan (Employee)
Honda Accord	708	135	573	573	-	Company policy	Mr. Self ur Rehman (Employee)
Honda Civic	920	90	830	830	-	Company policy	Mr. Zahid Mehmood (Employee)
Honda Civic	705	12	693	693	-	Company policy	Mr. Iftikhar Ahmad (Employee)
Honda Civic	651	22	629	**629**	-	Company policy	Mr. Waleem Abbas (Employee)
Honda City	1,972	1,285	687	687	-	Company policy	Iftikhar H. Shirazi - Director
Honda City	683	228	455	455	-	Company policy	Aamir H. Shirazi - Director
Honda City	753	241	512	512	-	Company policy	Iftikhar H. Shirazi - Director
Honda City	1,114	369	745	745	-	Company policy	Noorullah - Chief Executive
Honda City	753	257	496	496	-	Company policy	Qamar Raza - Employee

	Acquisition Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars
	(Rupees in '000)						
Suzuki Mehran	581	132	449	449	-	Company policy	Zia Ullah Baig - Employee
Suzuki Mehran	3,633	727	2,906	2,906	-	Company policy	Sarfraz Hassan - Employee
Vehicle	1,665	273	1,392	1,392	-	Company policy	Khaleeq-ur-Rehman - Ex Employee
Vehicle	569	28	541	541	-	Company policy	Muhammad Sharif - Employee
Vehicle	538	63	475	475	-	Company policy	Yasir Kalim - Employee
Vehicle	96	57	39	39	-	Company policy	Akbar Hassan - Employee
Vehicle	65	38	27	27	-	Company policy	Khurshid Ahmed - Employee
Vehicle	82	21	61	61	-	Company policy	Theresa Dias - Employee
Vehicle	2,158	1,253	905	905	-	Company Policy	Mr. M Qadeer Khan - Employee
Vehicle	2,007	1,175	832	832	-	Company Policy	Mr. Shahzada Jamal
Vehicle	2,007	1,191	816	816	-	Company Policy	Mr. Irshad Ahmed
Vehicle	1,997	985	1,012	1,012	-	Company Policy	Mr. Naeem Mohsin
Vehicle	1,997	1,199	798	798	-	Company Policy	Mr. M. Saeed Anwar
Vehicle	1,954	1,232	722	722	-	Company Policy	Mr. Azmat Ullah Khattak
Vehicle	1,667	1,001	666	666	-	Company Policy	Mr. Nawaid Ali Khan
Vehicle	1,657	995	662	662	-	Company Policy	Mr. Talat Mahmood Khan
Vehicle	1,646	134	1,512	1,512	-	Company Policy	Mr. Muhammad Ammar
Vehicle	1,646	313	1,333	1,333	-	Company Policy	Mr. M. Hassan Kashif
Vehicle	1,646	288	1,358	1,358	-	Company Policy	Mr. Naveed Ahmed
Vehicle	1,637	710	927	927	-	Company Policy	Mr. Syed Aftab Ghous Gilani
Vehicle	1,634	287	1,347	1,347	-	Company Policy	Mr. Sadullah Ejaz
Vehicle	1,601	1,031	570	570	-	Company Policy	Mr. Hasan Mushtaq Cheema
Vehicle	1,277		1,277	1,277	-	Company Policy	Mr. Aid Ali
Vehicle	1,277	64	1,213	1,662	449	Negotiation	Mr. Sardar Abid
Vehicle	1,174	376	798	798	-	Company Policy	Ms. Marrium Ahmed
Vehicle	1,174	407	767	767	-	Company Policy	Mr. Farrukh Munir
Vehicle	1,124	131	993	993	-	Company Policy	Mr. Muhammad Nawaz
Vehicle	1,114	338	776	776	-	Company Policy	Mr Muhammad Khizar Farooq
Vehicle	837	110	727	727	-	Company Policy	Mr. Afaq Ahmad - Employee
Vehicle	789	115	674	674	-	Company Policy	Mr. Adeel Safdar
Vehicle	789	39	750	750	-	Company Policy	Mr. Faisal Mahmood
Vehicle	778	137	641	641	-	Company Policy	Mr. Khurshid Ahmad
Vehicle	753	171	582	582	-	Company Policy	Mr. Azizullah
Vehicle	753	219	534	534	-	Company Policy	Mr. Abdul Hannan
Vehicle	748	245	503	503	-	Company Policy	Mr. Shahbaz Ahmad
Vehicle	745	50	695	695	-	Company Policy	Mr. Umair Aziz
Vehicle	708	156	552	552	-	Company Policy	Mr. Fahad Mahmood
Vehicle	646	22	624	624	-	Company Policy	Mr. Khadim Hussain
Vehicle	2,315	509	1,806	1,806	-	Company Policy	Mr. Tamper Ahmed R
Vehicle	2,243	75	2,168	2,168	-	Company Policy	Mr. Sarwar Shamim
Vehicle	1,715		1,715	1,715	-	Company Policy	Mr. Tauqeer Ahmed
Vehicle	1,629	612	1,017	1,017	-	Company Policy	Mr. V.A. Khalid
Vehicle	1,039	470	569	569	-	Company Policy	Mr. Rizwan Yousuf
Vehicle	778	13	765	765	-	Company Policy	Mr. Faizan Rab

	Acquisition Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars
	(Rupees in '000)						
Vehicle	1,646	162	1,484	1,484	-	Company Policy	Mr. Hassan Murad
Vehicle	1,997	1,077	920	920	-	Company Policy	Mr. Zahid Mahmood
Vehicle	1,626	689	937	937	-	Company Policy	Mr. M. Ameen Tahir
Vehicle	758	101	657	657	-	Company Policy	Mr. Ejaz Mushtaq
Vehicle	644	53	591	591	-	Company Policy	Mr. Muhammad Rafi
Vehicle	2,148	1,067	1,081	875	(206)	Negotiation	Khurram Autos
Vehicle	2,329	344	1,985	1,985	-	Company Policy	Mr. Adeel Sartaj - Ex-employee
Vehicle	1,641	602	1,039	1,039	-	Company Policy	Mr. Yousuf Ali - Employee
Vehicle	2,001	965	1,036	1,036	-	Company Policy	Mr. Tehseen Raza - Key management personnel
Vehicle	1,204	176	1,028	1,125	97	Company Policy	Naseer Autos, D-55-A-1, Estate Avenue, Karachi.
Vehicle	2,001	984	1,017	1,017	-	Company Policy	Mr. Adeel ur Rehman - Employee
Vehicle	1,204	317	887	887	-	Company Policy	Mr. Anwar Khan - Employee
Vehicle	1,635	804	831	831	-	Company Policy	Mr. Asher Ahmed - Employee
Vehicle	2,074	1,280	794	794	-	Company Policy	Mr. Mohsin Khan - Key management personnel
Vehicle	773	13	760	725	(35)	Company Policy	Mrs. Shagufta Parveen, Gul Afshan Colony, Jhelum Gantt, Jhelum
Vehicle	1,648	992	656	656	-	Company Policy	Mr. Arshad Khan - Employee
Vehicle	1,508	941	567	567	-	Company Policy	Mr. Muhammad Ayaz - Employee
Vehicle	1,049	539	510	510	-	Negotiation	Zaffar Iftikhar
Vehicle	1,214	231	983	983	-	Negotiation	Arsalan Sadiq
Vehicle	7,787	4,667	3,119	3,119	-	Negotiation	Various
Vehicle	2,074	1,294	780	780	-	Company Policy	Mr. Jawaid Iraqi - Employee
Vehicle	2,007	1,006	1,001	1,001	-	Company Policy	Mr. Fida H. Zahid – Employee
Vehicle	1,647	939	708	708	-	Company Policy	Mr. Salim Ahmed – Ex-employee
Vehicle	1,551	637	914	914	-	Company Policy	Mr. Ammar Ali Shaikh – Ex-employee
Vehicle	1,250	146	1,104	1,104	-	Company Policy	Mr. Ghalib Hussain – Ex-employee
Vehicle	2,470	1,153	1,317	1,317	-	Company Policy	M Naeem Khan (ex-employee)
Vehicle	2,319	488	1,831	1,831	-	Company Policy	Samina Naz (ex-employee)
Vehicle	1,188	-	1,188	1,188	-	Company policy	Mr. Zeeshan Mehdi -Employee
Vehicle	510	-	510	510	-	Company policy	Mr. Haider Abbas - Employee
Vehicle	651	-	651	651	-	Company policy	Mr. Irfan Khan- Employee
Vehicle	558	-	558	558	-	Company policy	Mr. Anwar Hussain -Employee
Vehicle	778	137	641	641	-	Company policy	Haider Iqbal
Vehicle	2,327	306	2,021	2,021	-	Company policy	Imtiaz Haider
Vehicle	2,122	920	1,202	1,202	-	Company policy	M.Abul Samad
Vehicle	1,039	463	576	576	-	Company policy	Faran-ul-Haq
Vehicle	1,039	463	576	576	-	Company policy	Fawad Javaid
Vehicle	1,129	113	1,016	1,016	-	Company policy	M.Umar Khan
Vehicle	2,470	1,153	1,317	1,317	-	Company policy	M.Naeem Khan
Vehicle	2,319	488	1,831	1,831	-	Company policy	Samina Nazz

	Acquisition Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars
	(Rupees in '000)						
Dies and jigs							
Dies and jigs	13,510	10,695	2,815	142	(2,673)	Scrap	M/s. Roshan Traders
Dies and jigs	13,506	10,692	2,814	142	(2,672)	Scrap	M/s. Roshan Traders
Dies and jigs	13,506	10,692	2,814	142	(2,672)	Scrap	M/s. Roshan Traders
Electric and gas fittings							
Fittings	59,798	49,037	10,761	2,600	(8,161)	Negotiation	Mr. Ali Abbas
Fittings	12,541	9,147	3,394	64	(3,330)	Negotiation	Mr. Ali Abbas
Furniture and fixtures							
Furniture	675	358	317	10	(307)	Negotiation	Dawood Hussain
Office equipment							
Office equipment	1,956	1,032	924	39	(885)	Negotiation	Dawood Hussain
Air conditioners	611	358	253	35	(218)	Negotiation	Dawood Hussain
Computers	9,986	8,768	1,218	103	(1,115)	Negotiation	Dawood Hussain
Buildings on Freehold Land	3,692	1,620	2,072	269	(1,803)	Scrap	Haji Muhammad Nawaz & Co.
	2,142	1,194	948	123	(825)	Scrap	Haji Muhammad Nawaz & Co.
June 2018	704,096	448,145	255,951	109,184	(146,767)		
June 2017	309,187	(30,383)	218,854	104,244	(114,610)		

7.1.6 Reconciliation of surplus on revaluation

	2018	2017
	(Rupees in '000)	
Opening as on July 01	937,810	543,840
Surplus on revaluation recognised during the year	-	751,421
Reversal of revaluation surplus during the year	-	-
Share of NCI	-	357,451
Closing as on June 30	937,810	937,810

ЕИМ

7.2 Capital work-in-progress

	2018	2017
	------ (Rupees in '000) ------	
Advance to suppliers and contractors	31,124	-
Leasehold improvements	485,684	63,568
Plant and machinery	579,531	414,900
Furniture and fixtures	22,339	6,235
Factory building	1,670	-
Software, computers and equipment	9,844	3,168
Civil works	124,066	67,741
Factory equipment	68,905	3,465
Advance payment against - motor vehicle	32,017	22,161
Dies and jigs	19,153	-
	1,374,332	581,238

7.3 Intangible assets

	Note	Cost					Accumulated amortisation					Carrying value	
		As at July 01, 2017	Acquired on merger	Additions	Disposals	As at June 30, 2018	As at July 01, 2017	Acquired on merger	Charge for the year	Disposals	As at June 30, 2018	As at June 30, 2018	Rate
		------------ (Rupees in '000) ------------											%
Computer software	7.3.1	181,573		68,462	-	250,035	169,160		18,830	-	187,990	62,045	30-50
2018		181,573	-	68,462	-	250,035	169,160	-	18,830	-	187,990	62,045	

	Note	Cost					Accumulated amortisation					Carrying value	
		As at July 01, 2016	Acquired on merger	Additions	Disposals	As at June 30, 2017	As at July 01, 2016	Acquired on merger	Charge for the year	Disposals	As at June 30, 2017	As at June 30, 2017	Rate
		------------ (Rupees in '000) ------------											%
Computer software	7.3.1	93,923	84,315	3,335	-	181,573	68,995	83,481	16,684	-	169,160	12,413	30-50
2017		93,923	84,315	3,335	-	181,573	68,995	83,481	16,684	-	169,160	12,413	

7.3.1 The amortisation charge has been allocated to selling and administrative expenses.

8. INVESTMENT PROPERTIES

	Cost				Accumulated depreciation				Carrying value	
	As at July 01, 2017	Additions	Disposals	As at June 30, 2018	As at July 01, 2017	Charge for the year	Disposals	As at June 30, 2018	As at June 30, 2018	Rate
	------------ (Rupees in '000) ------------									%
Freehold land	1,431,831	-	-	1,431,831	-		-	-	1,431,831	-
Leasehold land	189,867	284,671	-	474,538	60,921	17,531	-	78,452	396,086	5
Warehouse building - on free hold land	68,235	-	-	68,235	26,120	2,105	-	28,225	40,010	5
Warehouse building - on lease hold land	92,403	151,644	-	244,047	28,644	3,820	-	32,464	211,583	5
Building - freehold land	5,369	-	-	5,369	215	258	-	473	4,896	5
Building - leasehold	150,142	107,684	-	257,826	73,126	6,477	-	79,603	178,223	5
2018	1,937,847	543,999	-	2,481,846	189,026	30,191	-	219,217	2,262,629	

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

8.1 The aggregate fair value of the above properties as of June 30, 2018 amounts to Rs.11,461 million (2017: Rs.10,457 million) determined as a result of a valuation by M/s. Surval Engineers - an independent professional valuer.

	Note	2018	2017
		------ (Rupees in '000) ------	
9. INVESTMENT IN ASSOCIATES AND JOINT VENTURE			
Investment in associates	9.1	**31,153,894**	28,777,432
Investment in joint venture	9.2	**-**	-
		31,153,894	28,777,432

9.1 Investment in associates

	Note	2018	2017
Listed shares	9.1.1	**15,721,474**	14,489,280
Unlisted shares	9.1.2	**61,112**	735,251
Mutual Funds	9.1.3	**15,371,308**	13,552,901
		31,153,894	28,777,432

9.1.1 Listed shares

2018	2017	Name of Company		2018	2017
Number of shares				Carrying value	
				------ (Rupees in '000) ------	
		(These are fully paid ordinary shares of Rs.10 each)			
43,969,650	43,119,650	Honda Atlas Cars (Pakistan) Limited Holding: 30.64% (2017: 30.20%)	9.1.1.1	**15,721,474**	14,489,280
				15,721,474	14,489,281

9.1.1.1 Share of associate's balance sheet and profit and loss is as follows:

Name of associate	Interest held	Fair value per share	Profit	Total assets	Total liabilities	Share of net assets
			---------- (Rupees in '000) ----------			
2018						
Honda Atlas Cars (Pakistan) Limited	**30.64%**	**316.39**	**1,990,174**	**18,021,495**	**12,789,456**	**5,232,040**

Name of associate	Interest held	Fair value per share	Profit	Total assets	Total liabilities	Share of net assets
			---------- (Rupees in '000) ----------			
2017						
Honda Atlas Cars (Pakistan) Limited	30.20%	867.69	1,852,767	15,542,538	11,596,954	3,945,584

9.1.2 This represents investment in 20% shares of Honda Atlas Power Products (Private) Limited (2017: 20% shares) having break-up value of Rs.54.17 (2017: Rs.46.56). Further, during the year the management of the Company has reassessed the structure of the Group, accordingly, Atlas Hitec (Private) Limited and Atlas World Wide General Trading (LLC) has been consolidated in these financial statements, which were previously accounted for under equity method of accounting applicable to associates, resulting in immaterial final impact.

9.1.3 **Mutual Funds**

2018 Number of units	2017 Number of units	Name of Mutual Fund	2018 Carrying value Rs. '000	2017 Carrying value Rs. '000
9,361,006	11,969,382	Atlas Income Fund - Holding: 66% (2017: 35%)	**5,001,921**	6,131,227
4,603,834	3,489,554	Atlas Stock Market Fund - Holding: 50% (2017: 41%)	**2,870,763**	2,326,888
1,714,065	1,601,361	Atlas Sovereign Liquid Fund - Holding: 51% (2017: 70%)	**179,977**	561,048
2,002,808	2,081,166	Atlas Islamic Stock Fund - Holding: 23% (2017: 30%)	**1,086,493**	1,271,124
113,962	2,560,953	Atlas Islamic Income Fund - Holding: 7% (2017: 44%)	**60,123**	1,287,692
11,787,739	3,724,085	Atlas Money Market Fund - Holding: 21% (2017: 22%)	**6,172,031**	1,868,959
-	1,036,081	Atlas Gold Fund - Holding: 0% (2017: 29%)	**-**	105,963
			15,371,308	13,552,901

9.2 Investment in joint venture

2018 Number of shares	2017 Number of shares	Name of Company	2018 (Rupees in '000)	2017 (Rupees in '000)
		Unlisted shares		
10,765,000	10,765,000	Madian Hydro Power Limited Fully paid ordinary shares of Rs.10 each Holding: 50.00% (2017: 50.00%)	**106,906**	106,906
		Add: Share of profit / (loss)	**-**	-
			106,906	106,906
		Less: Provision for impairment	**(106,906)**	(106,906)
			-	-

9.2.1 Share of joint venture's balance sheet and profit and loss is as follows:

Name of joint venture	Interest held	Profit	Total assets	Total liabilities	2018 Share of net assets	2017 Share of net assets
			(Rupees in '000)			
Madian Hydro Power Limited	**50.00%**	**-**	**106,951**	**45**	**106,906**	106,906

Cqm

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

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

10. LONG TERM INVESTMENTS

	Note	2018	2017
		------ (Rupees in '000) ------	
Available-for-sale - in related parties:			
Pension Funds	10.1	**331,706**	371,907
Unlisted shares	10.2	-	-
Mutual funds units	10.3	-	566,709
Available-for-sale - others:			
Listed shares	10.4	**1,791,575**	2,105,773
Mutual funds units	10.5	**204,319**	71,380
		2,327,600	3,115,769

10.1 Pension Funds

2018	2017	Name of Fund		2018	2017
Number of units				------ (Rupees in '000) ------	
		Open end			
498,000	798,000	Atlas Pension Fund Units of Rs.100 each	10.1.1	**49,800**	79,800
498,000	498,000	Atlas Pension Islamic Fund Units of Rs.100 each	10.1.2	**49,800**	49,800
		Total cost		**99,600**	129,600
		Unrealised gain on revaluation		**232,106**	242,307
		Total investment at fair value		**331,706**	371,907

10.1.1 This represents investment in seed capital of Atlas Pension Fund. made in accordance with the requirements of Companies Act, 2017. The investment was made on June 27, 2007 equally in three sub funds i.e. APF - Equity Sub Fund, APF - Debt Sub Fund and APF Money Market Sub Fund at Rs.30 million each, net of redemption of Rs.10.63 million and Rs.2.77 million from each sub fund during the years ended June 30, 2011 and June 30, 2013 respectively, following the completion of lock in period of three years. The investment made in Atlas Pension Fund- Gold Sub Fund on June 28. 2013 was redeemed during the year and the fund was revoked after obtaining SECP's approval in this matter on February 07, 2018.

10.1.2 This represents investment in seed capital of Atlas Pension Islamic Fund (APIF), made in accordance with the requirements of Companies Act, 2017. The investment was made on September 15, 2007 equally in three sub funds i.e. APIF - Equity Sub Fund, APIF - Debt Sub Fund and APIF - Money Market Sub Fund at Rs.30 million each, net of redemption of Rs.10.63 million and Rs.2.77 million from each sub fund during the years ended June 30, 2011 and June 30, 2013 respectively, following the completion of took in period of three years.

10.2 **Unlisted shares**

2018	2017	Name of Company	Note	2018	2017
Number of shares				Cost	
				------ (Rupees in '000) ------	
5,661,524	5,661,524	Techlogix International Limited		**64,748**	64,748
		Fully paid ordinary shares of US$ 0.0001468 each			
		Percentage of holding: 5.56% (2017: 5.56%)			
		Break-up value: Re.6.83 (2017: Re.0.04) per share			
		Less: Provision for impairment		**(64,748)**	(64,748)
150,000	150,000	Arabian Sea Country Club Limited		**501,000**	501,000
		Fully paid ordinary shares of 10 each			
		Less: Provision for impairment		**(501,000)**	(501,000)
				-	-

10.3 Mutual funds include an amount of Rs.273.271 million being the cost under an arrangement permissible under Shariah.

10.4 Listed securities include an amount of Rs.1.043 million (2017: Rs.990.754 million) being the cost under an arrangement permissible under Shariah.

10.5 Mutual funds include an amount of Rs.161.180 million (2017: Rs.16.435 million) being the cost under an arrangement permissible under Shariah.

11. LONG TERM LOANS - secured, considered good

	Note	2018	2017
		------ (Rupees in '000) ------	
Employees			
Executives	11.1	**11,994**	8,256
Other employees			
Interest bearing	11.2	**765**	281
Non-interest bearing	11.3	**94,328**	73,295
		95,093	73,576
Less: Current portion shown under current assets	17	**(62,146)**	(53,433)
		44,942	28,399

11.1 Represents interest free staff personal loan provided to executives of the Group, repayable in equal monthly installments within a maximum remaining period of 1.5 years. These loans are secured against retirement benefits and salaries.

11.2 These are provided to employees under their terms of employment. These carry mark-up at the rate of 1% (2017: 1%) per month and are recoverable in equal monthly installments over a period of maximum 20 months. These are secured against employees' retirement benefits.

11.3 Represents loans provided to employees of the Group in the form of staff personal loan and motor vehicle loan. Staff personal loans and motor vehicle loans are interest free and repayable in equal monthly installments within a maximum remaining period of sixteen months and fifty-four months respectively. These loans are secured by the registration of motorcycles in the name of the Company and employees vested retirement benefits.

12. LONG TERM DEPOSITS AND OTHER RECEIVABLES

	2018	2017
	------ (Rupees in '000) ------	
Deposits	**67,821**	48,816
Deferred commission expense	**62,032**	52,764
Other receivables	**260**	759
	130,113	102,339

ЕЛК

	Note	2018	2017
		------ (Rupees in '000) ------	

13. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2018	2017
Stores and spare parts - in hand		**2,670,319**	1,470,010
Loose tools		**303,640**	251,657
Maintenance spares		**417,336**	421,943
		3,391,295	2,143,610

14. STOCK-IN-TRADE

	Note	2018	2017
Raw and ancillary materials			
In hand		**6,193,621**	5,452,260
held with vendors		**272,824**	187,790
In transit		**818,083**	217,218
		7,284,528	5,857,268
Work-in-process	34	**929,646**	787,674
Finished goods			
In hand		**2,692,029**	1,104,191
In transit		**32,098**	501,737
	34	**2,724,126**	1,605,928
Less: Provision for obsolescence	14.1	**(88,902)**	(83,024)
		10,849,398	8,167,846

14.1 Reconciliation of provision for obsolescence is as follows:

	2018	2017
Balance at the beginning of the year	**83,024**	7,998
Impact of merger	**-**	49,323
Charge for the year	**30,670**	46,045
Amount written off during the year	**(24,792)**	(20,342)
Balance at the end of the year	**88,902**	83,024

15. TRADE DEBTS

	Note	2018	2017
Considered good		**18,778,401**	13,689,636
Considered doubtful		**543,980**	25,919
Less: Provision for doubtful debts	15.1	**(35,508)**	(21,609)
		508,472	4,310
		19,286,873	13,693,946

15.1 Reconciliation of provision against doubtful debts is as follows:

	2018	2017
	------ (Rupees in '000) ------	
Balance at the beginning of the year	**23,924**	11,843
Impact of merger	**-**	4,996
Charge for the year	**15,209**	9,584
Amount written off during the year	**(2,286)**	(1,597)
Reversal during the year	**(1,339)**	(902)
Balance at the end of the year	**35,508**	23,924

16. RECEIVABLE FROM FUNDS UNDER MANAGEMENT

	2018	2017
Management Fee		
Atlas Income Fund	**5,383**	5,562
Atlas Stock Market Fund	**9,024**	9,497
Atlas Islamic Stock Fund	**3,817**	4,794
Atlas Islamic Income Fund	**217**	462
Atlas Pension Fund	**817**	843
Atlas Gold Fund	**-**	170
Atlas Money Market Fund	**5,483**	1,878
Atlas Sovereign Liquid Fund	**132**	1,067
Atlas Pension Islamic Fund	**842**	804
	25,715	25,077
Formation cost		
Atlas Gold Fund - current portion	**-**	239
Atlas Sovereign Liquid Fund	**260**	260
	260	499
	25,975	25,576

17. LOANS AND ADVANCES - unsecured, considered good

	Note	2018	2017
Loans			
To employees - non-interest bearing		**1,417**	875
Current portion of long term loans	11	**62,146**	53,433
		63,563	54,308
Advances			
Due from staff		**16,147**	11,581
Due from related parties		**8,788**	43,305
Due from executives		**-**	2,640
Due from suppliers		**97,752**	84,270
Advance against expenses		**-**	421
Others		**35,759**	5,149
		158,446	147,366
		222,009	201,674

18. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2018	2017
	------ (Rupees in '000) ------	
Security / trade deposits	**343,472**	796,881
Prepayments		
Others	**606,909**	256,394
Other receivables		
Receivable against sale of shares	**102,579**	102,579
Sales tax receivable	**1,067,584**	647,787
Due from related parties	**66,804**	-
Due from suppliers	**23,719**	8,088
Withholding tax receivable	**294,736**	341,341
Insurance claim	**499**	3,221
Workers' Welfare Fund	**-**	64,121
Workers' Profit Participation Fund	**801,480**	639,773
Total assets from window takaful	**86,177**	67,822
Insurance / reinsurance receivables	**466,977**	-
Others	**94,562**	62,479
	3,005,117	1,937,211
Less: Provision against other receivables	**(102,579)**	(102,579)
	3,852,919	2,887,907

19. SHORT TERM INVESTMENTS

	Note	2018	2017
		------ (Rupees in '000) ------	
Available-for-sale			
Listed Shares	19.1	**1,426,082**	891,740
Mutual Funds	19.2	**88,857**	84,470
At fair value through profit or loss			
Mutual Funds	19.3	**807,870**	761,394
Held-to-maturity			
Market Treasury Bills (T-Bills)		**-**	74,998
Pakistan investment bonds	19.4	**73,755**	-
		2,396,564	1,812,602

19.1 Listed shares

2018	2017	Name of Fund	Note	2018 Cost	2018 Fair value	2017 Cost	2017 Fair value
Number of certificates				---------- Rupees in '000 ----------			
144,500	144,500	Pakistan Petroleum Limited		**24,958**	**31,053**	24,960	21,410
637,800	223,000	The Hub Power Company Limited		**69,974**	**58,780**	24,760	26,190
-	45,900	Lucky Cement Limited		**-**	**-**	25,100	38,380
208,500	208,500	Oil and Gas Development Company Limited		**32,917**	**32,447**	32,920	29,330
-	66,500	Pakistan State Oil Company Limited		**-**	**-**	25,650	25,760
1,034,480	268,180	Habib Bank Limited		**200,005**	**172,179**	59,190	72,180
746,770	704,500	Meezan Bank Limited		**52,085**	**61,026**	49,970	55,660
4,093,533	2,093,533	Cherat Cement Company Limited		**494,794**	**398,014**	289,130	374,280
2,591,500	-	Bank Alfalah Limited		**115,338**	**135,510**	-	-
759,800	40,000	United Bank Limited		**144,714**	**128,391**	8,850	9,420
333,900	164,500	Engro Corporation Limited		**95,979**	**104,798**	49,860	53,610
894,400	-	International Steels Limited		**102,278**	**90,960**	-	-
-	380,000	Adamjee Insurance Company Limited		**-**	**-**	25,450	25,980
2,103,577	2,103,577	Systems Limited		**10,150**	**212,924**	10,150	159,540
			19.1.1	**1,343,192**	**1,426,082**	625,990	891,740

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

19.2 Mutual funds

2018	2017	Name of Fund	Note	2018 Cost	2018 Fair value	2017 Cost	2017 Fair value
Number of units				---------- (Rupees in '000) ----------			
838,991	800,233	Lakson Income Fund	19.2.1	**84,379**	**88,857**	84,379	84,470

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

EM

19.3 Mutual funds

2018	2017	Name of Company / Funds	2018	2017
Number of units			------ (Rupees in '000) ------	
1,116,891	893,378	HBL Islamic Money Market Fund	**117,214**	89,899
2,441,171	2,477,740	Lakson Money Market Fund	**254,255**	260,617
3,591,972	3,265,559	Lakson Income Fund	**375,595**	344,762
772,598	737,906	National Investment (Unit) Trust	**60,803**	66,116
50	-	NIT Government Bond Fund	**1**	-
10	-	NIT Islamic Equity Fund	**2**	-
			807,870	761,394

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

20. CASH, BANK BALANCES AND DEPOSITS

	Note	2018	2017
		------ (Rupees in '000) ------	
Cash in hand		**1,731**	1,546
Bank balances and deposits			
In current accounts		**568,006**	3,308,935
In PLS saving accounts	20.1	**4,296,120**	1,824,704
Term Deposit Receipts	20.2	**8,575,440**	5,660,000
Cheques in hand		**354,666**	-
		13,795,963	10,795,185

20.1 These carry interest rates ranging from 4% to 9.3% (2017: 3.5% to 8%) per annum.

20.2 These carry a mark-up rates ranging from 5.95% to 6.5% (2017: 5.95% to 6.10%) per annum.

21. SHARE CAPITAL

Authorised Capital

2018	2017		2018	2017
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

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

22. LONG TERM LOANS - secured

Limit (Rupees in million)	Tenure	Number of Installments / mode	Rate of mark-up	Note	2018	2017
					------ (Rupees in '000)	------
500	2016 - 2017	Bullet maturity	6 months KIBOR + 0.20%		-	500,000
14,970	2009 - 2019	40 / Quarterly	3 months KIBOR + 3.00%	22.1	**3,600,596**	5,650,815
2,000	2018-2021	Quarterly	6 months KIBOR + 0.2%	22.2	**2,000,000**	-
					5,600,596	6,150,815
Interest free loans						
Vehicle loans					**2,113**	-
Less: Current portion of long term loans shown under current liabilities					**(2,393,122)**	(2,550,217)
					3,209,587	3,600,598

22.1 Represent syndicated project loan facilities from consortium of banks. The facilities are repayable in 40 quarterly installments commencing from twenty first month of first drawdown or three months after completion of the project, whichever is earlier. The facilities carry markup at the rate of 3 months KIBOR plus 3% per annum, payable on quarterly basis. The facilities are secured against assignment over receivable from NTDC due under PPA, first ranking and exclusive charge by hypothecation on all future moveable assets, first ranking and exclusive mortgage over immovable properties related to project complex, pledge of sponsors' shares in the Company not less than 51% of the Company's share capital, lien over set-off rights over all project accounts and assignment over project insurance.

22.2 This loan is secured against first pari passu hypothecation charge over inventory and receivables of the Group for Rs.625 million.

23. LONG TERM DEPOSITS

	Note	2018	2017
		------ (Rupees in '000)	------
Deposits from employees	23.1	**9,415**	1,993
Less: Current portion shown under current liabilities		**2,745**	-
		6,670	1,993

23.1 Represents deposits from employees under Group's vehicle scheme.

	Note	2018	2017
		------ (Rupees in '000) ------	

24. DEFERRED LIABILITIES

Provision for employees' compensated absences	**520,259**	470,688
Provision for long service award	**8,646**	4,943
Provision for staff gratuity fund	**(45,432)**	25,168
	483,473	500,799

24.1 Payable to staff gratuity fund

	Non-management	
	2018	2017
	------ (Rupees in '000) ------	

24.1.1 Reconciliation of obligations as at year end

Present value of defined benefit obligation	**57,922**	46,032
Fair value of plan assets	**(103,354)**	-
Net liability at end of the year	**(45,432)**	46,032

24.1.2 Movement in net liability

Net liability at beginning of the year	**25,168**	2,325
Impact due to merger	**-**	29,126
Charge for the year	**(1,150)**	(790)
Benefits paid during the year	**(258)**	(442)
Re-measurement chargeable in other comprehensive income	**5,456**	(4,367)
Contributions	**(1,176)**	(684)
Net liability at end of the year	**28,040**	25,168

24.1.3 Charge for the year

Current service costs	**2,308**	2,203
Interest costs	**(2,042)**	(1,751)
Charge for the year	**266**	452

24.1.4 Movement in defined benefit obligation

Present value of defined benefit obligation at beginning of the year	**25,168**	2,325
Impact due to merger	**-**	18,031
Current service costs	**7,308**	2,203
Interest costs	**32,601**	4,188
Benefits paid during the year	**(5,388)**	(2,995)
Actuarial (gain) / loss	**(1,767)**	1,416
Present value of defined benefit obligation at end of the year	**57,922**	25,168

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

	Non-management	
	2018	2017
	-------- Percentages --------	
Rate of salary increase (per annum)	**7.44%**	6.81%
Discount rate (per annum)	**8.44%**	7.81%

BIW

25. DEFERRED TAXATION

	Note	2018	2017
		------ (Rupees in '000) ------	
Deferred tax liability arising in respect of:			
- accelerated tax depreciation		**2,071,871**	1,243,178
- amortisation		**95**	1,129
- unrealised gain on revaluation of investments		**21,598**	98,605
Deferred tax asset arising in respect of:			
- employees retirement benefits		**(18,840)**	(18,573)
- provisions		**(245,984)**	(217,965)
- difference in accounting and tax base of intangible assets		**-**	(38,277)
Deferred tax liability		**1,828,740**	1,068,097

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

	2018	2017
Balance at beginning of the year	**1,136,272**	157,608
Charged during the year over share of profit from associates	**582,012**	834,799
Charged during the year	**193,958**	143,865
Balance at end of the year	**1,912,241**	1,136,272

26. TRADE AND OTHER PAYABLES

	Note	2018	2017
Trade payables		**6,712,677**	5,938,625
Import bills payable		**479,462**	111,375
Royalty payable	26.1	**1,065,861**	893,417
Retention money		**32,376**	27,769
Accrued liabilities	26.2	**3,866,514**	4,210,049
Workers' Profit Participation Fund		**591,214**	494,883
Workers' Welfare Fund		**185,115**	167,447
Withholding tax payable		**136,262**	79,597
Sales tax payable - net		**592,814**	211,520
Due to related parties		**35,957**	55,529
Custom duty payable	26.3	**120,726**	120,726
Advances from customers		**7,231,510**	5,139,728
Advance rentals against investment properties		**14,618**	10,063
Payable to staff gratuity fund	26.4	**178,099**	68,591
Provision for compensated absense		**18,762**	-
Unclaimed dividend		**184,722**	158,010
Bonus payable		**173,260**	187,589
Premium received in advance		**77,577**	13,439
Insurance / reinsurance payable		**355,277**	369,364
Total liabilities from window takaful operations		**31,829**	20,631
Provision for outstanding claims		**722,804**	456,143
Provision for unearned premium		**952,812**	948,396
Provision for warranty		**166,215**	156,692
Commission income unearned		**113,262**	94,112
Sindh government infrastructure fee		**116,017**	214,154
provision for gas infrastructure development		**246,832**	82,245
Deposits from employees		**5,536**	2,818
Others		**257,416**	43,060
		24,665,526	20,275,972

ETM

26.1 Includes Rs.952.385 million (2017: Rs.800.745 million) due to Honda Motor Company Limited, Japan - a related party

26.2 Includes Rs.2.635 million (2017: Rs.2.121 million) due to Honda Motor Company Limited, Japan - a related party.

26.3 The Group has imported power plant that is livable to custom duty at the rate of 20% on the imported value. However. The Ministry of Finance, Government of Pakistan vide its SRO. 565(I)/2006 (SRO) dated June 06. 2006 as amended vide SRO 564(I)/2008 dated June 11, 2008 has exempted plant, machinery. etc. from the custom duty leviable in excess of concessionary taxes i.e. 5% on the import value provided that the imports are made against valid contracts or letter of credit (L/C) and total C&F value of such imports for the project is US Dollar 50 million or above. In this regard, the Custom department raised a query to Federal Board of Revenue (FBR) whether this relaxation is applicable to the Company which has established UC before June 11, 2008. The Group has paid the custom duty at the rate of 5% on the import value of power plant to the custom authorities and recorded a liability for the remaining 15% on import value of Power Plant. till the clarification is received from the regulatory authorities.

	Management	
	2018	**2017**
26.4 Payable to staff gratuity fund	------ (Rupees in '000) ------	
26.3.1 Reconciliation of obligation as at year end		
Present value of defined benefit obligation	**884,971**	754,443
Fair value of plan assets	**(707,713)**	(685,112)
Payable to associated companies in respect of transferees	**841**	(740)
	178,099	68,591
Unrecognised actuarial loss	-	-
Unrecognised non-vested liability promotion	-	-
Net liability at end of the year	**178,099**	68,591
26.3.2 Movement in net liability		
Net liability at beginning of the year	**31,517**	47,419
Charge for the year	**54,838**	52,504
Re-measurement chargeable in other comprehensive income	**41,271**	(7,472)
Contributions	**(56,809)**	(60,863)
Benefits paid	-	(71)
Net liability at end of the year	**70,817**	31,517
26.3.3 Charge for the year		
Current service cost	**46,283**	37,674
Interest cost	**27,305**	25,960
Expected return on assets	**(14,420)**	(11,130)
Amortisation of loss	**(3,382)**	-
Charge for the year	**55,785**	52,504
26.3.4 Movement in defined benefit obligation		
Present value of defined benefit obligation at beginning of the year	**779,444**	261,749
Impact of merger	-	441,251
Current service cost	**45,965**	40,855
Interest cost	**59,685**	51,266
Benefits paid during the year	**(39,326)**	(38,457)
Actuarial loss / (gain)	**28,676**	32,522
Liability recognized in respect of transferees	**10,528**	(9,742)
Present value of defined benefit obligation at end of the year	**884,971**	779,444

CM

	Management 2018	Management 2017
	------ (Rupees in '000) ------	
26.3.5 Movement in fair value of plan assets		
Fair value of plan assets at beginning of the year	**685,113**	161,946
Impact of merger	**-**	513,418
Expected return on plan assets	**18,218**	13,004
Contributions made by the Group	**67,417**	56,946
Benefits paid during the year	**(39,326)**	(36,029)
Transfer of assets in respect of transferees	**(14,973)**	(36,252)
Actuarial (loss) / gain	**(8,735)**	12,080
Fair value of plan assets at end of the year	**707,713**	685,113

26.3.6 The principal assumptions used in the actuarial valuations carried out as of 30 June 2017 using the 'Projected Unit Credit' method are as follows:

	Management 2018	Management 2017
	-------- Percentages --------	
Rate of salary increase (per annum)	**8.91%**	8.35%
Rate of return (per annum)	**6.65%**	9.13%
Discount rate (per annum)	**8.98%**	7.83%

	2018	2017
	------ (Rupees in '000) ------	
26.3.7 Actual return on plan assets	**16,803**	46,045

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

26.3.9 Expected contribution to the fund for the year ending 30 June 2018 is Rs.21.974 million.

26.3.10 Comparison for five years:

	2018	2017	2016	2015	2014
	----------	----------	(Rupees in '000)	----------	
Present value of defined benefit obligation	**884,971**	754,443	262,037	210,670	131,776
Fair value of plan assets	**(707,713)**	(685,113)	(156,871)	(98,920)	(79,182)
Deficit	**177,258**	69,330	105,166	111,750	52,594
Experience adjustments:					
Loss / (gain) on plan liabilities	**16,920**	8,560	4,128	4,522	1,938
Gain / (loss) on plan assets	**(8,675)**	12,089	(256)	(2,659)	991

27. SHORT TERM BORROWINGS - SECURED

	Note	2018	2017
		------ (Rupees in '000) ------	
Running finance under mark-up arrangements	27.1	**6,273,622**	4,356,607
Money market facilities under markup arrangement	27.2	**5,995,000**	7,558,000
Short term loans		**570,000**	-
Islamic financing	27.3	**7,531,404**	1,209,449
Demand Finance		**100,000**	-
		20,470,025	13,124,056

EMA

27.1 The Group has short term running finance facilities under mark-up arrangements aggregating to Rs. 16,237 million (2017: Rs.24,925 million) from various commercial banks carrying mark-up ranging between 1 month KIBOR + 0.1% and 6 months KIBOR + 0.5% (2017: 1 month KIBOR + 0.1% and 6 months KIBOR + 0.6%) per annum. The facilities utilized against these arrangements are secured against equitable mortgage on lands and buildings, first hypothecation charge over book debts, pledge of shares and mutual funds. The unavailed aggregate credit facility of running finances amounts to Rs.8,631 million (2017: Rs.13,203 million).

27.2 These are under mark-up arrangements and are secured by way of first pari-passu joint hypothecation of stocks and book debts of the Company. The rate of mark-up on these finances ranges from 3 months KIBOR plus 0.05% to 6 months KIBOR plus 0.5% per annum (2017: 1 month KIBOR plus 0.05% to 6 months KIBOR plus 0.5% per annum). These facilities expire on various dates, latest by March 31, 2019. The aggregate facilities from various banks amounted to Rs.2,735 million (2017: Rs.1,641 million) of which Rs.715 million (2017: Rs.769 million) remain unutilised as at the reporting date.

27.3 These are under mark-up arrangements and are secured by way of first pari-passu joint hypothecation of stocks and book debts of the Company. The rate of mark-up on these finances ranges from 1 month KIBOR plus 0.3% to 3 months KIBOR plus 0.3% per annum (2017: 1 month KIBOR plus 0.3% to 3 months KIBOR plus 0.3% per annum). These facilities expire on various dates, latest by December 31, 2018. The aggregate facilities for Istisna, Murabaha and Musharika finance available from various banks as at June 30, 2018 amounted to Rs.1,400 million (2017: Rs.1,100 million) of which Rs.665.336 million (2017: Rs.464.027 million) remain unutilised as at the reporting date.

28. CONTINGENCIES & COMMITMENTS

28.1 Contingencies in respect of subsidiaries

28.1.1 Atlas Power Limited (APL)

The Company received a show cause notice from FBR on August 19, 2014 stating that the Company had failed to apportion inadmissible input sales tax amounting to Rs.2,132 million in respect of amounts received against capacity purchase price from NTDC for the period from July 2009 to June 2013, claiming that capacity purchase price is an exempt supply. The Honorable Lahore High Court decided the case in favor of the Company, however FBR filed an appeal in Supreme Court in 2017. However, the amount is pass through item and recoverable from NTDC.

CPPA vide its letter dated June 08, 2016 intended to earmark and reduce payables on account of late payment interest to the extent of Rs.1 billion due to alleged non-compliance of PPA with regard to maintenance of low fuel stock at the complex for the period from January 2011 to December 2015. However, the Company believes that this act of unilateral earmarking and reducing the payable is illegal and unlawful, having no basis under the PPA, Further, PPA provides a detail mechanism for dispute resolution and till such time there is final determination there shall be no earmarking and reducing of the payables, hence no provision has been recorded in the financial statements.

28.1.2 Atlas Asset Management Limited (AAML)

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

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

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

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

Despite the detailed explanations furnished and the meetings held with the officials of the SRB and PRA as stated above, on June 26, 2014. the Company received a show cause notice from the PRA, requiring payment of Rs.7.66 million as alleged Punjab Sales Tax on services for the period July 1, 2013 to December 31, 2013, and requiring the Company to explain why penalty proceedings should not be initiated there against. Such alleged amount is in addition to the Sindh Sales Tax on services already paid to the SRB for the period. Similar show cause notices have been received by other AMCs.

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

28.1.3 Atlas Battery Limited (ABL)

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

28.1.3.2 The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi conducted sales tax audit for the tax year 2013 and passed an order dated January 28, 2015 with respect to (I) input claims against purchases from certain suppliers whose status were subsequently found as blacklisted / suspended on FBR web portal, (ii) non—payment of federal excise duty on royalty, (iii) non—deduction of sales tax as withholding agent on advertisement expense and (iv) tax credits not allowed on certain expenses. DCIR, through abovementioned order raised an aggregate demand of Rs.11.819 million including default surcharge. The Company filed appeal on February 19, 2015 before Commissioner Inland Revenue Appeals CIR(A) against the above order under section 45B of the Act and section 33 of Federal Excise Act, 2005. Pursuant to the appeal, the CIR(A), through his order dated April 28, 2015, granted relief to the Company in respect of the demand raised in (I), (iii) and (iv) points mentioned above. However, demand of federal excise duty on royalty payment was considered correct by CIR(A) in his order. Accordingly, the Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on May 23, 2015 against the order of levy of excise duty on royalty. Further, the Commissioner Inland Revenue has also filed an appeal on June 25, 2015 before ATIR against the abovementioned order of CIR(A) through which relief was granted to the Company. The above appeals are pending for hearing.

28.1.3.3 Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2013 passed an order dated September 30, 2014 under section 161 / 205 of the Income Tax Ordinance, 2001 on account of non-deduction of tax on freight & forwarding charges and discounts allowed to dealers. DCIR through this order created an aggregate demand of Rs.206.534 million including additional tax. An appeal was filed before the CIR(A) on October 22, 2014 against the above order. The Company paid the demand of Rs.0.1 million which pertains to a tax deduction on freight charges and filed a stay application on October 27, 2014 before Commissioner Inland Revenue (Appeals) [CIR(A)] against the recovery of balance of the demand. The stay against recovery of demand was granted by the CIR(A) on October 27, 2014 subject to partial payment of Rs.50 million which was paid on October 29, 2014. Pursuant to above appeal, CIR(A), on March 31, 2015, passed an order under section 129 of the Ordinance and granted relief in respect of issue of non-deduction of tax amounting Rs.108.867 million on discounts allowed on invoices. However, CIR(A) remanded back the issue of non-deduction of tax aggregating Rs.59.509 million on additional trade discounts by directing the DCIR to re-examine the issue based on the nature of discount. The CIR has filed an appeal on April 18, 2015 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

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

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

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

While passing the rectified order, the DCIR created an additional demand of Rs.81.593 million including default surcharge and penalty on account of non-deduction of tax on discounts allowed to dealers. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on March 10, 2016 against the rectified order and challenged the aggregate demand of Rs.81.991 million. Pursuant to this appeal, CIR(A) passed an order dated June 08, 2016 under section 129 of the Ordinance and granted relief to the Company on aggregate demand of Rs.81.991 million. The Commissioner Inland Revenue (CIR) filed an appeal on August 05, 2016 against the above mentioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

28.1.3.6 The Additional Commissioner Enforcement—III (Assessing Officer), Punjab Revenue Authority (PRA), Government of Punjab issued a show cause notice to the Company and alleged that the Company has failed to withhold and deposit the Punjab Sales Tax on advertisement services. The Company responded that some of the service providers do not have their registered office in the territorial jurisdiction of Punjab and in most of the cases, services were not completely consumed in Punjab only rather were electronically transmitted throughout Pakistan. Further, the Company had withheld sales tax from all the payments made against said services and has deposited either to Federal Board of Revenue (FBR) or Sindh Revenue Board (SRB), therefore, demand raised by PRA would tantamount to double jeopardy for the Company. However, the Assessing Officer did not consider the arguments of the Company and passed an order dated May 22, 2017 under section 14 & 19 of Punjab Sales Tax on Services Act, 2012 read with Punjab Sales Tax on Services (Withholding) Rules 2012 & 2015 and created an impugned demand of Rs.4.827 million including penalty.

The Company filed an appeal before Commissioner (Appeal), PRA, Lahore on June 28, 2017 against the aforementioned demand who also upheld the order of the Assessing Officer on October 8, 2017. The Company then filed an appeal before Appellate Tribunal, PRA, Lahore on November 28, 2017. The Appellate Tribunal has granted a stay against demand on November 29, 2017. The main appeal is pending before the Appellate Tribunal.

28.1.3.7 Additional Commissioner Inland Revenue (ACIR), Large Taxpayers Unit, Karachi, for the tax year 2016 passed an order dated November 80, 201 7 under section 161 /205 of the Income Tax Ordinance, 2001 on account of non—deduction of tax on (I) trade discount allowed to dealers, (ii) rent paid to Atlas Foundation, (iii) cartage & octroi expenses, (iv) repair and maintenance expenses and (v) entertainment expenses. ACIR through the order created an aggregate demand of Rs.200.172 million including default surcharge and penalty. The Company filed an appeal before [CIR(A)] on December 20, 2017 against (I) and (ii), where as tax levied for (iii), (iv) and (v) were not contested in appeal. The Company paid the demand of Rs.1.5 million in light of directions given by [CIR(A)] on December 22, 2017 while granting stay from recovery proceedings which duly covers the balance tax demand Rs.1.221 million in respect of issues not contested in appeals. Pursuant to the appeal, [CIR(A)], on January 22, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of both issues contested i.e. (I) trade discount allowed to dealers and (ii) rent paid to Atlas Foundation. The department has filed an appeal on April 28, 2018 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

28.1.4 Atlas Honda Limited (AHL)

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

28.1.5 Atlas Insurance Limited (AIL)

28.1.5.1 The tax authorities had raised demand amounting to Rs.117,817 (thousand) against the Company for the tax years 2009 to 2014, that primarily pertained to the rate of tax on dividend, rental income and WWF. Commissioner Inland Revenue (Appeals) [CIR (A)] partially upheld the decision and reduced the demand to Rs.59,722 (thousand). The Company filed appeals against the CIR(A) decision before the Appellate Tribunal Inland Revenue (ATIR) wherein the decision of CIR(A) was upheld. The Company has filed a reference application against the decision of ATIR before the Honorable Lahore High Court which is currently pending adjudication. No provision has been recognized in the condensed interim financial statements since the Company believes that there are meritorious grounds that the case will be decided in favor of the Company.

28.1.5.2 For tax year 2005, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses, creating a demand of Rs.70,698 (thousand). The Company filed appeal before CIR(A) which was decided in favor of the Company. Department filed appeal against CIR(A) before ATIR which is pending adjudication. No provision has been recognized in the condensed interim financial statements since the Company believes that there are meritorious grounds that the case will be decided in favor of the Company.

28.1.5.3 For tax year 2006, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses. The Company filed appeal before CIR(A) which was decided in favor of the Company except for the provision of bonus amounting to Rs.5,599 (thousand) against which the Company has filed appeal before ATIR, which is pending adjudication. No provision has been recognized in the condensed interim financial statements since the Company believes that there are meritorious grounds that the case will be decided in favor of the Company.

28.1.6 Atlas Metal (Private) Limited (AML)

28.1.6.1 For the tax year 2017, the company has filed income tax return declaring income of Rs.467,877,250 on which tax liability of Rs.143,875,802 was worked out. Against the above tax liability, 100% tax credit under section 65D of the Income Tax Ordinance, 2001 (the Ordinance) was claimed. Further, a refund of Rs.196,640,441 was claimed in the return of income.

Subsequently, the taxation authorities passed an amended assessment order whereby disallowances on account of utilities and support services expense aggregating to Rs.67,999,909 were made. Consequently, income of the company for the year was assessed at Rs.535,910,072 on which tax amounting to Rs.166,509,341 was worked out. Against the above tax liability, tax credit under section 65D was duly allowed. However, since the amended income for the year exceeded 500 million rupees, super tax under section 4B of the Ordinance was levied amounting to Rs.16,077,302 which was duly paid.

The company has filed an appeal before the Commissioner Inland Revenue (Appeals) against the disallowances made in the above order and the management of the company is confident that the issues will be decided in its favor and as a result the assessed income would be less than Rs. 500 million. Accordingly, no charge for prior year in respect of the aforesaid super tax liability has been booked in the financial statements.

28.1.6.2 During the year on June 13, 2018, the Additional Commissioner Inland Revenue (ACIR) issued a show cause notice against the Company for the tax period from July 2016 to June 2017, stating that the Company has claimed excess input tax on purchases of "78-b-Reclaimed Lead" at the rate of 17% instead of 5% amounting to Rs.140,555,962. The Company submitted its response dated June 30, 2018 stating that the purchases were of "lead scrap" instead of "78-b-Reclaimed Lead" which is subject to 17% sales tax. However, the Company has not received any sales tax demand order from the ACIR.

During the year, the Assistant Commissioner Inland Revenue (ACIR) issued a show cause notice against the Company dated December 26, 2017 for the tax period from July 2015 to January 2017 in respect of input tax claimed on inadmissible supplies and input tax claimed in excess of output declared by the suppliers amounting to Rs.30,164,508 and Rs.1,933,200 respectively. The Company has submitted its reply and the Company has not received any sales tax demand from ACIR.

In respect of the aforementioned matters, the Company, based on the advice of the tax advisor, is confident that the ultimate outcome will be in favor of the Company. Accordingly, no provision has been recorded in theses unconsolidated financial statements.

	2018	2017
	------ (Rupees in '000) ------	
28.2 Commitments		
Guarantees issued by banks on behalf of the Group	**1,910,644**	63,536
Guarantees issued by banks in favour to Sui Southern Gas Company Limited	**93,764**	76,764
Guarantees issued by banks in favour to Excise and Taxation Department	**65,378**	-
Guarantees in local currency	**4,375,000**	3,826,459
Letter of credit in favour of the Group	**1,251,602**	235,277
Letters of credit for other than capital expenditure, contracts and guarantees	**407,717**	469,012
Letter of credit in respect of capital expenditure	**2,801,795**	1,518,746
Commitment for capital expenditure	**219,188**	451,863
Commitments for rentals under Ijarah finance agreement	**124,750**	220,816
Commitments in respect of office rent expense	**133,067**	113,930
Claims against the Company not acknowledged as debt	**74,687**	74,687

28.2.1 Atlas Power Limited (APL) has revised operation and maintenance agreement with MAN Diesel & Turbo Operation Pakistan (Private) Limited for a period of six years starting from 01 July 2016. Under the terms of the 08M agreement, the Company is required to pay a monthly fixed 0&M fee and a variable 08M fee depending on the net power output, both of which are adjustable according to the consumer price index general (general - CPI) as notified by Federal Bureau of Statistics.

28.2.2 APL also entered onto an agreement for purchase of fuel and light diesel oil from Pakistan State Oil Company Limited (PSO) for a period of thirteen years starting from the COD of the power station i.e. December 18, 2009. However, due to disputes in the terms of the agreement, APL is not purchasing fuel from PSO.

29. SALES OF GOODS AND RENDERING OF SERVICES

	2018	2017
	------ (Rupees in '000) ------	
Sales	**139,859,038**	145,843,677
Commission income	**4,449,218**	1,247,854
Service income	**279,667**	185,948
	144,587,923	147,277,479
Less: Sales tax	**(23,210,438)**	(19,230,334)
Less: Discounts	**(2,957,137)**	(2,430,641)
Sales - net	**118,420,348**	125,616,504

30. FEE / COMMISSION FROM ASSET MANAGEMENT

	2018			2017		
	Management fee	**Commission**	**Total**	**Management fee**	**Commission**	**Total**
	------ (Rupees in '000) ------					
Open-ended						
Atlas Income Fund	**78,566**	-	**78,566**	72,951	-	72,951
Atlas Islamic Income Fund	**3,550**	-	**3,550**	5,171	-	5,171
Atlas Islamic Stock Fund	**48,624**	-	**48,624**	45,990	-	45,990
Atlas Money Market Fund	**46,156**	-	**46,156**	23,272	-	23,272
Atlas Pension Fund	**9,801**	-	**9,801**	9,847	-	9,847
Atlas Gold Fund	**714**	-	**714**	2,327	-	2,327
Atlas Sovereign Liquid Fund	**1,347**	-	**1,347**	3,826	-	3,826
Atlas Pension Islamic Fund	**9,958**	-	**9,958**	8,918	-	8,918
Atlas Stock Market Fund	**107,471**	-	**107,471**	107,009	-	107,009
	306,187	-	**306,187**	279,311	-	279,311

30.1 In accordance with the provisions of the Non-Banking Finance Companies & Notified Entities Regulations, 2008. the - Management Company of the funds is entitled to an accrued remuneration equal to an amount not exceeding 2% of average annual net assets in case of equity schemes. 1.5% of average annual net assets in case of income schemes. 1% of average annual net assets in case of money market and commodity schemes (deliverable). Further, as perthe VPS Rules, 2005, the Pension Fund Manager is entitled to receive a management fee of an amount not exceeding 1.5% of the average net annual assets of the Pension Fund. During the year. the Company has charged its management fee at the following rates:

- Atlas Income Fund - 0.80% (2017: 0.80%) per annum of the average annual net assets for the reported period.
- Atlas Islamic Income Fund - 0.30% (2017: 0.30%) per annum of the average annual net assets for the reported period.
- Atlas Islamic Stock Fund - 2.00% (2017: 2.00%) per annum of the average annual net assets for the reported period.
- Atlas Money Market Fund - 0.45% (2017: 0.45%) per annum of the average annual net assets for the reported period.
- Atlas Pension Fund - 1.50% (2017: 1.50%) per annum of the average annual net assets for the reported period.
- Atlas Pension Islamic Fund - 1.50% (2017: 1.50%) per annum of the average annual net assets for the reported period.
- Atlas Stock Market Fund - 2.00% (2017: 2.00%) per annum of the average annual net assets for the reported period.
- Atlas Gold Fund - 1.00% (2017: 1.00%) per annum of the average annual net assets for the reported period.
- Atlas Sovereign Liquid Fund - 0.45% (2017: 0.45%) per annum of the average annual net assets for the reported period.

	Note	2018	2017
		------ (Rupees in '000) ------	
31. DIVIDEND INCOME			
Honda Atlas Cars (Pakistan) Limited (associated company)		**1,161,212**	862,393
Systems Limited		-	3,913
Mutual funds (related party)		**166,676**	116,549
Other companies		**275,853**	340,368
		1,603,741	1,323,223
32. RENTAL INCOME			
Office rental income		**25,359**	4,425
Rental income from investment properties		**335,946**	259,120
		361,305	263,545
33. OTHER OPERATING INCOME			
Income on loans, advances and bank balances		**564,286**	871,282
Net gain on investments carried at fair value through profit or loss			
- Net gain on sale of investments		**111,317**	226,703
- Net unrealised gain on revaluation of investments		**97,635**	368,973
		208,952	595,676
Net loss on sale of fixed assets		**(6,477)**	(14,012)
Exchange loss		**(31,788)**	(99)
Other		**267,186**	93,315
		1,002,158	1,546,162

E[illegible]

34. COST OF SALES AND SERVICES

	Note	2018	2017
		------ (Rupees in '000) ------	
Cost of sales			
Raw and ancillary materials consumed		57,261,125	70,818,479
Salaries, wages and benefits	34.1	5,737,093	4,194,078
Spare parts and other maintenance		1,260,241	306,136
Travelling and conveyance		222,901	188,844
Store consumption		1,309,262	1,242,891
Fuel, water and power		12,863,729	12,700,076
Rent rates and taxes		460,068	252,746
Insurance		293,360	376,445
Training expense		4,145	1,470
Repairs and maintenance		788,538	675,999
Depreciation	7.1.4	2,318,243	2,001,955
Amortisation		12,327	6,386
Canteen		147,401	112,251
Ijarah rentals		38,005	37,652
Royalties and technical fee		4,223,289	3,378,107
Printing and stationery		32,510	21,515
Postage, telephone and telegram		12,647	15,393
Subscription		6,107	26
Provision for obsolescence		25,817	41,799
Marking fee		69,765	58,547
Consultancy charges		16,755	59,144
Reimbursement of fixed expenses		(25,970)	(31,590)
Support services		21,590	10,800
Free replacement		519,096	374,768
Health, safety and environmental costs		21,559	13,835
General expenses		470,967	452,848
		88,110,570	97,310,600
Opening - Finished goods		1,349,924	1,115,393
- Work-in-progress		782,622	922,603
Purchases during the year		11,663,353	9,301,439
Transfers to fixed assets		(22,609)	-
Closing - Finished goods	14	(2,724,126)	(1,617,743)
- Work-in-progress	14	(929,646)	(784,425)
		10,119,518	8,937,267
		98,230,088	106,247,867
Cost of services			
Salaries and benefits	34.2	116,352	365,772
Storage and transportation		19,767	1,638
Travelling, conveyance and entertainment		7,484	25,317
Vehicle running		1,576	18,868
Postage and telephone		242	1,708
Repairs and maintenance		5,989	4,708
Software charges		186,639	5,401
Installation charges / subcontracting costs		3,003	124,284
Rent rates and taxes		9,573	23,735
Telephone and communication		-	6,728
Gas and electricity		11	4,226
Printing and stationery		-	7,974
Insurance		218	1,835
Training expenses		1,707	13,935
Fees and subscription		-	515
Advertisement		1,695	49,538
Depreciation	7.1.4	9,175	8,898
Others		56	21,850
		363,489	686,929
		98,593,577	106,934,796

34.1 Includes Rs.127,485 million (2017: Rs.1.501 million) in respect of employee retirement benefits.

34.2 Includes Rs.1.982 million (2017: Rs.80.938 million) in respect of employee retirement benefits.

35. DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	Note	2018	2017
		------ (Rupees in '000) ------	
Salaries, wages and benefits	35.1	**2,467,257**	1,948,990
Back office accounting services charges		**24,382**	2,592
Rent, rates and taxes		**166,116**	163,552
Travelling, conveyance and entertainment		**741,665**	248,927
Freight and forwarding		**280,149**	640,188
Printing and stationery		**56,048**	96,134
Gas, water and electricity		**49,360**	39,409
Vehicle running		**74,128**	75,776
Legal and professional		**167,669**	202,051
Auditors' remuneration	35.2	**16,998**	14,084
Insurance		**66,385**	56,177
Fee and subscription		**39,722**	29,254
Repairs and maintenance		**145,581**	59,078
Depreciation on			
- Operating fixed assets	7.1.4	**224,684**	167,700
- Investment properties	8	**24,814**	16,022
Amortisation on intangible assets		**6,456**	10,345
Postage, telephone and telegrams		**57,576**	50,588
Newspapers and periodicals		**13,647**	7,380
Staff training		**53,986**	39,131
Advertisements / sales promotion		**907,169**	766,504
Donation to Atlas Foundation - a related party		**140,031**	435,883
Tender expenses		**1,047**	-
Provision for doubtful debts		**15,209**	9,584
Internet charges		**5,473**	-
Security guard services		**2,518**	1,476
Directors' meeting fees		**22,185**	22,647
Directors' remuneration		**41,667**	37,591
Communication expense		**8,485**	3,578
Distribution		**15,865**	13,283
Provision for stock obsolescence		**4,853**	4,246
Provision for Worker's Profit Participation Fund		**474,163**	465,766
Provision for Worker's Welfare Fund		**160,429**	57,421
SECP monitoring fee		**470**	100
Loss on disposal and fixed assets written off		**164,069**	45,686
Ijarah rentals		**6,209**	6,765
Medical expenses		**184**	541
First free services charges		**174,356**	137,921
Exchange loss		**29,235**	5,791
Others		**38,020**	201,766
		6,888,261	6,083,927

35.1 Salaries and benefits include Rs.111.841 million (2017: Rs.105.261 million) in respect of employees' retirement benefits.

35.2 Auditors' remuneration

	EY Ford Rhodes	Hameed Chaudhri & Co.	Deloitte Yousuf Adil	A. F. Ferguson & Co.	2018 Total	2017 Total
	------	------	(Rupees in '000)	------	------	
Annual audit fee of Holding Company and subsidiary companies	**5,400**	**3,725**	**173**	**605**	**9,903**	8,608
Fee for half yearly review	**279**	**387**	**-**	**333**	**999**	956
Audit fee for consolidated financial statements	**850**	**-**	**-**	**-**	**850**	855
Audit fee for provident and gratuity funds	**184**	**365**	**-**	**718**	**1,267**	1,156
Consultancy and advisory services	**-**	**-**	**-**	**-**	**-**	195
Out of pocket expenses	**657**	**372**	**25**	**222**	**1,276**	819
Others	**2,717**	**1,239**	**118**	**-**	**4,074**	1,742
	10,087	**6,088**	**316**	**1,878**	**18,369**	14,331

	Note	2018	2017
		------ (Rupees in '000) ------	
36. FINANCE COST			
Interest / mark-up			
Banks			
- long term loans		**564,432**	645,867
- short term borrowings		**950,380**	758,325
- money market facilities		**110,412**	70,142
Workers' Profit Participation Fund		**1,389**	1,241
Guarantee and commission charges		**2,850**	4,558
Others		**51,933**	2,904
Banks and other charges		**39,943**	44,676
		1,721,340	1,527,713

	Note	2018	2017
37. SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURE- net of tax			
From associates	9.1	**2,006,936**	2,631,603
Deferred tax	25.1	**(582,012)**	(789,481)
		1,424,925	1,842,122

38. PROFIT BEFORE TAXATION

	2018			2017
	(Rupees in '000)			
	Manufacturing	**Trading**	**Total**	**Total**
Sales	**109,093,221**	**4,598,242**	**113,691,463**	124,215,402
Cost of sales	**94,753,483**	**3,476,605**	**98,230,088**	106,252,484
Gross profit	**14,339,738**	**1,121,637**	**15,461,375**	17,962,918
Services income			**279,667**	185,948
Commission income			**4,449,218**	1,247,854
Fee / commission from asset management			**306,187**	279,311
Dividend income			**1,603,741**	1,323,223
Rental income			**361,305**	263,545
Other operating income			**1,002,158**	1,546,057
			23,463,651	22,808,856
Expenses				
Cost of services			**363,489**	686,929
Selling and administrative expenses			**6,888,261**	6,120,380
Finance cost			**1,721,340**	1,527,995
			8,973,089	8,335,304
Share of profit of associates and joint venture - net of tax			**1,424,925**	1,842,122
Net profit before tax			**15,915,487**	16,315,674

	Note	2018	2017
		------ (Rupees in '000) ------	
39. TAXATION			
Current		**3,637,567**	3,325,755
Prior		**42,506**	(19,881)
Deferred	25.1	**193,958**	140,081
		3,874,031	3,445,955

EW

	2018	Restated (Refer note 1.3) 2017
	------ (Rupees in '000) ------	

40. EARNINGS PER SHARE - BASIC AND DILUTED

	2018	2017
Profit for the year after taxation attributable to equity holders of the Holding Company	8,862,096	9,820,604
Weighted average number of ordinary shares	220,112	220,112
Earnings per share - basic and diluted	40.26	44.62

41. CASH GENERATED FROM OPERATIONS

	2018	2017
Profit before taxation	15,915,486	16,324,431
Adjustments for:		
Depreciation	2,576,916	2,260,351
Amortisation of intangible asset	18,830	16,684
Provision for compensated absences	50,998	92,706
Provision for long service award	3,703	58
Provision for gratuity	32,222	12,131
Provision for stock obsolescence	30,670	46,045
Provision for doubtful debts	15,209	9,584
Exchange loss	31,788	99
Financial charges	1,721,340	1,527,713
Net (gain) / loss on sale of fixed assets	6,477	14,012
Share of profit from associated companies	(1,424,925)	(1,842,122)
Unrealised gain on held-for-trading investments	(97,635)	(368,973)
Net gain on sale / redemption of investments	(111,317)	(226,703)
Dividend income	(1,603,741)	(1,323,223)
	1,250,535	218,362
	17,166,021	16,542,793
Increase in stores, spare parts and loose tools	(1,247,685)	(923,326)
Increase in stock -in-trade	(2,712,222)	(4,940,657)
(Increase) / decrease in trade debts	(5,608,136)	(4,673,340)
(Increase) / decrease in receivable from funds under management	(399)	(8,988)
Increase in loans and advances	(20,331)	(99,883)
Increase in deposits, prepayments and other receivables	(965,011)	(758,410)
Increase in accrued interest	17,260	(40,076)
Increase in trade and other payables	4,280,046	15,340,272
	(6,256,477)	3,895,593
	10,909,544	20,438,386

42. REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND EXECUTIVES

	Chief Executive (Holding Company)		Executive Directors		Executives	
	2018	2017	2018	2017	2018	Restated * 2017
	(Rupees in '000)					
Managerial remuneration	11,692	6,368	85,742	137,940	575,238	663,216
Bonus	3,771	2,961	23,886	42,774	223,361	294,873
Rent	-	2,866	1,153	22,752	119,229	258,486
Utility	-	637	1,153	-	65,968	2,884
Termination Benefit	108	-	1,991	2,539	3,676	2,285
Reimbursable expenses	-	-	1,028	1,835	16,538	20,728
Retirement benefits	-	955	636	3,325	39,885	53,923
Fee and subscription	757	-	3,734	4,158	8,248	4,554
Others	-	-	15	929	7,207	11,052
	16,328	13,787	119,338	216,252	1,059,350	1,312,000
Number of persons	1	1	15	20	236	427

* The comparative figures have been restated due to change in definition of 'Executive' as per Companies Act, 2017.

43. TRANSACTIONS WITH RELATED PARTIES

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

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

		2018	2017
		------ (Rupees in '000) ------	
Nature of relationship	**Nature of Transaction**		
Associated companies	Purchase of assets	**1,003,580**	467,417
	Investments made	**2,341,282**	1,873,662
	Investments redeemed	**1,200,921**	1,197,815
	Expenses charged	**238**	4,522
	Dividend received	**13,584,634**	1,152,750
	Dividend paid	**2,042,136**	2,943,120
	Interest income	**228,250**	-
	Insurance premium paid	**975,492**	1,925,468
	Claim received / Receivable	**40,648**	19,305
	Commission income	**19,912**	10,192
	Commission expense	**5,767**	2,388,631
	Sale of fixed assets	**37,797**	30,960
	Sale of goods and rendering of service	**21,839,779**	21,724,186
	Reimbursement of expenses	**67,104**	37,913
	Expenses claimed	**-**	238
	Donation	**124,604**	148,713
	Rental Income	**-**	425
	Rent Expense	**211,002**	265,780
	Management fee	**188,594**	-
	Sindh sales tax on management fee	**44,781**	36,310
	Management fee received	**341,918**	270,545
	Formation cost recovered	**738**	499
	Purchase of mutual fund units	**14,038,307**	10,787,302
	Redemption of mutual fund units	**14,728,764**	9,178,730
	Transfer of tangible fixed assets	**358**	5,315
	Purchase of goods and services	**38,252,131**	31,445,127
	Royalty and technical fee	**3,837,535**	3,146,135
	Contribution to pension fund	**20,369**	24,425
	Payment against transfer of non operating undertaking	**-**	69,085
	Payment received against amalgamation	**-**	69,086
	Management fee receivable	**27,169**	33,995
	Management fee	**188,594**	274,319
	Formation cost receivable	**-**	1,258
	MUFAP - Annual Subscription	**-**	1,350
	Advance against purchase of vehicle	**1,730**	838
	Trade debt	**8,879**	33,332
	Trade payable	**139**	13,907
	Provision for outstanding claims (Including IBNR)	**-**	121,398
	Premium Received in advance	**627,166**	3,265
	Premium due but unpaid	**-**	380,624
	Dividend Receivable	**-**	11,050
	Premium collected	**1,001,161**	1,384,727
	Claims paid	**135,661**	152,134
	Contribution underwritten	**491**	-
	Issue of shares	**38,876**	-
	License and drawings fee paid	**52,400**	-
	Payment made on behalf of the fund	**1,479**	-

Nature of relationship	Nature of Transaction	2018	2017
		------ (Rupees in '000) ------	
	Purchase of Intangible assets	**-**	-
	Receivable in respect of gratuity	**41**	-
	Received against transfer of company maintaine	**46,255**	-
	Received against transfer of compensated absei	**1,214**	-
	Received against transfer of computer equipmer	**12**	-
	Received against transfer of office equipment	**41**	-
	Rent paid	**46,255**	-
Common directorship	Expenses paid on their behalf	**-**	3,903
	Donations paid	**286,146**	271,908
	Annual Subscription	**1,850**	-
Retirement benefit funds	Contribution to retirement benefit funds	**163,731**	17,224,069
Other related parties	Investments made	**1,752,094**	1,259,980
	Dividend income	**61,647**	116,549
	Sale of Vehicle on company policy	**4,613**	17,620
	Salaries and other short term employment benefits to key management personnel	**359,192**	359,061
	Sale of fixed assets	**15**	2,908
	Compensation	**3,539**	-
	Contribution collected	**5**	-
	Contribution underwritten	**4**	-
	Dividends paid	**621**	-
	Premium underwritten	**247**	-

43.1 Details of Related Parties

Name of related parties	Basis of relationship	Shareholding
Atlas Asset Management Limited (AAML)	Wholly owned subsidiary	**100.00%**
Atlas Engineering (Private) Limited (AEL)	Wholly owned subsidiary	**100.00%**
Shirazi Trading Company (Private) Limited (STC)	Wholly owned subsidiary	**100.00%**
Atlas Power Limited (APL)	Subsidiary	**84.60%**
Atlas Venture Limited (AVL)	Wholly owned subsidiary	**100.00%**
Atlas Autos (Private) Limited (AAPL)	Wholly owned subsidiary	**100.00%**
Atlas Metal (Private) Limited (AML)	Sub-subsidiary	**100.00%**
Atlas Services Limited (ASL)	Subsidiary	**83.11%**
Atlas Energy Limited (AENL)	Sub-subsidiary	**100.00%**
Atlas Global FZE (AGF)	Sub-subsidiary	**100.00%**
Atlas Insurance Limited (AIL)	Subsidiary	**75.33%**
Atlas Battery Limited (ABL)	Subsidiary	**58.86%**
Atlas Honda Limited (AHL)	Subsidiary	**52.43%**
Atlas Die Casting (Private) Limited (ADL)	Sub-subsidiary	**100.00%**
Atlas Aluminum Limited (AAL)	Sub-subsidiary	**100.00%**
Atlas World Wide General Trading LLC (AWWGT)	Sub-subsidiary	**49.00%**
Atlas Hitec (Private) Limited (AHPL)	Sub-subsidiary	**60.00%**
Honda Atlas Cars Pakistan Limited	Associated company	**30.64%**
Honda Atlas Power Products (Private) Limited	Associated company	**20.00%**
Atlas Foundation	Common directorship	**-**
Pakistan Cables Limited	Common directorship	**-**

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

44.2 Market risk

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

(i) Interest rate risk

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

	2018			
	Carrying amount (Rupees in '000)	Increase / (decrease) in basis points	Effect on profit before tax	Effect in Other Comprehensive Income
		---------- (Rupees in '000) ----------		
Financial assets				
Cash and bank balances	12,871,560	100	128,716	-
		(100)	(128,716)	
Short term investments	73,755	100	738	
		(100)	(738)	-
Financial liabilities				
Long term loans	3,209,587	100	32,096	-
		(100)	(32,096)	-
Islamic financing	7,531,404	100	75,314	-
		(100)	(75,314)	-
Running finances under mark-up arrangements	6,273,622	100	62,736	-
		(100)	(62,736)	-

	2017			
	Carrying amount (Rupees in '000)	Increase / (decrease) in basis points	Effect on profit before tax	Effect in Other Comprehensive Income
		---------- (Rupees in '000) ----------		
Financial assets				
Cash and bank balances	7,484,704	100	74,847	-
		(100)	(74,847)	-
Short term investments	74,998	100	738	
		(100)	(738)	-
Financial liabilities				
Long term loans	3,600,598	100	36,006	-
		(100)	(36,006)	-
Islamic financing	1,209,449	100	12,094	-
		(100)	(12,094)	-
Running finances under mark-up arrangements	4,356,607	100	43,566	-
		(100)	(43,566)	-

(ii) Foreign exchange risk

Foreign currency risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at the reporting date, if Rupee had strengthened by 10% against U.S Dollar, Japanese Yen and Euro with all other variables held constant, profit before taxation for the year would have (decreased) / increased by Rs.(11.153) million, Rs.104.569 million and Rs.(0.990) million respectively, mainly as a result of net foreign exchange (loss) / gain on translation of financial asset and liabilities.

44.3 Liquidity risk

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

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

2018	Less than 1 year	1 to 5 years	More than 5 years	Total
	(Rupees in '000)			
Liabilities				
Term loans	**2,393,122**	**3,209,587**	**-**	**5,602,709**
Deposits	**2,745**	**6,670**	**-**	**9,415**
Trade and other payables	**24,665,526**	**-**	**-**	**24,665,526**
Short term borrowings	**20,470,025**	**-**	**-**	**20,470,025**
Accrued mark-up	**302,506**	**-**	**-**	**302,506**
	47,833,924	**3,216,257**	**-**	**51,050,180**

2017	Less than 1 year	1 to 5 years	More than 5 years	Total
	(Rupees in '000)			
Liabilities				
Term loans	2,550,217	3,600,598	-	6,150,815
Deposits	-	1,993	-	1,993
Trade and other payables	20,303,551	-	-	20,303,551
Short term borrowings	13,124,056	-	-	13,124,056
Accrued mark-up	277,353	-	-	277,353
	36,255,177	3,602,591	-	39,857,768

44.4 Credit risk

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

	2018	2017
	(Rupees in '000)	
Long term investments	**2,327,600**	3,115,769
Long term loans	**44,942**	32,958
Deposits and other receivables	**1,222,141**	1,194,885
Trade debts	**19,286,873**	13,693,946
Receivable from funds under management	**25,975**	25,576
Short term loans and advances	**222,009**	201,678
Short term investments	**896,727**	891,740
Bank balances	**13,795,963**	10,795,185
	37,822,230	29,951,737

ETM

The analysis below summarizes the credit quality of the Company's investment in mutual funds as at June 30, 2018 and June 30, 2017:

Investments by rating category	June 30, 2018	June 30, 2017
	%	%
4-star	**0%**	10%
3-star	**1%**	1%
AM2+, AM2++	**26%**	0%
AA, AA-, AA+	**71%**	85%
A, A-, A+	**3%**	4%
	100%	100%

44.5 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.

44.5.1 Fair value hierarchy

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

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

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

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

	June 30, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Investment in related parties -	(Rupees in '000)			
available-for-sale				
- Mutual funds	-	-	-	-
- Listed shares	**1,791,575**	-	-	**1,791,575**
Investment in others				
available-for-sale				
- Mutual funds	-	**293,176**		**293,176**
- Listed shares	**3,217,657**	-	-	**3,217,657**
Investment- Mutual funds				
fair value through profit and loss	-	**807,870**	-	**807,870**
Investment- Pakistan investment bonds				
Held-to-maturity	-	**73,755**	-	**73,755**
	5,009,231	**1,174,801**	-	**6,184,033**

	June 30, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Investment in related parties -	(Rupees in '000)			
available-for-sale				
- Mutual funds	-	938,616	-	938,616
- Listed shares	-	-	-	-
Investment in others				
available-for-sale				
- Mutual funds	-	155,850		155,850
- Listed shares	2,997,513	-	-	2,997,513
Investment- Mutual funds				
fair value through profit and loss	-	761,394	-	761,394
	2,997,513	1,855,860	-	4,853,373

During the year ended June 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

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

44.7 Capital management

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

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

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

	2018	2017
	------ (Rupees in '000) ------	
Term loans	**5,602,709**	6,150,815
Short term borrowings	**20,470,025**	13,124,056
Debt	**26,072,734**	19,274,871
Equity	**70,142,180**	60,355,169
Equity plus debt	**96,214,914**	79,630,039
Gearing ratio	**27%**	24%

45. EMPLOYEE'S PROVIDENT FUND

Size of the fund	**1,495,617**	1,528,965
Carrying value of investments	**1,358,137**	1,303,017
Percentage of investments made	**97%**	96%
Fair value of investments	**1,457,121**	1,472,042

45.1 Break-up of Investments of provident fund

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

	2018		2017	
	Investments Rs. '000	% of investment as size of the fund	Investments Rs. '000	% of investment as size of the fund
PLS saving accounts	**55,080**	**3.68%**	24,377	1.59%
Special saving certificates	**86,952**	**5.81%**	62,965	4.12%
Mutual funds	**494,599**	**33.07%**	512,463	33.52%
Term finance certificates	**237,655**	**15.89%**	248,119	16.23%
Treasury bills	**440,624**	**29.46%**	473,054	30.94%
Short term deposits	**50,335**	**3.37%**	37,463	2.45%
Listed shares	**91,876**	**6.14%**	117,389	7.68%

45.1.1 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and conditions specified thereunder.

45.2 Number of employees

	2018	2017
Employees as on year end	**3,321**	2,689
Average number of employees	**3,293**	2,661

ETM

46. CORRESPONDING FIGURES

Certain prior year's figures have been reclassified, wherever necessary. However, there were no material reclassifications to the report.

47. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on 06 October 2018 has approved the following:

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

(ii) Payment of cash dividend of Rs. 5.2 per share for the year ended June 30, 2018, amounting to a total distribution of Rs. 1,144.58 million, for approval of the members at the Annual General Meeting to be held on 27 October 2018.

48. GENERAL

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

49. DATE OF AUTHORISATION FOR ISSUE

The consolidated financial statements were authorised for issue by the Board of Directors of the Group on 06 OCT 2018.

Chairman

Chief Executive Officer

Director