SHIRAZI INVESTMENTS (PRIVATE) LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Directors' Report

The Directors of your Company take pleasure in presenting their report together with the Company's annual audited financial statements for the year ended 30 June 2022.

Financial Results

The financial results of the Company for the year ended 30 June 2022 are summarized as follows:

	Year ended (30 June) 2022	2021
	Rupees in '000	
Profit before taxation	2,869,348	3,962,416
Taxation:		
Current Year	656,126	476,084
Prior year	(117,564)	(38,799)
Deferred	(25,941)	98,762
	512,621	536,047
Profit after taxation	2,356,727	3,426,369
Other comprehensive income / (loss)	(10,637)	50,885
Unappropriated Profit brought forward	2,517,087	640,244
Available for Appropriations	4,863,177	4,117,498
Interim Dividend 54.52% (2021: 45.45%)	(1,200,053)	(1,000,411)
Transfer to General Reserves during the year	(2,300,000)	(600,000)
Reclassification adjustment of realized loss on sale of investment at fair value through other comprehensive income	(100,470)	-
Unappropriated Profit/(loss) carried forward	1,262,654	2,517,087
Transfer to General Reserves (**proposed**)	1,000,000	2,300,000

Earnings per Share

The earnings per share after tax is Rs.10.71 (2021: Rs. 15.57).

Chairman's Review

The Chairman's Review included in the Annual Report deals inter alia with the Company's performance for the year ended 30 June 2022 and future prospects. The Directors endorse the contents of the Chairman's Review.

Board of Directors

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

Name	Designation	Meetings Attended	Leave Granted
Mr. Iftikhar H. Shirazi	Chairman	4	1
Mr. Aamir H. Shirazi	Director	5	-
Mr. Frahim Ali Khan	Director	5	-
Mr. Saquib H. Shirazi	Director	5	-
Mr. Ali H. Shirazi	Director	5	-

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

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

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

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

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

Auditors
A casual vacancy in the office of the present auditors arose as EY Ford Rhodes, Chartered Accountants, could not continue for the financial year 2021-22 due to their limitations and therefore resigned. The Board, in their place, appointed ShineWing Hameed Chaudhri & Co., Chartered Accountants, as statutory auditors of the Company for the financial year ending 30 June 2022.

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

Code of Corporate Governance

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

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There is no doubt about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- A summary of key operating and financial data of the Company is annexed.
- The Company operates a contributory provident fund for its management and non-management employees and funded defined benefit gratuity schemes for its management employees. The value of investments based on their respective audited accounts as at 30 June 2022 are as follows:

Provident Fund	Rs. 63.11 million
Gratuity Fund	Rs. 174.10 million

On behalf of the Board of Directors

Noorullah
Chief Executive Officer

Frahim Ali Khan
Director

Karachi: 7 October 2022

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Shirazi Investments (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

The financial statements of the Company for the year ended June 30, 2021 were audited by another firm of Chartered Accountants whose report dated October 6, 2021, expressed an unmodified opinion there on.

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

Shinewing Hameed Chaudhri & co.
SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 14 OCT 2022
UDIN: AR202210104yLPt2JHCU

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

ASSETS	Note	2022	2021
		----- Rupees in '000 -----	
Non current assets			
Property and equipment	5	406,799	374,417
Net investment in finance lease	6	40,095	47,084
Intangible assets	7	319	456
Investment properties	8	2,149,587	2,195,200
Long term investments	9	34,166,167	40,009,768
Deferred taxation - net	22	81,889	-
Loans to staff	10	2,521	2,609
Long term deposits		2,883	2,849
		36,850,260	42,632,383
Current assets			
Loans and advances	11	6,149	210,860
Prepayments and other receivables	12	262,268	375,644
Short term investments	13	11,233,628	11,780,402
Current portion of net investment in finance lease	6	6,989	5,274
Receivable from staff gratuity fund	25	42,639	55,153
Taxation - net		332,646	-
Bank balances	14	2,327	3,983
		11,886,646	12,431,316
Total assets		48,736,906	55,063,699

The annexed notes 1 to 43 form an integral part of these financial statements.

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
EQUITY AND LIABILITIES		----- Rupees in '000 -----	
Equity			
Share capital	15	2,201,124	2,201,124
Reserves	16	46,156,080	45,110,513
		48,357,204	47,311,637
Unrealized (loss) / gain on revaluation of investments - at fair value through other comprehensive income		(1,904,908)	5,395,556
		46,452,296	52,707,193
Liabilities			
Non current liabilities			
Long term deposits	17	4,496	3,865
Long term financing	18	-	25,758
Deferred income - government grant	19	-	341
Deferred liabilities	20	69,917	63,755
Lease liabilities	21	174,361	232,640
Deferred taxation - net	22	-	445,336
		248,774	771,695
Current liabilities			
Trade and other payables	23	33,050	123,885
Short term borrowings	24	1,868,260	1,234,783
Current portion of long term financing	18	25,758	49,080
Current portion of deferred income - government grant	19	341	3,094
Current portion of lease liabilities	21	58,332	45,897
Taxation - net		-	118,174
Accrued mark-up		50,095	9,898
		2,035,836	1,584,811
Total liabilities		2,284,610	2,356,506
Contingencies and commitments	26		
Total equity and liabilities		48,736,906	55,063,699

The annexed notes 1 to 43 form an integral part of these financial statements.

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-------- Rupees in '000 --------	
Profit for the year	**2,356,727**	3,426,369
Items that will not be reclassified to profit or loss		
Loss on sale of investment at fair value through other comprehensive income	**(7,611)**	-
Unrealized (loss) / gain on revaluation of investments - at fair value through other comprehensive income	**(7,890,262)**	9,199,753
Impact of deferred tax	**496,939**	(591,996)
	(7,400,934)	8,607,757
Remeasurement (loss) / gain on defined benefit plans	**(14,982)**	50,885
Impact of deferred tax	**4,345**	(14,757)
	(10,637)	36,128
Other comprehensive (loss) / gain for the year - net of tax	**(7,411,571)**	8,643,885
Total comprehensive (loss) / income for the year	**(5,054,844)**	12,070,254

The annexed notes 1 to 43 form an integral part of these financial statements.

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		------- Rupees in '000 ------	
INCOME			
Dividend income	27	4,205,325	2,922,609
Income on loans, advances and bank balances	28	45,873	4,245
Service income		102,830	30,498
		4,354,028	2,957,352
Capital gain on sale of investments in mutual funds		66,659	135,078
Unrealized (loss) / gain on remeasurement of investments - at fair value through profit or loss	13.4	(523,245)	789,864
Capital gain on sale of investment property		-	265,455
Amortization of deferred income - government grant	19	3,094	5,517
Rental income	29	120,160	146,381
Reversal of expected credit losses		29,755	89,429
Other income	30	7,107	5,550
		4,057,558	4,394,626
EXPENSES			
Administrative expenses	31	(809,774)	(679,261)
(Provision) / reversal against compensated absences		(15,932)	9,225
(Provision) / reversal for impairment of long term investment - net	9.5	(195,026)	425,901
Operating profit		3,036,826	4,150,491
Finance costs	32	(167,478)	(188,075)
Profit before taxation		2,869,348	3,962,416
Income tax expense	33	(512,621)	(536,047)
Profit for the year		2,356,727	3,426,369
		------------ Rupees ------------	
Earnings per share - basic and diluted	34	10.71	15.57

The annexed notes 1 to 43 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserves: Share premium	Capital reserves: Amalgamation reserve	Revenue reserves: General reserve	Revenue reserves: Unappropriated profit	Unrealised (loss) / gain on revaluation of investments at fair value through OCI	Total
	Rupees in '000						
Balance as at June 30, 2020	2,201,124	26,839,742	1,222,562	13,931,122	640,244	(3,197,444)	41,637,350
Transfer to general reserves	-	-	-	600,000	(600,000)	-	-
Profit for the year	-	-	-	-	3,426,369	-	3,426,369
Other comprehensive income	-	-	-	-	50,885	8,593,000	8,643,885
Total comprehensive income	-	-	-	-	3,477,254	8,593,000	12,070,254
Dividend paid	-	-	-	-	(1,000,411)	-	(1,000,411)
Balance as at June 30, 2021	2,201,124	26,839,742	1,222,562	14,531,122	2,517,087	5,395,556	52,707,193
Transfer to general reserves	-	-	-	2,300,000	(2,300,000)	-	-
Profit for the year	-	-	-	-	2,356,727	-	2,356,727
Other comprehensive loss	-	-	-	-	(10,637)	(7,400,934)	(7,411,571)
Total comprehensive income / (loss)	-	-	-	-	2,346,090	(7,400,934)	(5,054,844)
Dividend paid	-	-	-	-	(1,200,053)	-	(1,200,053)
Reclassification adjustment of realised loss on sale of investment at fair value through other comprehensive income	-	-	-	-	(100,470)	100,470	-
Balance as at June 30, 2022	**2,201,124**	**26,839,742**	**1,222,562**	**16,831,122**	**1,262,654**	**(1,904,908)**	**46,452,296**

The annexed notes 1 to 43 form an integral part of these financial statements.

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		--------- Rupees in '000 ---------	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	35	(338,821)	316,340
Finance costs paid		(100,393)	(176,700)
Dividend received		4,218,869	3,347,521
Gratuity paid		-	(41,815)
Payment for compensated absences		(8,204)	(1,568)
Taxes paid		(989,382)	(543,633)
Payment under long service award scheme		(15,376)	(852)
Long term deposits		(34)	(295)
Long term loans to staff		88	(1,649)
Net cash generated from operating activities		2,766,747	2,897,349
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property and equipment		(98,417)	(50,179)
Payments for capital work in progress		(42,471)	(19,621)
Payments for investment properties		(18,618)	-
Proceeds from sale of fixed assets		32,633	11,939
Proceeds from sale of investments in listed equity shares		249,686	88,755
Proceeds from sale of properties		-	278,900
Investments made in mutual funds		(1,098,248)	(207,085)
Redemption of mutual funds		2,257,221	802,020
Long term investments - net		(669,623)	(775,236)
Investments made in listed equity shares		(2,703,120)	(618,557)
Net cash used in investing activities		(2,090,957)	(489,064)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,200,053)	(1,000,411)
Long term deposits - net		631	(612)
Proceeds from long term financing - government grant		-	44,091
Repayment of long term financing - government grant		(49,080)	(26,089)
Lease liability paid		(72,732)	(66,466)
Proceeds from investment in finance lease		10,311	9,373
Short term borrowings - net		633,477	(1,366,132)
Net cash used in financing activities		(677,446)	(2,406,246)
Net (decrease) / increase in cash and cash equivalents		(1,656)	2,039
Cash and cash equivalents at beginning of the year		3,983	1,944
Cash and cash equivalents at end of the year	14	2,327	3,983

The annexed notes 1 to 43 form an integral part of these financial statements.

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. THE COMPANY AND ITS OPERATIONS

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provision of and directives issued under the Act.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

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

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

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

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

(iii) Determining the residual values and useful lives of investment properties [notes 4.3 & 8]

(iv) Estimate of payables and receivables in respect of staff retirement benefit schemes [notes 4.11, 20, 25 & 31.1]

(v) Estimation of current and deferred tax [notes 4.17, 22 & 33]

3. NEW AND AMENDED STANDARDS AND INTREPRETATIONS

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

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2021:

(a) Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 1, 2020 and April 1, 2021. Under IFRS 16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The Board has extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2021 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on June 1, 2021 and have not been early adopted by the Company:

(a) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendment is not expected to have material impact on the Company's financial statements.

(b) Annual improvements 2018 are applicable for annual periods beginning on or after January 1, 2022. These amendments include changes from the 2018-2020 cycle of annual improvements project that mainly affect following standards:

(i) Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards', simplifies the application of IFRS 1 for a subsidiary that becomes a first time adopter of IFRS later than its parent – i.e. if a subsidiary adopts IFRS later than its parent and applies, then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS.

(ii) Amendment to IFRS 9 'Financial Instruments', clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

(iii) Amendment to IFRS 16 'Leases' Illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

(iv) Amendment to IAS 41 'Agriculture', removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 'Fair Value Measurement'.

(c) Amendment to IAS 16 'Property, Plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments. The amendment not expected to have material impact on the Company's financial statements.

(d) Amendments to IAS 1 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period.

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

(f) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' will be applicable on accounting periods beginning on or after January 1, 2023. The IASB has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 'Financial Instruments'; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

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

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property and equipment

(a) Owned assets and depreciation thereon

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

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

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

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

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

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

(b) Right-of-use assets

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

4.2 Intangible assets

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

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

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

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

4.3 Investment properties

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

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

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

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

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

4.4 Impairment of non-financial assets

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

4.5 Financial Assets

4.5.1 Classification

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

(a) Financial assets at amortised cost

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

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

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

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

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

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

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

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

4.5.2 Recognition and measurement

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

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

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

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

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

4.6 Financial liabilities

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

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

4.7 Off setting financial instruments

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

4.8 Derivatives financial instruments

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

4.9 Investment in subsidiaries, associates and joint venture

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

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

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

4.10 Cash and cash equivalents

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

4.11 Retirement and other service benefit obligations

4.11.1 Defined benefits plan

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

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

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

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

4.11.2 Defined contribution plan

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to a defined contribution plan is recognised as an employee service benefit expense in the statement of profit or loss when it is due.

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

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

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

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

4.11.3 Employee compensated absences

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

4.11.4 Long service award

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

4.12 Trade and other payables

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

4.13 Lease liabilities

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

Company as a lessee

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

Lease liabilities

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

Short-term leases

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

Determining the lease term of contracts with renewal and termination options

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

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

Estimating the incremental borrowing rate

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

4.14 Company as a lessor

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

Finance lease

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

Recognition and measurement

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

Initial measurement

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

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

Subsequent measurement

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

Operating lease

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

Recognition and measurement

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

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

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

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

4.15 Borrowings

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

4.16 Government grants

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

4.17 Taxation

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

Current

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

Deferred

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

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

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

4.18 Revenue recognition

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

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

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

Rental and service income is recognised on accrual basis.

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

4.19 Foreign currency transactions

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

4.20 Dividend and appropriation to reserves

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

4.21 Earnings per share

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

5 PROPERTY AND EQUIPMENT

	Note	2022	2021
		-------- Rupees in '000 -------	
Operating fixed assets	5.1	**200,411**	169,960
Capital work-in-progress	5.3	**62,092**	19,621
Right of use assets	5.4	**144,296**	184,836
		406,799	374,417

5.1 Operating fixed assets

	Office Premises	Furniture & Fixtures	Motor Vehicles	Office Equipment	Air Conditioners	Generators	Computers	Cargo Lift	Total
	Rupees in '000								
As at July 01, 2020									
Cost	2,000	15,706	105,258	56,443	18,439	14,625	64,664	9,725	286,860
Accumulated depreciation	(1,565)	(4,076)	(50,892)	(14,585)	(3,576)	(5,760)	(37,335)	(6,899)	(124,688)
Net Book Value	**435**	**11,630**	**54,366**	**41,858**	**14,863**	**8,865**	**27,329**	**2,826**	**162,172**
Year ended June 30, 2021									
Opening net book value	435	11,630	54,366	41,858	14,863	8,865	27,329	2,826	162,172
Additions	-	-	36,658	1,657	633	-	11,231	-	50,179
Disposals									
Cost	-	-	(22,829)	(196)	-	-	(237)	-	(23,262)
Accumulated depreciation	-	-	11,204	2	-	-	118	-	11,324
	-	-	(11,625)	(194)	-	-	(119)	-	(11,938)
Depreciation	(43)	(1,163)	(13,202)	(4,224)	(1,525)	(886)	(9,127)	(283)	(30,453)
Closing net book value	**392**	**10,467**	**66,197**	**39,097**	**13,971**	**7,979**	**29,314**	**2,543**	**169,960**
As at June 30, 2021									
Cost	2,000	15,706	119,087	57,904	19,072	14,625	75,658	9,725	313,777
Accumulated depreciation	(1,608)	(5,239)	(52,890)	(18,807)	(5,101)	(6,646)	(46,344)	(7,182)	(143,817)
Net Book Value	**392**	**10,467**	**66,197**	**39,097**	**13,971**	**7,979**	**29,314**	**2,543**	**169,960**
Year ended June 30, 2022									
Opening net book value	392	10,467	66,197	39,097	13,971	7,979	29,314	2,543	169,960
Additions	-	1,991	78,842	2,349	1,783	-	13,452	-	98,417
Disposals									
Cost	-	-	(60,114)	(185)	-	-	(458)	-	(60,757)
Accumulated depreciation	-	-	29,926	19	-	-	249	-	30,194
	-	-	(30,188)	(166)	-	-	(209)	-	(30,563)
Depreciation	(39)	(1,159)	(18,174)	(4,042)	(1,535)	(798)	(11,402)	(254)	(37,403)
Closing net book value	**353**	**11,299**	**96,677**	**37,238**	**14,219**	**7,181**	**31,155**	**2,289**	**200,411**
As at June 30, 2022									
Cost	2,000	17,697	137,815	60,068	20,855	14,625	88,652	9,725	351,437
Accumulated depreciation	(1,647)	(6,398)	(41,138)	(22,830)	(6,636)	(7,444)	(57,497)	(7,436)	(151,026)
Net Book Value	**353**	**11,299**	**96,677**	**37,238**	**14,219**	**7,181**	**31,155**	**2,289**	**200,411**
Depreciation rate - (% - per annum)	10	10	20	10	10	10	30	10	

5.2 Details of operating assets disposed off during the year

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Method of disposal	Sold to
	----------	----------	Rupees in 000	----------	----------		
Items with individual net book value exceeding Rs.500,000							
Motor vehicles							
	3,407	(454)	2,953	2,953	-	Company Policy	Atlas Honda Limited, a subsidiary company
	4,369	(1,712)	2,657	2,657	-	Company Policy	Atlas Honda Limited, a subsidiary company
	3,417	(1,045)	2,372	2,372	-	Company Policy	Atlas Honda Limited, a subsidiary company
	2,954	(1,367)	1,587	1,587	-	Company Policy	Atlas Honda Limited, a subsidiary company
	2,270	(1,084)	1,186	1,186	-	Company Policy	Atlas Honda Limited, a subsidiary company
	1,441	(401)	1,040	1,040	-	Insurance Claim	Atlas Insurance Limited, a subsidiary company
							Employees
	1,665	(1,017)	648	648	-	Company Policy	Mr. Khurshid Ahmed Minhas
	1,665	(1,027)	638	638	-	Company Policy	Mr. Rizwan Yousuf Khan
	2,243	(1,518)	725	725	-	Company Policy	Mr. Mohammad Sharif
	696	(35)	661	661	-	Company Policy	Mr. Arsalan Faiyaz
	1,250	(734)	516	516	-	Company Policy	Mr. Abdullah Haji
	2,243	(1,399)	844	844	-	Company Policy	Mr. Sarfraz Hassan
	2,976	(2,096)	880	2,950	2,070	Company Policy	Mr. Iftikhar H. Shirazi (Key Management Personnel)
	2,378	(1,433)	945	945	-	Company Policy	Mr. Irfan Ibrahim (Key Management Personnel)
	2,966	(2,038)	928	928	-	Company Policy	Mr. Iftikhar H. Shirazi (Key Management Personnel)
	2,976	(2,130)	846	846	-	Company Policy	Mr. Noor Ullah R. Hassan (Key Management Personnel)
	2,966	(2,140)	826	826	-	Company Policy	Mr. Aamir H. Shirazi (Key Management Personnel)
							Ex - employees
	1,919	(888)	1,031	1,031	-	Company Policy	Mr. Shabbir Hussain
	2,592	(546)	2,046	2,046	-	Company Policy	Mr. Najeeb Ullah Soomro
	1,590	(589)	1,001	1,001	-	Company Policy	Ms. Zubeda Raees
	3,504	(1,336)	2,168	2,168	-	Company Policy	Mr. Jawaid Iqbal Ahmed (Key Management Personnel)
	2,660	(1,570)	1,090	1,090	-	Company Policy	Mr. Jawaid Iqbal Ahmed (Key Management Personnel)
	54,147	**(26,559)**	**27,588**	**29,658**	**2,070**		
Various assets having net book value upto Rs.500,000 each	**6,610**	**(3,635)**	**2,975**	**2,975**	**-**		
June 30, 2022	**60,757**	**(30,194)**	**30,563**	**32,633**	**2,070**		
June 30, 2021	23,262	(11,324)	11,938	11,938	-		

5.3 Capital work-in-progress

	2021	Additions	Transfers	2022
	----------	Rupees in '000	----------	
Building	19,621	23,294	-	**42,915**
Advance for capital expenditure				
- Computer	-	1,635	-	**1,635**
- Vehicles	-	4,006	-	**4,006**
- Investment property	-	12,500	-	**12,500**
- Intangible assets	-	1,036	-	**1,036**
	19,621	42,471	-	**62,092**

5.4 Right of use assets

	Note	2022	2021
		-------- Rupees in '000	-------
Balance at beginning of the year		**184,836**	239,553
Depreciation charged during the year		**(40,540)**	(54,717)
Net book value at end of the year		**144,296**	184,836

6. NET INVESTMENT IN FINANCE LEASE

	Note	2022	2021
Net investment in finance lease		**47,084**	52,358
Current portion shown under current assets		**(6,989)**	(5,274)
	6.1	**40,095**	47,084

6.1 Maturity analysis of finance lease payments

	Not later than one year	One to five year	2022	Not later than one year	One to five year	2021
	----------	----------	----------	Rupees in '000	----------	----------
Gross investment in lease	**11,341**	**46,830**	**58,171**	10,310	58,172	68,482
Less: unearned finance income	**(4,352)**	**(6,735)**	**(11,087)**	(5,036)	(11,088)	(16,124)
Net investment in finance lease	**6,989**	**40,095**	**47,084**	5,274	47,084	52,358

7. INTANGIBLE ASSETS

This represent computer software license:

	Note	2022	2021
		-------- Rupees in '000 -------	
Net book value at the beginning of the year		**456**	649
Amortisation charge	7.1	**(137)**	(193)
Net book value at the end of the year		**319**	456
Annual rate of amortisation		**30%**	30%

7.1 Amortisation charge for the year Rs.137 thousand (2021: Rs.193 thousand) has been grouped under administrative expenses (Note 31).

8. INVESTMENT PROPERTIES

	Freehold land	Leasehold land	Warehouse building on leasehold land	Warehouse building on freehold land	Warehouse building - on freehold land - under construction	Building on freehold land	Building on leasehold land	Total
	Rupees in 000							
As at July 01, 2020								
Cost	1,176,128	1,112,678	68,235	296,570	-	5,369	259,532	2,918,512
Accumulated depreciation	-	(166,676)	(32,127)	(57,154)	-	(962)	(97,118)	(354,037)
Net Book Value	**1,176,128**	**946,002**	**36,108**	**239,416**	-	**4,407**	**162,414**	**2,564,475**
Year ended June 30, 2021								
Opening net book value	1,176,128	946,002	36,108	239,416	-	4,407	162,414	2,564,475
Disposals								
- Cost	(265,555)	-	(68,235)	-	-	-	-	(333,790)
- Accumulated Depreciation	-	-	32,127	-	-	-	-	32,127
	(265,555)	-	(36,108)	-	-	-	-	(301,663)
Depreciation charged	-	(47,300)	-	(11,971)		(220)	(8,121)	(67,612)
Closing net book value	**910,573**	**898,702**	-	**227,445**	-	**4,187**	**154,293**	**2,195,200**
As at June 30, 2021								
Cost	910,573	1,112,678	-	296,570	-	5,369	259,532	2,564,722
Accumulated depreciation	-	(213,976)	-	(69,125)	-	(1,182)	(105,239)	(369,522)
Net Book Value	**910,573**	**898,702**	-	**227,445**	-	**4,187**	**154,293**	**2,195,200**
Year ended June 30, 2022								
Opening net book value	910,573	898,702	-	227,445	-	4,187	154,293	2,195,200
Additions	-	-	-	-	18,618	-	-	18,618
Depreciation charged	-	(44,935)	-	(11,372)	-	(209)	(7,715)	(64,231)
Closing net book value	**910,573**	**853,767**	-	**216,073**	**18,618**	**3,978**	**146,578**	**2,149,587**
As at June 30, 2022								
Cost	910,573	1,112,678	-	296,570	18,618	5,369	259,532	2,603,340
Accumulated depreciation	-	(258,911)	-	(80,497)	-	(1,391)	(112,954)	(453,753)
Net Book Value	**910,573**	**853,767**	-	**216,073**	**18,618**	**3,978**	**146,578**	**2,149,587**
Depreciation rate (% - per annum)	**5**	**5**	**5**	**5**	**0**	**5**	**5**	

The Company carried out the fair valuation exercise by M/s. Surval Engineering an independent professional valuer during the year ended June 30, 2022, which has determined the aggregate fair value of the above properties as Rs. 12,289 million (2021: Rs.12,041 million).

9. LONG TERM INVESTMENTS

	Note	2022	2021
		-------- Rupees in '000 -------	
In related parties			
Investment in subsidiaries	9.1	**25,527,266**	24,908,109
Investment in associates	9.2	**8,566,901**	15,080,125
Investment in joint venture	9.3	**72,000**	-
Investment in other companies	9.4	**-**	21,534
		34,166,167	40,009,768

9.1 Investment in subsidiaries - at cost

2022 Number of shares	2021 Number of shares	2022 Equity held	2021 Equity held	Name of Company	Note	2022 Rupees in 000	2021 Rupees in 000
				Unlisted shares			
23,686,454	23,686,454	**100%**	100%	Atlas Engineering (Private) Limited		**387,677**	387,677
7,400,003	7,400,003	**100%**	100%	Atlas Energy Limited		**73,287**	73,287
436,500,000	401,000,000	**92.1%**	84.6%	Atlas Power Limited	9.1.1	**5,671,229**	5,067,729
25,000,000	25,000,000	**100%**	100%	Atlas Asset Management Limited		**225,933**	225,933
55,000,000	55,000,000	**100%**	100%	Shirazi Trading Company (Private) Limited		**574,798**	574,798
6,001	6,001	**100%**	100%	Atlas Venture Limited		**10,044**	10,044
100,000,000	100,000,000	**100%**	100%	Atlas Autos (Private) Limited		**1,000,000**	1,000,000
-	-	**100%**	100%	Atlas Services (Private) Limited	9.1.2	**-**	13,867
39,000,000	11,498,400	**100%**	100%	Zhenfa Pakistan New Energy Company Limited	9.1.3	**390,000**	114,984
55,000,000	55,000,000	**100%**	100%	Atlas Metals (Private) Limited	9.1.4	**1,998,692**	1,998,692
				Less: impairment		**(1,405,433)**	(1,287,016)
						593,259	711,676
				Unlisted shares			
65,064,831	65,064,831	**52.4%**	52.4%	Atlas Honda Limited		**11,936,667**	11,936,667
				Market value Rs.377.60 per share			
16,489,173	14,338,412	**58.9%**	58.9%	Atlas Battery Limited	9.1.4	**2,961,729**	2,961,729
				Market value Rs.171.91 per share			
				Less: impairment		**(127,075)**	-
						2,834,654	2,961,729
70,346,141	63,951,038	**75.3%**	75.3%	Atlas Insurance Limited		**1,829,718**	1,829,718
				Market value Rs.57.50 per share			
						25,527,266	24,908,109

9.1.1 During the year, the Company acquired 35,500,000 fully paid-up ordinary shares of Atlas Power Limited (APL), representing approximately 7.5% percent of the total issued and paid-up share capital of APL, from Allied Bank Limited against a consideration of Rs. 603.5 million. These sponsor shares held under blocked account as per the requirements of the Securities and Exchange Commission of Pakistan (SECP) and cannot be sold without regulatory approval.

9.1.2 During the prior year, shareholders of the Atlas Services (Private) Limited (ASL), by a special resolution in Extraordinary General Meeting dated April 02, 2019, resolved to wind up the affairs of ASL through members' voluntary winding up mode pursuant to section 237 of the Act and appointed a liquidator. The liquidator, in pursuance of section 371 read with section 321 of the Act submitted his preliminary report to the Registrar and made final payment to shareholders.

During the current year, Securities & Exchange Commission of Pakistan Acknowledged the receipt of the document(s) filed, registered and recorded pursuant to the provisions of the Companies Act, 2017 (XIX of 2017). Consequently, ASL has been dissolved and discontinued to be classified as subsidiary company at year end.

9.1.3 During the year, the Company further acquired 27,501,600 shares (2021: 11,496,400 shares) against subscription of right shares amounting to Rs.275.02 million (2021: 114.98 million) paid to Zhenfa Pakistan New Energy Company Limited (sub-subsidiary company).

9.1.4 The recoverable amount of Atlas Battery Limited has decreased resulting in a charge of impairment of Rs. 127.075 million (2021: Nil), whereas the recoverable amount of Atlas Metals (Private) Limited have further declined resulting in charge of impairment amounting to Rs.118.417 million (2021: Rs. 117.648 million).

9.2 Investment in associates

	Note	2022	2021
		------- Rupees in '000 -------	
Listed shares - at fair value through other comprehensive income	**9.2.1**	**8,396,689**	14,909,913
Unlisted shares - at cost	**9.2.2**	**170,212**	170,212
		8,566,901	15,080,125

9.2.1 Listed shares - at fair value through other comprehensive income

2022	2021	Name of Company	2022 Cost	2022 Fair value	2021 Cost	2021 Fair value
Number of shares			------- Rupees in '000 -------			
43,119,650	43,119,650	Honda Atlas Cars (Pakistan) Limited Fully paid ordinary shares of Rs.10 Holding: 30.20% (2021: 30.20%)	**11,808,916**	**8,396,689**	11,808,916	14,909,913

9.2.2 Unlisted shares

2022	2021	2022	2021	Name of Company	2022	2021
Number of shares		Equity held			------ Rupees in '000 ------	
882,400	882,400	**20%**	20%	Honda Atlas Power Product (Private) Limited	**8,824**	8,824
258,728	258,728	**26%**	26%	Integration Xperts (Private) Limited	**161,388**	161,388
					170,212	170,212

9.3 Investment in Joint venture - unlisted

2022	2021	2022	2021	Name of Company	2022	2021
Number of shares		Equity held				
				Un-listed shares		
10,765,000	10,765,000	**50%**	50%	Madian Hydro Power Limited	**107,650**	107,650
				Provision for impairment	**(35,650)**	(107,650)
					72,000	-

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

Technical feasibility of MHPL was completed in 2009, which was approved by the Private Power and Infrastructure Board (PPIB). Due to the law and order situation in Swat and adjoining areas the project was not undertaken. In view of the uncertainty involved, the management of the Company in the prior years had decided to record full impairment loss on this investment in MHPL amounting to Rs. 107 million. During the year, MHPL entered into an agreement with Pakhtunkhwa Energy Development Organization (PEDO) for sale of the feasibility study for total consideration of Rs.160 million and has also received the sale consideration net of tax. Accordingly, reversal of impairment loss net of tax has been booked in these financial statements.

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

2022	2021	2022	2021	Name of Company	2022	2021
Number of shares		Equity held			------ Rupees in '000 ------	
				Un-listed shares		
5,661,524	5,661,524	**5.6%**	5.6%	Techlogix International Limited Fully paid ordinary shares of US$ 0.0001468 each	**64,748**	64,748
				Provision for impairment	**(64,748)**	(64,748)
					-	-
3,000,000	3,000,000	**10.2%**	10.2%	Naymat Collateral Management Company Limited	**30,000**	30,000
				Provision for impairment	**(30,000)**	(8,466)
					-	21,534
					-	21,534

9.5 Movement in provision for impairment

	Note	2022	2021
		------- Rupees in '000 -------	
Balance at beginning of the year		**2,026,325**	2,452,226
Charge for the year	**9.1.4**	**267,026**	126,114
Reversal for the year	**9.3.1**	**(72,000)**	(552,015)
		195,026	(425,901)
Balance at end of the year		**2,221,351**	2,026,325

10 LOANS TO STAFF - secured, considered good

	Note	2022	2021
Key management personnel		**1,024**	-
Others		**7,341**	6,985
	10.1	**8,365**	6,985
Less: amounts due within one year - and shown under current assets			
Key management personnel		**(820)**	-
Others		**(5,024)**	(4,376)
	11	**(5,844)**	(4,376)
		2,521	2,609

10.1 Represents loans provided to employees of the Company in the form of staff personal loan and motor vehicle interest free loan. Loans aggregating Rs. 1.335 million (2021: Rs. 1.362 million) are provided for purchase of motorcycles and are repayable in forty eight equal monthly instalments. Personal loans are secured against respective retirement benefits of the employees and motorcycle loans are secured against respective motorcycles and employees' vested retirement benefits. Advances are unsecured and are repayable in twenty four equal monthly instalments.

11 LOANS AND ADVANCES

	Note	2022	2021
		Rupees in '000	
Current portion of long term loans	10	**5,844**	4,376
Loan to a related party	11.1	-	240,000
Provision for expected credit loss		-	(35,719)
		-	204,281
Unsecured Advances - Considered Good			
Other advances	11.2	**305**	2,203
		6,149	210,860

11.1 This represents interest free and unsecured loan given to Atlas Metals (Private) Limited. During the year, the Company received full repayment of this loan.

11.2 This includes advance to Honda Atlas Cars (Pakistan) Limited (associated company) of Rs 0.305 million (2021: Nil). The maximum aggregate amount of advance to related parties at the end of any month during the year was Rs. 19.653 million (2021: Rs.14.85 million).

12. PREPAYMENTS AND OTHER RECEIVABLES

	Note	2022	2021
		Rupees in '000	
Prepayments		**19,001**	15
Advance against shares	12.1	-	198,044
Convertible cash advance	12.2	**176,630**	-
Sales tax asset		**1,512**	6,906
Dividend receivables		**3,925**	17,469
Other receivables			
Receivable from Suroor Investments Limited	12.3	**102,579**	102,579
Receivable from employees		**1,808**	-
Receivable from a subsidiary company	12.4	**65,475**	153,110
Others		**65**	100
		169,927	255,789
Provision for expected credit losses		**(6,148)**	-
Provision against other receivables	12.3	**(102,579)**	(102,579)
	12.5	**262,268**	375,644

12.1 Last years' balance represents advance against subscription of right shares amounting to Rs.198.04 million paid to Zhenfa Pakistan New Energy Company Limited (a sub-subsidiary company) against which share have been issued during the year 2022 (refer note 9.1.3).

12.2 This represents convertible cash advance against subscription of shares amounting to Rs. 176.63 million paid to MedznMore (Private) Limited.

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

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

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

13. SHORT TERM INVESTMENTS

	Note	2022	2021
		------- Rupees in '000 -------	
Investment in listed shares - at fair value through other comprehensive income	13.1	**6,316,579**	5,247,789
Investment in mutual funds - at fair value through profit or loss			
- associates	13.2	**4,493,556**	5,497,508
- other related parties	13.3	**423,493**	1,035,105
		11,233,628	11,780,402

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

2022 Number of shares	2021 Number of shares	Name of Company	Note	2022 Cost	2022 Fair value	2021 Cost	2021 Fair value
				------ Rupees in 000 ------			
12,003,424	970,880	Habib Bank Limited		**1,475,377**	**1,096,393**	182,514	118,807
10,081,386	903,591	Meezan Bank Limited		**1,286,161**	**1,138,995**	52,085	114,712
14,636,936	13,536,936	Cherat Cement Company Limited		**1,307,435**	**1,361,821**	1,131,247	2,401,182
-	3,044,150	Bank Alfalah Limited		**-**	**-**	128,968	97,961
-	1,303,900	United Bank Limited		**-**	**-**	228,800	159,337
7,609,654	3,804,827	Systems Limited		**178,280**	**2,510,120**	178,280	2,131,540
1,500,000	1,500,000	Pakistan Cables Limited		**240,407**	**209,250**	240,407	224,250
			13.1.1	**4,487,660**	**6,316,579**	2,142,301	5,247,789

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

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

2022 Number of shares	2021 Number of shares	Name of Mutual Funds	Note	2022 Carrying value	2022 Fair value	2021 Carrying Value	2021 Fair value
				------ Rupees in 000 ------			
198,079	198,079	Atlas Aggressive Allocation Islamic Plan Holding: 82.77% (2021: 91.64%)		**117,754**	**109,643**	94,672	117,754
199,471	199,471	Atlas Moderate Allocation Islamic Plan Holding: 80.20% (2021: 86.99%)		**116,367**	**113,057**	98,808	116,367
199,639	199,639	Atlas Conservative Allocation Islamic Plan Holding: 72.42% (2021: 81.89%)		**113,218**	**113,241**	103,369	113,215
424,697	-	Atlas Islamic Capital Preservation Plan II Holding: 44.93%% (2021: 0%)		**212,349**	**212,298**	-	-
1,339,297	3,925,643	Atlas Income Fund Holding: 26.30% (2021: 41.11%)		**699,863**	**701,072**	2,039,489	2,051,384
1,964,413	442,192	Atlas Islamic Stock Fund Holding: 25.16% (2021: 9.36%)		**1,122,880**	**971,221**	201,489	253,434
3,829,218	3,829,218	Atlas Stock Market Fund Holding: 25.04% (2021: 26.73%)		**2,634,807**	**2,273,024**	1,978,595	2,634,809
-	396,267	Atlas Islamic Capital Preservation Plan Holding: Nil (2021: 42.47%)		**-**	**-**	197,535	210,545
			13.2.1	**5,017,235**	**4,493,556**	4,713,957	5,497,508

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

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

2022 Number of shares	2021 Number of shares	Name of Mutual Funds	2022 Carrying Value	2022 Fair value	2021 Carrying Value	2021 Fair value
			Rupees in 000			
1,994,554	2,959,895	Atlas Sovereign Fund Holding: 16.63% (2021: 13.45%)	**201,533**	**201,969**	293,647	299,305
443,049	410,139	Atlas Islamic Money Market Fund Holding: 15.31% (2021: 32.21%)	**221,524**	**221,524**	205,070	205,070
-	1,049,122	Atlas Money Market Fund Holding: Nil (2021: 2.19%)	-	-	530,075	530,730
			423,057	**423,493**	1,028,792	1,035,105

13.4 Unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss

	Note	2022	2021
		Rupees in '000	
Market value of investment	13.2 & 13.3	**4,917,049**	6,532,613
Carrying value of investments	13.2 & 13.3	**(5,440,294)**	(5,742,749)
		(523,245)	789,864

14. BANK BALANCES

	Note	2022	2021
Balances with bank in:			
- current accounts		**1,415**	1,479
- saving accounts	14.1	**914**	2,514
		2,329	3,993
Provision for expected credit loss		**(2)**	(10)
		2,327	3,983

14.1 The rate of return on saving account is 12.25% to 13.5% (2021: 5.5% to 5.6%) per annum.

15 SHARE CAPITAL

Authorised capital

2022	2021		2022	2021
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

2022	2021		2022	2021
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 amalgamati	**1,013,924**	1,013,924
220,112,439	220,112,439		**2,201,124**	2,201,124

15.1 As at year end, the shares held by Directors and Iftikhar Shirazi Family Trust were 165.084 million (2021: 165.084 million) and 55.028 million (2021: 55.028 million) respectively.

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

16 RESERVES

	Note	2022	2021
		------- Rupees in '000 -------	
Capital reserves			
Share premium		**26,839,742**	26,839,742
Amalgamation reserve	16.1	**1,222,562**	1,222,562
		28,062,304	28,062,304
Revenue reserves			
General reserve:			
- at beginning of the year		**14,531,122**	13,931,122
- transferred from unappropriated profit		**2,300,000**	600,000
- at end of the year		**16,831,122**	14,531,122
Unappropriated profit		**1,262,654**	2,517,087
		18,093,776	17,048,209
		46,156,080	45,110,513

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

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

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

17 LONG TERM DEPOSITS

	Note	2022	2021
		------- Rupees in 000 -------	
Deposits against rented property		**1,517**	-
Deposits from employees	17.1	**2,979**	3,865
		4,496	3,865

17.1 Represents deposits from employees under Company's vehicle scheme. This include Rs. 0.026 million (2021: Rs. 0.73 million) deposits from key management personnel of the Company.

18 LONG TERM FINANCING

Represents financing obtained from a commercial bank under the refinance scheme for payment of wages and salaries introduced by State Bank of Pakistan carrying mark-up at the rate of 1% per annum. The loan along with the mark-up is repayable in 8 equal quarterly installments commencing from January 2021. The facility is secured by way of equitable mortgage charge on various properties of Rs. 2,000 million.

This loan is initially recorded at present value discounted at the effective interest rate i.e. 1 month KIBOR + 0.5% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The purpose of the government grant is to facilitate the Company in making timely payments of salaries and wages to their employees in light of the COVID-19 pandemic. The maturity analysis of the financing under refinance scheme for salaries and wages is as follows:

	Note	2022	2021
		------ Rupees in '000 ------	
Not later than one year		**25,758**	49,080
Later than one year and not later than five years		-	25,758
		25,758	74,838
Current maturity shown under current liabilities		**(25,758)**	(49,080)
		-	25,758

19 DEFERRED INCOME - GOVERNMENT GRANT

	2022	2021
Balance at beginning of the year	**3,435**	5,931
Recognized during the year	-	3,021
Amortisation of deferred income - government grant	**(3,094)**	(5,517)
	341	3,435
Current portion of deferred income - government grant	**(341)**	(3,094)
Balance at end of the year	-	341

20 DEFERRED LIABILITIES

	Note	2022	2021
Provision for compensated absences	20.1	**57,290**	49,562
Provision for long service award		**12,627**	14,193
	20.2	**69,917**	63,755

20.1 The provision is made in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as of June 30, 2022.

20.2 This includes provision amounting to Rs.24.18 million (2021: Rs.45.07 million) for key management personnel of the Company.

21 LEASE LIABILITIES

	2022	2021
	------ Rupees in '000 ------	
Balance at beginning of the year	**278,537**	313,731
Interest accrued	**26,888**	31,272
Repaid during the year	**(72,732)**	(66,466)
	232,693	278,537
Current portion of lease liabilities	**(58,332)**	(45,897)
Balance at end of the year	**174,361**	232,640

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

Particulars	Not later than one	One to five years	2022	Not later than one year	One to five years	2021
	Rupees in '000					
Minimum lease payments	79,595	195,115	274,710	72,786	274,657	347,443
Finance cost allocated to future periods	(21,263)	(20,754)	(42,017)	(26,889)	(42,017)	(68,906)
Present value of minimum lease payments	58,332	174,361	232,693	45,897	232,640	278,537

22 DEFERRED TAXATION - net

	Note	2022	2021
		Rupees in '000	
Deferred tax liability arising on:			
- Accelerated tax depreciation		210	17
- Net investment in finance lease		357	20
- Right of use asset		1,096	71
		1,663	108
Less: deferred tax asset arising on:			
- Lease liabilities		(1,767)	(107)
- Employee retirement benefits		(207)	(3)
- Alternative corporate tax over and above Normal tax regime u/s 113C		(256,399)	(378,949)
- Unrealised loss on investment - at fair value through other comprehensive income		228,615	725,554
- Unrealised (gain) / loss on investment - at fair value through profit or loss		(53,794)	98,733
Deferred tax (asset) / liability - net	22.1	(81,889)	445,336

22.1 Movement of deferred tax

	2022	2021
Balance at beginning of the year	445,336	(260,179)
Deferred tax recognized on unrealised loss on investment:		
- at fair value through other comprehensive income	(496,939)	606,753
- at fair value through profit or loss	(152,527)	98,733
- alternative corporate tax over and above normal tax regime u/s 113C	122,550	-
(Reversal) / charge during the year	(309)	29
Balance at end of the year	(81,889)	445,336

23 TRADE AND OTHER PAYABLES

	Note	2022	2021
Accrued liabilities	23.1	30,085	3,666
Sales tax payable		1,419	3,149
Accrued expenses - performance bonus		834	59,077
Unearned rental income		712	-
Advance against liquidation of subsidiary company		-	57,710
Due to associated companies		-	283
		33,050	123,885

23.1 Accrued liabilities

	2022	2021
	------- Rupees in '000 ------	
Accrued expenses	**27,083**	1,037
Accrual for audit fee	**3,002**	2,629
	30,085	3,666

24 SHORT TERM BORROWINGS

This represent running finance facilities utilised under mark-up arrangements from various commercial bank and are secured by way of first equitable mortgage on land and properties, first hypothecation charge and assignment of receivables, pledge of shares and mutual funds. The rate of mark-up on these finances ranges from 3 months KIBOR plus 0.25% to 3 months KIBOR plus 0.75% per annum and 1 month KIBOR plus 0.25% (2021: 3 months KIBOR plus 0.1% to 3 months KIBOR plus 0.75% per annum and 1 month KIBOR plus 0.50%). These facilities expire on various dates, latest by December 31, 2022. The aggregate facilities from various banks amounted to Rs. 5,800 million (2021: Rs.4,667 million) of which Rs. 3,932 million (2021: Rs.3,432 million) remain unutilised as at the reporting date.

25 RECEIVABLE FROM STAFF GRATUITY FUND

25.1 Reconciliation of obligations as at year end

	2022	2021
	--------- Rupees in '000 --------	
Present value of defined benefit obligation	**130,447**	115,831
Fair value of plan assets	**(174,097)**	(216,171)
	(43,650)	(100,340)
Payable to group companies	**1,011**	45,187
Net receivable at year end	**(42,639)**	(55,153)

25.2 Movement in the net defined benefit (asset) / liability

	2022	2021
Net (receivable) / liability at beginning of the year	**(55,153)**	31,825
(Reversal) / charge for the year	**(2,468)**	5,723
Total amount of remeasurements recognised in:		
Other comprehensive income	**14,982**	(33,833)
Payment of part gratuity in prior years	**-**	(17,053)
Contributions made by the Company	**-**	(41,815)
Net receivable at end of the year	**(42,639)**	(55,153)

25.3 Charge for the year

	2022	2021
Current service costs	**4,996**	4,287
Interest costs	**11,288**	8,341
Expected return on assets	**(18,752)**	(6,905)
(Reversal) / charge for the year	**(2,468)**	5,723

25.4 Movement in defined benefit obligation	**2022**	2021
	Rupees in '000	
Balance at beginning of the year	**115,831**	158,348
Current service cost	**4,996**	4,287
Interest cost	**11,288**	8,341
Liability recognised in respect of transfers	**(1,011)**	(19,264)
Payment of part gratuity in prior years	**-**	(17,053)
Actuarial loss / (gain)	**1,130**	(9,004)
Benefits paid during the year	**(1,787)**	(9,824)
Balance at end of the year	**130,447**	115,831

25.5 Movement in fair value of plan assets		
Balance at beginning of the year	**216,172**	154,406
Expected return on plan assets	**18,752**	6,905
Contributions made by the Company	**-**	41,815
Benefits paid during the year	**(1,787)**	(9,824)
Transfer of assets to group companies	**(45,188)**	(1,958)
Actuarial (loss) / gain	**(13,852)**	24,828
Balance at end of the year	**174,097**	216,172

25.5 The principal assumptions used in the actuarial valuations carried out as of June 30, 2022 using the 'Projected Unit Credit' method are as follows:

	Gratuity Fund	
	2022	2021
Discount rate	**13.25%**	10%
Rate of salary increase (per annum)	**12%**	12%
Long term salary increase rate	**12.25%**	9.00%
Mortality rates	**SLIC (2001-05)-1**	SLIC (2001-05)-1
Rate of employee turnover	**Light**	Moderate

	2022	2021
	Rupees in '000	
25.6 Actual return on plan assets	**5,603**	30,489

25.7 Plan assets comprise the following:

	2022		2021	
	Rs. in '000	**%**	Rs. in '000	%
Debt	**48,758**	**28.01**	100,894	46.67
Others	**125,339**	**71.99**	115,278	53.33
	174,097		216,172	

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

25.9 Comparison for five years:

	2022	**2021**	**2020**	**2019**	**2018**
	Rupees in '000				
Present value of defined benefit obligation	**130,447**	115,831	158,348	183,249	135,372
Fair value of plan assets	**(174,097)**	(216,171)	(154,407)	(142,295)	(83,903)
(Surplus) / deficit	**(43,650)**	(100,340)	3,941	40,954	51,469
Experience adjustments:					
(Gain) / loss on plan liabilities	**(1,130)**	(9,004)	(23,543)	27,725	9,314
Gain / (loss) on plan assets	**13,852**	24,828	(1,227)	(5,485)	(4,217)

26	**CONTINGENCIES AND COMMITMENTS**		**2022**	2021
		Note	**Rupees in '000**	
26.1	**Contingencies**			
	Cross corporate guarantee in favour of related parties - to a foreign commercial bank		**1,186,080**	900,127
26.2	**Commitments**			
	Commitments in respect of office rent expense	**26.2.1**	**79,595**	72,732

26.2.1 This includes the rent to be paid under the agreement till June 30, 2022.

27 DIVIDEND INCOME	Note	2022	2021
		-------- Rupees in '000 --------	
Subsidiary companies:			
Atlas Honda Limited		**1,756,750**	1,138,635
Atlas Battery Limited		**57,354**	143,384
Atlas Insurance Limited		**447,657**	447,657
Atlas Asset Management Limited		**75,000**	87,500
Atlas Autos (Private) Limited		**300,000**	300,000
Atlas Engineering (Private) Limited		**23,686**	-
Atlas Venture Limited		**27,758**	26,142
Atlas Power Limited		**873,000**	-
Shirazi Trading Company (Private) Limited		**82,500**	55,000
		3,643,705	2,198,318
Associated companies / mutual funds:			
Honda Atlas Cars (Pakistan) Limited		**301,838**	238,020
Atlas Income Fund		**57,724**	130,521
Atlas Aggressive Allocation Islamic Plan		**-**	3,486
Atlas Conservative Allocation Islamic Plan		**3,284**	4,771
Atlas Moderate Allocation Islamic Plan		**-**	3,710
Atlas Islamic Capital Preservation Plan		**-**	11,175
Atlas Islamic Capital Preservation Plan - II		**641**	-
		363,487	391,683
Other listed companies		**156,183**	69,877
Mutual funds - related parties			
Atlas Islamic Money Market Fund - a related party		**19,358**	5,964
Atlas Money Market Fund - a related party		**8,160**	40,691
Atlas Sovereign Fund - a related party		**14,432**	17,822
Atlas Islamic Stock Fund - a related party		**-**	22,110
Atlas Stock Market Fund - a related party		**-**	176,144
		41,950	262,731
		4,205,325	2,922,609

28 INCOME ON LOANS, ADVANCES AND BANK BALANCES	Note	2022	2021
Interest on PLS saving accounts		**596**	355
Other income	28.1	**45,277**	3,890
		45,873	4,245

28.1 Includes interest income of Rs. 0.011 million (2021: Nil) from Honda Atlas Cars (Pakistan) Limited, a related party.

29 RENTAL INCOME - investment properties

	Note	2022	2021
		-------- Rupees in 000 --------	
Warehouse building - on freehold land		-	50,311
Warehouse building - on leasehold land		**91,456**	68,733
Building - leasehold		**28,704**	27,337
		120,160	146,381

30 OTHER INCOME

	Note	2022	2021
Interest income from net investment in finance lease		**5,037**	5,550
Gain on disposal of operating fixed assets		**2,070**	-
		7,107	5,550

31 ADMINISTRATIVE EXPENSES

	Note	2022	2021
Salaries and benefits	**31.1**	**353,244**	306,369
Rent, rates and taxes		**22,276**	9,555
Travelling, conveyance and entertainment		**16,045**	11,212
Printing and stationery		**4,593**	2,773
Gas, water and electricity		**15,810**	12,872
Motor vehicle expense		**13,155**	13,324
Legal and professional		**29,088**	14,162
Auditor's remuneration	**31.2**	**3,002**	3,002
Insurance		**25,818**	25,086
Fee and subscription		**86,235**	17,344
Repairs and maintenance		**55,430**	79,254
Depreciation on:			
- Operating fixed assets	**5.1**	**37,403**	30,453
- Right of use assets	**5.4**	**40,540**	54,717
- Investment properties	**8**	**64,231**	68,430
Amortisation on intangible assets	**7.1**	**137**	193
Postage, telephone and telegrams		**5,915**	4,894
Newspapers and periodicals		**416**	507
Staff training		**578**	609
Internet charges		**20,007**	13,674
Security guard services		**4,235**	3,799
Stamp duty fees on transfer of shares		**5,795**	380
Others		**5,821**	6,652
		809,774	679,261

31.1 Salaries and benefits include Rs.39.22 million (2021: Rs.18.13 million) in respect of employees retirement benefits.

31.2 Auditor's remuneration

	Note	2022	2021
		Rupees in '000	
Annual audit fee		990	990
Audit fee for provident and gratuity funds		154	154
Audit fee for consolidated and special purpose financial statements		1,293	1,293
Sindh sales tax		195	195
Out of pocket and other expenses		370	370
		3,002	3,002

32 FINANCE COSTS

	Note	2022	2021
Interest / mark-up on short term borrowings	32.1	136,244	149,738
Mark-up on long term financing - government grant		3,552	6,340
Interest expense on lease liability		26,888	31,272
Bank and other charges		794	725
		167,478	188,075

32.1 These represent mark-up on short term borrowings obtained from various banks which carried mark-up ranging from 11.44% to 14.81% (2021: 7.01% to 8.34%).

33 INCOME TAX EXPENSE

	2022	2021
	Rupees in '000	
Current	656,126	476,084
Prior	(117,564)	(38,799)
	538,562	437,285
Deferred	(25,941)	98,762
	512,621	536,047

33.1 The income tax assessments of the Company have been finalised up to and including the Tax Year 2021 being deemed to be assessment under provision of the Income Tax Ordinance, 2001. The Additional Commissioner Inland Revenue issued a notice u/s 122(5A) of the Income Tax Ordinance, 2001 and passed an order and made certain additions. The Company has filed an appeal with Commissioner Inland Revenue (Appeals), Karachi.

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

33.3 The Company has opted for group taxation under section 59AA of the Income Tax Ordinance, 2001 whereby the Company and its subsidiaries - Shirazi Trading Company (Private) Limited, Atlas Autos (Private) Limited, Atlas Engineering (Private) Limited, Atlas Asset Management Limited and Atlas Metals (Private) Limited shall be taxed as one fiscal unit. The provision for taxation is made on the same basis in the financial statements. For the tax years 2016 to 2021, amendments to assessments were made under section 122 of the Ordinance in respect of the group returns filed by the Company, wherein various disallowances were made by the assessing officers. These cases are pending at various levels in the tax department. No provisions have been made in the financial statements of the Company as these matters pertain to other group companies. In case of any financial obligation discharged by the Company under these matters, the amount shall be recovered from the relevant group company.

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

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

34 EARNINGS PER SHARE - BASIC AND DILUTED

	2022	2021
	Rupees in '000	
Profit after tax for the year	**2,356,727**	3,426,369
	(Number of shares in '000)	
Weighted average number of shares of Rs.10 each	**220,112**	220,112
	Rupees	
Earnings per share - basic and diluted	**10.71**	15.57

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

35 CASH FLOWS FROM OPERATIONS

	2022	2021
	Rupees in '000	
Profit before taxation	**2,869,348**	3,962,416
Less: dividend income	**4,205,325**	2,922,609
Adjustments for:		
Depreciation	**142,174**	153,600
Amortisation	**137**	193
Provision / (reversal) against compensated absences	**15,932**	(9,225)
Provision for long service award	**13,810**	482
(Reversal) / provision for staff gratuity fund	**(2,468)**	5,723
Other income	**(7,107)**	(5,550)
Finance cost	**167,478**	188,075
Amortisation of long term financing - government grant	**(3,094)**	(5,517)
Net gain on sale of investments	**(66,659)**	(135,078)
Capital gain on sale of investment properties	**-**	(265,455)
Net unrealized loss / (gain) on remeasurement of investments	**523,245**	(789,864)
	783,448	(862,616)
Decrease in loans and advances	**204,711**	171,797
Decrease / (increase) in deposits, prepayments and other receivables	**99,832**	(82,416)
(Decrease) / increase in trade and other payables	**(90,835)**	49,768
	(338,821)	316,340

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rupees in '000							
Managerial remuneration	**16,112**	13,316	**36,148**	52,231	**94,210**	89,450	**146,470**	154,997
Bonus	**9,620**	3,806	**36,590**	14,929	**54,370**	25,554	**100,580**	44,289
Medical expenses	**309**	149	**7,886**	1,040	**2,239**	1,890	**10,434**	3,079
Retirement benefits	**1,043**	863	**2,339**	3,447	**5,477**	4,952	**8,859**	9,262
	27,084	18,134	**82,963**	71,647	**156,296**	121,846	**266,343**	211,627
Number of persons	**1**	1	**2**	2	**27**	22	**30**	25

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

37 TRANSACTIONS WITH RELATED PARTIES

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

37.1 Name and nature of relationship

a) Subsidiary Companies

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

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

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

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

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

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

Atlas Energy Limited - 100% shares held in the company

Atlas Power Limited - 92.09% shares held in the company

Atlas Insurance Limited - 75.33% shares held in the company

Atlas Battery Limited - 60.17% shares held in the company

Atlas Honda Limited - 54.57% shares held in the company

b) Sub-subsidiary Companies

Atlas Global FZE - 100% shares held in the company

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

Zhenfa Pakistan New Energy Company Limited - 75.25% shares held in the company

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

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

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

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

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

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

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

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

Atlas Aggressive Allocation Islamic Plan II - 82.77% shares held in the company

Atlas Moderate Allocation Islamic Plan - 80.2% shares held in the company

Atlas Conservative Allocation Islamic Plan - 72.42% shares held in the company

Atlas Islamic Capital Preservation Plan II - 44.93% shares held in the company

Atlas Income Fund - 26.3% shares held in the company

Atlas Islamic Stock Fund - 25.16% shares held in the company

Atlas Stock Market Fund - 25.04% shares held in the company

d) Associated Companies / Undertakings due to common directorship

Batool's Benefit Trust
Iftikhar Shirazi Family Trust
Madian Hydro Power Limited
Atlas Foundation
Techlogix International Limited
Syeda Rida Batool's Benefit Trust

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

Atlas Sovereign Fund
Atlas Islamic Money Market Fund
Atlas Islamic - Capital Preservation Plan
Atlas Money Market Fund

f) Directors

Mr. Iftikhar H. Shirazi
Mr. Aamir H. Shirazi
Mr. Frahim Ali Khan
Mr. Ali H. Shirazi
Mr. Saquib H. Shirazi

g) Key Management Personnel

Mr. Iftikhar H. Shirazi
Mr. Aamir H. Shirazi
Mr. Noorullah R. Hassan
Mr. Irfan Ibrahim

h) Retirement benefits funds

Shirazi Investments (Private) Limited Provident Fund
Atlas Pension Fund
Atlas Islamic Pension Fund
Atlas Group of Companies Management Staff Gratuity Fund

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

37.2 Transactions with related parties

	2022	2021
	Rupees in '000	
Subsidiary / sub-subsidiary companies		
Purchase of operating fixed assets	6,878	5,622
Transfer out of fixed assets upon transfer of employees	11,111	5,000
Transfer in of fixed assets upon transfer of employees	2,093	-
Sale of investment properties	-	566,300
Investments made	76,972	114,984
Receipts in respect of net investment in finance lease	10,310	9,373
Payment made on behalf of employees	1,087	-
Sponsors loan repaid to the Company	240,000	260,000
Share capital issued to the Company	275,016	-
Advance against further issue of shares	-	198,044
Long term deposits taken on transfer of employees	344	-
Long term deposits transferred on transfer of employees	516	-
Transfer out of staff loans on transfer of employees	2,088	-
Dividend income	3,643,706	2,198,318
Rendering of IT services	102,830	30,498
Rental income / paid	107,218	149,033
Reimbursements of expenses	488	78,794
Purchase of goods or services	989	9,989
Insurance premium paid	25,992	18,047
Payments under group taxation	540,206	101,866
Receipt in respect of withholding tax on dividend	152,775	-
Associated companies / mutual fund		
Purchase of assets	56,170	27,114
Purchases of services	1,074	-
Dividend income	363,487	613,724
Investment made	1,081,794	398,473
Sales proceed on disposal of investments / mutual funds	1,400,000	602,020
Payments made on behalf of employees	938	720
Funds managed by subsidiary company		
Investment made	16,455	-
Dividend income	41,950	40,691
Sale proceeds from disposal of investments	857,225	200,000
Common directorship		
Dividend income	1,346	-
Dividend paid	300,013	250,103
Purchases of services	30	-
Expenses charged	-	2,222
Other related parties		
Contributions paid to:		
- gratuity fund	-	41,815
- provident funds / pension schemes	23,964	24,538
Key management personnel		
- Loan disbursed by the Company	1,638	-
- Loan repaid to the Company	614	-
- Sale of operating fixed assets	3,497	-
- Dividend paid	300,013	250,103
- Salaries and other employment benefits	120,141	95,787

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

38.2 Market risk

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

(i) Interest rate risk

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

	Interest / mark-up bearing							
	Effective yield / mark-up rate		Upto six months		More than six months		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	%age		Rupees in 000					
Financial assets:								
Bank balances	**12.26% to 13.6%**	5.5 to 5.6%	**1,415**	1,479	-	-	**1,415**	1,479
Net investment in finance lease	**11.31%**	11.31%	**3,747**	2,870	**43,337**	49,488	**47,084**	52,358
Financial liabilities:								
Short term borrowings	**11.44% to 14.81%**	7.66% to 8.34%	**(1,868,260)**	(1,234,783)	-	-	**(1,868,260)**	(1,234,783)
Lease liabilities	**11.31%**	11.31%	**(28,228)**	(22,163)	**(204,465)**	(256,374)	**(232,693)**	(278,537)
Long term financing	**8.87%**	8.87%	**(12,704)**	(24,100)	**(13,054)**	(50,738)	**(25,758)**	(74,838)

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

	Effect on profit	
	2022	2021
	Rupees in '000	
Change in basis point		
+100	**(20,782)**	(15,343)
-100	**20,782**	15,343

(ii) Foreign exchange risk

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

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the investee company, change in business circumstances of the investee company, its business sector, industry and / or the economy in general. The Company estimates that a 5% increase in the overall equity prices in the market with all other factors remaining constant would increase the Company's equity by Rs. 735.66 million (2021: Rs.1,007.89 million) and a 5% decrease would result in a decrease in the Company's equity by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

The analysis below summarizes the credit quality of the Company's investment in mutual funds as at June 30, 2022 and June 30, 2021:

Investments by rating category	2022	2021
	------------ %	------------
A, A-, A+	100	47
Unrated	-	53
	100	100

38.5 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.

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

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

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

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

	Level 1		Level 2		Level 3		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees in 000							
Investment in related parties - at fair value through OCI								
- Mutual funds	-	-	4,917,049	6,532,613	-	-	4,917,049	6,532,613
- Listed shares	8,396,689	14,909,913	-		-	-	8,396,689	14,909,913
Investment in other listed shares - at fair value through OCI	6,316,579	5,247,789	-		-	-	6,316,579	5,247,789
	14,713,268	20,157,702	4,917,049	6,532,613	-	-	19,630,317	26,690,315

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

Valuation techniques used in determination of fair values within level 2

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

38.6 Capital management

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

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

The Company monitors capital using the gearing ratio, which is debt divided by total equity plus debt. However, there are short term borrowings amounting to Rs.1,868.26 million (2021: Rs.1,234.78 million), resulting into 4.02% (2021: 2.34%) gearing ratio.

39 NUMBER OF EMPLOYEES

The total and average number of employees during the year end as at June 30, 2022 and 2021 respectively are as follows:

	2022	2021
Average number of employees during the year	**95**	99
Number of employees as at June 30	**87**	99

40 EMPLOYEES' PROVIDENT FUND (the Fund)

	Unaudited	
	2022	2021
	Rupees in '000	
Size of the Fund	**64,914**	91,706
Investments made	**63,106**	86,478
Fair value of investments	**63,106**	86,478
	In %	
Percentage of investments made	**97.21%**	94.30%

40.1 Break-up of investments of the Fund

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

	2022		2021	
	Investments	% of investment as size of the Fund	Investments	% of investment as size of the Fund
	Rupees in '000		Rupees in '000	
Special Saving Certificates	**5,993**	**9.23%**	75,744	82.59%
Mutual Funds	**26,118**	**40.23%**	10,734	11.70%
Money Market Collective Investment Schemes	**30,995**	**47.75%**	-	0.00%
	63,106	**97.21%**	86,478	94.30%

	2022	2021
	Numbers	
40.2 Number of members	**25**	32

41 EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company in their meeting held on October 7, 2022 have approved the following:

(i) Transfer of Rs. 1,000 million from unappropriated profit to general reserve; and

(ii) Payment of cash dividend of Rs. - per share for the year ended June 30, 2022 for approval of the members at the Annual General Meeting to be held on October 29, 2022.

42 GENERAL

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

43 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors of the Company on October 7, 2022

Chairman

Chief Executive Officer

Director