Shirazi Investments

SHIRAZI INVESTMENTS (PRIVATE) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2024

SW PAKISTAN

ShineWing Hameed Chaudhri & Co.
Chartered Accountants,
5TH Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi
Phones: 32412754, 32411474
Fax: 32424835
Email: khi@hccpk.com

Shirazi Investments

Directors' Report
On the Consolidated Financial Statements

The Directors of Shirazi Investments (Private) Limited (the Company) are pleased to present the audited consolidated financial statements for the year ended 30 June 2024.

Consolidated Results
The comparison of annual audited results for the year ended 30 June 2024 as against the year 2023 is as follows:

(Rupees in million)

Particulars	30 June 2024	30 June 2023
Total Revenue	258,249.15	219,882.49
Share of profit of associates and joint venture-net of tax	8,060.37	2,116.09
Profit before tax	29,793.67	12,504.85
Profit after tax	18,608.71	5,320.53
Attributable to:		
Equity holders of the Holding Company	13,154.39	1,885.77
Non-controlling interest	5,454.32	3,434.76

Total revenue was Rs. 258,249.15 million in 2024 as against Rs. 219,882.49 million last year due to higher revenues and other operating income of the subsidiary companies. The cost of sales and services increased to Rs. 217,466.29 million as against Rs. 188,117.56 million last year. The percentage-wise sales and services cost stood at 87.50% of sales compared to 87.47% during the last year. Thus, the gross margin remained the same. Distribution cost and administration expenses increased by 26.56% to Rs. 13,153.08 million as against Rs. 10,392.82 million last year. Share of profit of associates and joint venture significantly increased by 280.91% to Rs. 8,060.37 million from Rs. 2,116.09 million during the previous year due to increase in profitability of associates and realized and unrealized gains recognized against mutual funds investment. In the corresponding year, an impairment of Rs. 3,172.52 million was recognized on the investment in associates. However, during the year under review, no incident of impairment has arisen. As a result, profit before tax increased by 138.26% to Rs. 29,793.67 million from Rs. 12,504.85 million last year. While profit after tax increased by 249.75% to Rs. 18,608.71 million from Rs. 5,320.53 million last year.

A brief review of the operational performance of each entity for the year is as follows:

Atlas Asset Management Limited
Income from management fees increased to Rs. 875.74 million against Rs. 552.12 million last year. A surge of 58.61% in management fees is mainly due to increased assets under management (AUMs). During the year, Atlas Asset Management earned an after-tax profit of Rs. 420.86 million against Rs. 177.97 million last year. Unrealized gain recognized on re-measurement of investments and dividend income improved the profitability.

Atlas Engineering (Private) Limited
Sales for the year were Rs. 2,237.65 million against Rs. 1,830.92 million for the last year. Profit after tax for the year was Rs. 201.42 million against the loss after tax of Rs. (13.43) million last year. An increase in other income supported by a reduction in finance cost increased the profitability.

Shirazi Investments (Pvt) Limited
2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600 UAN: 111-SIL-SIL (111-745-745) **Ph:** (92-21) 5369471-4
Fax: (92-21) 5879713 **Email:** sil@shiraziinvestments.com.pk **Website:** www.shiraziinvestments.com.pk

Atlas Power Limited

Revenue for the year was Rs. 15,414.56 million against Rs. 22,546.86 million last year, a decline of 31.63% as a result of the lower demand by the power purchaser. The Company earned a profit from operations of Rs. 1,860.09 million against Rs. 1,991.90 million last year. The decline of 6.62% was mainly due to higher administrative cost.

Shirazi Trading Company (Private) Limited

Revenue for the year was Rs. 6,846.99 million against Rs. 5,918.29 million last year. All revenue streams contributed towards the increase in revenue. Profit after tax for the year was Rs. 278.11 million against Rs. 162.02 million last year. The reduction in the exchange loss recognized, from Rs. 129.50 million to Rs. 2.26 million, increased the profitability.

Atlas Autos (Private) Limited

Sales for the year were Rs. 27,018.40 million against Rs. 21,844.04 million last year, witnessing an increase of 23.69% due to the rise in parts manufacturing and lubricants businesses. Profit after tax for the year increased by 106.72% to Rs. 1,660.83 million against Rs 803.49 million last year. An increase in other income, besides a reduction in finance cost, increased profitability.

Atlas Metals (Private) Limited

Turnover for the year decreased to Rs. 99.52 million against Rs. 263.55 million last year due to discontinuation of lead parts business during the year. Loss after tax for the year stood at Rs. (67.28) million against the profit of Rs. 11.15 million last year.

Atlas Venture Limited (UAE)

Revenue for the year were Rs. 12.28 million against Rs. 6.64 million last year. Profit for the year was Rs. 9.31 million against Rs. 4.36 million last year.

Atlas World Wide General Trading LLC (UAE)

Revenue for the year was Rs. 304.52 million against Rs. 265.16 million last year. Profit for the year was Rs. 11.49 million against Rs. 2.48 million last year.

Atlas Global FZE (UAE)

Revenues for the year was Rs. 18,289.19 million against Rs. 11,667.25 million last year. Profit for the year was Rs. 127.14 million against Rs. 108.70 million last year.

Oyster International Holdings Limited (UAE)

Revenue for the year were Rs. 0.39 million against Rs. 0.72 million for the last year. Loss for the year was Rs. (35.69) million against the profit of Rs. 0.05 million last year. Impairment loss of the investment impacted the profitability.

Atlas Honda Limited

Sales for the year ended 31 March 2024 were Rs. 159,292.23 million against Rs. 135,485.65 million last year. Higher sales volume increased the gross profit from Rs. 9,671.78 million to Rs. 12,227.12 million. Profit after tax was Rs. 9,708.05 million against Rs. 5,004.16 million last year. Other income, including gains from investments and dividend income, leads to an increase in profitability.

Atlas Battery Limited

Sales for the year were Rs. 41,470.59 million against Rs. 41,855.87 million last year. The decrease in sales was due to decline in demand of batteries in replacement market. Profit after tax for the year declined to Rs. 1,343.65 million against Rs. 2,201.24 million last year due to higher finance costs.

Atlas Insurance Limited

The Company's financial year ends in December. However, based on Jul 23-Jun'24, the net premium was Rs. 2,667.35 million against Rs. 2,214.94 million last year. The increase in revenue of 20.41% was mainly due to a surge in business segments. Profit after tax for the year was Rs. 1,485.06 million against Rs. 768.23 million last year.

Atlas Hitec (Private) Limited

Sales for the year ended 31 March 2024 were Rs. 3,777.50 million against Rs. 3,697.82 million last year. Profit before tax for the year was Rs. 87.46 million compared to last year of Rs. 76.67 million, and profit after tax for the year was Rs. 48.45 million against Rs. 27.61 million last year. Profitability increased due to an increase in the other income and exchange gain.

Atlas Energy Limited

Sales for the year were Rs. 234.30 million against Rs. 354.84 million last year. The decrease in revenue was due to decrease in solar related equipment sales. However, profit after tax for the year increased to Rs. 108.97 million against Rs. 93.17 million last year, mainly due to an increase in other income and a reduction in finance costs.

Atlas Solar Limited

The Company's revenue recognized during the year was Rs. 3,076.87 million against Rs. 2,402.56 million last year. Profit after tax for the period was Rs. 444.68 million against Rs. 242.31 million last year.

Atlas DID (Private) Limited

The Company is a subsidiary of Atlas Autos (Private) Limited (a wholly-owned subsidiary). Sales for the year were Rs. 2,048.90 million against Rs. 1,759.46 million last year. An increase in demand from OEM customers resulted in higher revenues. Profit after tax for the year was Rs. 43.81 million against Rs. 30.19 million last year.

Atlas GCI (Private) Limited

The Company's accounting year ends in December. However, based on Jul 23-Jun'24, the sales revenue amounted to Rs. 715.21 million against Rs. 235.21 million last year. Profit after tax for the year was Rs. 75.94 million against Rs. 3.98 million last year.

On behalf of the Board of Directors

Noorullah	Frahim Ali Khan
Chief Executive Officer	Director

Karachi: 7 October 2024

INDEPENDENT AUDITORS' REPORT

To the members of Shirazi Investments (Private) Limited

Opinion

We have audited the annexed consolidated financial statements of **Shirazi Investments (Private) Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Shinewing Hameed Chaudhri & co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;
Date : October 7, 2024
UDIN : AR202410104vXMQWgZr5

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
ASSETS		--------- Rupees in '000 -------	
Non-current assets			
Property, plant and equipment	7	53,981,337	54,756,740
Intangible assets	8	51,098	63,059
Investment in associates and joint venture	9	13,557,006	13,233,483
Investment in associates - mutual funds	10	29,308,337	18,083,735
Long term investments	11	3,557,580	865,319
Long term loans	12	175,602	186,144
Long term deposits and other receivables	13	439,868	437,181
Net investment in finance lease		19,699	31,084
		101,090,527	87,656,745
Current assets			
Stores, spares and loose tools	14	3,734,193	4,174,373
Stock-in-trade	15	26,337,394	22,883,289
Trade debts	16	22,353,000	24,338,018
Receivable from funds under management	17	99,676	50,651
Loans and advances	18	519,785	1,007,117
Deposits, prepayments and other receivables	19	3,732,322	7,204,184
Accrued investment income		700,248	297,094
Short term investments	20	16,363,496	10,343,816
Taxation - net		-	1,362,671
Sales tax receivable - net		990,039	1,203,972
Current portion of net investment in finance lease		11,385	9,011
Cash, bank balances and deposits	21	43,197,586	39,800,838
		118,039,124	112,675,034
		219,129,651	200,331,779

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

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
EQUITY AND LIABILITIES		----- Rupees in '000 -----	
Equity attributable to the Holding Company			
Share capital	22	2,201,124	2,201,124
Capital reserves		17,686,184	17,686,184
General reserves		35,340,883	34,340,883
Unappropriated profits		20,919,321	10,679,910
Unrealised gain on revaluation of investments		9,661,694	6,592,179
Revaluation surplus on property, plant and equipment		5,794,957	5,526,710
		91,604,163	77,026,990
Non-controlling interests		22,869,557	16,926,916
Total equity		114,473,720	93,953,906
Non-current liabilities			
Long term loans - secured	23	13,042,679	16,212,724
Long term deposits	24	57,866	49,274
Deferred liabilities	25	1,240,861	1,037,518
Lease liabilities	26	1,634,615	1,285,922
Deferred income - government grant	27	254,903	326,379
Deferred taxation	28	3,462,314	1,757,675
		19,693,238	20,669,492
Current liabilities			
Trade and other payables	29	63,308,820	68,103,014
Current portion of lease liabilities	26	277,650	334,324
Current portion of deferred income	27	85,907	94,058
Short term borrowings - secured	30	15,652,403	11,287,890
Accrued mark-up		982,012	1,055,505
Current portion of long term loans	23	3,062,063	3,284,642
Current portion of long term deposits	24	3,021	1,392
Taxation - net		629,562	-
Unclaimed dividend / dividend payable		961,255	1,547,556
		84,962,693	85,708,381
Contingencies and commitments	31		
		219,129,651	200,331,779

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

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

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		------- Rupees in '000 ------	
Income			
Sales of goods and rendering of services	32	**249,531,806**	215,056,535
Fee / commission from asset management	33	**881,172**	552,124
Dividend income		**1,265,301**	832,297
Other operating income	34	**6,570,873**	3,441,529
		258,249,152	219,882,485
Expenses			
Cost of sales and services	35	**217,466,287**	188,117,555
Distribution costs and administrative expenses	36	**13,153,075**	10,392,816
Other expenses	37	**804,794**	2,845,214
Finance costs	38	**5,091,698**	4,965,619
		236,515,854	206,321,204
Profit from operations		**21,733,298**	13,561,281
Impairment of investment in associates	9	**-**	(3,172,520)
Share of profit of associates and joint venture including mutual funds - net of tax		**8,060,371**	2,116,093
Profit before income tax, final taxes and minimum tax differential taxes		**29,793,669**	12,504,854
Final taxes	39.1	**(985,046)**	(615,077)
Minimum tax differential	39.2	**(47,416)**	(126,654)
Profit before income tax		**28,761,207**	11,763,123
Income tax			
Current tax - for the year including super taxes		**(9,397,702)**	(5,433,690)
- for the prior years		**(428,954)**	(497,628)
Deferred tax	39.3	**(325,842)**	(511,271)
		(10,152,498)	(6,442,589)
Profit for the year		**18,608,709**	5,320,534
Attributable to:			
Equity holders of the Holding Company		**13,154,390**	1,885,772
Non-controlling interest		**5,454,319**	3,434,762
		18,608,709	5,320,534
Earnings per share - basic and diluted	40	**59.76**	8.57

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

Shirazi

Chairman	Chief Executive Officer	Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	------ Rupees in '000 -----	
Net profit for the year	**18,608,709**	5,320,534
Other comprehensive income to be reclassified to - statement of profit and loss account in subsequent periods		
Exchange gain on translation of net assets of foreign operations	**39,773**	536,415
Other comprehensive income not to be reclassified - to statement of profit and loss account in subsequent periods		
Net unrealised gain on revaluation of investments - at fair value through other comprehensive income	**3,814,540**	468,506
Actuarial gain / (loss) on defined benefit plan	**124,139**	(73,858)
Related deferred taxation	**(420,615)**	(138,410)
Surplus on revaluation during the year	**268,247**	-
	3,786,311	256,238
Total comprehensive income - net of tax	**22,434,793**	6,113,187
Attributable to:		
Equity holders of the Holding Company	**16,492,152**	2,744,291
Non-controlling interest	**5,942,641**	3,368,896
	22,434,793	6,113,187

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

Chairman

Chief Executive Officer

Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share capital	Capital reserves		Revenue reserves		Unrealised gain on revaluation of investments	Revaluation surplus on property, plant and equipment	Sub-total	Non-controlling interest	Total
		Share premium	Amalgamation reserve (Note 1.1)	General reserve	Unappropriated profit					
	Rupees in '000									
Balance as at June 30, 2022	2,201,124	26,839,742	(9,153,558)	33,340,883	11,203,298	5,733,660	5,526,710	75,691,859	15,716,659	91,408,518
Transfer to general reserves	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-
Profit for the year	-	-	-	-	1,885,772	-	-	1,885,772	3,434,762	5,320,534
Other comprehensive income / (loss)	-	-	-	-	-	858,519	-	858,519	(65,866)	792,653
Total comprehensive income for the year	-	-	-	-	1,885,772	858,519	-	2,744,291	3,368,896	6,113,187
Dividend paid during the year	-	-	-	-	(1,409,160)	-	-	(1,409,160)	(2,158,639)	(3,567,799)
Balance as at June 30, 2023	2,201,124	26,839,742	(9,153,558)	34,340,883	10,679,910	6,592,179	5,526,710	77,026,990	16,926,916	93,953,906
Transfer to general reserves	-	-	-	**1,000,000**	**(1,000,000)**	-	-	-	-	-
Profit for the year	-	-	-	-	**13,154,390**	-	-	**13,154,390**	**5,454,319**	**18,608,709**
Other comprehensive income	-	-	-	-	-	**3,069,515**	**268,247**	**3,337,762**	**488,322**	**3,826,084**
Total comprehensive income for the year	-	-	-	-	**13,154,390**	**3,069,515**	**268,247**	**16,492,152**	**5,942,641**	**22,434,793**
Dividend paid during the year	-	-	-	-	**(1,914,979)**	-	-	**(1,914,979)**	-	**(1,914,979)**
Balance as at June 30, 2024	**2,201,124**	**26,839,742**	**(9,153,558)**	**35,340,883**	**20,919,321**	**9,661,694**	**5,794,957**	**91,604,163**	**22,869,557**	**114,473,720**

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

Chairman

Chief Executive Officer

Director

SHIRAZI INVESTMENTS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		------- Rupees in '000 -------	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	41	28,335,053	34,832,096
Mark-up / interest paid		(5,165,191)	(4,709,667)
Tax paid		(7,908,703)	(6,331,557)
Gratuity paid		(86,592)	(71,663)
Long term loans - net		10,542	31,096
Long term deposits - net		(2,687)	(137,767)
		(13,152,631)	(11,219,558)
Net cash generated from operating activities		15,182,422	23,612,538
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(3,445,208)	(7,195,916)
Proceeds from sale of fixed assets		613,180	662,131
Proceed from disposal of non-current asset held for sale		-	101,250
Proceed from sale of investment in associates - net		382,972	-
Purchase of intangible assets		(40,032)	(21,247)
Intangible assets written off		-	523
Investment in associates - net		(10,680,394)	(1,491,218)
Dividends received from associates		280,278	-
Dividends received from investments		1,265,301	832,297
Investments - net		(2,652,488)	6,643,296
Net investment in finance lease		9,011	6,989
Payments for short term investments		(57,799,372)	(24,406,067)
Proceeds from sale of short term investments		55,594,232	24,172,331
Net cash used in investing activities		(16,472,520)	(695,631)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		3,466,042	327,053
Long term financing - government grant - net		(79,627)	(104,911)
Dividend paid		(2,501,280)	(81,554)
Lease rentals paid		(573,023)	(483,783)
Long term deposits - net		10,221	6,208
Short term borrowings - net		4,364,513	(5,453,007)
Net cash generated from / (used in) financing activities		4,686,846	(5,789,994)
Net increase in cash and cash equivalents		3,396,748	17,126,913
Cash and cash equivalents at beginning of the year		39,800,838	22,673,925
Cash and cash equivalents at end of the year		43,197,586	39,800,838

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

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

1 THE GROUP AND ITS OPERATIONS

The "Group" consists of:

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

These financial statements are the consolidated financial statements of the Holding Company and its subsidiaries ("the Group"). In addition to the consolidated financial statements, the Holding Company prepares and presents its separate financial statements for the year ended June 30, 2024.

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

Subsidiary companies	Note	Percentage holding
- Atlas Asset Management Limited (AAML)	1.2	100.00%
- Atlas Engineering (Private) Limited (AEL)	1.3	100.00%
- Shirazi Trading Company (Private) Limited (STC)	1.4	100.00%
- Atlas Power Limited (APL)	1.5	92.09%
- Atlas Venture Limited (AVL)	1.6	100.00%
- Atlas Autos (Private) Limited (AAPL)	1.7	100.00%
- Atlas Metal (Private) Limited (AML)	1.8	100.00%
- Atlas Energy Limited (AENL)	1.9	100.00%
- Atlas Global FZE (AGF)	1.10	100.00%
- Atlas Insurance Limited (AIL)	1.11	75.33%
- Atlas Battery Limited (ABL)	1.12	60.17%
- Atlas Honda Limited (AHL)	1.13	54.57%
- Atlas World Wide General Trading LLC (AWWGT)	1.14	49.00%
- Atlas Hitec (Private) Limited (AHPL)	1.15	60.72%
- Atlas Solar Limited (ASL)	1.16	93.67%
- Atlas DID (Private) Limited (ADIDL)	1.17	60.00%
- Atlas GCI (Private) Limited (AGCIPL)	1.18	44.29%
- Oyster International Holdings Limited (OIHL)	1.19	100.00%

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

1.1 Shirazi Investments (Private) Limited (SIL)

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

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

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

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

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

1.2 Atlas Asset Management Limited (AAML)

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

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

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

1.3 Atlas Engineering (Private) Limited (AEL)

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

1.4 Shirazi Trading Company (Private) Limited (STC)

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

1.5 Atlas Power Limited (APL)

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

1.6 Atlas Venture Limited (AVL)

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

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

1.7 Atlas Autos (Private) Limited (AAPL)

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

1.8 Atlas Metals (Private) Limited (AML)

Atlas Metals (Private) Limited (the Company) was incorporated in Pakistan as a Private Limited Company on September 18, 2012, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a wholly owned subsidiary of Shirazi Investments (Private) Limited. The principal activity of the Company was manufacturing parts for batteries. The registered office of the Company is located at 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi.

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

On December 6, 2023, the management of the Company presented operational strategy of the Company to the Board of Directors which included discontinuation of the Company's current business. Since there is no alternate business available for the Company for a couple of years the management also proposes disposal of fixed assets of the Company and release of all staff of the Company. The Board of Directors, after carefully evaluating the financial situation and considering various alternatives, decided that the lead parts casting business will be discontinued with effect from January 1, 2024 to avoid further losses and settle all liabilities as per books of accounts. On December 29, 2023, the members in Extra Ordinary General Meeting have approved sale of fixed assets of the Company. Previously with the approval from the High Court on October 18, 2023, and the registration of the order, the share capital was reduced by Rs.450 million to Rs.100 million.

As discussed above, subsequent to closure of business activities, and non-availability of future business strategy / projections of the Company for the upcoming financial year, the Company have been considered as non going concern and accordingly these financial statements have been prepared on non going concern basis.

1.9 Atlas Energy Limited (AENL)

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

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

1.10 Atlas Global FZE (AGF)

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

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

AGF is principally engaged in general trading activities.

1.11 Atlas Insurance Limited (AIL)

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

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

1.12 Atlas Battery Limited (ABL)

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

1.13 Atlas Honda Limited (AHL)

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

1.14 Atlas World Wide General Trading LLC (AWWGT)

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

1.15 Atlas Hitec (Private) Limited (AHPL)

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

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

1.16 Atlas Solar Limited (ASL)

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

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

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

1.17 Atlas DID (Private) Limited (ADIDPL)

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

AAPL holds 60% shareholding of ADIDPL.

1.18 Atlas GCI (Private) Limited (AGCIPL)

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

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

1.19 Oyster International Holdings Limited (OIHL)

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

2 STATEMENT OF COMPLIANCE

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

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

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

3 BASIS OF CONSOLIDATION

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

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Property, plant and equipment

4.1.1 Operating fixed assets - owned

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

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

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

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

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

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

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

4.1.2 Capital work-in-progress

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

4.1.3 Intangible assets

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

4.1.4 Right-of-use assets

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

4.2 Impairment of non-financial assets

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

4.3 Financial instruments

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

4.3.1 Initial recognition and measurement

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

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

Classification

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

Financial assets

The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets.
- The contractual cash flow characteristics of the financial asset.

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

a) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment under expected credit loss model. The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon de-recognition of the assets.

b) Equity instruments at FVOCI

Upon initial recognition, the Group elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of equity instruments under IAS 32 Financial Instruments: Presentation and are not held for trading. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.

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

4.3.3 Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subject to impairment under expected credit loss model.

4.3.4 Financial assets measured at fair value through profit or loss

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

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

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

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

4.3.5 Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Group has:

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

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

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

Impairment of financial assets

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

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

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

Offsetting of financial assets and financial liabilities

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

4.4 Derivatives

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

4.5 Securities under repurchase / reverse repurchase agreements

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

4.5.1 Repurchase agreements

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

4.5.2 Reverse repurchase agreements

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

4.6 Financial instruments

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

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

4.7 Stores, spare parts and loose tools

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

4.8 Stock-in-trade

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

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

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

4.9 Trade debts

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

4.10 Loans and advances

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

4.11 Employee Benefits

4.11.1 Employee compensated absences

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

4.11.2 Post employment benefits

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

(i) Defined benefit plans

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

(a) Gratuity plan

Funded

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

Unfunded

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

(ii) Defined contribution plans

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

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

4.11.3 Long service award

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

4.12 Borrowing costs

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

4.13 Ijarah rentals

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

4.14 Trade and other payables

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

4.15 Provisions

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

4.16 Warranty

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

4.17 Government Grant

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

4.18 Lease liabilities

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

Group as a lessee

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

Lease liabilities

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

Short-term leases

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

Determining the lease term of contracts with renewal and termination options

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

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

Estimating the incremental borrowing rate

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

4.19 Taxation

Current

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

Deferred

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

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

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

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

4.20 Revenue recognition

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

- The methodology and assumptions used to estimate rebates and returns wherever applicable are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

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

4.21 Offsetting of financial assets and liabilities

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

4.22 Foreign currency transactions

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

4.23 Goodwill

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

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

4.24 Dividend and appropriation to reserves

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

4.25 Transactions with related parties

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

4.26 Earnings per share

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

4.27 Cash and cash equivalents

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

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are as follows:

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

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

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

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

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

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

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

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

6 NEW AND AMENDED STANDARDS AND INTREPRETATIONS

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

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2023:

(a) IAS 1: Disclosure of Accounting Policies **Effective date: January 1, 2023**

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

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

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

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2023 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2023 and have not been early adopted by the Group:

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

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.

At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(b) IFRS 16: Sale and Leaseback transaction **Effective date: January 1, 2024**

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

(c) IAS 21: Lack of exchangeability **Effective date: January 1, 2025**

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

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

7 PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		------ Rupees in '000 ------	
Operating fixed assets	7.1	**52,123,596**	53,081,883
Capital work-in-progress	7.3	**288,035**	400,009
Right of use assets	7.4	**1,569,706**	1,274,848
		53,981,337	54,756,740

7.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Leasehold improve-ments	Plant and machinery	Electrical equipment and fitting	Air conditi-oners	Furniture and fixtures	Vehicles	Office / factory equipment	Computers and related equipment	Measuring instruments, dies, jigs, patterns and other equipment	Total
	Rupees in '000													
At July 1, 2022														
Cost / revaluation	2,428,630	7,561,644	4,956,360	2,657,247	1,875,184	48,426,195	1,543,286	55,860	354,154	1,708,269	563,974	658,974	2,078,555	74,868,332
Accumulated depreciation	-	314,332	2,320,864	911,567	424,951	17,126,841	755,737	19,771	228,332	572,080	253,800	489,765	1,617,727	25,035,787
Net book value	**2,428,630**	**7,247,312**	**2,635,496**	**1,746,680**	**1,460,233**	**31,299,354**	**787,649**	**36,089**	**126,822**	**1,136,189**	**310,174**	**169,189**	**460,828**	**49,832,646**
Year ended June 30, 2023														
Opening net book value	2,428,630	7,247,312	2,635,496	1,745,680	1,450,233	31,299,354	787,549	36,089	125,822	1,136,189	310,174	169,189	460,828	49,832,545
Additions	82,123		284,719	331,815	11,360	5,020,363	363,544	4,134	32,248	1,021,816	240,615	191,851	432,650	8,017,438
Disposals														
- cost	-	-	-	-	-	528,714	75,622	401	76	554,022	11,966	47,711	177,144	1,395,656
- accumulated depreciation	-	-	-	-	-	195,370	33,218	195	74	226,600	7,668	41,931	144,988	650,044
	-	-	-	-	-	333,344	42,404	206	2	327,422	4,298	5,780	32,156	745,612
Depreciation charge	-	43,201	230,208	199,679	126,124	2,499,470	58,637	3,374	27,205	336,433	76,761	96,432	324,964	4,022,486
Closing net book value	**2,610,763**	**7,204,111**	**2,690,007**	**1,877,816**	**1,336,469**	**33,486,903**	**1,060,062**	**36,643**	**130,863**	**1,494,160**	**469,730**	**268,828**	**636,668**	**63,081,883**
At June 30, 2023														
Cost / revaluation	2,510,753	7,561,644	5,241,079	2,989,062	1,886,544	52,917,844	1,831,208	59,593	386,326	2,176,063	792,623	803,114	2,334,261	61,490,114
Accumulated depreciation	-	357,533	2,551,072	1,111,246	551,075	19,430,941	781,156	22,950	255,463	681,913	322,893	544,286	1,797,703	28,408,231
Net book value	**2,610,763**	**7,204,111**	**2,690,007**	**1,877,816**	**1,336,469**	**33,486,903**	**1,060,062**	**36,643**	**130,863**	**1,494,160**	**469,730**	**268,828**	**636,668**	**63,081,883**
Year ended June 30, 2024														
Opening net book value	2,510,753	7,204,111	2,690,007	1,677,816	1,335,469	33,486,903	1,050,052	36,643	130,863	1,494,150	469,730	258,828	536,558	53,081,883
Additions / revaluation	**-**	**268,247**	**68**	**146,276**	**26,679**	**1,601,914**	**9,380**	**2,060**	**33,678**	**1,026,344**	**168,136**	**141,916**	**746,408**	**4,169,086**
Disposals														
- cost	-	-	17,087	-	239,853	473,488	36,128	280	8,025	483,944	53,807	31,911	257,133	1,601,656
- accumulated depreciation	-	-	15,108	-	140,604	138,984	26,128	194	7,263	167,725	41,106	22,579	200,111	759,802
	-	-	1,979	-	99,249	334,504	10,000	86	762	316,219	12,701	9,332	57,022	841,854
Depreciation charge	-	41,067	226,878	195,749	129,380	2,599,416	76,388	3,359	33,726	407,067	95,660	121,620	355,206	4,285,518
Closing net book value	**2,610,763**	**7,431,291**	**2,461,208**	**1,827,343**	**1,133,619**	**32,164,857**	**973,044**	**36,248**	**130,061**	**1,796,208**	**629,604**	**269,792**	**870,738**	**62,123,696**
At June 30, 2024														
Cost / revaluation	2,510,753	7,829,891	5,224,050	3,134,338	1,673,370	54,046,270	1,804,460	61,363	411,079	2,717,463	906,951	913,119	2,823,536	84,057,543
Accumulated depreciation	-	398,600	2,762,842	1,306,995	539,851	21,891,373	831,416	26,115	281,928	921,255	377,447	643,327	1,952,798	31,933,047
Net book value	**2,610,763**	**7,431,291**	**2,461,208**	**1,827,343**	**1,133,619**	**32,164,857**	**973,044**	**36,248**	**130,061**	**1,796,208**	**629,604**	**269,792**	**870,738**	**62,123,696**
Depreciation rate (per annum)	**0%**	**0 - 5%**	**4 - 5%**	**5-10%**	**10%**	**4-10%**	**10-35%**	**10%**	**10%**	**20%**	**10 - 20%**	**30%**	**20%**	

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

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	———— Rupees in '000 ————						
Assets with individual net book amount exceeding Rs.500,000 each							
Plant and machinery							
	5,615	(3,614)	2,001	29	(1,972)	Negotiation	Mr. Sher Khan, S.I.T.E. Karachi.
	30,813	(5,157)	25,656	3,702	(21,954)	Scrap	Munsha & Sons, 27KM Sheikhupura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
	29,218	(3,551)	25,667	4,084	(21,583)		
	20,829	(14,942)	5,887	114	(5,773)		
	15,896	(13,648)	2,248	112	(2,136)		
	10,807	(1,809)	8,998	1,331	(7,667)		
	9,977	(1,213)	8,764	1,767	(6,997)		
	8,931	(1,934)	6,997	63	(6,934)		
	7,613	(6,653)	960	54	(906)		
	7,310	(6,238)	1,072	51	(1,021)		
	7,128	(3,401)	3,727	50	(3,677)		
	4,848	(1,665)	3,183	34	(3,149)		
	4,430	(3,188)	1,242	31	(1,211)		
	4,430	(3,188)	1,242	31	(1,211)		
	3,990	(2,257)	1,733	28	(1,705)		
	3,477	(2,440)	1,037	24	(1,013)		
	3,236	(2,570)	666	23	(643)		
	3,163	(2,220)	943	22	(921)		
	2,927	(2,107)	820	21	(799)		
	2,190	(1,391)	799	15	(784)		
	1,105	(513)	592	8	(584)		
	187,933	(83,699)	104,234	11,594	(92,640)		
Dies and Jigs							
	25,141	(18,882)	44,023	-	(44,023)	Scrap	Munsha & Sons, 27KM Sheikhupura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
	10,695	(7,375)	18,070	25	(18,045)		
	7,642	(4,935)	12,577	-	(12,577)		
	6,115	(3,057)	9,172	-	(9,172)		
	5,254	(3,831)	9,085	-	(9,085)		
	4,953	(3,096)	8,049	2	(8,047)		
	4,122	(2,233)	6,355	-	(6,355)		
	4,122	(2,233)	6,355	-	(6,355)		
	4,122	(2,319)	6,441	29	(6,412)		
	4,122	(2,319)	6,441	29	(6,412)		
	3,696	(2,233)	5,929	26	(5,903)		
	3,696	(2,233)	5,929	26	(5,903)		
	3,569	(2,231)	5,800	25	(5,775)		
	3,509	(2,632)	6,141	25	(6,116)		
	3,456	(2,016)	5,472	24	(5,448)		
	3,419	(2,066)	5,485	-	(5,485)		
	3,394	(2,262)	5,656	-	(5,656)		
	3,394	(2,262)	5,656	-	(5,656)		
	3,366	(2,244)	5,610	-	(5,610)		
	3,344	(2,438)	5,782	-	(5,782)		
	3,344	(2,438)	5,782	-	(5,782)		
	3,300	(2,338)	5,638	23	(5,615)		
	3,300	(2,406)	5,706	-	(5,706)		
	3,300	(2,475)	5,775	-	(5,775)		
	3,250	(2,234)	5,484	-	(5,484)		

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	Rupees in '000						
Dies and Jigs							
	3,135	(2,155)	5,290	-	(5,290)	Scrap	Munsha & Sons, 27KM Sheikhupura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
	3,100	(2,583)	5,683	-	(5,683)		
	3,097	(2,322)	5,419	-	(5,419)		
	2,964	(2,346)	5,310	-	(5,310)		
	2,938	(2,387)	5,325	-	(5,325)		
	2,850	(1,603)	4,453	20	(4,433)		
	2,800	(2,042)	4,842	-	(4,842)		
	2,475	(1,908)	4,383	17	(4,366)		
	1,886	(1,139)	3,025	13	(3,012)		
	1,796	(973)	2,769	13	(2,756)		
	1,788	(1,155)	2,943	-	(2,943)		
	1,587	(992)	2,579	11	(2,568)		
	158,041	(106,393)	264,434	308	(264,126)		
Office / factory equipment							
	4,014	(2,230)	1,784	185	(1,599)	Negotiation	Akram Scrap Dealer, Karachi
	1,886	(1,048)	838	87	(751)		
	3,200	(780)	2,420	22	(2,398)	Scrap	Munsha & Sons, 27KM Sheikhupura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
	2,783	(1,315)	1,468	20	(1,448)		
	1,850	(775)	1,075	13	(1,062)		
	1,712	(809)	903	12	(891)		
	1,541	(933)	608	11	(597)		
	16,986	(7,890)	9,096	350	(8,746)		
Electrical Fittings							
	3,451	(1,080)	2,371	480	(1,891)	Negotiation	Akram Scrap Dealer, Karachi
	3,451	(1,080)	2,371	480	(1,891)		
Vehicles							
	1,398	(742)	656	656	-	Company Policy	Mr. Zubair Ex Employee.
	3,357	(1,112)	2,245	2,245	-	Company Policy	Ms. Mishaal H. Shirazi
	2,562	(1,192)	1,370	1,370	-	Company Policy	Muhammad Noman.
	1,439	(669)	770	770	-	Company Policy	Mr. Yasir Salamat
	1,439	(669)	770	770	-	Company Policy	Ms. Misbah Pervaiz Marchant
	3,517	(1,835)	1,682	1,682	-	Company Policy	Ms. Qurrat-ul-Ain Jafari
	2,834	(626)	2,208	2,208	-	Company Policy	Mr. Mohsin Ali Khan
	1,703	(642)	1,061	1,061	-	Company Policy	Mr Hamza Abdul Rehman
	2,612	(261)	2,351	2,351	-	Company Policy	Ms. Bushra Masood
	2,315	(679)	1,636	1,636	-	Company Policy	Mr.Farjad Feroz
	2,552	(1,267)	1,285	1,285	-	Company Policy	Mr. Qummer Awais Sagir
	1,745	(848)	897	897	-	Company Policy	Mr. Shahzada Abuzar
	2,487	(124)	2,363	2,363	-	Company Policy	Mr. Ali Raza
	8,173	(1,063)	7,110	7,110	-	Company Policy	Mr. Tariq Haider Khan

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	Rupees in '000						
Vehicles							
	2,476	(1,458)	1,018	1,018	-	Company Policy	Mr. Riaz Ahmed
	1,238	(699)	539	539	-	Company Policy	Mr. Muhammad Iqbal Tahir
	1,308	(705)	603	603	-	Company Policy	Mr. Asif Ali
	1,308	(705)	603	603	-	Company Policy	Mr. Kaleem Ahmad
	1,344	(540)	804	3,266	2,462	Negotiation	Mr. Syed Muhammad Ahmad
	2,195	(883)	1,312	1,312	-	Company Policy	Mr. Faisal Iqbal
	1,441	(564)	877	877	-	Company Policy	Mr. Syed Ijas Hassan
	1,745	874	2,619	871	(1,748)	Company Policy	Mr. Muhammad Nawaz
	2,422	(609)	1,813	3,625	1,812	Negotiation	M/s. Naseer Autos, S.I.T.E. Karachi.
	3,749	(1,924)	1,825	1,825	-	Company Policy	Mr. Rizwan Ahmed
	3,749	(1,957)	1,792	1,792	-	Company Policy	Mr. Ahmar Waheed
	3,749	(2,047)	1,702	1,702	-	Company Policy	Mr. Mansoor Jamil khan
	4,930	(822)	4,108	4,108	-	Company Policy	Mr. Sajid Mehmood Khan
	4,930	(959)	3,971	3,971	-	Company Policy	Mr. Muhammad Irfan
	2,250	(600)	1,650	1,650	-	Company Policy	Mr. Waqas Ahmed
	1,780	(753)	1,027	1,027	-	Company Policy	Mr. Faizan Raza Nayani
	1,335	(425)	910	910	-	Company Policy	Ms. Ayesha Iqbal
	1,745	(861)	884	884	-	Company Policy	Mr. Muhammad Jasim
	1,745	(926)	819	819	-	Company Policy	Mr. Syed Asim Alam
	1,745	(994)	751	751	-	Company Policy	Mr. Rasool Baksh.
	1,398	(694)	704	704	-	Company Policy	Mr. Sheikh Muhammad Rafay
	1,398	(753)	645	645	-	Company Policy	Mr.Ghulam Murtaza
	3,024	(442)	2,582	2,582	-	Company Policy	Mr. Mubashir Iqbal
	1,849	(385)	1,464	1,464	-	Company Policy	Mr. Muniem Aman
	1,745	(814)	931	931	-	Company Policy	Mr. Farman ur Rehman
	1,745	(941)	804	804	-	Company Policy	Mr. Mubasher Rehman
	854	(179)	675	675	-	Company Policy	Mr. Rizwanullah
	1,101	(511)	590	590	-	Company Policy	Mr. Abdul Rehman
	1,777	(754)	1,034	1,034	-	Company Policy	Mr.Khawaja Shujauddin
	1,575	(735)	840	3,020	2,180	Negotiation	Open Market
	1,398	(447)	951	951	-	Company Policy	Mr. Ausaf Siddiqui
	2,250	(188)	2,062	2,062	-	Company Policy	Mr. Abdul Rehman
	2,787	(362)	2,425	2,425	-	Company Policy	Mr. Sohail Aqeel
	3,002	(2,048)	954	3,500	2,546	Negotiation	E-Waste Solutions, Bukhari Road Stret
	1,105	(91)	1,014	1,014	-	Company Policy	Mr. Muhammad Tahir Khan
	3,360	(2,002)	1,358	1,358	-	Company Policy	Mr. Mujahid Ul Mulk
	3,167	(1,865)	1,302	1,302	-	Company Policy	Mr. Hassan Mushtaq Cheema
	3,360	(2,025)	1,335	1,335	-	Company Policy	Mr. Muhammad Zafar Iqbal
	2,944	(1,487)	1,457	1,457	-	Company Policy	Mr. Tahir Nazir
	951	(254)	697	697	-	Company Policy	Mr.Faisal Mahmood

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	Rupees in '000						
Vehicles							
	2,507	(1,413)	1,094	1,094	-	Company Policy	Ms. Sara Ahmed
	2,507	(1,413)	1,094	1,094	-	Company Policy	Mr. Masood Shiraz
	2,507	(1,390)	1,117	1,117	-	Company Policy	Mr. Asad Talib
	1,308	(714)	594	594	-	Company Policy	Mr. Hamayoon Khan
	1,398	(661)	737	737	-	Company Policy	Mr. Owais Ali
	1,398	(660)	738	738	-	Company Policy	Mr. Rizwan Baig
	1,398	(660)	738	738	-	Company Policy	Mr. Saqib Ahmed
	1,398	(608)	790	790	-	Company Policy	Mr. Noman Siddiqui
	1,398	(674)	724	724	-	Company Policy	Mr. Muhammad Saqib
	1,780	(840)	940	940	-	Company Policy	Mr. Imran Talpur
	1,780	(840)	940	940	-	Company Policy	Mr. Bilal Ahmed
	1,730	(609)	1,121	1,121	-	Company Policy	Mr. Waseem Ahmed Siddiqui
	1,395	(426)	969	969	-	Company Policy	Mr. Syed Muddassir Raza Naqvi
	1,733	(196)	1,537	1,537	-	Company Policy	Mr. Muhammad Saad Alam
	1,308	(714)	594	594	-	Company Policy	Mr. Maaz Ahmed Siddiqui
	1,335	(405)	930	930	-	Company Policy	Mr. Zahid Ghafoor
	1,476	(897)	579	579	-	Company Policy	Mr. Aziz Ullah Soomroo
	1,780	(874)	906	906	-	Company Policy	Mr. Naeem uddin
	2,467	(1,463)	1,004	1,004	-	Company Policy	Mr. Moazzam Ali Gondal
	1,483	(869)	614	614	-	Company Policy	Mr. Asif Ikram Ghauri
	1,483	(880)	603	603	-	Company Policy	Mr. Talal Ahmed
	3,220	(1,734)	1,486	1,486	-	Company Policy	Mr. Wajahat
	1,375	(741)	634	634	-	Company Policy	Mr. Aqeel Sheraz
	1,780	(805)	975	975	-	Company Policy	Mr. Fahad Mazhar Ali
	1,308	(735)	573	573	-	Company Policy	Mr. Romais Fisa
	3,167	(1,909)	1,258	1,258	-	Company Policy	Mr. Saeed Anwer
	2,467	(1,390)	1,077	1,077	-	Company Policy	Mr. Munawwar Badshah
	1,483	(858)	625	625	-	Company Policy	Mr .Muhammad Irfan
	1,155	(590)	565	565	-	Company Policy	Muhammad Hammad Numair
	1,155	(579)	576	576	-	Company Policy	Muhammad Ahmed
	1,780	(874)	906	906	-	Company Policy	Fahad Tanvir
	2,330	(350)	1,980	1,980	-	Company Policy	Umer Irfan
	603	(30)	573	573	-	Company Policy	Nauman Shakir
	2,479	(248)	2,231	2,231	-	Company Policy	Mr.Shaheer Ahmed Zaidi
	3,167	(1,842)	1,325	1,325	-	Company Policy	Mr. Ghulam Jelani
	2,467	(1,372)	1,095	1,095	-	Company Policy	Mr. Rameez Baig
	1,483	(825)	658	658	-	Company Policy	Mr. Muhammad Kaleem Abbasi
	2,330	(482)	1,848	1,848	-	Company Policy	Mr. Ali Zia
	6,300	(1,292)	5,008	5,008	-	Company Policy	Mr. Zahid Saleem
	1,101	(627)	474	474	-	Company Policy	Mr Khalid Jabbar

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to:
	Rupees in '000						
Vehicles							
	2,612	(131)	2,481	2,481	-	Company Policy	Mr. Syed Taqi Hassan
	7,393	(123)	7,270	7,270	-	Company Policy	Mr. Mujahid Ul Mulk
	5,667	(283)	5,384	5,384	-	Company Policy	Mr. Syed Tanvir Hyder
	5,960	(978)	4,982	4,982	-	Company Policy	Mr. Rameez Baig
	5,339	(1,951)	3,388	3,388	-	Company Policy	Mr. Nisar Zaman
	2,449	-	2,449	2,449	-	Company Policy	Mr. Zafar Shahbaz
	2,404	-	2,404	2,404	-	Company Policy	Mr. M. Imran
	2,271	-	2,271	2,271	-	Company Policy	Mr. Naseer Ahmed
	1,689	-	1,689	1,689	-	Company Policy	Mr. Syed Nematullah Adeel
	1,714	(455)	1,259	1,259	-	Company Policy	Mr. Misbah Uddin Ahmed
	1,745	(842)	903	903	-	Company Policy	Mr. Farrukh Naseem
	1,745	(843)	902	902	-	Company Policy	Mr. Musabbir Hussain
	1,745	(845)	900	900	-	Company Policy	Mr. Arshman Sarwar
	1,398	(690)	708	708	-	Company Policy	Mr. Mukhtar Ali
	1,398	(702)	696	696	-	Company Policy	Ms. Kinza Shahnawaz
	1,398	(702)	696	696	-	Company Policy	Mr. Bilal Ahmed
	1,398	(702)	696	696	-	Company Policy	Mr. Arif Iqbal
	1,398	(702)	696	696	-	Company Policy	Mr. Tasneem Mustafa
	1,398	(702)	696	696	-	Company Policy	Mr. Obaid Sharif
	1,745	(1,052)	693	693	-	Company Policy	Mr. Ejaz Mushtaq
	776	(100)	676	676	-	Company Policy	Mr. Saad Hoda
	865	(240)	625	625	-	Company Policy	Mr. Ali Muhammad
	1,398	(774)	624	624	-	Company Policy	Mr. M Aleem Sheikh
	1,308	(705)	603	603	-	Company Policy	Mr.Nauman Shakir
	3,812	-	3,812	3,812	-	Company Policy	Mr. Faizan Aqeel
	3,897	(640)	3,257	3,257	-	Company Policy	Mr. Imran Farooq
	2,387	-	2,387	2,387	-	Company Policy	Mr. Khalid Jamil
	2,787	(1,018)	1,769	1,769	-	Company Policy	Mr. Asif Siddiqui
	1,858	(124)	1,734	1,734	-	Company Policy	Mr. Abdullah Haji
	1,630	-	1,630	1,630	-	Company Policy	Ms. Mustajab Fatima
	1,655	(508)	1,147	1,147	-	Company Policy	Mr. Farhan Khan
	2,479	(1,477)	1,002	1,002	-	Company Policy	Ms. Ambreen Maz
	1,335	(548)	787	787	-	Company Policy	Mr. Kamran Patel
	1,398	(729)	669	669	-	Company Policy	Mr. Faizan Aqeel
	206,836	(80,131)	124,566	132,464	7,252		
	573,247	(279,193)	504,701	145,196	(360,151)		
Various assets having net book amount upto Rs. 500,000 each	1,028,409	(480,609)	337,153	467,984	131,477		
	1,601,656	**(759,802)**	**841,854**	**613,180**	**(228,674)**		
Year Ended: June 30, 2023	1,395,656	(650,044)	745,612	662,131	(83,481)		

7.3 Capital work-in-progress

	Note	2024	2023
		----- Rupees in '000 ------	
Plant and machinery		**83,888**	150,880
Furniture and fixtures		**4,176**	-
Software, computers and equipment		**2,069**	7,136
Civil works		**96,809**	66,671
Factory equipment		**19,184**	4,283
Advance payment against - motor vehicle		**11,702**	63,424
Dies and jigs		**37,829**	83,236
Others		**32,378**	24,379
		288,035	400,009

7.4 Right of use assets

		2024	2023
Balance at the beginning of the year		**1,274,848**	1,304,568
Adjustment due to lease modification		**126,456**	124,581
Additions during the year		**577,852**	220,613
Disposal		**(25,761)**	(26,474)
Depreciation charged during the year		**(383,689)**	(348,440)
Balance at the end of the year		**1,569,706**	1,274,848

8 INTANGIBLE ASSETS

	Note	2024	2023
Net book value at the beginning of the year		**63,059**	101,436
Additions		**40,032**	21,247
Written off		**-**	(523)
Amortisation charge	**8.1**	**(51,993)**	(59,101)
Net book value at the end of the year		**51,098**	63,059
Annual rate of amortisation		**10 - 50%**	10 - 50%

8.1 Amortisation charge for the year Rs.67 million (2023: Rs.59 million) has been grouped under cost of sales and services (Note - 35) and distribution costs and administrative expenses (Note 36).

9 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

	Note	2024	2023
		------ Rupees in '000 ------	
Investment in associates	**9.1**	**13,557,006**	13,233,483

9.1 Investment in associates

	Honda Atlas Cars (Pakistan) Limited		Honda Atlas Power Products (Private) Limited		Integration Experts		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	----	----	----	----	Rupees in '000	----	----	----
Balance as at July 1, 2023	**13,060,782**	16,140,389	**40,736**	40,365	**131,965**	105,431	**13,233,483**	16,286,185
Investment sold	-	-	-	-	**(131,965)**	-	**(131,965)**	-
Share of Profit	**715,204**	79,718	**3,157**	371	-	26,534	**718,361**	106,623
Remeasurement gain	**17,405**	13,195	-	-	-	-	**17,405**	13,195
Dividend received	**(280,278)**	-	-	-	-	-	**(280,278)**	-
Carrying value at the end of the year	**13,513,113**	16,233,302	**43,893**	40,736	-	131,965	**13,557,006**	16,406,003
Impairment loss for the year	-	(3,172,520)	-	-	-	-	-	(3,172,520)
Balance as at June 30, 2024	**13,513,113**	13,060,782	**43,893**	**40,736**	-	131,965	**13,557,006**	13,233,483

9.1.1 Impairment loss of Rs.3,173 million and Rs.976 million was recognized in the consolidated financial statements for the year ended June 30, 2023 and June 30, 2022 respectively, based on the Holding Company's assessment of the recoverable amount of the investment. However, based on the Holding Company's assessment as at June 30, 2024, no further impairment charge is required to be recognized in respect of this investment.

9.2 Share of associates net assets and profit and loss

Name of associate	Interest held 2024	Interest held 2023	Profit 2024	Profit 2023	Total assets 2024	Total assets 2023	Total liabilities 2024	Total liabilities 2023	Share of net assets 2024	Share of net assets 2023
			Rupees in '000							
Honda Atlas Cars (Pakistan) Limited	**30.64%**	30.64%	**715,204**	79,707	**13,062,667**	19,207,629	**6,649,001**	13,305,040	**6,413,666**	5,902,589
Honda Atlas Power Products (Private) Limited	**20.00%**	20.00%	**3,157**	371	**48,967**	56,155	**5,074**	15,419	**43,893**	40,736
Integration Experts	**0.00%**	26.00%	**-**	26,343	**-**	239,838	**-**	107,873	**-**	131,965

10 INVESTMENTS IN ASSOCIATES - MUTUAL FUNDS

Number of units 2024	Number of units 2023	Name of Mutual Fund	Note	Carrying value 2024	Carrying value 2023
				--- Rupees in '000 ---	
13,826,605	4,950,287	Atlas Income Fund		**7,826,397**	2,852,844
4,158,855	3,994,663	Atlas Stock Market Fund		**4,213,059**	2,288,613
52,361,355	83,402	Atlas Sovereign Fund		**5,949,354**	8,473
3,074,473	3,093,113	Atlas Islamic Stock Fund		**2,511,667**	1,478,173
157,919	-	Atlas Islamic Income Fund		**80,795**	-
8,200,237	15,183,604	Atlas Money Market Fund		**4,189,674**	7,749,341
232,405	213,625	Atlas Aggressive Allocation Islamic Plan		**191,001**	117,727
234,736	212,262	Atlas Moderate Allocation Islamic Plan		**179,122**	119,898
279,736	248,757	Atlas Conservative Allocation Islamic Plan		**190,934**	140,847
509,846	899,340	Atlas Islamic Capital Preservation Plan II		**330,797**	461,887
1,415,787	732,231	Atlas Islamic Money Market Fund		**718,863**	367,101
315,000	-	Atlas KPK Islamic Pension Fund		**34,842**	-
3,848,195	4,111,068	Atlas Liquid Fund		**1,924,099**	2,055,535
498,000	498,000	Atlas Pension Fund		**344,606**	224,837
498,000	498,000	Atlas Pension Islamic Fund		**343,630**	218,459
280	-	Atlas Private Equity Fund		**279,497**	-
				29,308,337	**18,083,735**

11 LONG TERM INVESTMENTS

	Note	2024	2023
Unlisted shares - at fair value through - other comprehensive income	11.1	-	-
Available-for-sale - others			
Listed shares	11.2	3,557,580	865,319
		3,557,580	865,319

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

Number of shares 2024	Number of shares 2023	Name of Company	2024	2023
			------ Rupees in '000 ------	
5,661,524	5,661,524	Techlogix International Limited Fully paid ordinary shares of - US $ 0.0001468	**64,748**	64,748
		Less: Provision for impairment	**(64,748)**	(64,748)
350,000	350,000	Arabian Sea Country Club Limited Fully paid ordinary shares of 10 each	**3,500**	3,500
		Less: Provision for impairment	**(3,500)**	(3,500)
50,000	50,000	Automotive Testing & Training - Centre (Private) Limited Ordinary shares of Rs.10 each - cost	**500**	500
		Less: Provision for impairment	**(500)**	(500)
			-	-

11.2 Listed securities include an amount of Rs.2,088 million (2023: Rs.1,132 million) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs.1,235 million (2023: Rs.879 million).

12 LONG TERM LOANS
- secured, considered good

	Note	2024	2023
		------ Rupees in 000 ------	
Loans and advances to:			
Key Management Personnel	12.2	8,118	8,212
Other employees		267,361	201,251
	12.1	275,479	209,463
Current portion of long term loans		(203,599)	(156,676)
		71,880	52,787
Loan to Multan Electric Power Company Limited	12.3	103,722	133,357
	12.4	175,602	186,144

12.1 These represent interest free loans provided to employees of the Company in the form of staff personal loan and motor vehicle loan. Loans aggregating Rs.186.6 million (2023: Rs.139.1 million) are provided for purchase of motorcycles and are repayable in forty eight equal monthly instalments. These loans are secured against respective motorcycles and employees' vested retirement benefits. Advances are unsecured and are repayable in twenty four equal monthly instalments.

12.2 The maximum amount of loans and advances to the key management personnel outstanding at the end of any month during the year ended June 30, 2024 was Rs.20.63 million (2023: Rs.17.60 million).

12.3 This relates to an interest free loan provided to Multan Electric Power Company (MEPCO) to meet the 100% expenses of grid interconnection at Tehsil Chaubara, Layyah, Punjab. The Group has paid Rs. 133.4 million in lump-sum (estimated cost of interconnectivity from Company to Power Purchaser system).This loan carries mark-up at the rate of 3 month Kibor plus 0.5% and is repayable in thirty-six (36) equal monthly instalments which would commence eighteen (18) months after commercial operation date.

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

13 LONG TERM DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	---- Rupees in '000 ----	
Deposits and retention money	218,482	240,617
Deferred commission	221,386	196,564
	439,868	437,181

14 STORES, SPARES AND LOOSE TOOLS

	2024	2023
Stores and spare parts	2,297,366	2,809,141
Loose tools	710,265	733,980
Maintenance spares	919,817	797,929
	3,927,448	4,341,050
Less: Provision for slow moving stores	(193,255)	(166,677)
	3,734,193	4,174,373

15 STOCK-IN-TRADE

	Note	2024	2023
		---- Rupees in '000 ----	
Raw and ancillary materials			
In hand		**13,637,910**	13,560,118
held with vendors		**590,111**	862,439
In transit		**2,089,668**	393,485
		16,317,689	14,816,042
Work-in-process		**2,416,874**	2,158,353
Finished goods in hand		**7,847,910**	6,080,665
Less: Provision for obsolescence	15.1	**(245,079)**	(171,771)
		26,337,394	22,883,289

15.1 Movement of provision for slow moving inventories

	Stores, spares & loose tools		Stock-in-trade	
	2024	2023	2024	2023
	---- Rupees in '000 ----			
Balance at the beginning of the year	**166,677**	154,245	**171,771**	173,917
Charge for the year	**26,578**	12,432	**115,717**	25,031
Amount written off during the year	-	-	**(42,409)**	(27,177)
Balance at the end of the year	**193,255**	166,677	**245,079**	171,771

16 TRADE DEBTS

	Note	2024	2023
Considered good	16.1	**21,068,168**	22,454,996
Contract asset		**1,291,186**	1,888,459
Less: provision for doubtful debts		**(6,354)**	(5,437)
		1,284,832	1,883,022
Considered doubtful		**95,445**	88,412
Less: provision for doubtful debts		**(95,445)**	(88,412)
		-	-
		22,353,000	24,338,018

16.1 These includes trade receivables from CPPA-G (previously from NTDC) under PPA and are considered good. These are secured by a guarantee from the Government of Pakistan (GoP) under the Implementation Agreement and are in normal course of business and interest free. However, a penal mark-up at the rate of 3 months KIBOR plus 2% for first 60 days and 4.5% thereafter is charged in case the amounts are not paid within due dates. Included herein is delayed payment interest of Rs.1,726 million (2023: Rs.2,356 million) at the KIBOR plus 2% for first 60 days and KIBOR plus 4.5% thereafter.

16.2 Reconciliation of provision against doubtful debts is as follows:

	2024	2023
	---- Rupees in '000 ----	
Balance at the beginning of the year	**88,412**	96,336
Charge for the year	**22,027**	7,074
Reversal during the year	**(14,994)**	(14,998)
Balance at the end of the year	**95,445**	88,412

17 RECEIVABLE FROM ASSOCIATE FUNDS

	2024	2023
	---- Rupees in '000 ----	
Management fee		
Atlas Income Fund	**11,861**	3,607
Atlas Stock Market Fund	**32,747**	16,566
Atlas Islamic Stock Fund	**12,052**	6,743
Atlas Islamic Income Fund	**1,347**	757
Atlas Pension Fund	**1,526**	1,077
Atlas Islamic Dedicated Stock Fund	**1,197**	1,247
Atlas Money Market Fund	**20,350**	14,600
Atlas Sovereign Liquid Fund	**8,833**	553
Atlas Islamic Fund of Funds	**13**	33
Atlas Pension Islamic fund	**1,514**	1,162
Atlas Islamic Money Market Fund	**1,641**	1,144
Atlas Liquid Fund	**3,812**	3,162
Atlas KPK Islamic Pension Fund	**1**	-
Atlas Private Equity Fund	**2,782**	-
	99,676	50,651

17.1 The maximum aggregate amount of receivable from associate funds at the end of any month during the year was Rs.103.27 million (2023: Rs.52.39 million). These balances are recoverable within one month. As of date of the financial statements, these are neither past due nor impaired.

18 LOANS AND ADVANCES - unsecured, considered good

	Note	2024	2023
		------ Rupees in '000 ------	
Current portion of long term loans	12	**203,599**	156,676
Advances			
Due from staff	18.1	**24,684**	15,244
Due from suppliers		**185,454**	366,217
Others		**106,048**	476,823
		316,186	858,284
Less: provision for doubtful debts		**-**	(7,843)
		519,785	1,007,117

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

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2024	2023
		---- Rupees in '000 ----	
Security / trade deposits		**112,243**	89,687
Prepayments for rent, insurance and others		**2,332,701**	1,956,720
Earnest money		**87,466**	86,816
Other receivables			
Letter of credit and guarantee margin		**57,982**	3,806,531
Advance against shares		**-**	176,630
Advisory fee receivable		**2,255**	2,020
Profit on term deposit receipt		**9,998**	4,780
Receivable from Suroor Investments Limited	**19.1**	**102,579**	102,579
Dividends receivable		**-**	38,938
Due from employees		**24,894**	3,946
Due from suppliers		**10,780**	11,243
Due from insurance contract holder		**215,500**	266,453
Provident fund		**223**	223
Workers' Profit Participation Fund from CPPA-G		**96,935**	167,595
Receivable from funds under back office accounting services		**62,284**	41,014
Assets from window takaful		**509,420**	371,476
Receivable from gratuity		**3,211**	33,396
Others		**231,901**	333,254
		1,327,962	5,360,078
Less: provision against other receivables		**(128,050)**	(289,117)
		3,732,322	7,204,184

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

20 SHORT TERM INVESTMENTS

	Note	2024	2023
		---- Rupees in '000 ----	
Investment at fair value through - other comprehensive income			
Listed shares	**20.1**	**10,380,883**	7,133,298
Available-for-sale			
Term finance certificates		**20,000**	20,000
Investment at fair value through profit or loss			
Listed shares		**533,367**	950,380
Pakistan investment bonds		**89,952**	349,999
Mutual funds	**20.2**	**1,089,080**	456,343
Investment at amortised cost			
Pakistan investment bonds	**20.3**	**-**	49,710
Treasury bills	**20.4**	**4,211,214**	1,359,086
Term deposit receipts		**39,000**	25,000
		16,363,496	10,343,816

20.1 Listed shares

2024	2023			2024		2023	
Number of shares		Name of Company	Note	Cost	Fair value	Cost	Fair value
				Rupees in '000			
5,937,822	6,089,524	Meezan Bank Limited		**688,668**	**1,421,455**	706,262	525,952
14,636,936	14,636,936	Cherat Cement Company Limited		**1,307,435**	**2,387,723**	1,307,435	1,760,531
5,876,886	5,560,500	Habib Metropolitan Bank Limited		**197,294**	**403,566**	175,656	168,038
696,722	656,885	Pakistan Oilfields Limited		**282,523**	**341,352**	263,025	263,917
7,609,654	7,609,654	Systems Limited		**178,280**	**3,183,118**	178,280	3,069,202
2,087,250	2,087,250	Pakistan Cables Limited		**240,407**	**323,879**	240,407	173,075
4,703,957	4,504,423	Engro Fertilizers Limited		**399,334**	**781,892**	366,155	371,750
3,273,848	3,122,961	Fauji Fertilizer Company Limited		**344,213**	**534,881**	320,038	307,424
222,867	-	Bank Al-Habib Limited		**24,994**	**25,001**	-	-
3,816,795	4,197,795	United Bank Limited		**422,213**	**978,016**	464,359	493,409
			20.1.1	**4,085,361**	**10,380,883**	4,021,617	7,133,298

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

20.2 Mutual funds

2024	2023	Name of Funds	Note	2024	2023
Number of units				Rupees in '000	
3,776,807	2,593,190	HBL Money Market Fund	20.4.1	**390,023**	266,654
3,253,541	1,114,731	Lakson Money Market Fund		**340,142**	114,892
2,083,429	-	UBL Government Securities Fund		**254,653**	-
-	29,447	National Investment Trust		-	1,491
1,010,190	717,524	HBL Cash Fund		**104,262**	73,306
				1,089,080	456,343

20.4.1 3,776,807 units of HBL Money Market Fund valuing Rs.390 million (2023: 2,593,190 units of HBL Money Market Fund valuing Rs.267 million) are under lien of a commercial bank against guarantees aggregating Rs.337 million (2023: Rs.239 million) issued in favour of Sui Southern Gas Co. Ltd. and Excise & Taxation Department, Government of Sindh on behalf of the Group.

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

20.4 Includes treasury bills having cost of Rs. 186,367 thousand (2023: Rs.190,604 thousand) are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance, 2000.

21 CASH, BANK BALANCES AND DEPOSITS	**Note**	**2024**	2023
		---- Rupees in '000 ----	
Bank balances and deposits:			
Current accounts		**399,301**	2,463,192
PLS saving accounts	**21.1**	**8,996,192**	5,634,650
Term deposit receipts / treasury bills	**21.2**	**32,717,237**	30,957,093
In hand:			
Cheques in hand	**21.3**	**1,084,685**	745,827
Cash in hand		**171**	76
		43,197,586	39,800,838

21.1 These carry interest rates ranging from 19.5% to 20.51% (2023: 12.25% to 19.5%) per annum.

21.2 These carry mark-up rates ranging from 21% to 23.5% (2023: 16.36% to 20.5%) per annum with maturity ranging from 7 days to 31 days (2023: 6 days to 20 days). These include term deposit receipts of Rs.40 million (2023: Rs.40 million) which are under lien with the bank against a bank guarantee issued on behalf of the Group. Also includes Rs.24,502.5 million (2023: Rs.27,372.08 million) invested in Treasury Bills and Pakistan Investments bonds having maturity of upto 182 days and carries markup ranging from 21.21% to 22.39% (2023: 15.68% to 21.06%).

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

22 SHARE CAPITAL

Authorised Capital

2024	2023		**2024**	2023
Number of shares			---- Rupees in '000 ----	
240,000,000	240,000,000	Ordinary shares of Rs.10 each	**2,400,000**	2,400,000

Issued, subscribed and paid-up capital

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

22.1 As at year end, the shares held by Directors and Iftikhar Shirazi Family Trust were 165.084 million (2023: 165.084 million) and 55.028 million (2023: 55.028 million) respectively.

22.2 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.

23 LONG TERM LOANS - secured

	Note	2024	2023
		-------- Rupees in '000 --------	
Local currency loans - secured			
Term finance facility	23.1	2,874,439	3,063,573
Temporary economic refinance facility	23.2	188,152	195,215
Temporary economic refinance facility - I	23.3	208,795	224,296
Temporary economic refinance facility - II	23.3	45,318	44,167
Temporary economic refinance facility - IIII	23.4	1,232,332	1,396,023
Green financing facility - phase 1	23.5	44,692	52,144
Green financing facility - phase 2	23.5	79,343	93,157
Green financing facility - phase 3	23.6	120,000	135,000
Islamic financing facility	23.70	2,062,500	2,812,500
Islamic financing facility - I	23.80	500,000	1,000,000
Islamic financing facility - II	23.90	1,333,333	2,000,000
Renewable energy refinancing facility	23.10	52,307	59,282
Demand financing facility	23.11	-	300,000
Musharakah I	23.12	541,666	708,333
Musharakah II	23.13	312,500	312,500
		9,595,377	12,396,190
Foreign currency loans - secured			
Term finance facility	23.14	6,826,900	7,492,129
		16,422,277	19,888,319
Adjustment pertaining to fair value of loan at - below market interest rate		(317,535)	(390,953)
Current portion		(3,062,063)	(3,284,642)
		13,042,679	16,212,724

23.1 ASL has obtained long term loan facility from Habib Bank Limited for the construction of 100 MW solar power plant for generation and supply of electricity against the total sanctioned limit of Rs. 3,318 million (30 June 2023: 3,318 million) . This loan carries a mark up rate of 3M Kibor + 1.75% (30 June 2023: 3M Kibor + 1.75%). This loan is repayable in 56 unequal quarterly instalments starting from 30 June 2022. This loan is secured against 100% of the Project ASL's common shares owned by the sponsoring entities, mortgage of land, building and machinery and first ranking, hypothecation charge over all movable assets (current and future) of ASL.

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

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

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

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

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

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

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

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

23.10 This represents long term loan obtained by AAL from Habib Bank Limited under Renewable Energy Refinancing Facility of an amount upto the equivalent of Rs.68 million, introduced by State Bank of Pakistan. The facility is secured against first pari passu hypothecation charge over all present and future plant and machinery and equipment of AAL with 25% margin. Mark-up is chargeable at SBP rate (2%) plus 1% per annum. The loan is for ten years with a grace period of three months and is repayable in forty quarterly instalments starting from April 2022. AAL during the year repaid Rs.6.975 million (2023: Rs.6.974 million).

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

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

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

23.14 ASL has acquired debt financing amounting to USD 28,000,000 (31 December 2023: USD 28,000,000) from British International Investment Plc (formerly CDC Group Plc) for construction of 100 MW solar power project plant for generation and supply of electricity. The loan carries mark up at the rate of 3 Months USD LIBOR plus 4.25% (31 December 2023: 3 Months USD LIBOR plus 4.25%). This loan is repayable in 56 unequal quarterly instalments starting from 30 June 2022. This loan is secured against all the hypothecated assets and share capital of the Company.

24 LONG TERM DEPOSITS

	Note	2024	2023
		-------- Rupees in '000 --------	
Deposits from employees	**24.1**	**60,887**	50,666
Less: current portion shown under current liabilities		**(3,021)**	(1,392)
		57,866	49,274

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

25 DEFERRED LIABILITIES

	Note	2024	2023
		------ Rupees in '000 ------	
Provision for employees' compensated absences	**25.1 & 25.2**	**1,058,120**	880,781
Provision for long service award	**25.2**	**24,173**	22,633
Provision for gratuity	**25.3**	**158,568**	134,104
		1,240,861	1,037,518

25.1 The provision is made in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as of June 30, 2024.

25.2 This includes provision amounting to Rs.24.23 million (2023: Rs.19.21 million) for key management personnel of the Holding Company.

25.3 Provision for gratuity

	2024	2023
	------ Rupees in '000 ------	
25.3.1 Reconciliation		
Present value of defined benefit obligation	**1,134,112**	853,734
Fair value of plan assets	**(819,490)**	(619,754)
Inter-group adjustments	**(1,496)**	(19,393)
Less: payable within next twelve months	**(154,558)**	(80,483)
	158,568	134,104
25.3.2 Movement in the present value of defined benefit obligation		
Balance at beginning of the year	**853,968**	771,147
Current service cost	**59,280**	52,387
Past service cost	**118,829**	-
Interest cost	**133,481**	95,942
Benefits paid	**(78,255)**	(51,466)
Re-measurement	**50,992**	10,126
Receivable from related parties in respect of transferees	**(4,183)**	(24,402)
Balance at end of the year	**1,134,112**	853,734
25.3.3 Movement in the fair value of plan assets		
Balance at beginning of the year	**632,553**	562,152
Expected return on plan assets	**101,342**	73,969
Contributions	**86,643**	71,374
Benefits paid	**(77,852)**	(51,177)
Re-measurement	**76,106**	(37,691)
Receivable from related parties in respect of transferees	**698**	1,127
Balance at end of the year	**819,490**	619,754
25.3.4 Movement in net liability in the statement of financial position		
Balance at beginning of the year	**214,587**	164,073
Expense recognised for the year	**210,246**	74,360
Contributions made during the year	**(86,592)**	(71,663)
Re-measurement	**(25,115)**	47,817
	313,126	214,587
Less: payable within next twelve months	**(154,558)**	(80,483)
	158,568	134,104

25.3.5 Expense recognised in the statement of profit or loss

	2024	2023
	------ Rupees in '000 ------	
Current service cost	**59,254**	52,387
Past service cost	**118,829**	-
Interest cost	**41,577**	28,617
Expected return on assets	**(8,489)**	(6,644)
	211,171	74,360

25.3.6 Re-measurements recognised in other comprehensive income

	2024	2023
Gain from change in financial assumptions	**(9,493)**	(12,245)
Experience gain on re-measurement	**60,515**	21,386
(Gain) / loss on re-measurement of plan assets	**(76,225)**	37,559
Difference in opening fair value	**-**	1,117
Net re-measurements	**(25,203)**	47,817

25.3.7 The principal assumptions used in the actuarial valuations carried out as of June 30, 2024 using the 'Projected Unit Credit' method are as follows:

	Gratuity Fund	
	2024	2023
	------- Percentages ------	
Discount rate	**14.75%**	16.25%
Rate of salary increase (per annum)	**16%**	15%
Long term salary increase rate	**13.75%**	15.25%
Mortality rates	**SLIC (2001-05)-1**	
Rate of employee turnover	**Moderate**	Moderate

26 LEASE LIABILITIES

	2024	2023
	---- Rupees in '000 ----	
Lease liabilities	**1,912,265**	1,620,246
Current portion of lease liabilities	**(277,650)**	(334,324)
	1,634,615	1,285,922

27 DEFERRED INCOME - GOVERNMENT GRANT

	2024	2023
Balance at beginning of the year	**420,437**	525,348
Amortisation of deferred income - government grant	**(79,627)**	(104,911)
Balance at end of the year	**340,810**	420,437
Less: Current portion of deferred income - government grant	**(85,907)**	(94,058)
	254,903	326,379

28 DEFERRED TAXATION

	Note	2024	2023
		---- Rupees in '000 ----	
Deferred tax liability / (asset) arising due to temporary differences in respect of;			
- Net investment in finance lease		**2,746**	(1,760)
- Right of use asset		**13**	337
- Investment in associates and joint venture		**6,641**	(369)
- Lease liabilities - net		**(127,166)**	(86,032)
- Employees retirement benefits - gratuity		**(127,970)**	(66,017)
- Provisions for compensated absences and bonus		**(355,399)**	(231,959)
- Provision for warranty		**(420,761)**	(290,325)
- Provision for tax on share of profit from associate		**-**	(23,472)
- Provisions for slow moving inventories and doubtful debts		**(221,514)**	(122,288)
- Accelerated tax depreciation and amortisation		**2,653,623**	2,094,226
- Unrealised loss on investments at fair value through profit or loss		**152,836**	(8,111)
- Unrealised gain on investments at fair value through other comprehensive income		**804,617**	388,960
- Alternative corporate and minimum tax and unused tax losses		**(272,767)**	(309,303)
- Others		**1,367,415**	413,788
Deferred tax liability		**3,462,314**	1,757,675

29 TRADE AND OTHER PAYABLES

	Note	2024	2023
Trade payables		**12,938,795**	15,591,869
Due to related parties		**52,346**	19,113
Import bills payable		**607,985**	2,295,961
Royalty payable		**7,042,718**	7,944,159
Retention money		**3,342**	3,342
Accrued liabilities	29.1	**8,682,488**	7,363,005
Workers' Profit Participation Fund		**802,358**	551,418
Workers' Welfare Fund		**381,362**	282,295
Withholding tax payable		**70,615**	42,409
Custom / additional custom duty payable		**1,611,722**	1,611,722
Contract liabilities - advances from customers		**20,968,672**	24,680,821
Payable to staff provident and gratuity fund		**480,879**	145,213
Provision for compensated absences		**249,753**	121,283
Premium received in advance		**252,775**	80,800
Insurance / reinsurance payable		**1,147,457**	845,761
Total liabilities from window takaful operations		**262,457**	196,948
Provision for outstanding claims and warranty		**2,682,306**	2,239,219
Provision for unearned premium		**2,092,675**	1,821,488
Unearned reinsurance commission		**209,693**	194,699
Sindh government infrastructure fee		**1,897,762**	1,450,628
Provision for gas infrastructure development cess		**349,296**	324,993
Deposits from employees		**3,745**	2,784
Others		**517,619**	293,084
		63,308,820	68,103,014

29.1 Includes Rs.12.63 million (2023: Rs.10.02 million) due to Honda Motor Company Limited, Japan - related party.

30 SHORT TERM BORROWINGS - SECURED

	2024	2023
	---- Rupees in '000 ----	
Running finance under mark-up arrangements	**12,401,484**	7,461,818
Money market facilities under mark-up arrangement	**754,236**	666,999
Islamic financing	**2,468,290**	3,159,073
Finance against trust receipts	**28,393**	-
	15,652,403	11,287,890

30.1 The Group has short term running finance, musharakah and money market facilities under mark-up arrangements aggregating to Rs.31,528 million (2023: Rs.29,202 million) from various commercial and Islamic banks carrying mark-up ranging between 20.79% to 23.91%. The facilities utilized against these arrangements are secured against equitable mortgage on lands and buildings, first pari passu hypothecation charge over present and future book debts, stock, spares and tools, fuel stock and pledge of shares and mutual funds units. These facilities are expiring on various dates upto 31 March 2025.

31 CONTINGENCIES & COMMITMENTS

31.1 Contingencies in respect of subsidiaries

Atlas Asset Management Limited (AAML)

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

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

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

31.1.2 With effect from July 01, 2011, the asset management services rendered by AAML to the mutual funds and pension funds under its management fall within the scope of taxable services under Sindh Sales Tax Act, chargeable at the rate of 15% on the asset management services rendered, which AAML collects from the mutual funds / pension funds as a collecting agent and thereafter deposits the same with the SRB. AAML being registered in the province of Sindh, is registered with the SRB as a service provider.

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

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

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

Atlas Battery Limited (ABL)

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

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

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

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

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

The Court via its final order dated October 10, 2023, has dismissed the petition of ABL based on jurisdiction. The Company will pursue the available departmental remedies or relevant jurisdiction court, once the proceedings are finalized.

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

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

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

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

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

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

The PRA on December 19, 2023 has issued a recovery notice under section 70 of the Punjab Sales Tax on Services Act, 2012 for the impugned demand of Rs.4.327 million including penalty. ABL has again filed a petition before the Court on January 02, 2024 for grant of stay from coercive actions and to suspend the operation of the notice, which is pending for hearing.

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

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

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

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

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

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

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

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

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

Pursuant to ATIR order, DCIR had initiated the appeal effect proceedings on the issues remanded back by ATIR and passed the order dated May 20, 2024 confirming the demand of Rs.5.645 million including default surcharge and penalty. ABL has filed an appeal before CIR(A) on June 13, 2024, which is pending for hearing.

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

Pursuant to ATIR order, DCIR had initiated the appeal effect proceedings on the issues remanded back by ATIR and passed the order dated May 20, 2024 confirming the demand of Rs.4.382 million including default surcharge and penalty. ABL has filed an appeal before CIR(A) on June 13, 2024, which is pending for hearing.

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

Pursuant to CIR(A) order, DCIR had initiated the appeal effect proceedings on the issues remanded back by CIR(A) and passed the order dated June 12, 2024 for the TY 2016 by reducing the demand to Rs.1.142 billion. The Company has filed an appeal on July 06, 2024 against the aforesaid order of DCIR in respect of issues at (i) disallowance of purchases on account of alleged fake and flying sales tax invoices, and (ii) difference in bank credit entries before the ATIR, which is pending for hearing.

Further, DCIR had also initiated the appeal effect proceedings on the issues remanded back by CIR(A) and passed the orders dated July 1, 2024 for TY 2018, 2019 and 2020 and reduced the demands to Rs.20.673 million, Rs.76.543 million and Rs.4.528 million, respectively. The Company has filed appeals on July 24, 2024 for TY 2018, and on July 26, 2024 for TY 2019 against the aforesaid mentioned orders of DCIR in respect of issues at (i) short credit of taxes (ii) various expenses before the Appellate Tribunal Inland Revenue (ATIR) which are pending for hearing. Furthermore, for TY 2020, the Company has filed an appeal on July 24, 2024 against the aforesaid order of DCIR in respect of issues at (i) short credit of taxes (ii) various expenses before the CIR(A), which is pending for hearing. Moreover, the Company has obtained stay from the Honourable High Court of Sindh against the demand confirmed by DCIR for TY 2016, 2018 and 2019. ABL has also obtained stay from the CIR(A) by paying 10% of the demand for the TY 2020.

Atlas Honda Limited (AHL)

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

Atlas Insurance Limited (AIL)

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

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

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

Atlas Metals (Private) Limited (AML)

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

AML has filed an appeal before Appellate Tribunal Inland Revenue (the Tribunal) which decided in favor of AML through order dated October 10, 2023.

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

Atlas Solar Limited (ASL)

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

		2024	2023
		---- Rupees in '000 ----	
31.2	Outstanding bank guarantees	**10,582,879**	10,882,414
31.3	**Commitments**		
	Commitments in respect of letters of credits	**6,952,148**	9,581,767
	Commitments other than through letters of credits	**217,420**	251,363
	Commitments in respect of Ijarah arrangements:		
	- not later than one year	**516,989**	498,616
	- later than one year and not later than five years	**1,428,446**	1,360,835
32	**REVENUE**		
	Sales including lease income	**300,559,593**	259,777,706
	Hire-purchase sales	**2,678,421**	2,001,305
	Service income / insurance income	**2,691,968**	1,434,973
	Commission Income	**478,212**	422,549
		306,408,194	263,636,533
	Less: Sales tax	**(49,026,440)**	(42,862,076)
	Less: Discounts / returns / sales load	**(7,849,948)**	(5,717,922)
		249,531,806	215,056,535

33 FEE / COMMISSION FROM ASSET MANAGEMENT

	2024	2023
	---- Rupees in '000 ----	
Open-ended		
Atlas Income Fund	84,426	46,419
Atlas Islamic Income Fund	14,365	11,124
Atlas Islamic Money Market Fund	17,625	8,675
Atlas Islamic Stock Fund	127,888	103,054
Atlas Money Market Fund	229,330	128,219
Atlas Pension Fund	16,113	15,336
Atlas Sovereign Liquid Fund	66,161	10,733
Atlas Pension Islamic Fund	15,911	16,054
Atlas Islamic Dedicated Stock Fund	18,912	15,535
Atlas Islamic Fund of Funds	537	485
Atlas Liquid Fund	55,989	27,561
Atlas Stock Market Fund	342,329	240,705
Atlas KPK Islamic Pension Fund	4	-
Private equity fee - net	5,429	-
	995,019	623,900
Less: Sales tax	(113,847)	(71,776)
	881,172	552,124

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

34 OTHER OPERATING INCOME

	2024	2023
	---- Rupees in '000 ----	
Income on loans, advances and bank balances	1,624,315	1,487,536
Scrap sales	108,271	98,023
Earned carrying charges on hire-purchase sales	24,431	21,505
Amortization of deferred income - government grant	10,008	38,267
(Provision) / Reversal of expected credit loss - net	(21,038)	15,412
Reversal of provision against compensated absences	5,079	-
Profit from window takaful operations	119,158	105,846
Gain on sale of treasury bills and PIBs	4,573,583	1,651,703
Others	127,066	23,237
	6,570,873	3,441,529

35 COST OF SALES AND SERVICES

	Note	2024	2023
		---- Rupees in '000 ----	
Raw and ancillary materials consumed		154,431,256	133,114,312
Salaries, wages and benefits	35.1	10,273,147	8,991,677
Spare parts and other maintenance		1,030,358	2,135,018
Travelling and conveyance		255,889	196,191
Store consumption		2,915,215	2,283,553
Fuel, water and power		5,847,749	5,416,825
Rent rates and taxes including ijarah rental		662,463	499,894
Insurance		63,580	52,014
Training expense		14,125	2,100
Repairs and maintenance		2,247,464	1,930,730
Depreciation on operating fixed assets	7.1	3,687,955	3,531,560
Depreciation on operating right of use assets	7.4	158,094	147,578
Amortisation and software charges	8	55,785	45,012
Canteen		372,577	325,944
Royalties and technical fee	35.2	7,399,188	7,247,149
Printing and stationery		90,440	70,273
Postage and telephone		23,446	19,414
Fees and Subscription		26,385	14,279
Provision for stock, stores, spare parts & loose tools obsolescence		142,295	37,463
Marking fee		147,934	121,929
Free replacement		1,703,083	1,568,918
Vehicle running		208,521	169,433
Installation charges / subcontracting costs		473,822	487,150
General expenses		222,936	139,613
		192,453,707	168,548,029
Opening - Finished goods		5,399,003	3,191,427
- Work-in-progress		2,154,462	1,219,217
Purchases during the year		26,623,171	22,721,834
Transfers to fixed assets		(53,858)	(9,487)
Closing - Finished goods		(6,693,324)	(5,399,003)
- Work-in-progress		(2,416,874)	(2,154,462)
		25,012,580	19,569,526
		217,466,287	188,117,555

35.1 Salaries, wages and benefits include Rs.581.76 million (2023: Rs.280.73 million) in respect of employees retirement benefits.

35.2 Royalty charged in these financial statement pertains to:

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

36 DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	Note	2024	2023
		---- Rupees in '000 ---	
Salaries, wages and benefits	36.1	6,186,888	4,157,034
Back office accounting services charges	36.2	50,240	40,565
Rent, rates and taxes including ijarah rentals		104,598	110,756
Travelling, conveyance and entertainment		818,195	862,709
Freight and forwarding		1,512,260	1,226,404
Printing and stationery		60,521	57,683
Gas, water and electricity		182,812	147,827
Vehicle running		368,281	293,541
Legal and professional fee		181,298	135,691
Auditors' remuneration	36.3	41,714	33,576
Insurance		21,504	14,676
Fee and subscription		277,056	214,633
Repairs and maintenance		19,351	128,798
Depreciation on			
- Operating fixed assets	7.1	538,621	490,928
- Right of use assets		225,852	200,862
Amortisation on intangible assets and license fee		10,899	14,089
Postage, telephone and internet		93,093	99,558
Newspapers, magazines and subscriptions		25,402	18,424
Staff training		47,557	36,159
Advertisements / sales promotion		1,317,158	1,086,794
Donation to Atlas Foundation - a related party		595,714	536,740
Directors' meeting fees and remuneration		93,008	66,616
Others		655,999	545,474
Less: expenses reimbursed from funds under management		(274,946)	(126,721)
		13,153,075	10,392,816

36.1 Salaries and benefits include Rs.586.25 million (2023: Rs.187.96 million) in respect of employees' retirement benefits.

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

36.3 Auditors' remuneration

	Shinewing Hameed Chaudhri & Co.	EY Ford Rhodes	BDO Ebrahim & Co.	2024 Total	2023 Total
	Rupees in 000				
Annual audit fee of Holding Company and subsidiary companies	15,774	3,024	5,017	23,815	17,789
Fee for half yearly review	1,025	-	-	1,025	1,138
Audit fee for consolidated financial statements	1,894	-	-	1,894	1,752
Audit fee for provident and gratuity funds	1,697	386	-	2,083	3,277
Consultancy and advisory services	-	-	-	-	1,165
Out of pocket expenses	1,974	389	369	2,732	2,109
Others	5,688	3,600	879	10,167	6,346
	28,052	7,399	6,265	41,716	33,576

37 OTHER EXPENSES

	Note	2024	2023
		---- Rupees in '000 ----	
Net loss on disposal on disposal of fixed assets and inventories		233,739	83,481
Workers' profit participation fund		560,906	691,685
Workers' welfare fund		355,449	253,028
Exchange (gain) / loss - net		(347,008)	1,817,020
Fixed assets written off		1,708	-
		804,794	2,845,214

38 FINANCE COSTS

	Note	2024	2023
Interest / mark-up:			
- long term loans		2,754,087	2,633,116
- short term borrowings	38.1	2,067,301	1,985,016
- lease liabilities		123,370	146,858
- workers' profit participation fund		4,807	5,023
Guarantee and commission charges		6,634	9,546
Banks and other charges		108,971	116,656
Others		26,528	69,404
		5,091,698	4,965,619

38.1 These represent mark-up on short-term borrowings obtained from various banks which carried mark-up ranging from 20.79% to 24.53% (2023: 14.42% to 22.83%).

39 LEVIES AND INCOME TAXATION

2024 2023
---- Rupees in '000 ----

39.1 This represents final taxes paid under sections 150 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

39.2 This represents minimum tax differential paid under section 153 Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

39.3 Deferred tax

	2024	2023
	---- Rupees in '000 ----	
Origination and reversal of temporary differences	325,842	511,271

39.4 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2024	2023
	---- Rupees in '000 ----	
Current tax liability for the year as per applicable tax laws	11,184,960	7,184,320
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(10,152,498)	(6,442,589)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(1,032,462)	(741,731)
	-	-

40 EARNINGS PER SHARE - BASIC AND DILUTED

	2024	2023
Profit for the year after taxation attributable to equity holders of the Holding Company	13,154,390	1,885,772
Weighted average number of ordinary shares	220,112	220,112
	---- Rupees ----	
Earnings per share - basic and diluted	59.76	8.57

41 CASH GENERATED FROM OPERATIONS

	2024	2023
	---- Rupees in '000 ----	
Profit before taxation	29,793,669	12,504,854
Adjustments for:		
Depreciation	4,670,132	4,370,928
Amortisation of intangible asset	51,993	59,101
Provision for compensated absences	177,339	106,768
Provision for long service award	1,540	6,260
Provision for gratuity	210,246	106,879
Provision for stock obsolescence	142,295	191,708
Loss on sale of operating fixed assets & inventories	(233,739)	(83,481)
Provision for impairment of associate	-	3,172,520
Financial charges	5,091,698	4,965,619
Share of profit from associated companies	(8,060,371)	(2,116,093)
Dividend income	(1,265,301)	(832,297)
	785,832	9,947,912
	30,579,501	22,452,766
Decrease / (increase) in stores, spare parts and loose tools	440,180	(1,562,481)
Increase in stock-in-trade	(3,596,400)	(5,252,149)
Decrease / (increase) in trade debts	1,985,018	(3,779,294)
Increase in receivable from funds under management	(49,025)	(13,051)
Decrease in loans and advances	487,332	253,365
Decrease / (increase) in deposits, prepayments and other receivables	3,471,862	(2,153,496)
Decrease in sales tax receivable - net	213,933	556,510
Increase in accrued interest	(403,154)	(255,579)
(Decrease) / increase in trade and other payables	(4,794,194)	24,585,505
	(2,244,448)	12,379,330
	28,335,053	34,832,096

42 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND EXECUTIVES

	Chief Executive (Holding Company)		Executive Directors		Executives	
	2024	2023	**2024**	2023	**2024**	2023
	Rupees in '000					
Managerial remuneration	**23,247**	18,900	**52,800**	43,200	**2,111,757**	1,105,893
Bonus	**10,074**	5,261	**22,880**	12,024	**847,876**	418,907
Medical Expenses and other benefits	**352**	300	**-**	3,008	**135,475**	375,791
Retirement benefits	**1,507**	1,223	**3,416**	2,795	**141,597**	88,214
	35,180	25,684	**79,096**	61,027	**3,236,705**	1,988,805
Number of persons	**1**	1	**2**	2	**498**	423

43 TRANSACTIONS WITH RELATED PARTIES

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

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

Nature of relationship / transaction	2024	2023
	---- Rupees in '000 ----	
Associated Companies		
Purchase of operating fixed assets	**339,452**	890,565
Purchase of goods and services	**2,312,747**	3,345,519
Investments made	**33,592,758**	17,670,318
Investments redeemed	**27,565,463**	5,926,634
Dividend income	**2,033,732**	1,511,417
Sale of goods and rendering of service	**110,260**	209,495
Management fee	**875,744**	526,547
Advisory Fee	**2,084**	7,323
Payment made on behalf of employees	**-**	456,145
Donations paid	**389,585**	536,740
Dividend paid	**466,925**	461,897
Retirement benefit funds		
Contribution to retirement benefit funds	**325,406**	277,971
Payments made on behalf of employees	**13,362**	-
Key management personnel		
Sale of fixed assets on company policy	**16,378**	35,331
Salaries and other employment benefits	**1,294,559**	615,040
Loan repaid to the Group	**-**	819

43.1 Details of Related Parties

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

Name of related parties	Basis of relationship	Shares held
Honda Atlas Cars Pakistan Limited	Associated company	30.64%
Honda Atlas Power Products (Private) Limited	Associated company	20.00%
Denso Corporation	Associated company	26.00%
Honda Motor Company Limited	Associated company	35.00%
Integration Xperts (Private) Limited	Associated company	26.00%
Atlas Foundation	Common directorship	-
Atlas Income Fund	Associated mutual fund	271.50%
Atlas Stock Market Fund	Associated mutual fund	27.20%
Atlas Sovereign Fund	Associated mutual fund	436.66%
Atlas Islamic Income Fund	Associated mutual fund	4.52%
Atlas Islamic Stock Fund	Associated mutual fund	39.38%
Atlas Money Market Fund	Associated mutual fund	22.74%
Atlas Islamic Money Market Fund	Associated mutual fund	48.93%
Atlas Aggressive Allocation Islamic Plan	Associated mutual fund	97.12%
Atlas Conservative Allocation Islamic Plan	Associated mutual fund	101.47%
Atlas Moderate Allocation Islamic Plan	Associated mutual fund	94.38%
Atlas Islamic Capital Preservation Plan II	Associated mutual fund	53.94%
Atlas Liquid Fund	Associated mutual fund	55.92%
Iftikhar Shirazi Family Trust	Substantial Shareholder	25.00%

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

44.2 Market risk

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

(i) Interest rate risk

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

	2024			
	Carrying amount	**Increase / (decrease) in basis points**	**Effect on profit before tax**	**Effect in Other Comprehensive Income**
	-------------------- Rupees in 000 --------------------			
Financial assets				
Cash and bank balances	**41,713,429**	**100**	**417,134**	**-**
		(100)	**(417,134)**	**-**
Short term investments	**89,952**	**100**	**900**	**-**
		(100)	**(900)**	**-**
Long term loans - secured	**175,602**	**100**	**1,756**	**-**
		(100)	**(1,756)**	**-**
Financial liabilities				
Long term loans	**16,104,742**	**100**	**161,047**	**-**
		(100)	**(161,047)**	**-**
Short term borrowings - secured	**15,652,403**	**100**	**156,524**	**-**
		(100)	**(156,524)**	**-**

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

(ii) Foreign exchange risk

Foreign currency risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at the reporting date, if Rupee had strengthened/ weakened by 5% against U.S Dollar, Japanese Yen and Euro with all other variables held constant, profit before taxation for the year would have (decreased) / increased by Rs. 226.01 million respectively, mainly as a result of net foreign exchange (loss) / gain on translation of financial asset and liabilities.

44.3 Liquidity risk

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

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

2024	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
	---------- Rupees in '000 ----------			
Liabilities				
Term loans	**3,062,063**	**13,042,679**	**-**	**16,104,742**
Deposits	**3,021**	**57,866**	**-**	**60,887**
Trade and other payables	**63,308,820**	**-**	**-**	**63,308,820**
Short term borrowings	**15,652,403**	**-**	**-**	**15,652,403**
Lease liabilities	**277,650**	**1,634,615**	**-**	**1,912,265**
Accrued mark-up	**982,012**	**-**	**-**	**982,012**
	83,285,969	**14,735,160**	**-**	**98,021,129**
2023				
Liabilities				
Term loans	3,284,642	16,212,724	-	19,497,366
Deposits	1,392	49,274	-	50,666
Trade and other payables	68,103,014	-	-	68,103,014
Short term borrowings	11,287,890	-	-	11,287,890
Lease liabilities	334,324	1,285,922	-	1,620,246
Accrued mark-up	1,055,505	-	-	1,055,505
	84,066,767	17,547,920	-	101,614,687

44.4 Credit risk

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

	2024	2023
	-------- Rupees in '000 --------	
Long term loans	**175,602**	186,144
Deposits and other receivables	**330,725**	330,304
Trade debts	**22,353,000**	24,338,018
Receivable from funds under management	**99,676**	50,651
Short term loans and advances	**519,785**	1,007,117
Short term investments	**5,892,661**	2,810,809
Bank balances	**43,197,586**	39,800,838
	72,569,035	68,523,881

The analysis below summarizes the credit quality of the Company's investment in mutual funds as at June 30, 2024 and June 30, 2023:

	2024	2023
Investments by rating category	------------ % ------------	
AM1, AM2+, AM2++	**29.85%**	29.85%
AA, AA-, AA+	**70.15%**	70.15%
	100%	100%

44.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

44.5.1 Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3	Total
	------------ Rupees in '000 ------------			
2024				
Investment at fair value through OCI - Listed shares	10,380,883	-	-	10,380,883
Investment in others at fair value through OCI - Listed shares	3,557,580	-	-	3,557,580
Investment- Mutual funds fair value through profit and loss	-	1,089,080	-	1,089,080
Investment - Pension Funds at fair value through OCI	-	688,236	-	688,236
Investment- Pakistan investment bonds fair value through profit and loss	-	89,952	-	89,952
	13,938,463	1,867,268	-	15,805,731

2023	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Investment in related parties - available-for-sale - Listed shares	7,133,298	-	-	7,133,298
Investment in others available-for-sale - Listed shares	865,319	-	-	865,319
Investment- Mutual funds fair value through profit and loss	-	456,343	-	456,343
Investment - Pension Funds at fair value through OCI	-	443,296	-	443,296
Investment- Pakistan investment bonds fair value through profit and loss	-	349,999	-	349,999
	7,998,617	1,249,638	-	9,248,255

During the year ended June 30, 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

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

44.6 Capital management

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

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

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

	2024	2023
	Rupees in '000	
Term loans	**16,104,742**	19,497,366
Short term borrowings	**15,652,403**	11,287,890
Debt	**31,757,145**	30,785,256
Equity	**114,473,720**	93,953,906
Equity plus debt	**146,230,865**	124,739,162
Gearing ratio	**22%**	25%

45 Number of employees

	2024	2023
Employees as on year end	**4,544**	3,082
Average number of employees	**4,525**	3,106

46 CORRESPONDING FIGURES

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

47 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on October 7, 2024 have approved the transfer of Rs.4,500 million from unappropriated profits to general reserve.

48 GENERAL

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

49 DATE OF AUTHORISATION FOR ISSUE

The consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company on October 7, 2024.

Chairman	Chief Executive Officer	Director