DIRECTORS' REPORT

The Board of Directors of Atlas Asset Management Limited (AAML) take pleasure in presenting the audited financial statements of the Company for the year ended June 30, 2019 together with the Auditors' Report thereon.

I. Funds under Management

The aggregate Assets under Management (AUM) of Rs. 30.86 billion as on June 30, 2018 has recorded an decrease of 16.69% to close at Rs.25.71 billion as on June 30, 2019, against overall industry AUM (adjusted for Fund of Funds Schemes) decrease of 11.24%, from Rs. 610.07 billion as on June 30, 2018 to Rs. 541.46 billion as on June 30, 2019.

A comparison of AUM base of funds under AAML management as at June 2019 vs. June 2018 is given below:

S. No.	Fund	AUM as at 30.06.2019	AUM as at 30.06.2018	Inc./(Dec.) over 30.6.2018	Inc./(Dec.) over 30.6.2018
		Rs.in million			%
1.	Atlas Income Fund	2,988	6,736	-3,748	-56%
2.	Atlas Money Market Fund	10,240	13,161	-2,921	-22%
3.	Atlas Stock Market Fund	5,044	5,375	-331	-6%
4.	Atlas Islamic Income Fund	1,392	872	520	60%
5.	Atlas Islamic Stock Fund	1,205	2,262	-1,057	-47%
6.	Atlas Sovereign Fund	2,301	358	1,943	543%
7.	Atlas Islamic Dedicated Stock Fund	257	-	257	100%
8.	Atlas Aggressive Allocation Islamic Plan	1	-	1	100%
9.	Atlas Moderate Allocation Islamic Plan	1	-	1	100%
10.	Atlas Conservative Allocation Islamic Plan	2	-	2	100%
11.	Atlas Islamic Capital Preservation Plan	8	-	8	100%
12.	Atlas Pension Fund	1,121	1,036	85	8%
13.	Atlas Pension Islamic Fund	1,145	1,061	84	8%
	Total	**25,706**	**30,862**	**-5,155**	**-17%**

II. Company Operations

The financial results of operations of AAML are summarized as under:

Period ended June 30	2019 Rupees	2018 Rupees
Gross Revenue (including Investment Income)	273,611,172	313,642,871
Income from operations	65,950,919	94,742,692
Profit before taxation	63,373,477	102,198,306
Profit/(Loss) after taxation	33,898,746	65,514,125
Other Comprehensive Income (OCI) including unrealized (loss) on re-measurement of investment at fair value through OCI	(23,624,797)	(10,796,040)
Comprehensive Income	10,273,949	54,718,085
Earnings per share	1.36	2.62
Comprehensive Earning per share	0.41	2.19
Shareholders' Equity	726,200,957	715,927,008
Book value per share	29.05	28.64

The KSE-100 Index that stood at 41,910.90 as on June 29, 2018 declined to 33,901.58 at June 28, 2019 reflecting a decline of 19.11% during the period under review. Thus market values of investment categorized as 'fair value through profit and loss' resulted in unrealized loss of Rs.17,376,077 in ASMF and Rs.746 in AISF. Additionally the market values of investments as 'fair value through other comprehensive income' in

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Company Secretary
Atlas Asset Management Ltd.
Company Inc. # K-08954

Atlas Pension Equity sub-fund declined by 14,219,560 and Atlas Pension Islamic Equity sub-fund declined by Rs.19,350,620. The Operating profit of AAML stood at Rs.65.95 million.

III. Investment Advisory Services

AAML received the license to carry out Investment Advisory Services w.e.f. November 14, 2018 by the Securities and Exchange Commission of Pakistan (SECP).

IV. Launch of Atlas Islamic Fund of Funds (AIFOF) and Atlas Islamic Dedicated Stock Fund (AIDSF)

AAML has launched two Shariah compliant funds during the nine months period, namely AIFOF and AIDSF under the guidance of Shariah Advisor Dr. Mufti Muhammad Wasie Fasih Butt, subject to all approvals by the SECP. The objective of AIFOF is to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income Schemes and Equity based Collective Investment Schemes. The Initial Public Offering (IPO) of the plans under AIFOF namely Atlas Aggressive Allocation Islamic Plan, Atlas Moderate Allocation Islamic Plan, Atlas Conservative Allocation Islamic Plan was on January 7, 2019 (one day only) while the subscription period for Atlas Islamic Capital Preservation Plan is from January 7, 2019 till February 28, 2019. AIDSF will serve as the underlying fund for investments of AIFOF. IPO for AIDSF was on January 10, 2019 (one day only).

V. Conversion to Atlas Sovereign Fund (ASF) (Formerly Atlas Sovereign Liquid Fund)

The Management Company of Atlas Sovereign Liquid Fund has changed the name of Fund from Atlas Sovereign Liquid Fund (ASLF) to Atlas Sovereign Fund (ASF) & has also changed the category of Scheme from Money Market Scheme to Income Scheme, with the approval of SECP, with effect from January 2, 2019.

VI. Interim distribution of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Islamic Income Fund (AIIF), with delegation of authority to the Investment Committee

AAML announced interim distributions, with delegation of authority to the Investment Committee for AMF, ASF, AIF and AIIF on January 18, 2019 and June 27, 2019, whereas, for AMF also on February 15, 2019, March 15, 2019, April 15, 2019, May 15, 2019 and June 27, 2019.

VII. Board of Directors

The Board of Directors of AAML include: Mr. Yusuf H. Shirazi, Chairman, Mr. Frahim Ali Khan, Director, Mr. M. Habib-ur-Rahman, Director, Mr. Tariq Amin, Independent Director, Mr. Ali H. Shirazi, Director, Ms Zehra Naqvi, Independent Director and Mr. Muhammad Abdul Samad, Chief Executive Officer.

VIII. Company Performance FY 2018-19:

The financial year 2018-2019 was a successful year as compared to the previous years in many aspects, major events are as follows:

- PACRA has maintained AAML rating of 'AM2+' dated June 28, 2019;
- Cost Control – the actual cost for FY 2018-19 is Rs.210.24 mn;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- Introduction of new business line-Investment Advisory Service;
- Launch of new Shariah Compliant Fund of Funds and Dedicated Equity Funds;
- Further strengthening of Compliance and Internal Audit departments; and
- Focus on training and development of staff specifically related to AML/CFT regulatory requirements.

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Company Secretary
Atlas Asset Management Ltd.
Company Inc. # K-08954

IX. Challenges in FY 2019-20

AAML's performance may be altered due to:

- Macro-economic challenge low GDP – from 2% to 3% ;
- Equity Market Underperformance - may remain trade at low multiple for extended period of time;
- Decrease in AUM Size due to under achieving sales targets; and
- High turnover of sales staff.

X. Tax Issues relating to Mutual Funds and Pension Funds during the year 2018-19:

1. Workers' Welfare Fund (WWF): The Honorable Supreme Court of Pakistan (SCP) decided on November 10, 2016 that the imposition of Workers Welfare Fund by the Federal Government on service sector through money bill was unlawful. FBR has filed review petition with SCP that is pending. Soon after the case was decided, MUFAP decided to add back the provision for WWF by the funds on January 12, 2017.
2. Federal Excise Duty (FED): The Honorable Sindh High Court decided that the imposition of FED on service sector was unconstitutional. Federal Government has filed appeal in SCP. As the decision is pending at SCP, mutual funds have retained the provision for FED. However, with effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.
3. Sindh Workers' Welfare Fund (SWWF): Levy of WWF has become provincial subject and as Sindh Government has imposed SWWF on industrial, service sectors and financial institutions. Sindh Revenue Board has demanded SWWF from mutual funds claiming that these are "financial institutions". According to legal and tax advisors' interpretations, obtained by MUFAP, mutual funds do not fall under the definition of "financial institutions". The Companies Act 2017 has also excluded mutual funds from the definition of financial institutions. However, asset management companies are included in the definition of financial institutions. Nevertheless, as abundant precaution mutual funds have decided to provide for SWWF from the date of enactment (May 21, 2015) of Sindh Workers Welfare Fund Act, 2014.
4. Till June 30, 2015, mutual funds were not required to obtain exemption certificates for withholding tax from Commissioner of Income Tax on the strength of clause 99 of Part 1 of second schedule and clause 47(B) of Part IV of Second Schedule both of Income Tax Ordinance. This matter is pending at Supreme Court.
5. As from July 1, 2015, the Government has imposed 8% withholding tax on gross revenue of service companies under section 153 of the Income Tax Ordinance that is deemed to be the minimum tax. This is an exorbitantly high rate of tax and is payable even where the net operational income is low or even if there is operational loss. Such high rate of tax on asset management companies (AMCs) will discourage them or curtail their capability to incur distribution and promotional expenses that is required to promote mutual funds among retail investors.
   The Honorable Supreme Court in its decision dated June 27, 2018 in a Civil Appeal No.1171 of 2013 filed against levy of Custom Duty by some importers that the suits which are already pending or shall be filed in future, must only be maintained / entertained on the condition that a minimum of 50% of the tax calculated by the tax authorities is deposited with the authorities. In pursuance of said Supreme Court order, SHC issued notices of hearing for cases of tax related matters and held that Plaintiffs are directed to deposit 50% of amount claimed by the tax department, if the deposits are not made within time, the suits stand dismissed as not maintainable. Meanwhile, SHC is dismissing the cases one by one taking the plea that Funds / shareholders have failed to deposit 50% of tax within stipulated time.

XI. Pattern of Shareholdings

There is no change in the authorized, as well as issued, subscribed and paid-up share capital of AAML which continue to stand at Rs.500 million and Rs.250 million respectively. AAML is a wholly owned subsidiary of Shirazi Investments (Private) Limited. The pattern of shareholdings is tabulated in the table below:

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Company Secretary
Atlas Asset Management Ltd.
Company Inc. # K-08954

No. of shareholders	Shareholdings	Total No. of Shares Held
1	Shirazi Investments (Private) Limited (SIL)	24,999,994
6	Directors of SIL as nominee holding	6
	Total	**25,000,000**

XII. Future Outlook

The focus of AAML in future will remain on the following: (1) Growth of Investment Advisory Business; (2) Further increasing Non–Group share and retail clients base in AUM; (3) Shariah Compliant Category – targeting clients to get higher share; (4) Competitive Fund Performance in all categories – on year on year basis to achieve the target of strong long- term performance; (5) Focused Marketing activities; (6) Cost Control and fiscal discipline; (7) IT & Customer Services; (8) Regulatory Compliance; and (9)Training and development.

AAML shall continue its efforts towards professional development Risk management, compliance and internal audit has been strengthened to successfully overcome the challenges of changes in regulatory regime.

XIII. Asset Manager Rating

The Pakistan Credit Rating Agency Limited – PACRA, maintained the asset manager rating of the Management Company at AM2+ (AM Two plus). The rating denotes AAML's very strong capacity to manage the risks inherent in asset management and meets very high investment management industry standards and benchmarks.

XIV. Appointment of Auditors

The Audit Committee of the Board of Directors, in their meeting held on September 24, 2019, recommended to the Board, and the Board recommended to the members, the appointment of M/s. Shinewing Hameed Chaudhri & Co.,Chartered Accountants, Karachi, as external auditors of Atlas Asset Management Limited, for the financial year ending June 30, 2020. The reason for change is due to request of significant increase in remuneration by the previous external auditor. The appointment will be considered in the upcoming Annual General Meeting of the members scheduled in October 25, 2019.

XV. Acknowledgement

The Board of Directors thanks the Securities and Exchange Commission of Pakistan, and the Group Executive Committee for their valuable guidance, support and assistance. The Board also thanks the management team and all the employees of the Company for their dedication and hard work, the unit holders for their confidence in the Management Company, and the participants of the Pension Funds for their confidence in the Pension Fund Manager.

For and on behalf of the Board

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Director

Karachi: September 26, 2019

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Zainab Kazim
Company Secretary
Atlas Asset Management Ltd.
Company Inc. # K-08954

Atlas Asset Management Limited

Financial Statements
For the year ended June 30, 2019

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLAS ASSET MANAGEMENT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Atlas Asset Management Limited** (the Company), which comprise the statement of financial position as at June 30, 2019, the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Naresh Kumar.

Deloitte Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 30, 2019

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
Non current assets			
Property and equipment	4	57,955,155	45,761,355
Intangible assets	5	851,919	32,755
Long term investments	6	309,432,300	331,706,180
Long term loans and receivables	7	1,029,326	589,855
Long term advances and prepayments	8	833,334	4,199,344
Long term deposits - considered good		708,362	791,362
Deferred taxation	9	3,283,170	1,763,083
		374,093,566	384,843,934
Current assets			
Receivable from funds under management	10	25,720,286	25,975,521
Investment advisory fee receivable		747,300	-
Loans and advances	11	2,198,100	2,166,452
Prepayments and other receivables	12	3,799,664	3,797,722
Interest accrued		7,337,707	-
Short term investments	13	335,299,174	188,165,288
Taxation - net		4,288,140	5,285,925
Cash and bank balances	14	5,284,320	146,640,726
		384,674,691	372,031,634
Total assets		758,768,257	756,875,568
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	15	250,000,000	250,000,000
Unappropriated profit		266,368,657	234,416,268
Unrealised gain on re-measurement of investments at fair value through other comprehensive income		209,832,300	231,510,740
		726,200,957	715,927,008
Non current liabilities			
Long term advances	16	1,355,495	1,097,177
Deferred liability	17	3,257,422	3,685,027
		4,612,917	4,782,204
Current liabilities			
Trade and accrued liabilities	18	26,463,303	33,718,067
Other liabilities	19	1,491,080	2,448,289
		27,954,383	36,166,356
Total equity and liabilities		758,768,257	756,875,568
Contingencies and commitments	20		

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

Chief Financial Officer | **Chief Executive Officer** | **Chairman**

ATLAS ASSET MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Income			
Management fee	21	275,406,289	306,187,256
Sales load		35,025	-
Investment advisory fee		747,300	-
		276,188,614	306,187,256
Expenditure			
Distribution expenses		(15,404,771)	(15,865,159)
Administrative and operating expenses	22	(196,100,394)	(197,623,370)
		(211,505,165)	(213,488,529)
Operating profit		64,683,449	92,698,727
Other income	23	6,486,871	5,091,523
Gain / (loss) on sale of investments at fair value through profit or loss		431,868	(1,275,250)
Gain on sale of available for sale investments - net		-	4,791,000
Unrealised loss on re-measurement of investments at fair value through profit or loss		(24,013,774)	(5,517,866)
Dividend income	24	14,517,593	4,366,208
Profit before taxation		62,106,007	100,154,342
Taxation	25	(28,207,261)	(34,640,217)
Profit after taxation		33,898,746	65,514,125
Earnings per share - basic and diluted	26	1.36	2.62

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

Chief Financial Officer

Chief Executive Officer

Chairman

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Profit after taxation	33,898,746	65,514,125
Other comprehensive income:		
Item that will not be reclassified to profit or loss		
Unrealised loss on re-measurement of investments at fair value through other comprehensive income	(22,273,880)	(10,200,600)
Re-measurement of deferred liability	(1,902,700)	(461,582)
Impact of deferred tax	551,783	(133,858)
Other comprehensive income for the year - net of tax	(23,624,797)	(10,796,040)
Total comprehensive income for the year	10,273,949	54,718,085

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

Chief Financial Officer

Chief Executive Officer

Chairman

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Share capital	Unappropriated profit	Unrealised gain on re-measurement of investments at fair value through other comprehensive income	Total
	------------	------------ Rupees	------------	------------
Balance as at July 1, 2017	250,000,000	168,902,143	242,306,780	661,208,923
Total comprehensive income for the year ended June 30, 2018				
Profit after taxation	-	65,514,125	-	65,514,125
Other comprehensive income	-	-	(10,796,040)	(10,796,040)
	-	65,514,125	(10,796,040)	54,718,085
Balance as at June 30, 2018	**250,000,000**	**234,416,268**	**231,510,740**	**715,927,008**
Prior year adjustment	-	(595,440)	595,440	-
Total comprehensive income for the year ended June 30, 2019				
Profit after taxation	-	33,898,746	-	33,898,746
Other comprehensive income	-	(1,350,917)	(22,273,880)	(23,624,797)
	-	32,547,829	(22,273,880)	10,273,949
Balance as at June 30, 2019	**250,000,000**	**266,368,657**	**209,832,300**	**726,200,957**

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

Chief Financial Officer

Chief Executive Officer

Chairman

ATLAS ASSET MANAGEMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Cash flows from operating activities		
Profit before taxation	62,106,007	100,154,342
Adjustments for non-cash charges and other items:		
Depreciation	10,613,415	8,497,980
Amortisation	305,836	434,337
Provision for gratuity	1,354,722	3,223,445
Provision / (reversal) for compensated absences	2,707,064	(2,631,513)
Profit on bank deposits	(3,741,710)	(5,479,878)
Income from Pakistan Investment Bonds	(2,450,123)	-
Dividend income	(14,517,593)	(4,366,208)
Gain on disposal of property and equipment	(103,063)	(636,440)
Gain on sale of available for sale investments - net	-	(4,791,000)
(Gain) / loss on sale of investments at fair value through profit or loss	(431,868)	1,275,250
Provision for Sindh Workers' Welfare Fund - net	1,267,470	1,999,240
Unrealised loss on re-measurement of investments at fair value through profit or loss	24,013,774	5,517,866
Operating profit before working capital changes	81,123,931	103,197,421
Changes in working capital		
(Increase) / decrease in current assets:		
Receivable from funds under management	255,235	(399,088)
Investment advisory fee receivable	(747,300)	-
Loans and advances	(31,648)	595,749
Prepayments and other receivables	(1,942)	(1,019,269)
	(525,655)	(822,608)
Decrease in current liabilities:		
Trade and accrued liabilities	(9,176,416)	(3,714,953)
Other liabilities	(245,467)	(71,640)
	(9,421,883)	(3,786,593)
Cash generated from operating activities	71,176,393	98,588,220
Income taxes paid	(28,177,781)	(26,881,818)
Sindh Workers' Welfare Fund paid	(1,979,212)	(1,940,520)
Gratuity paid	(3,685,027)	(17,490,798)
Compensated absences paid	(785,412)	(460,725)
Long term advances - net	258,318	145,540
Net cash generated from operating activities	36,807,279	51,959,899
Cash flows from investing activities		
Long term loans and receivables	(439,471)	504,256
Long term advances	3,366,010	(3,733,377)
Deposits	83,000	254,000
Acquisition of property and equipment	(30,365,911)	(19,296,013)
Sale proceeds of disposal of property and equipment	7,661,759	12,651,347
Acquisition of intangible assets	(1,125,000)	-
Redemption of available for sale investments	-	34,791,000
Redemption of held for trading investments	280,969,667	15,000,000
Purchase of held for trading investments	(307,772,319)	(18,767,000)
Investment in Pakistan Investment Bonds	(148,800,723)	-
Interest received on bank deposits	3,741,710	5,479,878
Dividend received	14,517,593	4,366,208
Net cash (invested) / generated from investing activities	(178,163,685)	31,250,299
Net (decrease) / increase in cash and cash equivalents	(141,356,406)	83,210,198
Cash and cash equivalents at beginning of the year	146,640,726	63,430,528
Cash and cash equivalents at end of the year	5,284,320	146,640,726

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

Chief Financial Officer

Chief Executive Officer

Chairman

1. LEGAL STATUS AND OPERATIONS

Atlas Asset Management Limited (the Company) was incorporated in Pakistan as a public limited company on August 20, 2002 under the repealed Companies Ordinance, 1984 (the Ordinance) and obtained certificate of commencement of business on December 18, 2002. The Company is involved in the business of asset management, fund management and management of mutual funds & pension fund schemes. The Company has been issued license by the Securities and Exchange Commission of Pakistan (SECP) to carry on business of asset management services as a Non - Banking Finance Company (NBFC) under section 282C of the Ordinance and under the Non - Banking Finance Companies (Establishment & Regulation) Rules, 2003. On January 8, 2007, the SECP issued license to the Company to carry on business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005 (VPS Rules, 2005). On November 14, 2018, the SECP issued license to the Company to carry out Investment Advisory Services, under rule 5 of the Non - Banking Finance Companies (Establishment & Regulation) Rules, 2003. The registered office of the Company is situated at Federation House, Shara-e-Firdousi, Clifton, Karachi. The company has three branches in Karachi and one branch in Hyderabad, Lahore, Faisalabad, Multan, Islamabad and Rawalpindi respectively.

The Company is a wholly owned subsidiary of Shirazi Investments (Private) Limited.

The Company is managing following open end funds and pension funds:

Atlas Income Fund - offered for public subscription from March 22, 2004
Atlas Stock Market Fund - offered for public subscription from November 23, 2004
Atlas Islamic Stock Fund - offered for public subscription from January 15, 2007
Atlas Pension Fund - offered for public subscription from June 28, 2007
Atlas Pension Islamic Fund - offered for public subscription from November 6, 2007
Atlas Islamic Income Fund - offered for public subscription from October 14, 2008
Atlas Money Market Fund - offered for public subscription from January 20, 2010
Atlas Sovereign Fund - offered for public subscription from December 1, 2014
Atlas Islamic Fund of Funds - Offered for public subscription from January 07, 2019
Atlas Islamic Dedicated Stock Fund - Offered for public subscription from January 10, 2019

The Company has also launched following Administration Plans, which are a combination of Atlas Income Fund, Atlas Stock Market Fund, Atlas Islamic Income Fund and Atlas Islamic Stock Fund:

- Income Multiplier Plan
- Balanced Plan
- Growth Plan

The Company has launched Atlas Mahana Halal Account in Atlas Islamic Income Fund with the options of Systematic Investment Plan, Systematic Pay-out Plan and Systematic Withdrawal Plan. The Company has also launched the Systematic Pay-out and Systematic Withdrawal Plan for Atlas Income Fund from January 2014.

From the current year , the Company has also launched following plans under the Atlas Islamic Fund of Funds;

- Atlas Aggressive Allocation Islamic Plan
- Atlas Moderate Allocation Islamic Plan
- Atlas Conservative Allocation Islamic Plan
- Atlas Islamic Capital Preservation Plan

From the current year, the Company has also started providing Investment Advisory services through portfolio management agreements.

The Pakistan Credit Rating Agency Limited has maintained the Company's asset manager rating at AM2+ on 28 June 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directived issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The Securities and Exchange Commission of Pakistan has notified through S.R.O. 56(I) / 2016 dated January 28, 2016 that the requirements of consolidation under section 237 of the Ordinance and International Financial Reporting Standard (IFRS) 10 'Consolidated Financial Statements' are not applicable in case of investment by companies in Mutual Funds established under Trust Structure.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Company's functional currency. All financial information presented in Pakistan Rupee has been rounded-off to the nearest rupee except stated otherwise.

2.4 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

2.4.1 The Company adopted IFRS 9 Financial Instruments and IFRS 15 'Revenue from contracts with customers' from July 01, 2018. Consequently, the following changes in accounting policies have taken place effective from July 01, 2018:

(a) IFRS 9 - Financial Instruments

IFRS 9 - Financial Instruments (IFRS 9) replaced the majority of requirement of IAS 39 - Financial Instruments: Recognition and Measurement (IAS 39).

In respect of restrospective applcation of IFRS 9, the Company has adopted modified retrospective approach as, permitted by this standard, according to which the Company is not required to restate the prior year results. There is no material impact of adoption of IFRS 9 on opening equity of the Company.

IFRS 9 introduces new requirements for:

i) The classification and measurement,
ii) Impairment of financial assets, and
iii) General hedge accounting.

(i) Classification and measurement

Classification and measurment of financial assets

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),

- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

Classification and measurment of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model of IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company has elected to measure provision against financial assets on the basis of lifetime ECLs.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Presentation of impairment

Provision against financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the new impairment model

For assets within the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at July 01, 2018 does not have a material impact on provision for doubtful debts measured under IAS 39.

(iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended June 30, 2019.

(b) IFRS 15 - Revenue from contracts with customers

IFRS 15 - Revenue from contracts with customers (IFRS 15) replaced IAS 18 - Revenue, IAS 11 - Construction contracts, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenue - Barter Transactions Involving Advertising Services. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers and focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations in a contract are satisfied. The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. However, the adoption of IFRS 15 does not have any impact on the reported revenue of the Company for the year ended June 30, 2019.

2.4.2 The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4 'Insurance Contracts'; Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency	January 01, 2018

Certain annual improvements have also been made to a number of IFRSs.

2.5 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

2.6 Use of estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, 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 results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

(i) Estimate of useful life and rates of depreciation / amortisation of property & equipment and intangible assets [notes 3.1 and 3.3]

(ii) Classification and valuation of investments [note 3.4]

(iii) Estimate of payable and receivable in respect of staff retirement benefit - gratuity [note 3.9.2]

(iv) Estimation of current and deferred tax [note 3.10]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

3.1 Property and equipment

These, except for capital work-in-progress, are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent cost

The cost of replacing part of an item of property and equipment, or enhancement thereof, is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The carrying amount of the part so replaced is derecognised. Normal repairs and maintenance are charged to profit and loss account as and when incurred; also individual assets costing upto Rs.10,000, excluding furniture items, are charged to profit and loss account.

Depreciation

Depreciation is charged over the useful life of the asset on a systematic basis to profit and loss account applying the reducing balance method at the rates specified in note 4.1. Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed-off.

The depreciation method and useful lives of items of property and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Disposal

Gain or loss on disposal or retirement of property and equipment is determined as the difference between the sale proceed and the carrying amount of asset and is included in the profit and loss account.

Impairment

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in profit and loss account.

3.2 Capital work-in-progress

Capital work-in-progress is stated at cost and represents expenditure incurred on property and equipment in the course of construction less any identified impairment losses. These expenditure are transferred to relevant category of property and equipment as and when the assets are available for use.

3.3 **Intangible assets**

An intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

Cost associated with maintaining computer software are recognised as an expense as incurred. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expense incidental to bring the asset for its intended use.

Subsequent expenditure

Expenditure which increases the future enconomic benefits is recognised as a capital improvement and added to the original cost of the software.

Amortisation

Intangible assets are amortised using the straight-line method over a period of three years. Amortisation on additions is charged from the month following in which an asset is put to use and on deletions upto the month immediately preceding the deletion.

Impairment

The Company assesses at each reporting date whether there is any indication that an intangible asset may be impaired. If such an indication exists the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amounts, assets are written down to the recoverable amounts.

3.4 **Fair value measurement principles and provision**

The fair value of financial instruments is determined as follows:

Basis of valuation of units of mutual funds

The investment of the Company in mutual funds is valued on the basis of closing Net Asset Value (NAV) of the underlying mutual funds at the reporting date.

Net gains and losses arising on changes in the fair value of short term investments carried at fair value through profit or loss are taken to the profit and loss account.

Net gains and losses arising from changes in the fair value of long term investments carried at fair value through other comprehensive income are taken to the statement of comprehensive income.

Basis of valuation of government securities

The investment of the Company in government securities are valued on the basis of PKRV rates published by Reuters in accordance with circular no. 33 of 2012 issued by SECP.

Net gains and losses arising on changes in the fair value of government securities carried at fair value through profit or loss are taken to the profit and loss account.

3.5 **Offsetting of financial instruments**

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

3.6 Other receivables

Other receivables are initially recognised at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at amortised cost using effective interest rate method. A provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of other receivables. Bad debts are written off when considered irrecoverable.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents consist of cash in hand and bank balances.

3.8 Staff retirement benefits

3.8.1 Defined contribution plan

For permanent employees becoming eligible for retirement benefits, the Company provides for their retirement benefit through the Voluntary Pension Schemes - Atlas Pension Fund (APF) or Atlas Pension Islamic Fund (APIF), managed by the Company as Pension Fund Manager, under the Voluntary Pension System Rules, 2005, as per the fund opted for by the eligible employee.

Equal monthly contributions are made to the APF or APIF, as the case may be, both by the Company and its employees, at the rate of 11% of basic salary. Both, the APF and APIF are managed by the Company under the VPS Rules, 2005, the assets of which are in the custody of the Trustee, i.e. Central Depository Company of Pakistan Limited.

3.8.2 Defined benefit plan - gratuity

The Company operates a funded gratuity scheme for its all permanent employees who complete qualifying period of ten years of service with the Company and are entitled to fifteen days last drawn basic salary for each completed year of such service.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated on the basis of actuarial valuation.

Acturial gains or loss (remeasurements) are immadiately recognised in othere comprehensive income as they occur. Current service costs and any past service costs together with net interest costs are charged to profit and loss account.

3.9 Compensated absences

Employees' entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leaves as a result of services rendered by employees upto the reporting date.

3.10 Taxation

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

Current

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

Deferred

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

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

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

3.11 Provisions

Provisions are recognised when the Company has a 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 can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the prevailing best estimate.

3.12 Trade and accrued liabilities

Trade and accrued liabilities are stated at their amortised cost which is the present value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

3.13 Foreign currency transactions and translation

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

3.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the Company will collect consideration in exchange for the services transferred to the customer and the amount of consideration can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue from different sources is recognised on the following basis:

- remuneration for asset management and pension fund management services is calculated on Net Asset Value basis and is recognised as the services are provided as per terms of respective agreements;

- dividend income is recognised on accrual basis when the Company's right to receive payment is established;

- commission income from funds is recognised at the time of sale of units;

- Realised capital gains / (losses) arising on sale of long term investments classified as financial assets 'at fair value through other comprehensive income are included in the other comprehensive income on the date at which the transaction takes place;

- Realised capital gains / (losses) arising on sale of short term investments classified as financial assets 'at fair value through profit or loss' are included in the profit and loss account on the date at which the transaction takes place;

- Unrealised gains / (losses) arising on re-measurement of long term investments classified as financial assets 'at fair value through other comprehensive income are included in the other comprehensive income in the period in which they arise;

- Unrealised gains / (losses) arising on re-measurement of short term investments classified as financial assets 'at fair value through profit or loss' are included in the profit and loss account in the period in which they arise; and

- profit on bank deposits and income from government securities is recognised on a time apportionment basis using the effective interest method.

3.15 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

3.16 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.17 Dividend and appropriation to reserves

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

3.18 Minimum equity requirement

The Non-Banking Finance Companies and Notified Entities Regulations, 2008 requires the Company to maintain the below mentioned equity levels for the license:

	2019 Rupees	2018 Rupees
Particular of license		
Asset Management Services	**200,000,000**	200,000,000

The Company, with an issued, subscribed and paid-up capital of Rs. 250 million (2017: Rs. 250 million) and net shareholders' equity of Rs. 735,224 million (2018: Rs.715,927 million), is compliant with this requirement.

	Note	2019 Rupees	2018 Rupees
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	57,955,155	45,761,355
		57,955,155	45,761,355

4.1 Operating fixed assets

	Furniture and fittings	Leasehold improve-ments	Motor vehicles	Office equipment	Computer equipment	Total
			Rupees			
At July 1, 2017						
Cost	6,085,765	5,850,276	38,773,065	11,642,548	13,634,018	75,985,672
Accumulated depreciation	(2,545,068)	(1,549,193)	(10,331,544)	(3,763,552)	(10,818,086)	(29,007,443)
Net book value	**3,540,697**	**4,301,083**	**28,441,521**	**7,878,996**	**2,815,932**	**46,978,229**
Year ended June 30, 2018						
Opening net book value	3,540,697	4,301,083	28,441,521	7,878,996	2,815,932	46,978,229
Additions	665,657	-	15,322,929	1,589,990	1,717,437	19,296,013
Disposals						
- cost	-	* (1,500,000)	(17,235,652)	(807,749)	(280,951)	(19,824,352)
- accumulated depreciation	-	453,303	6,686,651	507,865	161,626	7,809,445
	-	(1,046,697)	(10,549,001)	(299,884)	(119,325)	(12,014,907)
Depreciation charge - note 22	(607,757)	(600,934)	(5,309,099)	(880,050)	(1,100,140)	(8,497,980)
Net book value	**3,598,597**	**2,653,452**	**27,906,350**	**8,289,052**	**3,313,904**	**45,761,355**
At June 30, 2018						
Cost	6,751,422	4,350,276	36,860,342	12,424,789	15,070,504	75,457,333
Accumulated depreciation	(3,152,825)	(1,696,824)	(8,953,992)	(4,135,737)	(11,756,600)	(29,695,978)
Net book value	**3,598,597**	**2,653,452**	**27,906,350**	**8,289,052**	**3,313,904**	**45,761,355**
Year ended June 30, 2019						
Opening net book value	3,598,597	2,653,452	27,906,350	8,289,052	3,313,904	45,761,355
Additions	-	-	23,180,636	3,827,035	3,358,240	30,365,911
Disposals/ Write offs						
- cost	-	-	(12,215,893)	(73,336)	-	(12,289,229)
- accumulated depreciation	-	-	4,711,913	18,620	-	4,730,533
	-	-	(7,503,980)	(54,716)	-	(7,558,696)
Depreciation charge - note 22	(539,790)	(398,019)	(7,408,430)	(1,061,520)	(1,205,656)	(10,613,415)
Net book value	**3,058,807**	**2,255,433**	**36,174,576**	**10,999,851**	**5,466,488**	**57,955,155**
At June 30, 2019						
Cost	6,751,422	4,350,276	47,825,085	16,178,488	18,428,744	93,534,015
Accumulated depreciation	(3,692,615)	(2,094,843)	(11,650,509)	(5,178,637)	(12,962,256)	(35,578,860)
Net book value	**3,058,807**	**2,255,433**	**36,174,576**	**10,999,851**	**5,466,488**	**57,955,155**
Depreciation rate (% - per annum)	15	15	20	10	30	

* This represented assets costing Rs. 1,500,000 having written down value of Rs. 1,046,697 which were written off due to closure of a branch in Abbotabad.

4.1.1 Details of operating assets disposed off during the year

	Cost	Accumulated depriciation	Net book value	Sale proceeds	(Loss) / Gain	Method of disposal	Sold to
	----------	----------	Rupees	----------	----------		
Items with individual net book value exceeding Rs. 500,000							
Motor vehicles							
							Ex-Employees
	778,000	247,576	530,424	607,233	76,809	Company policy	Abdul Wadood
	732,000	105,735	626,265	639,995	13,730	Company policy	Faizan Khan Ghori
							Current Employees
	1,034,000	502,570	531,430	531,430	-	Company policy	Zainab hussain
	1,039,000	505,000	534,000	534,000	-	Company policy	Farhan Ahmed
	2,001,000	951,587	1,049,413	1,049,413	-	Company policy	Khaild Mehmood
	1,656,000	613,824	1,042,176	1,042,176	-	Company policy	Tariq Ahmed Siddiqi
	1,124,000	357,682	766,318	766,318	-	Company policy	Muhammad Uzair
	1,129,000	329,668	799,332	799,332	-	Company policy	Malik Asjad
	9,493,000	**3,613,642**	**5,879,358**	**5,969,897**	**90,539**		
Various assets having net book value upto Rs. 500,000 each	**2,796,229**	**1,116,891**	**1,679,338**	**1,691,862**	**12,524**		
	12,289,229	**4,730,533**	**7,558,696**	**7,661,759**	**103,063**		

5. INTANGIBLE ASSETS

	Note	2019 Rupees	2018 Rupees
Cost:			
Opening		**21,334,548**	21,334,548
Additions		**1,125,000**	-
Closing		**22,459,548**	21,334,548
Accumulated amortisation:			
Opening		**(21,301,793)**	(20,867,456)
Amortisation charge	22	**(305,836)**	(434,337)
Closing		**(21,607,629)**	(21,301,793)
Net book value		**851,919**	32,755
Amortisation rate - % per annum		33.33	33.33

5.1 Intangible assets include items having aggregate cost of Rs. 21.276 million (2018: Rs.20.806 million) that have been fully amortised and are still in use of the Company.

6. LONG TERM INVESTMENTS

At fair value through other comprehensive income

	Note	2019 Cost	2019 Market value	2018 Market value
		---- Rupees ----		
Related parties - Unquoted				
Atlas Pension Fund	6.1	49,800,000	153,671,180	161,693,960
Atlas Pension Islamic Fund	6.2	49,800,000	155,761,120	170,012,220
		99,600,000	309,432,300	331,706,180

6.1 Atlas Pension Fund - Open end fund

	No. of units	Cost per unit	Market value per unit	Cost	Market value
	---- Rupees ----				
June 30, 2019					
APF - Equity Sub Fund	166,000	100.00	412.01	16,600,000	68,393,660
APF - Debt Sub Fund	166,000	100.00	260.56	16,600,000	43,252,960
APF - MM Sub Fund	166,000	100.00	253.16	16,600,000	42,024,560
	498,000			49,800,000	153,671,180
June 30, 2018					
APF - Equity Sub Fund	166,000	100.00	497.67	16,600,000	82,613,220
APF - Debt Sub Fund	166,000	100.00	243.26	16,600,000	40,381,160
APF - MM Sub Fund	166,000	100.00	233.13	16,600,000	38,699,580
	498,000			49,800,000	161,693,960

6.2 Atlas Pension Islamic Fund - Open end fund

	2019				
	No. of units	Cost per unit	Market value per unit	Cost	Market value
	---- Rupees ----				
June 30, 2019					
APIF - Equity Sub Fund	166,000	100.00	492.77	16,600,000	81,799,820
APIF - Debt Sub Fund	166,000	100.00	216.38	16,600,000	35,919,080
APIF - MM Sub Fund	166,000	100.00	229.17	16,600,000	38,042,220
	498,000			49,800,000	155,761,120
June 30, 2018					
APIF - Equity Sub Fund	166,000	100.00	609.34	16,600,000	101,150,440
APIF - Debt Sub Fund	166,000	100.00	201.75	16,600,000	33,490,500
APIF - MM Sub Fund	166,000	100.00	213.08	16,600,000	35,371,280
	498,000			49,800,000	170,012,220

7. LONG TERM LOANS AND RECEIVABLES

	Note	2019 Rupees	2018 Rupees
Unsecured and considered good			
Long term receivables - Connected persons	7.1	-	260,000
Loans to employees	7.2	1,029,326	329,855
		1,029,326	589,855

		Note	2019 Rupees	2018 Rupees
7.1	**Long term receivables - connected persons**			
	Formation cost receivable from Atlas Sovereign Fund	7.1.1	**260,000**	520,000
	Less: amounts due within one year and shown under current assets	10	**(260,000)**	(260,000)
			-	260,000

7.1.1 This represents a part of preliminary and floatation costs incurred by the Company in the launching of the Atlas Sovereign Fund (the Fund) during financial year ended June 30, 2015. The receivable amount has been restricted to the extent allowable under the provisions of the NBFC Regulations, 2008. The amount is receivable from the Fund in five equal annual instalments.

		Note	2019 Rupees	2018 Rupees
7.2	**Loans to employees**			
	Due from:			
	- executives		**1,721,634**	170,000
	- other employees		**971,923**	2,326,307
		7.2.1	**2,693,557**	2,496,307
	Less: amounts due within one year and shown under current assets		**(1,664,231)**	(2,166,452)
			1,029,326	329,855

7.2.1 These represent interest free personal loans to employees given in accordance with the

		2019 Rupees	2018 Rupees
8.	**LONG TERM ADVANCES AND PREPAYMENTS**		
	Long term prepayments	**833,334**	-
	Advance payments against:		
	- intangibles	-	562,500
	- motor vehicles	-	3,636,844
		833,334	4,199,344

9. DEFERRED TAXATION

	June 30, 2019			June 30, 2018		
	Opening assets / (liability)	(Charged) /reversal	Closing assets / (liability)	Opening assets / (liability)	(Charged) /reversal	Closing assets / (liability)
	Rupees '000					
Credit balance arising in respect of:						
Accelerated tax depreciation allowances	**(1,943,094)**	**(704,639)**	**(2,647,733)**	(1,550,575)	(392,519)	(1,943,094)
Debit balances arising in respect of:						
Provision for deferred liability	**1,068,658**	**(124,006)**	**944,652**	5,247,239	(4,178,581)	1,068,658
Provision for compensated absences	**3,899,673**	**557,279**	**4,456,952**	4,961,816	(1,062,143)	3,899,673
Provision for bonus	**2,700,753**	**(2,700,753)**	-	4,137,155	(1,436,402)	2,700,753
Tax amortisation	**(3,183)**	**10,272**	**7,089**	(140,128)	136,945	(3,183)
Re-measurement of short term investments	**(3,959,724)**	**4,481,934**	**522,210**	(4,828,915)	869,191	(3,959,724)
	1,763,083	**1,520,087**	**3,283,170**	7,826,592	(6,063,509)	1,763,083

The net charge includes Rs. 551,783 (2018: reversal of Rs. 133,858) being deferred tax impact on remeasurement gain or loss on deferred liability recognised in other comprehensive income.

10. RECEIVABLE FROM FUNDS UNDER MANAGEMENT

- Related parties (Open end funds and pension funds managed by the company)

	Note	2019 Rupees	2018 Rupees
Receivable from Atlas Income Fund			
Management fee		2,353,415	5,382,172
Receivable from Atlas Money Market Fund			
Management fee		4,861,616	5,483,461
Receivable from Atlas Islamic Income Fund			
Management fee		358,189	217,008
Receivable from Atlas Stock Market Fund			
Management fee		10,102,247	9,023,231
Receivable from Atlas Islamic Stock Fund			
Management fee		2,748,248	3,817,433
Receivable from Atlas Sovereign Fund			
Management fee		373,809	132,161
Current portion of receivable in respect of formation cost	7.1	260,000	260,000
		633,809	392,161
Receivable from Atlas Islamic Dedicated Stock Fund			
Management fee		491,587	-
Receivable in respect of formation cost		1,111,075	-
		1,602,662	-
Receivable from Atlas Islamic Fund of Funds			
Management fee		12,813	-
Receivable in respect of formation cost		1,121,076	-
		1,133,889	-
Receivable from Atlas Pension Fund			
Management fee		941,879	817,470
Receivable from Atlas Pension Islamic Fund			
Management fee		984,332	842,585
		25,720,286	25,975,521

10.1 The maximum aggreagate amount of receivable from funds under management at the end of any month during the year was Rs. 28,426,697 (2018: 30,245,571).

10.2 These balances are recoverable within one month. As of date of the financial statements, these are neither past due nor imparied.

		Note	2019 Rupees	2018 Rupees
11.	LOANS AND ADVANCES			
	- Unsecured and considered good			
	Current maturity of long term loans			
	- executives		1,000,884	170,000
	- other employees		663,347	1,996,452
		7.2.1	1,664,231	2,166,452
	Advances for Capital Expenditure		533,869	-
			2,198,100	2,166,452

		Note	2019 Rupees	2018 Rupees
12.	PREPAYMENTS AND OTHER RECEIVABLES			
	Short term prepayments		743,742	492,469
	Insurance claims receivable from Atlas Insurance Limited (an Associated Company)		148,989	186,715
	Receivable from funds against back office accounting services	12.1 & 12.2	2,158,762	2,655,167
	Sindh sales tax - input claim recoverable		748,171	463,371
			3,799,664	3,797,722

12.1 The maximum aggreagate amount of receivable from funds against back office accounting services at the end of any month during the year was Rs. 2,558,216 (2018: 2,740,960).

12.2 These balances are recoverable within one month. As of date of the financial statements, these are neither past due nor imparied.

13. SHORT TERM INVESTMENTS

	Units				Carrying Value		Fair Value	
	At July 1, 2018	Purchases / (Redemptions)	Reinvestment against Dividend / Refund	At June 30, 2019	2019	2018	2019	2018
	---------- Number ----------				---------- Rupees ----------			
Fair value through profit or loss:								
Investment in own funds :								
Quoted - Related parties								
Atlas Income Fund	115,851	- (37,709)	10,889	89,031	47,596,073	59,256,702	45,678,527	62,196,037
Atlas Stock Market Fund	148,896	- -	-	148,896	92,434,180	72,122,735	75,058,103	92,434,180
Atlas Sovereign Fund	48,201	696,914 (344,720)	15,738	416,133	41,835,403	4,822,778	41,725,691	5,059,636
Atlas Islamic Stock Fund	53,685	- (53,685)	80	80	35,014	23,461,473	34,268	28,475,435
Atlas Money Market Fund	-	358,380 (372,611)	14,231	1	298	-	298	-
Atlas Islamic Fund of Funds:								
- Atlas Aggressive Allocation Islamic Plan	-	20,000 (9,878)	8	10,130	5,064,514	-	4,496,736	-
- Atlas Moderate Allocation Islamic Plan	-	20,000 (9,889)	7	10,118	5,058,930	-	4,709,571	-
- Atlas Conservative Allocation Islamic Plan	-	39,737 -	-	39,737	19,970,845	-	19,682,840	
					211,995,257	159,663,689	191,386,034	188,165,288

Investment in Government Securities
Pakistan Investment Bonds :

	Face Value				Amortized Value		Fair Value	
	At July 1, 2018	Purchases	Sold / Matured	At June 30, 2019	2019	2018	2019	2018
	---------- Number ----------				---------- Rupees ----------			
Pakistan Investment Bonds (10 Years)	-	110,000,000	-	110,000,000	85,210,415	-	82,160,540	-
Pakistan Investment Bonds (5 Years)	-	75,000,000	-	75,000,000	62,107,570	-	61,752,600	-
					147,317,985	-	143,913,140	-
Total					359,313,242	159,663,689	335,299,174	188,165,288

		Note	2019 Rupees	2018 Rupees
14.	**CASH AND BANK BALANCES**			
	Cash at banks in PLS deposit accounts	14.1	5,229,320	146,585,726
	Cash in hand		55,000	55,000
			5,284,320	146,640,726

14.1 These carry mark-up at the rates ranging from 7.35% to 13.15% (2018: 5.3% to 7.35%) per annum.

		Note	2019 Rupees	2018 Rupees
15.	**SHARE CAPITAL**			
15.1	**Authorised capital**			
	50,000,000 (2018: 50,000,000) ordinary shares of Rs.10 each		500,000,000	500,000,000
15.2	**Issued, subscribed and paid-up capital**			
	25,000,000 (2018: 25,000,000) ordinary shares of Rs.10 each issued as fully paid in cash	15.3	250,000,000	250,000,000

15.3 Shirazi Investments (Private) Limited - the Holding Company as at the reporting date held 25,000,000 (2018: 25,000,000) ordinary shares, including 7 shares held by the directors as nominees of the Holding Company.

		Note	2019 Rupees	2018 Rupees
16.	**LONG TERM ADVANCES**			
	Vehicle advances	16.1	1,355,495	1,097,177

16.1 These represent 10% of cost of vehicle recoverable from employees in respect of vehicles provided to them by the Company. These are recoverable over a period of 5 years and adjustable against sale proceeds at the time of disposal.

16.2 The amount owed by chief executive officer to company in respect of these deposits is Rs.80,704 (2018: Rs.11,530).

17. DEFERRED LIABILITY

17.1 In 2016, the Company established a gratuity fund - 'Atlas Asset Management Limited - Management Staff Gratuity Fund' through which benefits are paid on cessation of employment subject to a minimum qualifying period of service. This is a trustee-administered fund and is governed by local regulations which include Trust Act, 1882, Companies act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Scheme. Responsibility for governance of the Scheme, including investment decisions and contributions schedules lies with the board of trustees. The Company appoints the trustees and none of the trustee is an employee of the Company.

In the prior year, the board of trustees of Atlas Asset Management Staff Gratuity Fund have decided to be merged with The Atlas Group of Companies Management Staff Gratuity Fund for the purpose of investment and administrative convenience. The merger of the above individual funds shall be for the aforementioned purpose. For other matters, the above mentioned funds shall maintain their separate independent identities and shall be governed by their own Trust Deed and Rules.

17.2 The latest actuarial valuation of the Scheme as at June 30, 2019 was carried out by an independent valuer using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

		Note	2019 Rupees	2018 Rupees
17.3	**Statement of financial position reconciliation**			
	Present value of defined benefit obligation	17.4	16,144,381	12,589,073
	Fair value of plan assets	17.5	(12,886,959)	(19,119,662)
	Payable to connected persons in respect of transfers		-	10,215,616
	Net liability at end of the year		3,257,422	3,685,027
17.4	**Movement in the defined benefit obligation**			
	Balance at beginning of the year		12,589,073	18,971,423
	Current service cost	17.7	1,977,390	1,917,567
	Interest cost	17.7	1,307,656	1,514,788
	Payable to connected person in respect of transfers		-	(10,215,616)
	Re-measurement loss on obligation	17.8	270,262	400,911
	Balance at end of the year		16,144,381	12,589,073
17.5	**Movement in the fair value of plan assets**			
	Balance at beginning of the year		19,119,662	1,480,625
	Actual contribution by employer		3,685,027	17,490,798
	Assets in respect of intergroup transfers		(10,215,616)	-
	Interest income on plan assets	17.7	1,930,324	208,910
	Re-measurement loss	17.8	(1,632,438)	(60,671)
	Balance at end of the year		12,886,959	19,119,662
17.6	**Plan assets comprise of the following:**			
	Equity investments		-	9,806,875
	Mutual Funds		5,274,521	-
	Pakistan investment bonds		2,339,520	1,060,969
	Treasury bills		4,909,728	8,218,481
	Term finance certificates		184,355	-
	Cash and cash equivalents		178,835	33,337
			12,886,959	19,119,662
17.7	**Expense recognised in profit and loss account**			
	Service cost		1,977,390	1,917,567
	Interest cost		1,307,656	1,514,788
	Interest income on plan assets		(1,930,324)	(208,910)
			1,354,722	3,223,445
17.8	**Re-measurement loss recognised in other comprehensive income**			
	Loss from changes in actuarial assumptions		270,262	400,911
	Loss on re-measurement of fair value of plan assets		1,632,438	60,671
			1,902,700	461,582
17.9	**Return on plan assets**			
	Expected return on plan assets		1,930,324	208,910
	Remeasurement on fair value of plan assets		(1,632,438)	(60,671)
			297,886	148,239

17.10 Movement in the net liability

	2019 Rupees	2018 Rupees
Balance at beginning of the year	3,685,027	17,490,798
Expense for the year	1,354,722	3,223,445
Contributions by employer during the year	(3,685,027)	-
Transferred to Group Gratuity Scheme	-	(17,490,798)
Re-measurement recognised in other comprehensive income	1,902,700	461,582
Balance at end of the year	3,257,422	3,685,027

17.11 Significant actuarial assumptions

	2019	2018
Discount rate	14.50%	10.00%
Expected rate of salary increase for:		
- first year	10.00%	8.00%
- in long term	13.50%	9.00%
Demographic assumptions		
- Mortality rates (for death in service)	SLIC (2001-05)-1	SLIC (2001-05)-1
- Rates of employee turnover	Moderate	Moderate

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

	Impact on net define benefit obligation		
	Change in assumptions	Increase in assumption	Decrease in assumption
		------------ Rupees ------------	
2019			
Discount rate	1%	14,494,222	18,078,458
Increase in future salaries	1%	17,999,340	14,531,302
2018			
Discount rate	1%	11,194,455	14,241,006
Increase in future salaries	1%	14,176,127	11,222,345

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

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

17.13 The weighted average duration of gratuity scheme is 10.22 years (2018: 11.08 years).

17.14 Expected maturity analysis of undiscounted retirement benefit plan:

	2019 Rupees	2018 Rupees
Less than a year	838,306	526,111
Between 1 - 2 years	970,152	630,115
Between 2 - 5 years	4,108,158	2,594,225
Over 5 years	778,650,256	236,982,925
Total	784,566,872	240,733,376

18. TRADE AND ACCRUED LIABILITIES

	Note	2019 Rupees	2018 Rupees
Provision for bonus and sales incentive		511,024	16,259,003
Provision for compensated absences	18.1	15,368,799	13,447,147
Accrued liabilities		7,257,592	2,085,124
Sales tax payable		1,672,264	-
Trade payables		1,653,624	1,926,793
		26,463,303	33,718,067

18.1 Provision for compensated absences

	2019 Rupees	2018 Rupees
Balance at beginning of the year	13,447,147	16,539,385
Charge for the year	2,707,064	2,097,136
Transfer to group companies	-	(4,728,649)
	16,154,211	13,907,872
Less: encashed during the year	(785,412)	(460,725)
Balance at end of the year	15,368,799	13,447,147

19. OTHER LIABILITIES

	Note	2019 Rupees	2018 Rupees
Sindh Workers' Welfare Fund	19.1	1,332,224	2,043,966
Withholding tax liabilities		59,856	318,657
Others		99,000	85,666
		1,491,080	2,448,289

19.1 Sindh Workers' Welfare Fund

	Note	2019 Rupees	2018 Rupees
Balance at beginning of the year		2,043,966	1,985,246
Add: charge for the year	22	1,267,470	2,043,966
		3,311,436	4,029,212
Less: Reversed during the year		-	(44,726)
Less: payment made during the year		(1,979,212)	(1,940,520)
Balance at end of the year		1,332,224	2,043,966

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

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

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

20.1.2 With effect from July 1, 2011, the asset management services rendered by the Company to the mutual funds and pension funds under its management fall within the scope of taxable services under Sindh Sales Tax Act, chargeable at the rate of 16% on the asset management services rendered, which the Company collects from the mutual funds / pension funds as a collecting agent and thereafter deposits the same with the SRB. The Company, being registered in the province of Sindh, is registered with the SRB as a service provider.

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

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

On July 8, 2014, the Company and other AMCs, have filed a petition in the SHC against both, SRB and PRA, challenging the issuance of such show cause notice by PRA and the alleged levy of Punjab Sales Tax on services therein, as well the non-resolution of issue of apportionment of the total 16% tax on asset management services, which is already being paid to the SRB. In the initial hearing, the SHC has suspended the operation of the notice. The case is still pending adjudication. No provision has been made in these financial statements for the alleged tax liability of Rs.7.66 million, as the management is confident that the ultimate outcome will be in the Company's favour.

20.2 Commitments

There were no commitments that existed at date of the financial statements. (2018: Nil)

21. MANAGEMENT FEE

	Note	2019 Rupees	2018 Rupees
- Related parties			
Atlas Income Fund	21.1	**38,764,853**	88,779,104
Atlas Money Market Fund	21.1	**74,164,422**	52,156,166
Atlas Islamic Income Fund	21.1	**3,169,798**	4,011,771
Atlas Stock Market Fund	21.1	**129,311,182**	121,442,405
Atlas Islamic Stock Fund	21.1	**37,187,711**	54,944,822
Atlas Gold Fund	21.1	**-**	807,380
Atlas Sovereign Fund	21.1	**2,398,487**	1,522,336
Atlas Pension Fund	21.1	**11,566,229**	11,075,223
Atlas Pension Islamic Fund	21.1	**12,002,721**	11,252,392
Atlas Islamic Dedicated Stock Funds	21.1	**2,485,434**	-
Atlas Islamic Fund of Funds	21.1	**158,269**	-
		311,209,106	345,991,599
Less: Sales tax on services		**(35,802,817)**	(39,804,343)
Net revenue		**275,406,289**	306,187,256

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

Atlas Income Fund	0.80% (2018: 0.80%) per annum of the average annual net assets for the reported period.
Atlas Money Market Fund	0.45% (2018: 0.45%) per annum of the average annual net assets for the reported period.
Atlas Islamic Income Fund	0.30% (2018: 0.30%) per annum of the average annual net assets for the reported period.
Atlas Stock Market Fund	2.00% (2018: 2.00%) per annum of the average annual net assets for the reported period.
Atlas Islamic Stock Fund	2.00% (2018: 2.00%) per annum of the average annual net assets for the reported period.
Atlas Gold Fund	1.00% (2018: 1.00%) per annum of the average annual net assets for the reported period.
Atlas Sovereign Fund	0.45% (2018: 0.45%) per annum of the average annual net assets for the reported period.
Atlas Pension Fund (APF) and Atlas Pension Islamic Fund	
- Equity Sub Fund	1.50% (2018: 1.50%) per annum of the average annual net assets for the reported period.
- Gold Sub Fund (for APF only)	1.00% (2018: 1.00%) per annum of the average annual net assets for the reported period.
- Debt Sub Fund	0.75% (2018: 0.75%) per annum of the average annual net assets for the reported period.
- Money Market Sub Fund	0.50% (2018: 0.50%) per annum of the average annual net assets for the reported period.
Atlas Islamic Dedicated Stock Funds	2.00% per annum of the average annual net assets for the reported period.
Atlas Islamic Fund of Funds	
- Atlas Aggressive Allocation Islamic Plan	1.00% per annum of the average annual net assets for the reported period.
- Atlas Moderate Allocation Islamic Plan	1.00% per annum of the average annual net assets for the reported period.
- Atlas Conservative Allocation Islamic Plan	1.00% per annum of the average annual net assets for the reported period.
- Atlas Islamic Capital Preservation Plan	1.00% per annum of the average annual net assets for the reported period.

22. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2019 Rupees	2018 Rupees
Salaries and allowances	22.1	**115,440,627**	115,634,390
Advertising		**13,391,028**	25,032,014
Rent, rates and taxes		**15,391,713**	13,840,599
Depreciation	4.1	**10,613,415**	8,497,980
Repair and maintenance		**9,486,959**	9,823,811
Fee and subscription		**3,035,484**	2,664,802
Insurance	22.2	**6,114,803**	5,191,581
Travelling and conveyance		**3,137,627**	1,941,081
Utilities		**3,501,323**	3,217,950
Vehicle running expenses		**5,609,099**	4,263,640
Legal and professional charges		**2,651,260**	2,230,015
Communication		**3,032,245**	2,722,646
Back office accounting services charges	22.3	**23,784,767**	23,929,434
Staff training and development		**1,257,975**	747,862
Sindh Workers' Welfare Fund- net of reversal	19.1	**1,267,470**	1,999,240
Entertainment		**1,421,549**	1,441,666
Printing and stationery		**975,463**	866,544
Directors' meeting fee		**850,000**	900,000
Amortisation	5	**305,836**	434,337
Auditors' remuneration	22.4	**240,650**	315,900
Books and periodicals		**251,593**	320,418
Postage and courier		**757,698**	441,797
License fee		**416,666**	250,000
Donation	22.5	**547,181**	1,180,002
SECP monitoring fee - Pension Funds		**100,000**	100,000
Bank charges		**66,131**	58,801
Other expenses		**618,339**	381,292
		224,266,901	**228,427,802**
Less: Reimbursable expenses		**(28,166,507)**	(30,804,432)
		196,100,394	**197,623,370**

22.1 Salaries and allowances include charge of Rs. 2.707 million (2018: reversal of Rs. 2.632 million) and Rs. 1.355 million (2018: Rs. 3.223 million) in respect of compensated absences and provision for gratuity respectively.

22.2 This includes sufficient insurance coverage that the Company has obtained from Atlas Insurance Limited (an Associated Company having rating AA) against any losses that may be incurred as a result of its employee's act of forgery or embezzlement, larcency or fraudulent conversion.

22.3 The Company, on March 11, 2015, entered into 'Back Office Accounting Service Agreement' with ITMinds 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 Company 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.

22.4 Auditors' remuneration

	2019 Rupees	2018 Rupees
Audit fee	**172,500**	172,500
Certification and other services	**35,000**	97,800
Sindh Sales Tax	**16,600**	20,600
Out-of-pocket expenses	**16,550**	25,000
	240,650	315,900

22.5 Donation of Rs. 0.547 million (2018: Rs.1.18 million) is paid to Atlas Foundation (the Foundation). Directors of the Foundation are the same as of the Company.

23. OTHER INCOME	2019 Rupees	2018 Rupees
Income from financial assets		
Income from PLS deposit accounts	3,741,710	5,479,878
Income from Pakistan Investment Bonds	2,450,123	-
Income from other than financial assets		
Gain on disposal of property and equipment	103,063	636,440
Assets written off	-	(1,046,697)
Other	191,975	21,902
	6,486,871	5,091,523

24. DIVIDEND INCOME

Dividend income from Funds managed by the Company:		
- Atlas Money Market Fund	6,202,930	-
- Atlas Income Fund	6,543,632	-
- Atlas Sovereign Fund	1,771,031	427,451
- Atlas Stock Market Fund	-	2,154,686
- Atlas Islamic Stock Fund	-	1,784,070
	14,517,593	4,366,208

25. TAXATION

Current tax		
Current tax on profit for the year	27,977,729	28,664,183
Adjustments in respect of prior years	1,197,837	46,383
	29,175,566	28,710,566
Deferred tax	(968,305)	5,929,651
	28,207,261	34,640,217

25.1 No numeric tax reconciliation for the current year is given in the financial statements as provision made during the year mainly represents minimum tax deducted under section 153 of Income Tax Ordinance, 2001 (the Ordinance).

25.2 Tax year 2007 was selected for tax audit and finalized thereafter by the Officer Inland Revenue (OIR), wherein the OIR allocated profit and loss account expenses against dividend income / exempt capital gains, and also disallowed profit and loss account expenses against profit on bank deposits earned by the Company. The Company filed an appeal before the Commissioner of Inland Revenue (Appeals) [CIR(A)] contesting issue. The CIR(A) decided the appeal vide appellate order no. 68 under section 129 of the Income Tax Ordinance, 2001 dated May 25, 2011. The CIR(A) had allocated certain expenses and prorated against dividend income earned by the Company instead of the entire allowable profit and loss account expenses as done by OIR. However, regarding profit on bank deposits the CIR(A) has confirmed the action of the OIR. The ATIR vide an order dated March 3, 2012 has remanded back the impugned order to the extent of the issue of allocation of expenses against dividend income for fresh consideration to Taxation Officer and no fresh assessment order has been issued yet.

26. EARNINGS PER SHARE	2019 Rupees	2018 Rupees
26.1 Basic earnings per share		
Profit for the year	33,898,746	65,514,125
	2019	2018
	-- Number of shares --	
Weighted average ordinary shares in issue	25,000,000	25,000,000
	-------- Rupees --------	
Basic and diluted earnings per share	1.36	2.62

27. CHIEF EXECUTIVE OFFICER'S REMUNERATION	2019 Rupees	2018 Rupees
Managerial remuneration	9,405,888	18,805,480
Bonus	783,824	3,869,680
Reimbursable expenses	740,195	-
Retirement benefits	608,616	362,660
	11,538,523	23,037,820

27.1 The Chief Executive Officer is also provided with the free use of a Company maintained car and a Company policy car, as per rules of service.

28. TRANSACTIONS AND OUTSTANDING BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

28.1 The related parties comprise directors, spouses of directors, children, close relatives, key management personnel, funds under management, subsidiaries and associated companies of the holding company. The Company carries out transactions with various related parties on agreed terms. The details of transactions and balances with connected persons / related parties are as follows:

	2019 Rupees	2018 Rupees
Shirazi Investments (Private) Limited		
- the Holding Company		
Rent paid	1,879,929	1,559,036
Received against transfer of company maintained vehicles	-	2,653,592
Received against transfer of computer equipment	-	107,494
Received against services rendered by company's employees	-	671,621
Amount received under group taxation	1,366,768	3,569,249
Transfer of compensated absences	-	3,514,264
Atlas Foundation		
- Associated Company due to common directorship		
- Rent paid	395,280	359,352
- Donation	547,181	1,180,002
Atlas Honda Limited		
- Associated Company due to common directorship		
Vehicles purchased	2,364,636	1,903,929
Receivable in respect of gratuity	-	636,844
Advance for vehicle	533,869	-
Honda Atlas Cars (Pakistan) Limited		
- Associated Company due to common directorship		
Advance for vehicle	-	1,730,000
Vehicles purchased	12,666,000	11,955,000
Interest on later delivery of vehicles	190,975	-
Atlas Insurance Limited		
- Associated Company due to common directorship		

	2019 Rupees	2018 Rupees
Insurance premium paid	6,068,226	5,025,274
Insurance claims - received	383,249	827,000
Insurance claims - receivable	148,989	186,715
Received against transfer of company maintained vehicle	-	1,209,182
Received against transfer of office equipment	-	40,968
Received against transfer of computer equipment	-	11,831
Shirazi Trading Company (Private) Limited		
- Associated Company due to common directorship		
Purchase of goods and services	176,911	54,220
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Investment advisory fee	452,730	-
Investment advisory fee receivable	452,730	-
Atlas Income Fund		
- open end fund managed by the Company		
Investments in 89,031 units (2018: 115,851 units)	45,678,527	62,196,037
Management fee receivable	2,353,415	5,382,172
Management fee	34,305,180	78,565,579
Management fee received	37,333,937	88,958,728
Sindh sales tax on management fee	4,459,673	10,213,525
Redemption of 37,709 units (2018: Nil units)	19,500,000	-
Dividend received	6,543,632	-
Payments made on behalf of the Fund	3,117,894	8,015,318
Reimbursement from the Fund	4,288,152	9,573,734
Atlas Money Market Fund		
- open end fund managed by the Company		
Investments in 1 unit (2018: Nil units)	298	-
Management fee receivable	4,861,616	5,483,461
Management fee	65,632,232	46,155,899
Management fee received	66,254,077	48,551,019
Sindh sales tax on management fee	8,532,190	6,000,267
Purchase of 372,611.25 (2018: Nil units)	187,272,489	-
Redemption of 372,610.66 units (2018: Nil units)	187,872,711	-
Dividend received	6,202,930	-
Payments made on behalf of the Fund	10,256,737	8,295,269
Reimbursement from the Fund	14,582,951	10,168,444
Atlas Islamic Income Fund		
- open end fund managed by the Company		
Management fee receivable	358,189	217,008
Management fee	2,805,131	3,550,240
Management fee received	2,663,950	4,256,620
Sindh sales tax on management fee	364,667	461,531
Payments made on behalf of the Fund	935,148	968,744
Reimbursement from the Fund	935,045	1,164,812

	2019 Rupees	2018 Rupees
Atlas Stock Market Fund		
- open end fund managed by the Company		
Investments in 148,896 units (2018: 148,896 units)	75,058,103	92,434,180
Management fee receivable	10,102,247	9,023,231
Management fee	114,434,674	107,471,155
Management fee received	113,355,658	121,916,356
Sindh sales tax on management fee	14,876,508	13,971,250
Sales load	20,780	-
Purchase of Nil units (2018: 30,389 units)	-	16,885,350
Redemption of Nil units (2018: 25,139 units)	-	16,275,210
Dividend received	-	2,154,686
Payments made on behalf of the Fund	4,518,020	4,369,637
Reimbursement from the Fund	5,721,734	5,235,474
Atlas Islamic Stock Fund		
- open end fund managed by the Company		
Investments in 80 Units (2018: 53,685 units)	34,268	28,475,435
Management fee receivable	2,748,248	3,817,433
Management fee	32,909,479	48,623,736
Management fee received	33,978,664	55,921,378
Sindh sales tax on management fee	4,278,232	6,321,086
Purchase of 80 units (2018: 2,711 units)	35,014	1,561,061
Redemption of 53,685 units (2018: Nil units)	28,096,956	-
Sales load	13,567	
Dividend received	-	1,784,070
Payments made on behalf of the Fund	1,777,292	1,977,564
Reimbursement from the Fund	1,645,471	2,403,047
Atlas Gold Fund		
- open end fund managed by the Company		
Management fee	-	807,380
Management fee received	-	1,455,237
Sindh sales tax on management fee	-	104,959
Formation cost received	-	477,800
Payments made on behalf of the Fund	-	60,201
Reimbursement from the Fund	-	71,441
Atlas Sovereign Fund		
- open end fund managed by the Company		
Investments in 416,133 units (2018: 48,201 units)	41,725,691	5,059,636
Management fee receivable	373,809	132,161
Formation cost receivable	260,000	520,000
Management fee	2,122,555	1,347,200
Sindh sales tax on management fee	275,932	175,136
Management fee received	1,880,907	2,457,282
Formation cost received	260,000	260,000
Dividend received	1,771,031	427,451
Purchase of 696,914 units (2018: 3,206 units)	71,496,478	320,590
Redemption of 344,720 units (2018: Nil units)	35,500,000	-
Payments made on behalf of the Fund	519,500	242,700
Reimbursement from the Fund	576,143	201,472

	2019 Rupees	2018 Rupees
Atlas Pension Fund		
- pension fund managed by the Company		
Investments in 498,000 units (2018: 498,000 units)	153,671,180	161,693,960
Management fee receivable	941,879	817,470
Management fee	10,235,601	9,801,082
Management fee received	10,111,192	11,100,983
Redemptions of Nil units (2018: 300,000 Units)	-	34,851,000
Sindh sales tax on management fee	1,330,628	1,274,141
Payments made on behalf of the Fund	1,047,882	180,665
Reimbursement from the Fund	-	180,665
Atlas Pension Islamic Fund		
- pension fund managed by the Company		
Investments in 498,000 units (2018: 498,000 units)	155,761,120	170,012,220
Management fee receivable	984,332	842,585
Management fee	10,621,877	9,957,869
Management fee received	10,480,130	11,213,808
Sindh sales tax on management fee	1,380,844	1,294,523
Payments made on behalf of the Fund	1,086,264	154,698
Reimbursement from the Fund	-	154,698
Atlas Islamic Dedicated Stock Fund		
- open end fund managed by the Company		
Management fee receivable	491,587	-
Formation cost receivable	1,111,075	-
Management fee	2,199,499	-
Management fee received	1,707,912	-
Sindh sales tax on management fee	285,935	-
Payments made on behalf of the Fund	221,279	-
Reimbursement from the Fund	109,945	-
Atlas Islamic Fund of Funds		
- open end 4 plans managed by the Company		
Management fee receivable	12,813	-
Formation cost receivable	1,121,076	-
Management fee	140,061	-
Management fee received	127,248	-
Sindh sales tax on management fee	18,208	-
Sales load	678	-
Atlas Aggressive Allocation Islamic Plan		
Investments in 10,130 units (2018: Nil units)	4,496,736	-
Purchase of 20,000 units (2018: Nil units)	10,000,000	-
Redemption of 9,878 units (2018: Nil units)	5,000,000	-
Payments made on behalf of the Fund	109,884	-
Reimbursement from the Fund	48,746	-

	2019 Rupees	2018 Rupees
Atlas Moderate Allocation Islamic Plan		
Investments in 10,118 units (2018: Nil units)	4,709,571	-
Purchase of 20,000 units (2018: Nil units)	10,000,000	-
Redemption of 9,889 units (2018: Nil units)	5,000,000	-
Payments made on behalf of the Fund	33,055	-
Reimbursement from the Fund	52,113	-
Atlas Conservative Allocation Islamic Plan		
Investments in 39,787 units (2018: Nil units)	19,682,840	-
Purchase of 39,787 units (2018: Nil units)	19,970,845	-
Payments made on behalf of the Fund	37,283	-
Reimbursement from the Fund	57,054	-
Atlas Islamic Capital Preservation Plan		
Payments made on behalf of the Fund	74,655	-
Reimbursement from the Fund	149,169	-
Mutual Funds Association of Pakistan - Common Directorship		
Annual subscription	1,925,000	1,850,000
Key management personnel		
Remuneration	46,520,616	36,123,766
Directors' meeting fee	850,000	900,000
Bonus	4,010,520	6,189,016
Retirement benefits	2,782,157	1,456,196
Disposal of vehicles as per the Company policy	-	1,202,464

29. FINANCIAL RISK MANAGEMENT

29.1 Financial risk factors

The Company has set up objectives and policies to manage risks that arise in connection with financial instruments. The risk management framework and policies of the Company are guided by specific objectives to ensure that comprehensive and adequate risk management policies are established to mitigate salient risk elements in operations of the Company. The establishment of overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent and robust framework of risk management policies.

In achieving the objective of maximizing returns to shareholders, the Board of Directors takes cognizance of the risk elements that the Company is confronted within its operations. In view of the multi-faceted risks inherent in the financial sector, the Company places great emphasis on importance of risk management and has put in place clear and comprehensive risk management mechanisms and strategies to identify, monitor, manage and control the relevant risk factors.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including foreign exchange risk, interest rate risk and price risk).

(c) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to any significant foreign exchange risk as its operations are geographically restricted to Pakistan and all material transactions are carried-out in Pak Rupees.

Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

As the Company has no significant interest bearing assets and liabilities except for balances held in PLS deposit accounts and investment in government securities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

	Mark-up / profit bearing having maturity upto one year	Non mark-up / profit bearing	Total
	----------------	Rupees	----------------
June 30, 2019			
Financial assets			
At fair value through other comprehensive income			
Long term investments	-	309,432,300	309,432,300
At fair value through profit or loss			
Short term investments	143,913,140	191,386,034	335,299,174
At amortised cost			
Loans and receivables	-	2,693,557	2,693,557
Long term deposits	-	708,362	708,362
Receivable from funds under management	-	25,720,286	25,720,286
Investment advisory fee receivable	-	747,300	747,300
Other receivables	-	2,307,751	2,307,751
Interest accrued	-	7,337,707	7,337,707
Bank balances	5,229,320	55,000	5,284,320
Sub-total	149,142,460	540,388,297	689,530,757
Financial liabilities			
At amortised cost			
Trade and accrued liabilities	-	24,791,039	24,791,039
Other liabilities	-	99,000	99,000
Sub-total	-	24,890,039	24,890,039
On-statement of financial position surplus	149,142,460	515,498,258	664,640,718

June 30, 2018	Mark-up / profit bearing having maturity upto one year	Non mark-up / profit bearing	Total
	----------------	Rupees	----------------
Financial assets			
At fair value through other comprehensive income			
Long term investments	-	331,706,180	331,706,180
At fair value through profit or loss			
Short term investments	-	188,165,288	188,165,288
At amortised cost			
Long term loans and receivables	-	589,855	589,855
Deposits	-	791,362	791,362
Receivable from funds under management	-	25,975,521	25,975,521
Loans and advances	-	2,166,452	2,166,452
Other receivables	-	2,841,882	2,841,882
Cash and bank balances	146,585,726	55,000	146,640,726
Sub-total	146,585,726	552,291,540	698,877,266
Financial liabilities			
At amortised cost			
Trade and accrued liabilities	-	33,718,067	33,718,067
Other liabilities	-	85,666	85,666
Sub-total	-	33,803,733	33,803,733
On-statement of financial position surplus	146,585,726	518,487,807	665,073,533

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Company's investments in mutual funds and pension funds units aggregating Rs. 500.818 million (2018: Rs. 519.871 million) are exposed to price risk due to changes in Net Asset Value (NAV) of such funds.

A change of 1% in NAV of mutual funds and pension funds at the reporting date would have increased / (decreased) profit before taxation and other comprehensive income by the amounts shown below.

	2019	2018
	Rupees	Rupees
Effect on profit before taxation	**1,913,860**	1,881,653
Effect on other comprehensive income	**3,094,323**	3,317,062
Effect on investments	**5,008,183**	5,198,715

29.2 **Fair value measurement 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. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The following table presents the Company's financial assets that are measured at fair value at June 30, 2019 and June 30, 2018.

	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	
June 30, 2019				
Financial asset at fair value				
Investment at fair value through other comprehensive income	-	309,432,300	-	309,432,300
Investment at fair value through profit or loss	-	335,299,174	-	335,299,174
	-	644,731,474	-	644,731,474
June 30, 2018				
Financial asset at fair value				
Investment at fair value through other comprehensive income	-	331,706,180	-	331,706,180
Investment at fair value through profit or loss	-	188,165,288	-	188,165,288
	-	519,871,468	-	519,871,468

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels at the end of the reporting periods.

Refer note 3.4 for valuation techniques used to determine fair values of the financial assets.

The Company has not disclosed the fair values of other financial assets and financial liabilities as these are either short term in nature or repriced periodically. Therefore, there carrying amounts are reasonable approximation of fair value.

		2019 Rupees	2018 Rupees
29.3	**Financial instruments by category**		
	Financial assets as per statement of financial position		
	At fair value through other comprehensive income		
	Long term investments	309,432,300	331,706,180
	At fair value through profit or loss		
	Short term investments	335,299,174	188,165,288
	At amortised cost		
	Loans and receivables	2,693,557	589,855
	Long term deposits	708,362	791,362
	Receivable from funds under management	25,720,286	25,975,521
	Investment advisory fee receivable	747,300	2,166,452
	Other receivables	2,307,751	2,841,882
	Interest accrued	7,337,707	-
	Bank balances	5,284,320	146,640,726
		44,799,283	179,005,798
		689,530,757	698,877,266
	Financial liabilities as per statement of financial position		
	At amortised cost		
	Trade and accrued liabilities	24,791,039	33,718,067
	Other liabilities	99,000	85,666
		24,890,039	33,803,733

29.4 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of minimum equity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 which has been already complied with.

		2019	2018
30.	**NUMBER OF EMPLOYEES**		
	Total number of employees as at June 30	91	76
	Average number of employees during the year	84	75

31. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year

32. DATE OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 26 SEP 2019 by the Board of Directors of the Company.

Chief Financial Officer

Chief Executive Officer

Chairman