Shirazi Trading

50 YEARS OF SUSTAINABLE GROWTH AND SUCCESS (1975 - 2025)

Directors' Report

The Directors of your Company take pleasure in presenting their report together with the Company's Annual Financial Statements and Auditors' report thereon for the year ended June 30, 2025.

Operating Results and Appropriation

The operating results of your Company for the year ended June 30, 2025 under review are summarized as follows:

	2025 Rupees	2024 Rupees
Profit for the year before tax	784,615,863	534,910,005
Taxation		
Current Year	(309,885,541)	(266,609,276)
Prior Year	(5,803,496)	1,053,684
Deferred	(25,847,537)	8,755,419
	(341,536,574)	(256,800,173)
Profit after tax	**443,079,289**	**278,109,832**

Dividends and Appropriations

The Directors have recommended a final cash dividend of Rs. 2 per share. This is in addition to an interim dividend of Rs.1.00 per share. (2024: Rs. 1.85 per share cash dividend).

Accordingly, the appropriation of profit will be as under:

	2025	2024
Profit available for appropriation	622,601,220	313,646,506
Appropriation:		
Interim Dividend - 2025 : 10% (2024 : 10.00%)	(75,000,000)	(75,000,000)
Final Dividend - 2025 : 20% (2024 : 8.50%)	(150,000,000)	(63,750,000)
	(225,000,000)	(138,750,000)
Un-appropriated profit carried forward	**397,601,220**	**174,896,506**

Earnings Per Share

Earnings Per Share after tax is at 2025: Rs. 5.91 - 2024: Rs.3.71.

Holding Company

Shirazi Trading Company (Pvt.) Limited is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited.

Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the performance of the company for the year ended June 30, 2025 and future outlook. The Directors endorse the contents of the review.

Board of Directors

The Board comprises of six directors representing Shirazi Investments (Private) Limited. During the year three board meetings were held through video conference. The attendance of directors is as follows:

Sr. No.	Name of Directors	Status	Meeting held on			Attendance
			7-10-2024	7-3-2025	21-6-2025	
1	Mr. Iftikhar H. Shirzi	Re-elected on 5-5-2023	P	P	P	3
2	Mr. Aamir H. Shirazi	Re-elected on 5-5-2023	P	P	P	3
3	Mr. Frahim A. Khan	Re-elected on 5-5-2023	P	P	P	3
4	Mr. Saquib H. Shirazi	Re-elected on 5-5-2023	P	P	P	3
5	Mr. Ali H. Shirazi	Re-elected on 5-5-2023	P	P	P	3
6	Mr. Bashir Makki	Re-elected on 5-5-2023	P	P	P	3

Statement of Directors' Responsibilities

The Board reviews the Company's strategic direction. Annual plans and performance targets for business are set by the Chief Executive and are reviewed by the Board of Directors in the light of the company's overall objectives. The Board is committed to maintain the high standard of good corporate governance.

Corporate and Financial Reporting Framework

The Directors confirm the compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Code of Corporate Governance for the following matters:

- The financial statements prepared by the management of the Company fairly present its state of affairs, the results of its operations, cash flow and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International financial Reporting Standard, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There is no doubt about the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- The Company operates a contributory provident fund scheme for all employees and Defined benefit gratuity fund scheme for its management employees. The value of investments based as at June 30, 2025 are as follows:

- Provident Fund	Rs. 89.20 million
- Gratuity Fund	Rs. 221.75 million

Donation

The company has a policy to donate 1% of the prior year's profit before tax. During the year, Company has donated Rs.5.35m to Atlas Foundation.

Contribution to National Exchequer

The Company contributed Rs.1.53 billion towards the National Exchequer on account of various government levies, taxes and import duties in the year under review. Payment of these taxes is 2 times of the profit before tax of the Company.

Code of Conduct

The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflict of interests, employee rights, fraud etc. The code encourages honesty, integrity and openness in conduct of company's operation. It strictly abides all to follow the laws and regulations. The Code guides interactions with all stakeholders, including consumers, suppliers, shareholders, and partners.

The Code is communicated to all associates and is available on the Company's website. The responsibility for day to day implementation and monitoring of Code is delegated to the senior management.

Management Committee

The Management Committee comprises of all functional heads, Chief Operating Officer and is headed by Chief Executive, who ensures that a proper system is developed and implemented across the company that enable swift and appropriate decision making. It acts in an advisory capacity to the Chief Executive at the operating level, providing recommendation relating to business and other corporate affairs. It is responsible for reviewing and forwarding long –term-plans, capital and expense budget development and stewardship of business plans. The Committee meets weekly to review the performance of each function against set targets. The Chief Executive also ensures that all decisions and directions given by the Board are properly communicated and implemented.

Internal Audit

The Company has an internal audit function. The CEO reviews the implementation SOPs and internal control function. The internal audit function carries out reviews on the financial, operational and compliance controls, and reports on findings to the CEO and the concerned department head.

External Auditors

The present auditors M/s Shinewing Hameed Chaudhri & Co, Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Board of Directors recommends their reappointment as statutory auditors of the company for the financial year 2025-26.

Pattern of Shareholding

The pattern of shareholding of the company as at June 30, 2025 is annexed.

Safeguarding of Records

The Company puts great emphasis for storage and safe custody of its financial records. The Company is using Oracle for recording its financial information. The access to electronic documentation has been secured through implementation of a comprehensive password protected authorization matrix in Oracle ERP system. The Company is also using easy-software for archiving of documents across the all departments.

Material changes

There have been no material changes since June 30, 2025 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Health, Safety and Environment

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who work with us as well as of the communities where we operate.

Statement of Value Addition and Distribution

The "Statement of Value Addition" is annexed to this report.

Operating and Financial Data

Operating and Financial Data and key ratios of the company for the last six years are annexed.

Business Continuity Plan

As part of Business Continuity Plan, remote disaster recovery sites have been adequately set up for maintaining backup server and data in case our primary server encounters any issues.

Safeguarding of Records

The company places due emphasis for storage and safe custody of this financial records. The Company is using Oracle ERP system for recording its financial information. Access to electronic documentation has been ensured through implementation of a comprehensive password protected authorization matrix in ERP system.

Communication

Communication with stakeholders and at all management levels is given a high priority. The Company also has a web site https://stc.atlas.pk which contains up-to-date information of the Company's activities.

For and on behalf of
The Board of Directors

Frahim Ali Khan
Director

Farooq Saleem
Chief Executive Officer

Karachi: September 25, 2025

SHIRAZI TRADING COMPANY (PRIVATE)
LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHIRAZI TRADING COMPANY (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Shirazi Trading Company (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss and other 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 material accounting policy information 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, 2025 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.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

SHL

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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 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 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 Raheel Ahmed.

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Dated: October 7, 2025

UDIN: AR2025101056FEJh1fn5

SHIRAZI TRADING COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		--------- Rupees ---------	
ASSETS			
Non-current assets			
Property and equipment	6	**1,161,200,369**	690,168,522
Intangible assets	7	**67,860,906**	2,081,663
Investments	8	-	-
Long term loans and deposits	9	**38,429,054**	8,083,222
Deferred taxation - net	21	-	21,765,988
Contract assets	12	**28,476,335**	35,940,572
		1,295,966,664	758,039,967
Current assets			
Stock in trade	10	**646,889,326**	700,936,950
Trade debts	11	**1,493,940,474**	1,455,196,899
Contract assets	12	**1,049,723,331**	837,950,992
Loans and advances	13	**211,361,098**	88,525,918
Trade deposits, short term prepayments and other receivables	14	**163,437,790**	113,096,822
Short term investments	15	**127,639,243**	107,985,721
Sales tax refundable		**61,278,504**	-
Bank balances - current account		**1,607,239**	441,527
		3,755,877,005	3,304,134,829
Total assets		**5,051,843,669**	4,062,174,796

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

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

SHIRAZI TRADING COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		--------- Rupees ---------	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
80,000,000 (2024: 80,000,000) ordinary shares of Rs.10 each		**800,000,000**	800,000,000
Issued, subscribed and paid up share capital	16	**750,000,000**	750,000,000
Revenue reserves			
General reserves		**35,265,000**	35,265,000
Un-appropriated profits		**547,601,220**	238,646,506
		582,866,220	273,911,506
		1,332,866,220	1,023,911,506
Liabilities			
Non current liabilities			
Long term financing	17	**443,242,346**	-
Long term deposits	18	**10,042,604**	11,005,990
Accrual for compensated absences	19	**89,703,908**	97,186,261
Lease liabilities	20	**216,940,638**	302,512,522
Deferred taxation - net	21	**4,643,342**	-
		764,572,838	410,704,773
Current liabilities			
Current maturity of long term financing	17	**81,949,344**	-
Current maturity of lease liabilities	20	**64,553,477**	56,272,001
Trade and other payables	22	**2,174,469,268**	1,776,032,068
Short term borrowings	23	**271,586,495**	444,683,842
Contract liabilities	24	**299,712,005**	314,493,742
Accrued markup	25	**57,149,782**	26,519,596
Taxation-net		**4,984,240**	9,557,268
		2,954,404,611	2,627,558,517
Total Liabilities		**3,718,977,449**	3,038,263,290
Contingencies and commitments	26		
		5,051,843,669	4,062,174,796

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

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

SHIRAZI TRADING COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		-------- Rupees --------	
Sales and services	27	**6,987,078,878**	6,846,992,933
Cost of sales and services	28	**(4,858,497,468)**	(5,076,161,875)
Gross profit		**2,128,581,410**	1,770,831,058
Selling and administrative expenses	29	**(1,171,928,479)**	(1,069,425,544)
Other operating income	30	**72,283,184**	56,670,933
Other expenses	31	**(46,658,756)**	(5,481,077)
Operating profit		**982,277,359**	752,595,370
Finance cost	32	**(197,661,496)**	(217,685,365)
Profit before income tax, final taxes and minimum tax differential taxes		**784,615,863**	534,910,005
Final taxes	33.1	**(2,594,089)**	(3,323,791)
Minimum tax differential	33.2	**(31,235,410)**	(45,405,776)
Profit before income tax		**750,786,364**	486,180,438
Income tax			
Current tax - for the year including super tax		**(276,056,041)**	(217,879,709)
- prior years		**(5,803,497)**	1,053,684
Deferred tax	33.3	**(25,847,537)**	8,755,419
		(307,707,075)	(208,070,606)
Profit for the year		**443,079,289**	278,109,832

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

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

SHIRAZI TRADING COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	------- Rupees -------	
Profit for the year	**443,079,289**	278,109,832
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss		
Re-measurement of defined benefit plans	**5,187,218**	20,180,719
Deferred tax relating to re-measurement	**(561,793)**	(2,597,773)
Other comprehensive income for the year - net of tax	**4,625,425**	17,582,946
Total comprehensive income for the year	**447,704,714**	295,692,778

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

Chief Executive

Director

Chairman

SHIRAZI TRADING COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid-up capital	Revenue reserves		Total
		General reserves	Un-appropriated profits	
	---------- Rupees ----------			
Balance as at July 1, 2023	750,000,000	35,265,000	17,953,728	803,218,728
Total comprehensive income for the year ended June 30, 2024				
Profit for the year	-	-	278,109,832	278,109,832
Other comprehensive loss	-	-	17,582,946	17,582,946
	-	-	295,692,778	295,692,778
Transaction with owners of the Company				
Distributions				
Dividend - Interim 2024 @ Re.1.0 per share	-	-	(75,000,000)	(75,000,000)
	-	-	(75,000,000)	(75,000,000)
Balance as at June 30, 2024	**750,000,000**	**35,265,000**	**238,646,506**	**1,023,911,506**
Total comprehensive income for the year ended June 30, 2025				
Profit for the year	-	-	443,079,289	443,079,289
Other comprehensive income	-	-	4,625,425	4,625,425
	-	-	447,704,714	447,704,714
Transaction with owners of the Company				
Distributions				
Dividend - Final 2024 @ Re.0.85 per share	-	-	(63,750,000)	(63,750,000)
Dividend - Interim 2025 @ Re.1.0 per share	-	-	(75,000,000)	(75,000,000)
	-	-	(138,750,000)	(138,750,000)
Balance as at June 30, 2025	**750,000,000**	**35,265,000**	**547,601,220**	**1,332,866,220**

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

Chief Executive Director Chairman

SHIRAZI TRADING COMPANY (PRIVATE) LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	-------- Rupees --------	
Cash flows from operating activities		
Profit before taxation	**784,615,863**	534,910,005
Adjustments for non-cash charges and other items		
Depreciation	**127,067,696**	122,171,070
Amortisation	**5,909,557**	2,143,104
Provision for gratuity	**26,428,247**	96,300,105
Provision for compensated absences	**7,854,798**	18,600,615
Gain on disposal of fixed assets	**(11,704,057)**	(624,338)
Finance cost	**197,661,496**	209,409,923
Unrealized exchange loss / (gain) - net	**434,563**	(3,245,779)
	1,138,268,163	979,664,705
Changes in working capital:		
Decrease / (increase) in current assets		
- Stock in trade	**54,047,624**	(20,142,624)
- Trade debts	**(38,743,575)**	(177,190,505)
- Contract assets	**(204,308,102)**	(187,920,141)
- Loans and advances	**(122,835,180)**	(11,330,295)
- Trade deposits, short term prepayments and other receivables	**(50,340,968)**	(18,508,828)
- Sales tax refundable	**(61,278,504)**	44,835,694
	(423,458,705)	(370,256,699)
Increase / (decrease) in current liabilities		
- Trade and other payables	**452,880,994**	251,137,666
- Contract liabilities	**(14,781,737)**	221,988,445
	438,099,257	473,126,111
	14,640,552	102,869,412
Cash generated from operations	**1,152,908,715**	1,082,534,117
Long term loans and deposits - net	**(31,309,218)**	5,762,151
Compensated absences paid	**(15,337,151)**	(5,889,365)
Contribution to gratuity fund	**(76,119,386)**	(22,405,333)
Interest paid	**(104,552,806)**	(196,561,174)
Taxes paid	**(282,995,184)**	(264,143,709)
Net cash generated from operating activities - carried forward	**642,594,970**	599,296,687

SHIRAZI TRADING COMPANY (PRIVATE) LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	-------- Rupees -------	
Net cash generated from operating activities - brought forward	**642,594,970**	599,296,687
Cash flows from investing activities		
Purchase of property and equipment	**(196,334,902)**	(119,129,834)
Proceeds from sale of property and equipment	**67,777,933**	33,666,479
Purchase of intangible assets	**(37,655,170)**	-
Investments made during the year	**(19,653,522)**	(55,117,306)
Proceeds from sale of investments	**-**	20,437,252
Net cash used in investing activities	**(185,865,661)**	(120,143,409)
Cash flows from financing activities		
Lease rentals paid	**(143,716,250)**	(140,751,573)
Short term borrowings - net	**(173,097,347)**	(263,656,026)
Dividend paid	**(138,750,000)**	(75,000,000)
Net cash (used in) financing activities	**(455,563,597)**	(479,407,599)
Net increase / (decrease) in cash and cash equivalents	**1,165,712**	(254,321)
Cash and cash equivalents at beginning of year	**441,527**	695,848
Cash and cash equivalents at end of year	**1,607,239**	441,527

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

Chief Executive	Director	Chairman

SHIRAZI TRADING COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

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

Business Unit	**Geographical location and address**
Registered Office	Plot No. 114C, Al-Murtaza Commercial Lane-3, Khayaban-e-Iqbal, Phase VIII, (DHA), Karachi.
Branch Offices	
Karachi	2nd Floor, Nadir House, I.I.Chundrigar Road, Karachi.
Lahore	Plot No. 67/A Block XX, Phase III, (Commercial), DHA Lahore.
Islamabad	Plot No. 41 Sector F-6/G6, Attaturk Avenue, East End Plaza, Blue Area, Islamabad.
Multan	Atlas Group Building, Azmat Wasti Road, Near Dera Addah, Multan.
Peshawar	4th Floor, Marhaba I.T Tower, University Road, Peshawar.

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:

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

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional and presentation currency of the Company.

2.3 New and amended standards and interpretations

2.3.1 Standards and amendments to approved accounting standards effective in the current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2024:

(a) IFRS 16 Sale and leaseback transaction **Effective date : January 1, 2024**

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

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

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2024 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2024 and have not been early adopted by the Company:

(a) IAS 21 Lack of exchangeability — Effective date : January 1, 2025

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. This requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process and associated risks.

(b) IFRS 7 Financial Instruments - Disclosure
IFRS 9 Financial Instruments — Effective date: January 1, 2026

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

(c) IFRS 18 **Presentation and Disclosure in Financial Statements** **Effective date: January 1, 2027**

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

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

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except for stock in trade that are carried at lower of cost or net realizable value and certain employee retirement benefits which are measured at present value of defined benefit obligation less fair value of plan assets.

3.2 Significant accounting estimated and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

(i) Estimate of useful lives and residual values of property and equipment and intangible assets [note 4.1 and 4.2]

(ii) Lease term and discount rate for calculation of lease liabilities along with renewal and termination options [notes 4.1 2]

(iii) Provision for obsolete stock [note 4.7]

(iv) Provision for expected credit losses [note 4.8]

(v) Estimate of payables and receivables in respect of employees' retirement benefits [note 4.11]

(vi) Recognition of taxation [note 4.13]

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently each year presented in these financial statements, unless otherwise stated.

4.1 Property and equipment

4.1.1 Owned assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Capital work in progress is stated at cost and are transferred to specific assets as and when assets are available for use.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to expenses as and when incurred.

Depreciation

Depreciation is charged to statement of profit or loss on the reducing balance basis except for mobile phones classified in office equipment. Depreciation on mobile phone is charged to statement of profit or loss on a straight-line basis. Depreciation is charged at the rates stated in note 6.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which asset is disposed off. The depreciation method and useful lives of items of operating fixed assets 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

An item of operating fixed assets is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal or retirement of operating fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the statement of profit or loss.

4.1.2 Right of use assets

The Company generally leases offices, warehouses and motor vehicles. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments. Leased vehicles are depreciated on reducing balance whereas leased sales offices and warehouses are depreciated on straight line basis over the shorter of lease term and the estimated useful lives of the assets as follows:

Sales offices and warehouses	5 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Company as a lessee

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

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date, where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are disclosed separately in the financial statements refer note 20 to these financial statements.

Short term leases and leases of low-value assets

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

Determining the lease term of contracts with renewal and termination options – Company as lessee

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

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

Leases - Estimating the incremental borrowing rate

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates).

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any, and represent the purchase price, implementation costs and other direct costs of computer's software programs and software licenses.

The costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff cost, costs of the software development team and an appropriate portion of relevant overheads.

Subsequent expenditure

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications 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 the useful lives of assets ranging from three to ten years. The assets' useful lives are reviewed at each reporting date and adjusted if the impact on amortisation is significant.

4.3 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

4.4 Financial instruments

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

4.4.1 Financial assets

Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt instrument or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

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

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of a debt instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price, determined under IFRS 15) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments). These are subsequently measured using the effective interest (EIR) method and are subject to impairment Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables.
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4.4.2 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, short term borrowings, long term deposits, other payables and accruals.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as fair value through profit or loss.

Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

The benefit of a government loan at a below market rate of interest is treated as a government grant. The benefit of the below-market rate of interest shall be measured as the difference between the initial fair value of the loan determined at the market interest rate and the proceeds received.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

4.5 Off-setting of financial assets and financial liabilities

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 counterparty.

4.6 Expected credit losses on financial assets

IFRS 9 requires the Company to record an allowance for expected credit losses (ECLs) with a forward-looking approach for all loans and other debt financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

The Company has applied the standard's simplified approach and calculated ECL based on life-time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions.

The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The expected credit losses are recognised in the statement of profit or loss.

4.7 Stock in trade

Stock in trade, except items in transit, is valued at the lower of average purchase cost and net realizable value

Stock in transit are valued at cost comprising of invoice value plus other charges accumulated upto the reporting date.

Net realizable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

Provision is made in the financial statements for slow moving and obsolete items, if any.

4.8 Trade debts, contract assets and other receivables related impairments

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.

Trade debts are initially recognised at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for expected credit loss. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

4.9 Contract assets

A contract asset exists when an entity transfers goods or services to a customer but does not yet have an unconditional right to consideration. A right is unconditional if nothing other than the passage of time is required before the payment of that consideration is due.

A contract asset is initially recognised from revenue earned from after sales services because the receipt of consideration is conditional upon satisfactory performance of the goods transferred to customers upon completion of the performance obligation the contract asset is reclassified to trade receivables.

4.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprise of balances with banks.

4.11 Retirement benefit obligations

The Company has following plans for its employees:

4.11.1 **Defined contribution plans**

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

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

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

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

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

4.11.2 Defined benefit plans

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in current and prior periods, and that benefit is discounted to determine its present value.

The Company operates an approved and funded gratuity scheme for its management staff and non management staff who have completed the minimum qualifying period of service for entitlement of gratuity. Contributions under the scheme are made on the basis of actuarial valuation and are charged to statement of profit or loss account. The actuarial valuation of both the schemes was carried out on June 30, 2025 using the "Projected Unit Credit Method".

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

4.11.3 Employees compensated leave absences

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date using their current salary levels. The actuarial valuation of the schemes was carried out on June 30, 2025 using the "Projected Unit Credit Method".

4.12 Trade and other payables

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

4.13 Taxation

The tax expense for the year comprises of 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.

The Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any. However, for income covered under final tax regime, taxation is based on applicable tax rules under such regime.

Deferred

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

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

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

4.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.15 Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

4.16 Revenue recognition

The Company is mainly involved in trading activity which involves import of goods and sale without any value addition to the customers which generally include single performance obligation. Further, company offer after sales services contracts with healthcare and office equipment.

The Company's contracts with customers for the sale of goods generally include one performance obligation. The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Whereas in case of hire-purchase sales, earned carrying charges representing difference between the cash sale price and hire purchase price shall be recognized in the statement of profit and loss using effective interest rate method over the arrangement period. Payment is generally due within 2 to 24 months from the date of invoice to the customer depending upon customer segments.

The Company recognises revenue from services rendered at a point in time as well as over time as required by the contracts with customers. Revenue from point in time service contracts is recognised as an when the services are received by customers. The revenue in case of long term service contracts is recognised on a monthly basis as per the schedule of maintenance when performance obligation is satisfied

4.17 Dividend and appropriation to reserves

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

5. SUMMARY OF OTHER ACCOUNTING POLICIES

5.1 Share capital

Ordinary shares are classified as equity and recognised at their face value.

5.2 Foreign currency transactions and translation

The foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of the 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 with other income / other expenses.

6. PROPERTY AND EQUIPMENT

	Note	2025	2024
		--------- Rupees ---------	
Operating fixed assets	6.1	**700,259,725**	294,927,241
Capital work in progress	6.3	**187,916,380**	20,655,158
Right of use assets	6.4	**273,024,264**	374,586,123
		1,161,200,369	690,168,522

6.1 Operating fixed assets

	Leasehold Improvement	Furniture and fixtures	Office equipment	Computer and related equipments	Tools and other equipments	Electrical equipments	Vehicles	Total
	Rupees							
As at July 1, 2023								
Cost	84,322,483	24,197,146	112,087,509	43,974,556	63,836,911	39,291,759	97,168,843	464,879,207
Accumulated depreciation	44,089,313	13,770,368	48,846,901	29,501,992	35,514,002	19,440,473	22,762,887	213,925,936
Net book value	**40,233,170**	**10,426,778**	**63,240,608**	**14,472,564**	**28,322,909**	**19,851,286**	**74,405,956**	**250,953,271**
Year ended June 30, 2024								
Opening net book value	40,233,170	10,426,778	63,240,608	14,472,564	28,322,909	19,851,286	74,405,956	250,953,271
Additions	-	798,120	55,616,056	10,127,373	-	2,598,563	25,670,583	94,810,695
Disposals								
- cost	-	4,250	410,036	2,129,723	-	221,700	12,067,304	14,833,013
- accumulated depreciation	-	(3,049)	(345,054)	(1,846,316)	-	(136,363)	(4,102,915)	(6,433,697)
	-	1,201	64,982	283,407	-	85,337	7,964,389	8,399,316
Depreciation charge (note 6.1.2)	4,023,317	1,078,162	9,517,195	5,751,699	2,832,358	2,038,059	17,196,619	42,437,409
Closing net book value	**36,209,853**	**10,145,535**	**109,274,487**	**18,564,831**	**25,490,551**	**20,326,453**	**74,915,531**	**294,927,241**
As at June 30, 2024								
Cost	84,322,483	24,991,016	167,293,529	51,972,206	63,836,911	41,668,622	110,772,122	544,856,889
Accumulated depreciation	48,112,630	14,845,481	58,019,042	33,407,375	38,346,360	21,342,169	35,856,591	249,929,648
Net book value	**36,209,853**	**10,145,535**	**109,274,487**	**18,564,831**	**25,490,551**	**20,326,453**	**74,915,631**	**294,927,241**
Year ended June 30, 2025								
Opening net book value	36,209,853	10,145,535	109,274,487	18,564,831	25,490,551	20,326,453	74,915,531	294,927,241
Additions (note 6.1.1)	72,686,330	7,982,596	338,727,019	13,761,281	32,194,200	3,399,070	14,234,354	482,964,860
Disposals								
- cost	-	-	3,949,952	6,652,148	-	360,000	28,737,238	39,699,338
- accumulated depreciation	-	-	(1,414,418)	(5,452,699)	-	(23,625)	(10,281,303)	(17,172,045)
	-	-	2,535,534	1,199,449	-	336,375	18,455,935	22,527,293
Depreciation charge (note 6.1.2)	5,555,732	1,213,685	20,396,412	7,650,461	4,109,998	2,136,399	14,042,396	55,105,083
Closing net book value	**103,340,451**	**16,894,446**	**425,069,560**	**23,476,212**	**53,574,753**	**21,252,749**	**56,651,554**	**700,259,725**
As at June 30, 2025								
Cost	157,008,813	32,953,612	502,070,596	59,081,349	96,031,111	44,707,692	96,269,238	988,122,411
Accumulated depreciation	53,668,362	16,059,166	77,001,036	35,605,137	42,456,358	23,454,943	39,617,684	287,862,686
Net book value	**103,340,451**	**16,894,446**	**425,069,560**	**23,476,212**	**53,574,753**	**21,252,749**	**56,651,554**	**700,259,725**
Depreciation rate (% per annum)	10	10	10 / 33.33	30	10	10	20	

6.1.1 This includes Rs.374.279 thousands financed through diminishing musharaka.

6.1.2 **Depreciation charge has been allocated as follows:**

	Note	2025	2024
		--------- Rupees ---------	
Cost of sales and services	28	**21,820,924**	9,291,770
Selling and administrative expenses	29	**33,284,159**	33,145,639
		55,105,083	42,437,409

6.2 **The details of operating fixed assets disposed during the year are as follows:**

Particular of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
	----------	----------	Rupees	----------	----------		
Assets having net book value exceeding Rs.500,000 each							
Vehicles							
	2,612,000	261,200	2,350,800	2,581,800	231,000	Auction	Amin Motors, Shop # 1296, Near New Town Police Station, Karachi.
	1,546,000	432,880	1,113,120	1,113,120	-	Company Policy	Ahsan Mehfooz (Ex-employee)
	7,578,000	2,596,757	4,981,243	7,750,000	2,768,757	Negotiation	Mohsin Khan (Ex-employee)
	2,330,000	932,000	1,398,000	1,398,000	-	Company Policy	Farrukh Rahim Abbasi (Employee)
	1,675,000	649,929	1,025,071	968,150	(56,921)	Company Policy	Ehtisham Javed (Employee)
	3,240,500	1,337,102	1,903,398	1,903,398	-	Company Policy	Arman Khan (Employee)
	2,330,000	863,653	1,466,347	1,466,347	-	Company Policy	Muhammad Shahbaz (Employee)
	1,800,000	1,039,680	760,320	760,320	-	Company Policy	Tanveer Ahmed Siddiqui (Employee)
	23,111,500	8,113,201	14,998,299	17,941,135	2,942,836		
Office equipments							
	1,027,374	75,769	951,605	951,605	-		Transfer to stock
Various assets having net book value upto Rs.500,000 each	15,560,464	8,983,075	6,577,389	7,949,886	1,372,497		
2025	39,699,338	17,172,045	22,527,293	26,842,626	4,315,333		
2024	14,833,013	6,433,697	8,399,316	8,523,494	124,178		

6.3 **Capital work in progress**

	Note	2025	2024
		--------- Rupees ---------	
Leasehold improvements		**6,067,334**	-
Furniture and fixtures		**10,876,845**	-
Office equipments	6.3.1	**142,150,180**	18,119,018
Computer and related equipments		**22,078,021**	2,069,255
Electrical equipments		**2,124,000**	-
Vehicles	6.3.2	-	466,885
Computer software		**4,620,000**	-
		187,916,380	20,655,158

6.3.1 This includes Rs.18,950 thousands (2024: Rs. Nil) pertaining to Atlas Global FZE - a related party.

6.3.2 The comparative amount represents advance payments made to Atlas Honda Limited - a related party.

6.4 Right of use assets	Sales offices and warehouses	Motor vehicles	Total
	---------- Rupees ----------		
As at July 1, 2023			
Cost	162,282,514	207,133,300	369,415,814
Accumulated depreciation	126,986,474	50,526,546	177,513,020
Net book value	**35,296,040**	**156,606,754**	**191,902,794**
Year ended June 30, 2024			
Opening net book value	35,296,040	156,606,754	191,902,794
Additions	170,595,715	116,464,100	287,059,815
Disposals			
- cost	-	38,236,500	38,236,500
- accumulated depreciation	-	(13,593,675)	(13,593,675)
	-	24,642,825	24,642,825
Depreciation charge (note 6.4.2)	35,296,040	44,437,621	79,733,661
Closing net book value	170,595,715	203,990,408	374,586,123
As at June 30, 2024			
Cost	332,878,229	285,360,900	618,239,129
Accumulated depreciation	162,282,514	81,370,492	243,653,006
Net book value	**170,595,715**	**203,990,408**	**374,586,123**
Year ended June 30, 2025			
Opening net book value	170,595,715	203,990,408	374,586,123
Additions	3,947,338	-	3,947,338
Disposals			
- cost	-	58,825,200	58,825,200
- accumulated depreciation	-	(25,278,616)	(25,278,616)
	-	33,546,584	33,546,584
Depreciation charge (note 6.4.2)	34,908,610	37,054,003	71,962,613
Closing net book value	**139,634,443**	**133,389,821**	**273,024,264**
As at June 30, 2025			
Cost	336,825,567	226,535,700	563,361,267
Accumulated depreciation	197,191,124	93,145,879	290,337,003
Net book value	**139,634,443**	**133,389,821**	**273,024,264**

6.4.1 The Company has lease contracts for various sales office, warehouses and vehicles used in its operations. Leases of sales offices and warehouses and motor vehicles generally have lease terms of 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

6.4.2 Depreciation charge has been allocated as follows:	Note	2025	2024
		-------- Rupees --------	
Cost of sales and services	28	**18,283,113**	18,974,511
Selling and administrative expenses	29	**53,679,500**	60,759,150
		71,962,613	79,733,661

7. INTANGIBLE ASSETS

	Computer Software	License Fee	Total
	------------- Amount in Rupees	-------------	
As at July 1, 2023			
Cost	48,454,897	-	**48,454,897**
Accumulated amortisation	44,230,130	-	**44,230,130**
Net book value	**4,224,767**	-	4,224,767
Year ended June 30, 2024			
Opening net book value	4,224,767	-	**4,224,767**
Amortization charge (note 7.4)	2,143,104	-	**2,143,104**
Closing net book value	**2,081,663**	-	2,081,663
Cost	48,454,897	-	**48,454,897**
Accumulated amortisation	46,373,234	-	**46,373,234**
Net book value	**2,081,663**	-	2,081,663
Year ended June 30, 2025			
Opening net book value	2,081,663	-	**2,081,663**
Additions (note 7.3)	68,715,170	2,973,630	**71,688,800**
Amortization charge (note 7.4)	5,179,299	730,258	**5,909,557**
Closing net book value	**65,617,534**	**2,243,372**	67,860,906
Cost	117,170,067	2,973,630	**120,143,697**
Accumulated amortisation	51,552,533	730,258	**52,282,791**
Net book value	**65,617,534**	**2,243,372**	67,860,906

7.1 Intangible assets are amortised using the straight line method over a period of three to ten years. The amortisation charge for the year has been allocated to selling and administrative expenses. [note 29].

7.2 Intangible assets as at June 30, 2025 include items having an aggregate cost of Rs.45,355 thousand (2024: Rs.42,939 thousand) that have been fully amortised and still in use of the Company.

7.3 This includes Rs.34,034 thousands financed through diminishing musharaka.

7.4 **Amortization charge has been allocated as follows:**

	Note	2025	2024
		--------- Rupees	---------
Cost of sales and services	28	**1,901,110**	-
Selling and administrative expenses	29	**4,008,447**	2,143,104
		5,909,557	2,143,104

8. INVESTMENTS

Available for sale - Unquoted

	2025	2024
Arabian Sea Country Club Limited		
50,000 ordinary shares of Rs.10 each - cost	**500,000**	500,000
Less: impairment in the value of investment	**500,000**	500,000
	-	-

9. LONG TERM LOANS AND DEPOSITS

	Note	2025	2024
		---------- Rupees ----------	
Staff Loans - Unsecured, considered good			
Key management personnel		**1,200,000**	718,117
Others		**7,459,736**	6,102,183
	9.1 & 9.2	**8,659,736**	6,820,300
Current portion grouped under current assets	13	**(5,984,102)**	(5,271,252)
		2,675,634	1,549,048
Security deposits			
Held against Ijarah	23.2	**31,788,895**	-
Held against utilities and others		**3,964,525**	6,534,174
		35,753,420	6,534,174
		38,429,054	8,083,222

9.1 Represent interest free loans to employees in accordance with the Company's policy. These loans are recoverable in equal monthly installments. These loans have not been discounted to their present value as the financial impact thereof is not considered material.

9.2 The maximum aggregate amount of loans and advances from key management personnel at the end of any month during the year was Rs.2,046 thousand (2024: Rs.2,239 thousand).

10. STOCK IN TRADE - Finished goods

	Note	2025	2024
		---------- Rupees ----------	
In hand		**564,738,999**	540,293,830
Less: provision for obsolete stock	10.1	**(7,587,352)**	(5,580,289)
		557,151,647	534,713,541
In transit		**89,737,679**	166,223,409
		646,889,326	700,936,950

10.1 Provision for obsolete stock

	Note	2025	2024
Balance at beginning of the year		**5,580,289**	6,426,878
Charge for the year	29	**7,587,352**	5,580,289
Adjustment in valuation of stock		**(5,580,289)**	(6,426,878)
Balance at end of the year		**7,587,352**	5,580,289

11. TRADE DEBTS - Unsecured, considered good

	Note	2025	2024
Related parties	11.1	**25,122,112**	53,147,687
Others		**1,473,919,098**	1,407,458,964
		1,499,041,210	1,460,606,651
Less: Unearned revenue	11.2	**(5,100,736)**	(5,409,752)
		1,493,940,474	1,455,196,899
Considered doubtful		**44,196,118**	38,031,967
		1,538,136,592	1,493,228,866
Provision for expected credit loss	11.3	**(44,196,118)**	(38,031,967)
		1,493,940,474	1,455,196,899

11.1 The details of receivable from related parties are as follows:

	2025	2024
	--------- Rupees ---------	
Atlas Honda Limited	**6,307,652**	24,374,149
Atlas Battery Limited	**152,874**	2,203,829
Atlas Engineering (Private) Limited *[Amalgamated with Atlas Autos (Private) Limited]*	**4,165,961**	18,454,552
Atlas Hitec (Private) Limited	**3,789,465**	1,652,134
Atlas Power Limited	**46,137**	35,669
Atlas DID (Private) Limited	**341,277**	116,213
Atlas Solar (Private) Limited	**758,280**	-
Integration Xperts (Private) Limited	**9,535,190**	6,311,141
Honda Atlas Power Products (Private) Limited	**25,276**	-
	25,122,112	53,147,687

11.2 Revenue aggregating Rs.5,322 thousand (2024. Rs.22,746 thousand) has been recognised from preceding year's unearned revenue.

11.3 Provision for expected credit loss

	2025	2024
	--------- Rupees ---------	
Balance at beginning of the year	**38,031,967**	35,730,583
Charge for the year	**6,164,151**	2,301,384
Balance at end of the year	**44,196,118**	38,031,967

11.4 The ageing of trade debts at June 30, is as follows:

	Related parties		Others	
	2025	2024	**2025**	2024
	------------------------ Rupees ------------------------			
0 days - 60 days	**16,105,311**	45,669,533	**738,509,003**	870,020,717
61 days - 180 days	**8,611,525**	443,700	**456,770,713**	403,842,658
181 days to 365 days	**40,917**	111,670	**180,515,276**	40,497,213
Over one year	**364,359**	611,643	**137,219,488**	132,031,732
	25,122,112	46,836,546	**1,513,014,480**	1,446,392,320
Provision for expected credit loss	**-**	-	**(44,196,118)**	(38,031,967)
	25,122,112	46,836,546	**1,468,818,362**	1,408,360,353

11.5 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.182,938 thousand (2024: Rs.58,869 thousand).

12. CONTRACT ASSETS

	Note	2025	2024
		--------- Rupees ---------	
Hire purchase receivable	12.1	**927,686,960**	772,237,912
Retention money		**156,417,796**	108,007,627
		1,084,104,756	880,245,539
Provision for expected credit loss	12.2	**(5,905,090)**	(6,353,975)
Long term portion of contract assets		**(28,476,335)**	(35,940,572)
		1,049,723,331	837,950,992

12.1	**Hire purchase receivable**	**Note**	**2025**	2024
			--------- Rupees	**---------**
	Gross sales		**941,662,212**	786,354,121
	Unearned carrying charges		**(13,975,252)**	(14,116,209)
			927,686,960	772,237,912

12.2	**Provision for expected credit loss**		
	Balance at beginning of the year	**6,353,975**	5,436,617
	(Reversal) / charge for the year	**(448,885)**	917,358
	Balance at end of the year	**5,905,090**	6,353,975

13.	**LOANS AND ADVANCES** **Unsecured, considered good**			
	Loans			
	Current portion of staff loans	**9**	**5,984,102**	5,271,252
	Advances			
	Suppliers		**200,742,763**	77,838,622
	Employees	**13.1**	**4,634,233**	5,416,044
			211,361,098	88,525,918

13.1 Represent advances given to employees for business purposes and are settled as and when the expenses are incurred.

14.	**TRADE DEPOSITS, SHORT TERM - PREPAYMENTS AND OTHER RECEIVABLES**	**Note**	**2025**	2024
			--------- Rupees	**---------**
	Trade deposits			
	Earnest money		**121,329,843**	87,466,289
	Margin against letters of guarantee	**14.1**	**41,047,145**	24,115,145
			162,376,988	111,581,434
	Prepayments	**14.2**	**5,982,838**	6,350,215
	Insurance claim receivable	**14.3**	-	131,200
			168,359,826	118,062,849
	Provision for expected credit loss	**14.4**	**(4,922,036)**	(4,966,027)
			163,437,790	113,096,822

14.1 Includes advance cash margin paid to Atlas Insurance Limited - a related party amounting to Rs.488 thousand (2024: Rs.408 thousand) against insurance guarantee issued on the behalf of

14.2 Represents insurance premium paid in advance to Atlas Insurance Limited, a related party.

14.3 The comparative amount represents receivable from Atlas Insurance Limited - a related party

14.4	**Provision for expected credit loss**	**2025**	2024
		--------- Rupees	**---------**
	Balance at beginning of the year	**4,966,027**	5,088,191
	Reversal made during the year	**(43,991)**	(122,164)
	Balance at the of the year	**4,922,036**	4,966,027

12.1	**Hire purchase receivable**	**Note**	**2025**	2024
			--------- Rupees	**---------**
	Gross sales		**941,662,212**	786,354,121
	Unearned carrying charges		**(13,975,252)**	(14,116,209)
			927,686,960	772,237,912
12.2	**Provision for expected credit loss**			
	Balance at beginning of the year		**6,353,975**	5,436,617
	(Reversal) / charge for the year		**(448,885)**	917,358
	Balance at end of the year		**5,905,090**	6,353,975
13.	**LOANS AND ADVANCES** **Unsecured, considered good**			
	Loans			
	Current portion of staff loans	**9**	**5,984,102**	5,271,252
	Advances			
	Suppliers		**200,742,763**	77,838,622
	Employees	**13.1**	**4,634,233**	5,416,044
			211,361,098	88,525,918

13.1 Represent advances given to employees for business purposes and are settled as and when the expenses are incurred.

14.	**TRADE DEPOSITS, SHORT TERM - PREPAYMENTS AND OTHER RECEIVABLES**	**Note**	**2025**	2024
			--------- Rupees	**---------**
	Trade deposits			
	Earnest money		**121,329,843**	87,466,289
	Margin against letters of guarantee	**14.1**	**41,047,145**	24,115,145
			162,376,988	111,581,434
	Prepayments	**14.2**	**5,982,838**	6,350,215
	Insurance claim receivable	**14.3**	**-**	131,200
			168,359,826	118,062,849
	Provision for expected credit loss	**14.4**	**(4,922,036)**	(4,966,027)
			163,437,790	113,096,822

14.1 Includes advance cash margin paid to Atlas Insurance Limited - a related party amounting to Rs.488 thousand (2024: Rs.408 thousand) against insurance guarantee issued on the behalf of Company.

14.2 Represents insurance premium paid in advance to Atlas Insurance Limited, a related party.

14.3 The comparative amount represents receivable from Atlas Insurance Limited - a related party.

14.4	**Provision for expected credit loss**	**2025**	2024
		--------- Rupees	**---------**
	Balance at beginning of the year	**4,966,027**	5,088,191
	Reversal made during the year	**(43,991)**	(122,164)
	Balance at the of the year	**4,922,036**	4,966,027

15. SHORT TERM INVESTMENTS - At fair value through profit or loss

2025	2024		Note	2025	2024
---- Number of units ----				-------- Rupees --------	
23,316	7,286	Atlas Money Market Fund - a related party	**15.1**	**11,951,052**	3,723,277
1,119,356	1,010,190	HBL Cash Fund	**15.2**	**115,688,191**	104,262,444
1,142,672	1,017,476			**127,639,243**	107,985,721

15.1 This represents units of costing Rs.11,215 thousand (2024: Rs.3,635 thousand) pledged with Atlas Insurance Limited - a related party against insurance guarantee issued aggregating Rs 112,150 thousand (2024: Rs.36,350 thousand) issued on the behalf of Company.

15.2 This represents units of costing Rs.82,000 thousand (2024: Rs.82,000 thousands) are pledged with HBL against open ended bank guarantee aggregating Rs.100,000 thousand (2024: Rs.80,000 thousand) issued in favour of government authorities on behalf of the Company.

16. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2025	2024		2025	2024
---Number of shares---			--------- Rupees ---------	
46,000,000	46,000,000	Ordinary shares of Rs.10 each fully paid in cash	**460,000,000**	460,000,000
29,000,000	29,000,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**290,000,000**	290,000,000
75,000,000	75,000,000		**750,000,000**	750,000,000

16.1 Shirazi Investments (Private) Limited and its nominees hold 100% ordinary shares of the Company.

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

17. LONG TERM FINANCING

	Note	2025	2024
		--------- Rupees ---------	
Diminishing Musharakah	**17.1**	**525,191,690**	-
Current portion grouped under current liabilities		**(81,949,344)**	-
		443,242,346	-

17.1 The Company has obtained a Diminishing Musharakah financing facility of Rs. 1,280,000 thousand from Meezan Bank Limited for procurement of medical equipment. The facility is disbursed in tranches against receipt of shipments, and each tranch is repayable in 20 equal quarterly installments commencing after a grace period of one year from the respective dates of disbursement. The facility carries a profit rate of 3M KIBOR plus 0.75% per annum, and is secured against first exclusive charge created over the respective medical equipment financed, with a 5% margin. During the year, the Company hasn't repaid any amount as the installments fall due after the reporting date.

18. LONG TERM DEPOSITS

	Note	2025	2024
		Rupees	
Deposits	18.1	**17,510,308**	14,026,677
Current portion grouped under current liabilities		**(7,467,704)**	(3,020,687)
		10,042,604	11,005,990

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

19. ACCRUAL FOR COMPENSATED ABSENCES

	2025	2024
	Rupees	
Balance at beginning of the year	**97,186,261**	84,475,011
Accrual for the year	**7,854,798**	18,600,615
	105,041,059	103,075,626
Paid during the year	**(15,337,151)**	(5,889,365)
Balance at end of the year	**89,703,908**	97,186,261

20. LEASE LIABILITIES

	Sales offices and warehouses Note 20.1	Motor vehicles Note20.2	Total
June 30, 2025	Rupees		
Balance at beginning of the year	**170,595,715**	**188,188,808**	**358,784,523**
Additions during the year	**3,947,338**	-	**3,947,338**
Interest accrued	**35,956,117**	**26,522,387**	**62,478,504**
Repaid / adjusted during the year	**(47,835,700)**	**(95,880,550)**	**(143,716,250)**
Balance at end of the year	**162,663,470**	**118,830,645**	**281,494,115**
Current portion grouped under current liabilities	**(20,483,129)**	**(44,070,348)**	**(64,553,477)**
	142,180,341	**74,760,297**	**216,940,638**
June 30, 2024			
Balance at beginning of the year	42,606,306	162,308,481	204,914,787
Additions during the year	170,595,715	80,886,644	251,482,359
Interest accrued	85,116	43,053,834	43,138,950
Repaid / adjusted during the year	(42,691,422)	(98,060,151)	(140,751,573)
Balance at end of the year	170,595,715	188,188,808	358,784,523
Current portion grouped under current liabilities	(11,765,350)	(44,506,651)	(56,272,001)
	158,830,365	143,682,157	302,512,522

20.1 These represents lease contracts for registered office, branch offices and warehouses used by the Company in its operations and have lease terms between 1 to 3 years. These have been discounted using the incremental borrowing rate of the Company i e. 22.16% (2024: 22.16%) These includes Rs.60,045 thousand (2024: Rs.64,493 thousand) due to Shirazi Investment Company (Private) Limited - the holding company and Rs.17,584 thousand (2024: Rs.18,886 thousand) due to Atlas Foundation - a related party.

20.2 Represents finance leases of motor vehicles obtained from a financial institution. Lease rentals due under lease agreement are payable in monthly installments latest by May 2029. Overdue rental payments are subject to an additional charge at 20% per annum. Taxes, repairs and insurance costs are borne by the Company. Financing rates ranging from KIBOR+0.30% to KIBOR+1% (2024: KIBOR+0.30% to KIBOR+1%) per annum have been used as discounting factor. These liabilities are secured by way of assigning title of vehicles in the name of the financial institution.

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

Particulars	2025			2024		
	Upto One Year	From one to five Years	Total	Upto One Year	From one to five Years	Total
	Rupees					
Minimum lease payments	109,174,035	276,808,823	385,982,858	126,914,753	428,398,388	555,313,141
Finance cost allocated to future periods	(44,620,558)	(59,868,185)	(104,488,743)	(70,642,752)	(125,885,866)	(196,528,618)
	64,553,477	216,940,638	281,494,115	56,272,001	302,512,522	358,784,523

21. DEFERRED TAXATION - Net

	2025	2024
	Rupees	
Taxable temporary difference		
- accelerated tax depreciation and amortisation	**31,155,212**	15,009,621
- lease liabilities - net	-	2,735,472
	31,155,212	17,745,093
Deductible temporary difference		
- lease liabilities - net	**(1,233,628)**	-
- provision for obsolete stock	**(1,105,093)**	(966,024)
- provision for expected credit loss	**(8,014,097)**	(8,543,496)
- provision for gratuity	**(3,093,741)**	(13,177,299)
- provision for compensated leave absences	**(13,065,311)**	(16,824,262)
	(26,511,870)	(39,511,081)
Deferred tax liability / (asset)	**4,643,342**	(21,765,988)

21.1 Movement in deferred taxation

	Accelerated tax depreciation and amortisation	Lease liabilities - net	Provision for obsolete stock	Provision for expected credit loss	Provision for gratuity	Provision for compensated leave absences	Total
	Rupees						
As at July 1, 2023	9,740,438	(1,911,279)	(944,018)	(6,794,266)	(3,291,028)	(12,408,190)	(15,608,343)
Charged / (credited) to:							
Profit and loss account	5,269,183	4,646,751	(22,006)	(1,749,230)	(12,484,045)	(4,416,072)	(8,755,419)
Other comprehensive loss	-	-	-	-	2,597,773	-	2,597,773
	5,269,183	4,646,751	(22,006)	(1,749,230)	(9,886,271)	(4,416,072)	(6,157,645)
As at June 30, 2024	15,009,621	2,735,472	(966,024)	(8,543,496)	(13,177,299)	(16,824,262)	(21,765,988)
Charged / (credited) to:							
Profit and loss account	16,145,591	(3,969,100)	(139,069)	529,399	9,521,765	3,758,951	25,847,537
Other comprehensive loss	-	-	-	-	561,793	-	561,793
	16,145,591	(3,969,100)	(139,069)	529,399	10,083,558	3,758,951	26,409,330
As at June 30, 2025	31,155,212	(1,233,628)	(1,105,093)	(8,014,097)	(3,093,741)	(13,065,311)	4,643,342

22. TRADE AND OTHER PAYABLES

	Note	2025	2024
		Rupees	
Trade creditors	22.1	**1,182,700,174**	877,085,577
Bills payable	22.2	**181,616,519**	245,758,859
Accrued expenses		**23,680,651**	6,273,339
Bonus payable to employees		**236,152,929**	146,545,460
Payable to employees' gratuity fund	22.3	**21,241,029**	76,119,386
Payable to employees' provident fund		**1,327,433**	25,832
Payable to employees' pension fund		**3,957,714**	-
Current portion of long term deposits	18	**7,467,704**	3,020,687
Sindh workers' welfare fund payable		**16,405,049**	-
Sindh development and maintenance infrastructure cess payable	22.4	**170,590,925**	134,484,250
Sales tax payable		-	369,164
Withholding tax payable		**8,101,636**	-
Provision for warranty		**307,826,252**	272,948,261
Other provisions		**13,401,253**	13,401,253
		2,174,469,268	1,776,032,068

22.1 Includes Rs.936,289 thousand (2024: Rs.675,847 thousand) pertaining to Atlas Honda Limited - a related party, Rs.8,933 thousand (2024: Rs.3,523 thousand) pertaining to Atlas Insurance Limited - a related party and Rs.483 thousand (2024: Nil) pertaining to Honda Atlas Cars (Pakistan Limited - a related party.

22.2 Includes Rs.10,964 thousand (2024: Rs.9,071 thousand) pertaining to Atlas Global FZE - a related party

22.3 Provision for gratuity

22.3.1 As stated in note 4.11.2, the Company operates an approved funded gratuity scheme for its management and non-management staff.

22.3.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882. Sindh Trust Act, 2020 as amended vide Sindh Trust (Amendment) Act, 2021, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust Deed of the Plan. Responsibility for governance of the Plan, including investment decisions and contributions schedules lies with the Board of Trustees. The members of which are appointed by the Company.

22.3.3 The latest actuarial valuations of the Schemes as at June 30, 2025 were carried out by an independent expert, using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

		Note	2025	2024
			--------- Rupees ---------	
22.3.4	**Balance sheet reconciliation**			
	Present value of defined benefit obligation	22.3.5	**299,328,756**	253,755,523
	Fair value of plan assets	22.3.6	**(276,044,158)**	(177,871,045)
	(Receivable from) / payable to related parties in respect of transferees		**(2,043,569)**	234,908
	Liability at end of the year		**21,241,029**	76,119,386
22.3.5	**Movement in the present value of defined benefit obligation**			
	Balance at beginning of the year		**253,755,523**	141,241,338
	Benefits paid		**(31,907,197)**	(6,996,479)
	Current service cost		**16,086,108**	9,489,765
	Past service cost		**-**	82,936,247
	Interest cost		**36,464,809**	22,879,432
	Re-measurements on obligation		**22,885,944**	4,440,128
	Recognised in respect of transfers		**2,043,569**	(234,908)
	Balance at end of the year		**299,328,756**	253,755,523
22.3.6	**Movement in the fair value of plan assets**			
	Balance at beginning of the year		**177,871,045**	112,476,476
	Contributions		**76,119,386**	22,405,333
	Benefits paid		**(31,907,197)**	(6,996,479)
	Interest income		**26,122,670**	19,005,339
	Re-measurements		**28,073,162**	24,620,847
	Amount transferred (to) / from other group companies		**(234,908)**	6,359,529
	Balance at end of the year		**276,044,158**	177,871,045
22.3.7	**Expense recognised in statement of profit or loss**			
	Current service cost		**16,086,108**	9,489,765
	Past service cost		**-**	82,936,247
	Net interest cost		**10,342,139**	3,874,093
			26,428,247	96,300,105

22.3.8 Re-measurements recognised in other comprehensive income	2025	2024
	--------- Rupees ---------	
Loss on re-measurement of obligation	**22,885,944**	4,440,128
Gain on re-measurement of plan assets	**(28,073,162)**	(24,620,847)
Net re-measurements	**(5,187,218)**	(20,180,719)

22.3.9 Net liability recognised

Balance at beginning of the year	**76,119,386**	22,405,333
Charge for the year	**26,428,247**	96,300,105
Contributions made during the year	**(76,119,386)**	(22,405,333)
Re-measurements recognised in other comprehensive income	**(5,187,218)**	(20,180,719)
Balance at end of the year	**21,241,029**	76,119,386

22.3.10 Plan assets comprise of:

Debt securities	**1,102,894**	11,241,565
Equity instrument - mutual funds units	**271,747,032**	166,533,045
Cash and cash equivalent	**3,194,232**	96,435
	276,044,158	177,871,045

22.3.11 Actuarial assumptions used	-------- % per annum --------	
Discount rate at reporting date	**11.75%**	14.75%
Expected rate of increase in future salaries - first year	**16.00%**	16.00%
- long term	**11.25%**	16.00%
Demographic assumptions		
- Mortality rates (for death in service)	**SLIC (2001-05)-1**	SLIC (2001-05)-1
- Rates of employee turnover	**Moderate**	Moderate

22.3.12 Description of the risks to the Company

Morality risks - The risk that the actual morality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is higher that what we assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

22.3.13 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		--------- Rupees ---------	
Discount rate	1.00%	(18,208,736)	20,607,239
Increase in future salaries	1.00%	19,081,663	(17,170,683)

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

22.3.14 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

22.3.15 Based on actuary's advice, the expected contribution and expense for the year ending June 30, 2026 to gratuity plans will be Rs.21,241 thousand and Rs.21,254 thousand respectively.

22.3.16 **Maturity profile of the defined benefit obligation**	**2025**	2024
	--------- Rupees ---------	
Weighted average duration of the BPO	**6.46 years**	6.28 years
Distribution of timing of benefit payment		
Year 1	**40,588,508**	27,784,441
Year 2	**24,035,790**	39,715,651
Year 3	**81,405,503**	23,801,939
Year 4	**25,164,629**	79,160.029
Year 5	**49,689,617**	26,705,908
Years 6-10	**213,215,021**	262,192.032
Years 11-15	**352,751,837**	368,074,141
Years 16-20	**428,969,934**	607,342,207

22.4 This represents provision against infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001. The levy of infrastructure fee is disputed and various companies have filed appeals before the High Court of Sindh (SHC) The Company, during the year ended June 30, 2014, also filed an appeal in the SHC and became a party to subject controversy raised through various appeals. The SHC, through its interim order, dated April 3, 2014 has granted the above-mentioned interim relief to the Company and directed to take up the petition along with identical petitions. The SHC on June 4, 2021, has validated the levy of infrastructure fee and ordered encashment of bank guarantees after 90 days from the date of order. The Company has filed a review in the Supreme Court of Pakistan, which is pending adjudication

23. SHORT TERM BORROWINGS - Secured	**2025**	2024
	--------- Rupees ---------	
Musharakah financing	**265,278,642**	254,236,192
Running finance	**6,307,853**	162,054,959
Finance against trust receipt	-	28,392,691
	271,586,495	444,683,842

23.1 Running finance / musharakah / finance against trust receipt facilities available from various banks under mark-up arrangement upto Rs.2,222,000 thousands (2024: Rs.1,928,400 thousands) During the year, these finance facilities carry mark-up at the rate ranging from 11.46% to 22.24% per annum (2024: 21.56% to 23.66%). These facilities are secured against joint pari passu hypothecation charge over all the Company's present and future stock and receivables to the extent of the facility amounting upto Rs.2,658,059 thousands.

23.2 Ijarah facilities aggregating Rs.750,000 thousand are also available to the Company from various banks. These facilities carry profit margin at the rates ranging from KIBOR plus 0.6% to 0.75% per annum. These facilities are secured against exclusive charge created over specific Ijarah assets being financed by maximum of 10% margin.

24. CONTRACT LIABILITIES

	Note	2025	2024
		--------- Rupees ---------	
Advances from customers	24.1	**292,007,509**	310,167,771
Registration charges		**7,704,496**	4,325,971
		299,712,005	314,493,742

24.1 Revenue aggregating Rs.56,489 thousand (2024: Rs.89,484 thousand) has been recognised from preceding year's advances from customers.

25. ACCRUED MARKUP

	2025	2024
	--------- Rupees ---------	
- on long term financing	**46,052,136**	-
- on short term borrowings	**10,297,871**	24,454,674
- on leased vehicles	**799,775**	2,064,922
	57,149,782	26,519,596

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

There are no material contingencies that are required to be disclosed in these financial statements.

26.2 Commitments

	Note	2025	2024
		--------- Rupees ---------	
Guarantees issued by financial institutions on behalf of the Company	27.2.1	**2,583,886,296**	1,838,522,168
Commitments outstanding against letter of credits		**742,617,901**	583,308,536
Commitments in respect of Ijarah financing:			
- not later than one year		**82,876,687**	-
- later than one year but not later than five years		**442,807,123**	-

27.2.1 Include guarantees issued by banks secured against first pari passu charge over all the Company's present and future stocks and receivables. Also include insurance guarantee issued by Atlas Insurance Limited - a related party on behalf of the company amounting to Rs.113,271 thousand (2024: Rs.37,468 thousand).

27. SALES AND SERVICES

	2025	2024
	--------- Rupees ---------	
Sale of goods		
Local	**2,778,696,525**	3,632,809,388
Export	**80,339,558**	-
Hire purchase sales	**3,394,877,688**	2,678,421,295
Service income	**1,629,593,031**	1,364,196,308
Commission income	**198,279,280**	214,660,252
	8,081,786,082	7,890,087,243
Less: sales return	**13,401,469**	17,802,412
Less: sales and services tax	**1,081,305,735**	1,025,291,898
	1,094,707,204	1,043,094,310
	6,987,078,878	6,846,992,933

28. COST OF SALES AND SERVICES	Note	2025	2024
		---------- Rupees ----------	
Opening stock of finished goods		**700,936,950**	680,794,326
Purchases		**4,528,299,660**	4,407,220,623
		5,229,236,610	5,088,014,949
Transfer to fixed assets		**(479,969,946)**	(53,472,401)
Consumed for internal use		**(403,011)**	(385,550)
Closing stock of finished goods		**(646,889,326)**	(700,936,950)
		4,101,974,327	4,333,220,048
Cost of services rendered			
Salaries and benefits	28.1	**219,106,709**	178,279,366
Storage and transportation		**6,229,591**	3,952,368
Travelling, conveyance and entertainment		**34,980,706**	21,713,235
Ijarah rental charges		**2,003,012**	-
Vehicle running		**18,830,578**	18,498,706
Postage and telephone		**1,254,175**	595,159
Repairs and maintenance		**894,001**	97,353
Software charges		**17,319,101**	14,748,098
Subcontracting cost		**408,709,875**	473,822,356
Gas and electricity		**469,265**	13,606
Printing and stationary		**519,087**	203,526
Training expenses		**368,016**	535,433
Insurance		**3,833,878**	2,159,461
Depreciation on operating fixed assets	6.1.2	**21,820,924**	9,291,770
Depreciation on right of use assets	6.4.2	**18,283,113**	18,974,511
Amortisation charge on intangible assets	7.4	**1,901,110**	-
Others		-	56,879
		4,858,497,468	5,076,161,875

28.1 Includes staff gratuity and staff provident and pension fund contribution amounting to Rs.4,410 thousand (2024: Rs.17,623 thousand) and Rs.6,908 thousand (2024: Rs 5,835 thousand) respectively.

29. SELLING AND ADMINISTRATIVE EXPENSES

	Note	2025	2024
		--------- Rupees ---------	
Salaries and benefits	29.1	**752,368,432**	700,131,668
Travelling, conveyance and entertainment		**74,737,464**	52,751,222
Storage and transportation		**20,081,310**	20,158,293
Ijarah rental charges		**8,825,813**	-
Printing and stationary		**6,104,511**	3,504,612
Postage and telephone		**23,217,345**	19,286,052
Repairs and maintenance		**17,170,381**	17,331,085
Legal and professional		**18,893,419**	17,783,461
Auditor's remuneration	29.2	**1,892,573**	1,124,695
Subscription and newspapers		**4,149,456**	2,102,891
Training expenses		**2,467,692**	1,627,077
Advertisement / sales promotion		**16,798,994**	13,562,769
Insurance		**40,031,020**	30,224,405
Tender expenses		**543,410**	729,554
Vehicle running		**55,070,702**	55,519,688
Gas and electricity		**25,667,399**	26,018,506
Donation	29.3	**5,349,100**	4 735,718
Depreciation on operating fixed assets	6.1.2	**33,284,159**	33,145,639
Depreciation on right of use assets	6.4.2	**53,679,500**	60,759,150
Amortisation charge on intangible assets	7.4	**4,008,447**	2,143,104
Provision for obsolete stock	10.1	**7,587,352**	5,580,289
Others		-	1,205,666
		1,171,928,479	1,069,425,544

29.1 This includes staff gratuity and staff provident and pension fund contribution amounting to Rs.22,019 thousand (2024: Rs.78,677 thousand) and Rs.25,331 thousand (2024: Rs.22,874 thousand) respectively

29.2 Represents auditors' remuneration as follows:

	2025	2024
	--------- Rupees ---------	
Audit fee for:		
- the Company	**1,130,578**	951,665
- provident and gratuity fund	**205,560**	173,030
Out of pocket expenses	**556,435**	-
	1,892,573	1.124,695

29.3 This represents donation pertaining to Atlas Foundation - a related party.

30. OTHER OPERATING INCOME

	Note	2025	2024
		--------- Rupees ---------	
Income from financial assets			
Dividend income	30.1	**15,617,215**	20,516,552
Fair value gain on investments at fair value through profit or loss - net	30.2	**206,506**	802,284
Gain on sale of investments at fair value through profit or loss - net	30.3	-	73,698
Income from assets other than financial assets			
Processing fee		**18,380,919**	9,850,131
Earned carrying charges on hire-purchase sales		**25,732,911**	24,430,598
Gain on disposal of fixed assets		**11,704,057**	624,338
Reversal of expected credit loss	30.4	**492,876**	122,164
Scrap sales		**148,700**	251,168
		72,283,184	56,670,933

30.1 This include dividend income aggregating to Rs.615 thousand (2024 Rs.2,751 thousand) pertaining from investments in units of Atlas Money Market Fund - a related party.

30.2 This include fair value gain aggregating to Rs.32 thousand (2024: Rs.12 thousand) on remeasurement of investment in units of Atlas Money Market Fund - a related party.

30.3 This represents realised gain on sale of investments in units of Atlas Money Market Fund - a related party.

30.4 **Reversal of provision for expected credit loss**	Note	2025	2024
		-------- Rupees ---------	
- Contract assets	12.2	**448,885**	-
- Earnest money	14.4	**43,991**	122,164
		492,876	122,164

31. OTHER EXPENSES

	Note	2025	2024
Charge for expected credit loss	31.1	**6,164,151**	3,218,742
Sindh workers' welfare fund		**34,615,022**	-
Exchange loss - net		**5,864,037**	2,262,335
Bank balances written off - surrendered with SBP		**15,546**	-
		46,658,756	5,481,077

31.1 **Provision for expected credit loss**	Note	2025	2024
- Trade debts	11.3	**6,164,151**	2,301,384
- Contract assets	12.2	-	917,358
		6,164,151	3,218,742

32. FINANCE COST

	Note	2025	2024
		---------- Rupees ----------	
Mark-up on:			
- lease liabilities	20	**62,478,504**	43,138,950
- diminishing musharakah financing		**46,052,136**	-
- finance against trust receipt		**8,037,847**	5,314,202
- running finance		**49,408,268**	120,002,537
- musharakah financing		**21,078,724**	40,954,234
		187,055,479	209,409,923
Bank charges		**10,606,017**	8,275,442
		197,661,496	217,685,365

33. LEVIES AND INCOME TAXATION

33.1 This represents final taxes paid under sections 150 and 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

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

33.3 Deferred tax

	2025	2024
	---------- Rupees ----------	
Origination / (reversal) of temporary differences	**25,847,537**	(8,755,419)

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

	2025	2024
	---------- Rupees ----------	
Current tax liability for the year as per applicable tax laws	**309,885,540**	266,609,276
Portion of current tax liability as per tax laws, representing income tax under IAS 12	**(276,056,041)**	(217,879,709)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	**(33,829,499)**	(48,729,567)
	-	-

33.5 The returns of the Company is filed under group taxation in term of section 59AA of the Income Tax Ordinance, 2001. Further separate returns of the Company also filed in compliance with the provision of Rule 231D for record purposes only.

33.6 Relationship between tax expense and accounting profit for the year is as follows:

	2025	2024
	---------- Rupees ----------	
Profit before taxation	**784,615,863**	534,910,005
Tax at the applicable rate of 29%	**227,538,600**	155,123,901
Tax effect of:		
- amount not deductible for tax purposes	**78,283,936**	71,857,785
- amount deductible for tax purposes but not taken to the statement of profit or loss	**(98,149,040)**	(61,209,744)
- income not subject to tax / income subject to final tax regime / tax credits	**25,601,137**	39,155,147
Super tax on high earning persons	**76,610,907**	61,682,187
	309,885,540	266,609,276

34. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Holding Company, Associated Companies, directors of the Company, companies in which directors are interested, key management personnel, post employment benefit plans and close members of the families of the directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows.

34.1 Name and nature of relationship

a) The Holding Company

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

b) Entities under common directorship - Associated Undertaking

Atlas Honda Limited	Atlas Insurance Limited
Honda Atlas Cars (Pakistan) Limited	Atlas Asset Management Limited
Atlas Hitec (Private) Limited	Atlas Power Limited
Atlas Battery Limited	Honda Atlas Power Products (Private) Limited
Atlas DID (Private) Limited	Atlas Solar (Private) Limited
Integration Xperts (Private) Limited	Atlas Foundation
Atlas Battery Limited	Atlas Global, FZE, Jebel Ali, UAE
Atlas Engineering (Private) Limited *[Amalgamated with Atlas Autos (Private) Limited]*	

c) Directors

Mr. Iftikhar H. Shirazi	Mr. Aamir H. Shirazi
Mr. Frahim Ali Khan	Mr. Saquib H Shirazi
Mr. Ali H. Shirazi	Mr. Bashir Makki
Mr. Farooq Saleem	

d) Key management personnel

Mr. Zafar Hussain Shah	Mr. Muhammad Imran
Mr. Mohsin Khan	Mr. Tanveer Ahmed Malik
Mr. Asif Hanif	Mr. Ahtesham Qureshi
Mr. Rizwan Ul Haq	Mr. Ghulam Jeelani Chatta
Mr. Munis Iqbal Siddiqui	Mr. Syed Amjad Habib
Mr. Syed Amjad Ali	

34.2 Transactions with related parties

	2025	2024
	--------- Rupees ---------	
The Holding Company		
Sales of goods and rendering of services	**174,001**	180,121
Actual reimbursement of expenses	**39,265,062**	35,584,266
Transfer of operating fixed assets and advances upon transfer of employees	-	4,176,822
Dividend paid	**138,750,000**	75,000,000
Rent	**17,150,000**	16,045,344

Entities under common directorship - Associated Undertaking	**2025**	2024
	--------- Rupees ---------	
Sales of goods and rendering of services	**808,608,542**	366,090,270
Purchases of:		
- goods	**3,164,127,175**	2,518,329,674
- operating fixed assets	**6,053,460**	15,139,423
Service charges / lease rental paid	**5,030,804**	4,573,263
Transfer in of fixed assets upon transfer of employees	**4,479,076**	1,895,160
Transfer out of staff loan upon transfer of employees	-	11,250
Transfer in of staff loan upon transfer of employees	**815,040**	-
Reimbursement of expenses	**2,229,181**	2,540,256
Commission received	**88,136,719**	71,689,584
Car deposit received upon transfer of employee	-	102,200
Security deposit refund received	**2,228,169**	-
Donation paid	**5,349,100**	3,735,718
Insurance premium	**83,369,746**	70,349,888
Insurance claim	**2,083,877**	131,200
Investment in units of mutual funds	**7,580,256**	-
Other related parties		
Contributions paid to:		
- gratuity funds	**76,119,386**	22,405,333
- provident fund	**15,322,150**	15,198,735
- islamic pension fund	**49,154,302**	42,220,986
Salaries and other short term employment benefits to key management personnel	**138,239,483**	132,233,622
Sale of operating fixed asset under Company policy	**8,510,320**	1,237,222

The related party status of outstanding balances as at June 30, 2025 is included in 'Capital work-in-progress - note 6.3', 'Long term loans and deposits - note 9', 'Trade debts - note 11.1', 'Trade deposits, short term prepayments and other receivables - note 14.1, 14.2 & 14.3', 'Short term investments - note 15.1', 'Lease liabilities - note 20.1', 'Trade and other payables - note 22' and 'Other operating income - note 30.1, 30.2 & 30.3' respectively. These are settled in ordinary course of business.

35. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during the year in respect of remuneration, including certain benefits, to the Chief Executive Officer, Directors and Executives of the Company are as follows:

	----------- Directors -----------				Executives	
	Chief Executive Officer		Others			
	2025	2024	**2025**	2024	**2025**	2024
	-------------------	-------------------	-------------------	Rupees	-------------------	-------------------
Remuneration and fee	**36,900,000**	30,000,000	**450,000**	450,000	**290,646,397**	238,854,263
Fee and Subscription	**116,230**	147,160	-	-	**705,495**	480,011
Bonus	**15,375,004**	10,000,000	-	-	**117,102,993**	77,105,902
Retirement benefits	**2,387,652**	1,941,180	-	-	**17,444,578**	14,978,454
Others	**2,879,315**	4,234,030	-	-	**45,330,715**	38,478,540
	57,658,201	46,322,370	**450,000**	450,000	**471,230,177**	369,897,170
Number of persons	**1**	1	**1**	1	**77**	64

35.1 The Company provides the Chief Executive Officer and Chief Operating Officer with free use of the Company maintained vehicle.

35.2 Remuneration to directors

Aggregate amount charged in these financial statements for meeting fee to one (2024: one) non-executive director was Rs.450 thousand (2024: Rs.450 thousand).

36. FINANCIAL RISK MANAGEMENT

36.1 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).

(a) Credit risk

Credit risk represents the financial loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted / fail to discharge an obligation / commitment that they have entered into with the Company. Credit risk arises principally from long term and short term investments (excluding investment in government securities), loans and receivables (long term and short term), deposits, receivable from funds under management, other receivables, and bank balances. Management believes that the Company is not exposed to any significant credit risk from investments in or receivables from funds which are managed by the Company itself. The risk of default is considered minimal due to inherent systematic measures taken therein.

The carrying amounts of financial assets that represent Company's maximum credit exposure as at the reporting date are as follows:

	Note	2025	2024
		--------- Rupees	---------
Long term loans and deposits	9	**38,429,054**	8,083,222
Trade debts	11	**1,493,940,474**	1,455,196,899
Contract assets	12	**1,049,723,331**	837,950,992
Loans and advances	13	**10,618,335**	10,687,296
Trade deposits, short term prepayments and other receivables	14	**157,454,952**	106,615,407
Short term investments	15	**127,639,243**	107,985,721
Sales tax refundable		**61,278,504**	-
Bank balances - current account		**1,607,239**	441,527
		2,940,691,132	2,526,961,064

Balances with financial instruments by rating category	Rating				
	Short term	**Long term**	**Agency**	**2025**	2024
Banks				**--------- Rupees ---------**	
Faysal Bank Limited	A1+	AA	JCR-VIS	**182,635**	182,635
Bank Makramah Limited		Unrated		**23,246**	37,182
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	**5,376**	5,376
National Bank of Pakistan	A1+	AAA	JCR-VIS	-	5,610
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	**15,733**	65,226
Askari Bank Limited	A1+	AA+	PACRA	**170,591**	(249,936,215)
Soneri Bank Limited	A1+	AA-	PACRA	**74,169**	81,713
Meezan Bank Limited	A1+	AAA	JCR-VIS	**(265,278,642)**	(4,236,192)
Bank Al-Habib Limited	A1+	AAA	PACRA	**(6,307,853)**	(15,090,730)
Habib Bank Limited	A1+	AAA	JCR-VIS	**639,739**	(41,680,206)
Habib Metropolitian Bank Limited	A1+	AA+	PACRA	**495,750**	(133,676,714)
Mutual Funds	**Rating**				
Atlas Money Market Fund	AA+(f)		PACRA	**11,951,052**	3,723,277
HBL Cash Fund	AA+(f)		JCR-VIS	**115,688,191**	104,262,444

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The Company is not materially exposed to liquidity risk as all material obligations / commitments of the Company are short term in nature.

Financial liabilities in accordance with their contractual maturities are presented below:

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
	----------------- Rupees -----------------			
June 30, 2025				
Long term finances	525,191,690	704,649,270	140,908,128	563,741,142
Long term deposits	17,510,308	17,510,308	7,467,704	10,042,604
Lease liabilities	281,494,115	385,982,858	109,174,035	276,808,823
Trade and other payables	2,174,469,268	2,174,469,268	2,174,469,268	-
Short term borrowings	271,586,495	279,605,781	279,605,781	-
Contract liabilities	299,712,005	299,712,005	299,712,005	-
Accrued markup	57,149,782	57,149,782	57,149,782	-
	3,627,113,663	3,919,079,272	3,068,486,703	850,592,569
June 30, 2024				
Long term deposits	14,026,677	14,026,677	3,020,687	11,005,990
Lease liabilities	358,784,523	555,313,141	126,914,753	428,398,388
Trade and other payables	1,776,032,068	1,776,032,068	1,776,032,068	-
Short-term borrowing	444,683,842	467,473,877	467,473,877	-
Contract liabilities	314,493,742	314,493,742	314,493,742	-
Accrued mark-up	26,519,596	26,519,596	26,519,596	-
	2,934,540,448	3,153,859,101	2,714,454,723	439,404,378

(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.

(d) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's long term financing, short term borrowings and lease liabilities (motor vehicles). Management of the Company estimates that 1% increase in the market interest rate, with all other factor remaining constant, would decrease the Company's profit before tax by Rs.9,156 thousand and a 1% decrease would result in the increase in the Company's profit before tax by the same amount. However, in practice, the actual result may differ from the sensitivity analysis. The company manages it's interest rate risk obtaining quotes for interest rate from various reputable banks and opting for the lowest price offered amongst them.

(e) **Foreign exchange risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The company has both receivable and payable balances in foreign currency which acts as a natural hedge to company's exposure. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency).

	2025	2024
Trade payables - US Dollar	**639,270**	870,743
Trade payables - JPY	-	1,731,124
	--------- **Rupees** ---------	
Exchange rate – US Dollar	**284.10**	278.80
Exchange rate – JPY	**1.97**	1.73

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax and the Company's equity.

	Change in USD / JPY / rates (%)	**Effect of translation of foreign currency**	**Effect on equity**
		--------- **Rupees** ---------	
2025	**-5**	**9,080,826**	**9,080,826**
	+5	**(9,080,826)**	**(9,080,826)**
2024	-5	12,287,943	12,287,943
	+5	(12,287,943)	(12,287,943)

36.2 **Financial instruments by categories**

At reporting date, all of the financial instruments held by the Company are classified at amortised cost except for short term investments which are carried at fair value through profit or loss.

36.3 **Capital risk management**

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year. The Company monitors capital on the basis of gearing ratio calculated as follows:

	2025	2024
	---------- Rupees ----------	
Total borrowings	**972,758,612**	632,872,650
Bank balances - current account	**(1,607,239)**	(441.527)
Net debt	**971,151,373**	632,431,123
Total Equity	**1,332,866,220**	1.023,911,506
Total Capital	**2,304,017,593**	1,656,342,629
Gearing ratio	**42%**	38%

37. NUMBER OF EMPLOYEES

	Numbers 2025	2024
Total number of employees	**248**	250
Average number of employees	**249**	248

38. The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified there under.

39. CORRESPONDING FIGURES

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

Reclassified from	Reclassified to	Rupees
Other receivables	Trade deposits, short term prepayments and other receivables	131,200

40. EVENT AFTER REPORTING PERIOD

The Board of Directors of the Company in their meeting held on September 25 . 2025 have proposed a final cash dividend of Rs 2 per ordinary share (2024: Re.0.85 per ordinary share) amounting to Rs. 150,000 thousand (2024: Rs. 63,750 thousand) for the year ended June 30, 2025 for approval by the members at the Company's Annual General Meeting to be held on 28 OCT 2025.

41. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 25 , 2025 by the Board of Directors of the Company.

Chief Executive	Director	Chairman