

SHIRAZI INVESTMENTS (PRIVATE) LIMITED

Analyst:

Javeria Khalid
(javeria.khalid@vis.com.pk)

RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	AA	A1+	AA	A1+
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Reaffirmed	
RATING DATE	January 29, 2026		January 13, 2025	

Shareholding (5% or More)**Other Information**

Iftikhar Shirazi Family Trust ~ 25%	Incorporated in 1962
Aamir H. Shirazi ~25%	Private Limited Company
Saqib H. Shirazi ~25%	Chief Executive: Mr. Noorullah R. Hassan
Ali H. Shirazi ~25%	External Auditor: ShineWing Hameed Chaudhri & Co Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Ratings

<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

The assigned ratings reflect SIL's strong position as the holding company of the Atlas Group, one of the top ten business groups in Pakistan with a history spanning over six decades. The Company's financial risk profile is characterized by a debt-free balance sheet, a sizeable Tier-1 equity base, and robust dividend and investment income. The absence of leverage provides significant financial flexibility and cushions the Company against market volatility, supporting stable liquidity and enhancing its capacity to absorb adverse shocks. Notwithstanding the above, the ratings also factor in certain structural considerations associated with the Company's status as a private limited entity and limited independent representation at the Board level. Governance practices are considered adequate for the Company's current scale and complexity; however, further strengthening of independent oversight could support a more favorable comparative assessment over time. These considerations do not detract from the Company's strong financial profile but may moderate upward rating potential relative to peers with fair independent representation at Board level.

Furthermore, the business risk profile is influenced by a degree of revenue concentration in the automobile sector. Management has acknowledged this concentration risk and has been actively pursuing diversification through selective investments and the acquisition of quality assets across sectors, which, if executed successfully, could gradually improve revenue diversification over the medium term. Continued progress on portfolio diversification and enhancements in governance practices will remain important for ratings.

Company Profile

Shirazi Investments (Private) Limited ('SIL' or the 'Company') was incorporated in August, 1962 as a private limited company. It is the holding company of the group companies collectively referred as 'The Atlas Group' which stands as one of the top ten business groups in Pakistan with a long-established history of over six decades. As at end-FY25 investment in group companies make up 92.1% of Company's total asset base (Jun'24: 78.6%, Jun'23: 76%), however, SIL has a diversified investment portfolio in non-group companies as well. Primarily, the Company has exposure in various sectors including automotive, power generation, trading and financial services. The shareholding of the Company is vested amongst members of the Shirazi Family. Its head office is located in Karachi, while regional offices are in Lahore and Islamabad.

Management and Governance

CHAIRMAN/CEO PROFILE

Mr. Iftikhar H. Shirazi is the Chairman of the Company. He graduated with a Bachelor of Science in Finance from Notre Dame De Namur University, and completed his OPM from Harvard Business School, USA. He has over 37 years of corporate management experience, more particularly in the financial and trading sectors. Previously, he was associated with Bank of Tokyo-Mitsubishi, Yamaichi Securities and Toyota Tsusho Corporation.

Mr. Noorullah R. Hassan is the Chief Executive Officer (CEO) of the Company. He has over 31 years of management experience and has been associated with Atlas Group since 1992. He holds Bachelor of Commerce degree from University of Karachi and certifications ICMA and CIMA. He has also completed the Program for Management Development (PMD) from Harvard Business School.

BOARD & SENIOR MANAGEMENT

The Board of Directors (BoD) comprises five individuals, with four members belonging to the Shirazi Family, who are also shareholders in the Company. The Board is chaired by Mr. Iftikhar H. Shirazi, a veteran in the corporate world, with more than 37 years of experience, particularly in financial and trading sectors. At group level, there are two board committees including Group Executive Committee, and Group HR Committee. While IT Committee, Management Committee and Investment Committee are constituted at the Company level, there remains scope to further strengthen Company's governance framework, particularly with respect to enhancing Board independence and formalizing an audit committee structure. Nevertheless, the Group has a centralized audit function named as 'Sustainability Review Team' which reports directly to the BoD.

SIL has in place a qualified senior management team with extensive experience. The Company has deployed Oracle Fusion Financial Cloud to meet its IT related needs. Company's financial statements are audited by ShineWing Hameed Chaudhri & Co., Chartered Accountants, who falls in the 'B' category of SBP list of auditors. The auditor has issued an unqualified opinion as of FY25 accounts.

Business Risk

INDUSTRY UPDATE

The rating assessment incorporates the performance trends of Pakistan's automotive industry, which constitutes a major source of nearly half of the Company's dividend income. The sector's overall business risk profile is assessed as 'Medium', reflecting its inherent cyclicity, high capital intensity, and moderate competitive pressures, with market share still concentrated among few large players.

Over recent years, the competitive landscape has gradually expanded following the entry of new assemblers under government incentives provided through the Automotive Industry Development Policy (AIDP) 2016-2021. However, with the expiry of the AIDP 2021-2026, tax incentives previously extended to greenfield assemblers are expected to lapse, resulting in a more level competitive environment for all local manufacturers.

After experiencing a two-year downturn, the sector recorded a strong rebound in FY25, supported by improving macroeconomic stability, declining financing costs, and discounts offered by OEMs amidst high competition. Passenger-car offtakes increased by 43% YoY to 148,023 units, although volumes remain significantly below the FY22 peak of 279,267 units. The momentum continued into HFY26, with sales reaching 42,267 units. Despite this improvement, rising imports of used vehicles, estimated at 40,000-45,000 units in FY25, continue to weigh on the sustainability of local assembly, which are currently running at just over one-third of installed capacity.

The two-wheeler segment exhibited a similar trend, with offtakes growing by 32% YoY to 1.52 million units in FY25 (FY24: 1.15 million). Atlas Honda retained its dominant position, constituting 84% of the market share (FY24: 87%). Looking ahead, the sector is expected to register moderate growth, underpinned by lower interest rates, a relatively stable macroeconomic environment, and gradual improvements in

localization. Nonetheless, the industry remains exposed to policy uncertainty, particularly with respect to tariff structures and regulatory changes.

Operational Performance

As of FY25, Company's total investment portfolio, including long-term and short-term investments, stood at PKR 72.8 billion (Jun'24: PKR 58.3 billion) comprising of ~94% of total asset base (Jun'24: ~96%). SIL's long term investment portfolio represents 47.8% of total assets compared to 61.2% in Jun'24. This portfolio comprises of 18 companies with 13 unlisted subsidiaries, 3 listed subsidiaries, 1 listed associate company and 1 unlisted associated entity. It should be noted that Atlas Autos (Pvt) Ltd, previously classified among the unlisted subsidiaries, has been merged with and into Atlas Engineering (Pvt) Ltd during the period. The merger was executed to optimize synergies and streamline operations, as both entities were engaged in the manufacturing of automotive parts.

Long-term Investments	2024	%	2025	%	HYFY26	%
Investment in subsidiaries						
Atlas Engineering (Pvt) Ltd.	388	1.0%	1,388	3.7%	1,388	3.7%
Atlas Energy Ltd	73	0.2%	73	0.2%	73	0.2%
Atlas Power Ltd	5,671	15.2%	5,671	15.3%	5,671	15.2%
Atlas Assets Management Ltd	226	0.6%	226	0.6%	226	0.6%
Shirazi Trading Company	575	1.5%	575	1.5%	575	1.5%
Atlas Venture Ltd	10	0.0%	10	0.0%	10	0.0%
Atlas Autos (Pvt) Ltd	1,000	2.7%	-	-	-	-
Atlas Solar Ltd.	390	1.0%	390	1.1%	390	1.0%
Atlas Metals (Pvt) Ltd.	63	0.2%	67	0.2%	67	0.4%
Atlas Real Estate (Pvt) Ltd	-	-	-	-	250	0.7%
Listed Shares						
Atlas Honda Limited	11,937	32.0%	11,937	32.2%	11,937	31.0%
Atlas Battery Limited	2,962	7.9%	2,962	8.0%	2,962	7.9%
Atlas Insurance Limited	1,830	4.9%	1,830	4.9%	1,830	4.9%
Sub Total	25,124	67.3%	25,128	67.7%	25,379	68.0%
Investment in associates	12,230	32.7%	11,877	32.0%	11,844	31.7%
Investment in other related party	-	-	101	0.27%	101	0.3%
TOTAL	37,354	100%	37,105	100%	37,324	100%

As of end-FY25, the long-term portfolio was largely (~80%) accounted by 3 major investments in Honda Atlas cars (32%), Atlas Honda Limited (32%), and Atlas Power (15%). The long-term investment portfolio also remains constrained due to the subdued performance of Atlas Battery Limited, which continues to face challenges stemming from the presence of informal battery market.

During FY25, the total value of long-term investments inched down, recording at PKR 37.1 billion (FY24: PKR 37.3 billion).

Short term Investments	2024	%	2025	%	HFY26	%
Investment in Listed shares - at fair value	10,381	49.5%	16,515	46.2%	21,147	41.7%

Investment in mutual funds - at fair value						
- Associates	4,006	19.1%	4,787	13.4%	5,803	11.5%
- Other related parties	6,570	31.3%	14,413	40.4%	18,531	36.6%
Investment in TDRs/ Bank Deposits						
	-	-	-	-	5,173	10.2%
TOTAL	20,957	100%	35,715	100%	50,654	100%

The Company is also engaged in the investment of listed equities and mutual funds. Accordingly, SIL's short-term investment portfolio stood at PKR 35.7 billion as at end-FY25, reflecting a 70% YoY increase, and further expanded by 42% to PKR 50.6 billion as at end-HFY26. The growth was primarily driven by fair value gains amid improving market momentum and fresh investments due to improved liquidity. Approximately 46% of the short-term portfolio is invested in blue-chip equities as of FY25, while the remainder consists of investments in associates and a significant portion of PKR 19.1 billion in mutual funds, making up 54% of the portfolio. This allocation further strengthens the Company's liquidity position and supports its dividend generation capacity.

As of FY25, the equity portion of ST investments to Tier-1 Equity reflects an exposure of 40% (FY24: 30%). This increase is mainly attributed to mark-to-market valuation adjustments. While the Company's Investment Policy does not specify a defined threshold for equity exposure, according to the management, short-term equity investments are regularly assessed by Investment Committee to ensure alignment with market conditions.

PROFITABILITY

During FY25, the Company reported a strong 77% year-on-year increase in total income to PKR 16.6 billion (FY24: PKR 9.4 billion). This growth was primarily driven by higher dividend income and revaluation gains on investments, reflecting robust equity market performance and a notable recovery in the automobile sector. Dividend income remained concentrated, with approximately 50% sourced from Atlas Honda Limited, broadly in line with the previous year. Notably, dividend inflows were largely underpinned by long-term investments, which accounted for 89% of total dividend income (FY24: 73%).

Dividend Income	FY24	%	FY25	%	HFY26	%
Subsidiary Companies	4,321	68%	8,621	85%	6,289	94%
Associated Companies/ Mutual funds	930	15%	620	6%	-	
Other Listed Companies	743	11.8%	857	8.5%	431	6%
Mutual Funds - related parties	325	5.1%	-	-	-	-
Total	6,319	100%	10,098	100%	6,720	100%

Service income during FY25 amounted to PKR 248 million, reflecting an 18.3% YoY increase, while rental income rose by 13.6% to PKR 202 million. However, SIL is in the process of transferring its rental properties to Atlas REIT, a rental REIT scheme managed by Atlas Asset Management Limited, expected to be finalized during the ongoing year. Consequently, the Company does not anticipate generating rental income going forward. The Company has also incorporated a new entity namely Atlas Real Estate (Pvt) Limited, to manage its REIT properties.

On the cost side, administrative expenses increased by 26% YoY. Nevertheless, operating profitability was supported by the absence of impairment provision during the year (FY24: PKR 64 million). Zero debt kept finance costs at zero, sustaining the bottom line, with net profit rising to PKR 14.0 billion (FY24: PKR 6.4 billion). PAT excluding unrealized gains recorded at PKR 10.5 billion (PKR 4.2 billion).

During HFY26, the Company reported PKR 9.8 billion in total income driven primarily by dividends from Group Companies and unrealized gain on revaluation of investment in Mutual Funds. Resultantly, net profit for the half year stood at PKR 8.1 billion.

Financial Risk

CAPITAL STRUCTURE

The Company's capital position strengthened further in FY25, with Tier-1 equity increasing to PKR 64.3 billion as of end-Jun'25 (FY24: PKR 53.9 billion), largely driven by strong profit retention supported by a lower payout ratio of 19.7% (FY24: 29.5%). The financial risk profile remains very strong, underpinned by a consistently conservative financing policy. SIL maintains a debt-free balance sheet. In line with this prudence stance, the Company's PKR 5 billion short-term running finance facility remained fully unutilized during the period, consistent with historical practice.

DEBT COVERAGE & LIQUIDITY

The Company's liquidity profile remains strong, with liquid assets increasing to PKR 35.7 billion as of FY25 (FY24: PKR 20.9 billion) and further to PKR 50.6 billion as of HFY26. However, liquid assets to total liabilities moderated to 8.2x in FY25 (FY24: 17.9x) and 7.0x as of HFY26, primarily due to the accumulation of deferred tax liabilities. Funds from operations (FFO) rose in line with profitability, recording at PKR 8.2 billion in FY25 (FY24: PKR 4.9 billion), and PKR 6.1 billion in HFY26. Moreover, it is important to note that SIL has extended cross-corporate guarantees in favour of related parties to foreign commercial bank, amounting to PKR 5.06 billion as of FY25 (FY24: PKR 4.96 billion), representing a contingent liquidity exposure.

BALANCE SHEET	FY21A	FY22A	FY23A	FY24A	FY25A	HFY26(M)
Long Term Investments	40,010	34,166	29,788	37,354	37,105	37,324
Investment Property	2,195	2,150	2,263	2,205	1,079	1,079
Short Term Investments	11,780	11,234	12,023	20,957	35,715	50,632
Bank Balances	4	2	23	28	17	23
Prepayments & Other Receivables	376	262	109	74	16	186
Total Assets	55,064	48,737	45,255	61,004	77,686	92,487
Trade and Other Payables	124	33	19	10	19	-
Long Term Loan (including current portion)	353	258	174	51	17	-
Short Term Borrowings	1,235	1,868	450	-	-	-
Total Interest-Bearing Debt	1,588	2,127	624	51	17	-
Total Liabilities	2,357	2,285	1,112	1,172	4,343	7,129
Paid -up Capital	2,201	2,201	2,201	2,201	2,201	2,201
Share premium	26,840	26,840	26,840	26,840	26,840	26,840
Amalgamation reserve	1,223	1,223	1,223	1,223	1,223	1,223
Unappropriated profit	17,048	18,094	18,983	23,648	34,065	42,395
Unrealized gain/(loss) on revaluation	5,396	(1,905)	(5,104)	5,921	9,015	12,699
Total Equity	52,707	46,452	44,143	59,832	73,343	85,358
Total Equity (less amalgamation reserve)	51,485	45,230	42,920	58,610	72,121	84,135
Tier-1 Equity (less revaluation gain/loss)	47,312	48,357	49,246	53,911	64,328	72,659
INCOME STATEMENT	FY21A	FY22A	FY23A	FY24A	FY25A	HFY26(M)
Dividend Income	2,923	4,205	5,279	6,319	10,107	6,773
Rental Income	146	120	130	177	202	111
Profit on Term Deposit Receipts (TDR)	-	-	-	-	-	53
Unrealized gain/ (loss) on revaluation of investment	790	(523)	(105)	2,288	3,553	2,755
Total Revenue	4,740	4,012	5,556	9,396	16,608	9,811
Administrative Expenses	(679)	(810)	(1,189)	(1,094)	(1,378)	(615)
Finance Cost	(188)	(167)	(161)	(10)	(5)	(0)
Profit Before Tax	3,962	2,869	4,143	8,230	15,229	9,195
Taxation	(536)	(513)	(1,111)	(1,738)	(1,150)	(1,050)
Profit After Tax	3,426	2,357	3,032	6,493	14,079	8,145
RATIO ANALYSIS	FY21A	FY22A	FY23A	FY24A	FY25A	HYF26(M)
Gearing (x)	0.03	0.04	0.01	0.00	0.00	-
Debt Leverage (x)	0.05	0.05	0.02	0.02	0.07	0.10
FFO	2,763	2,577	3,136	4,905	8,211	6,177
Current Ratio (x)	7.8	5.8	23.4	158.8	28.4	21.4
Liquid Asset to Total liabilities (x)	5.0	4.9	10.8	17.9	8.2	7.1

*Annualized, if required

A - Actual Accounts

M - Management Accounts

REGULATORY DISCLOSURES					Appendix II
Name of Rated Entity	Shirazi Investments (Private) Limited				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Outlook / Rating Watch	Rating Action
	RATING TYPE: ENTITY				
	01/29/2026	AA	A1+	Stable	Reaffirmed
	01/13/2025	AA	A1+	Stable	Reaffirmed
	01/24/2024	AA	A1+	Stable	Upgrade
	03/02/2023	AA	A1	Stable	Reaffirmed
	11/01/2022	AA	A1	Stable	Initial
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
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Due Diligence Meetings Conducted	S.No.	Name	Designation	Date	
	1.	Mr. Arsalan Faiyaz	Chief Financial Officer	08-Jan-26	
	2.	Mr. Farhan Khurshid	Manager Finance		