



Atlas Fund of Funds

ANNUAL REPORT

30 June 2023

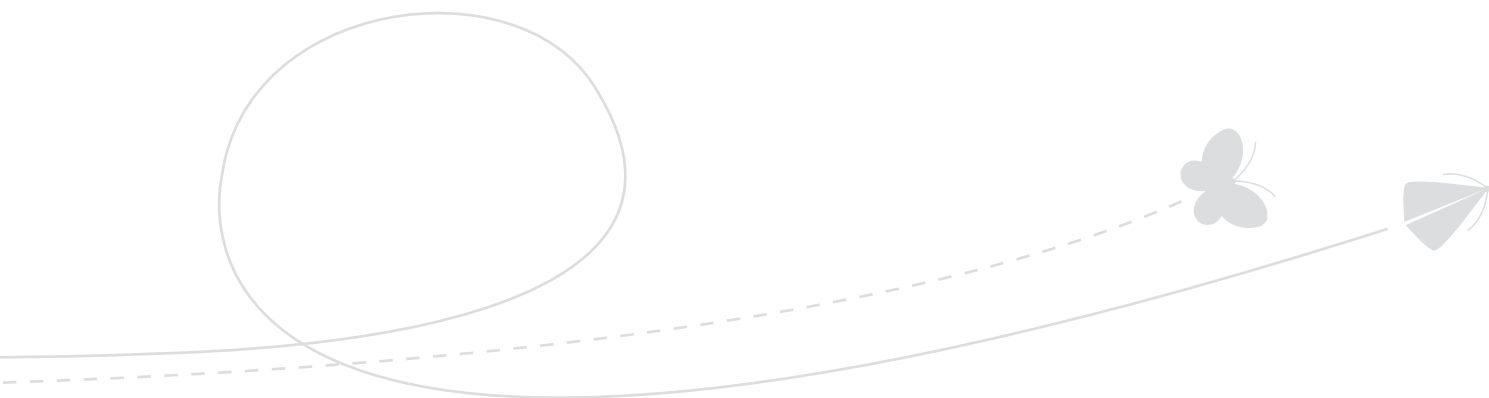
**Atlas
funds**
Nurturing your investments



Managed By

Atlas Asset Management

Rated AM2+ by PACRA
(as of December 23, 2022)



MANAGING TO THE CORE!

Even the most seemingly diminutive of creatures, hold for us an education. They exhibit qualities of organization that are indeed inspirational. Planning, teamwork and controlling are attributes of a successful and solid organizational structure. At Atlas Funds these elements form the core of our institution.

Contents

Company Profile	02
Vision	03
Mission	04
Organisation	05
Board of Directors of the Management Company	06
Chairman's Review	08
Corporate Information	09
Independent Auditors' Report to the Directors of AAML	10
Special Purpose Statement of Assets and Liabilities	12
Special Purpose Income Statement	13
Notes to and forming part of the special purpose Financial Statements	14



Diversity

Understanding the social, cultural and financial diversity in our country and coming up with innovative plans to cater distinctive needs



Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20th August, 2002 as an unlisted public limited company. AAML as a Non-Banking Finance Company (NBFC) is licensed & regulated by Securities & Exchange Commission of Pakistan to perform Asset Management and Investment Advisory Services as per the NBFC (Establishment and Regulations) Rules, 2003 & NBFC and Notified Entities Regulations, 2008 and as a Pension Fund Manager to manage voluntary pension funds (under Voluntary Pension System Rules, 2005). SECP also issued licenses to the Company to carry out REIT Management Services, Private Equity and Venture Capital Fund Management Services, under rule 5 of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003. AAML manages assets on behalf of retirement funds, welfare organizations, insurance companies, multinationals, NBFCs and individuals.

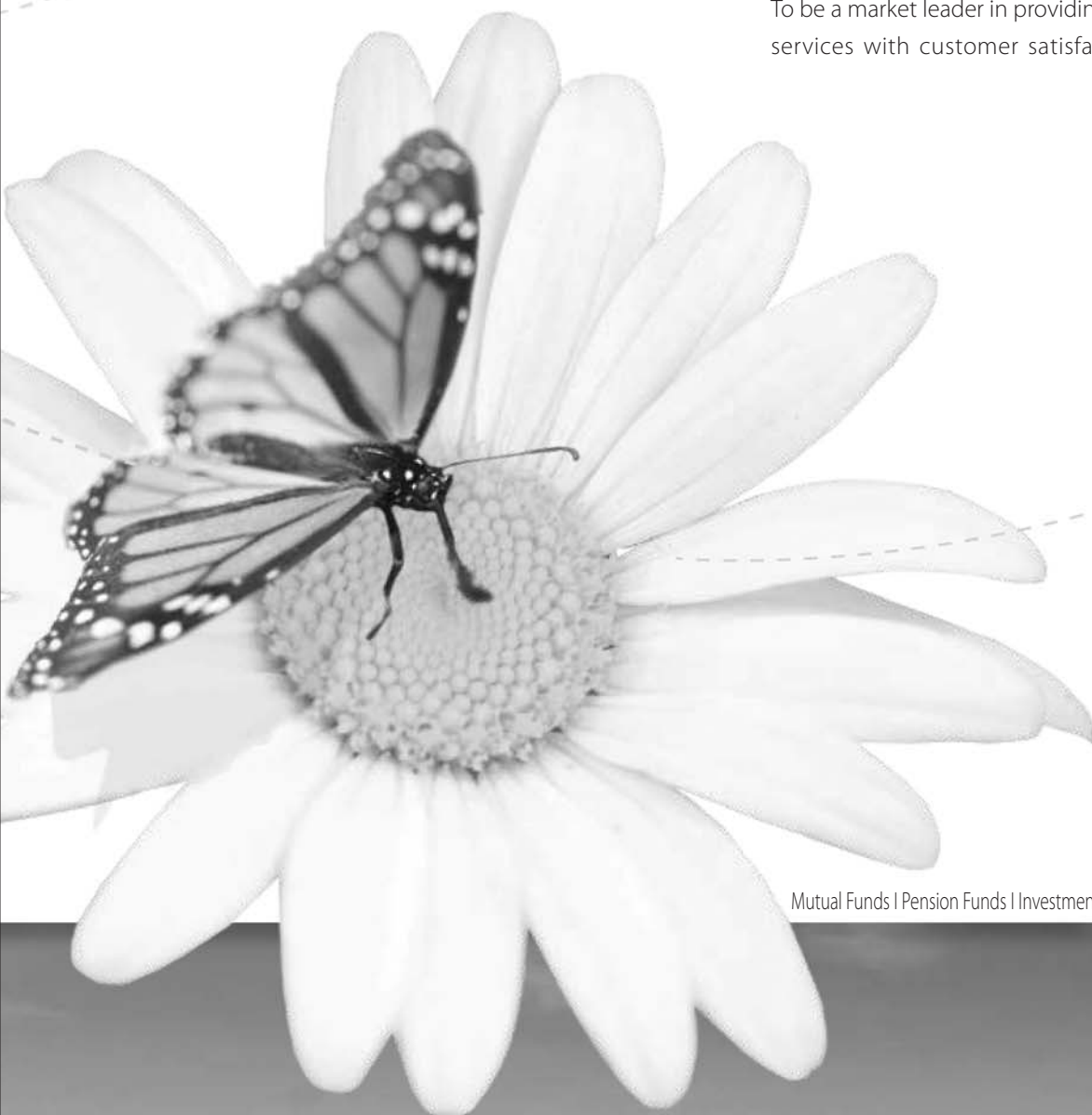
AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

AAML strives to be a market leader in providing quality fund management services with customer satisfaction as its aim, and is consistently committed to offering its investors the best possible risk adjusted returns on a diverse range of products, meeting not only the customers' current requirements but also exceeding their future expectations. With its strong emphasis on systems and controls, quality human resource and backing of Atlas Group, AAML enjoys a distinct advantage.



Vision

To be a market leader in providing quality fund management services with customer satisfaction as our premier goal.



Mutual Funds | Pension Funds | Investment Advisory Services | Private Equity | REIT

Creativity

The ability to creatively inspire innovation and the will to foster positive social and environmental change

Mission

We are committed to offering our investors the best possible risk adjusted returns on a diverse range of products, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.



Growth | Returns | Tax Savings

Team Work

Giving unparalleled service, creating long-term, win-win relationships and focusing on executional excellence

Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman Mr. Iftikhar H. Shirazi
(Non-Executive Director)

Directors Mr. Tariq Amin
(Independent Director)
Ms Zehra Naqvi
(Independent Director)
Mr. Frahim Ali Khan
(Non-Executive Director)
Mr. Ali H. Shirazi
(Non-Executive Director)
Mr. M. Habib-ur-Rahman
(Non-Executive Director)

Chief Executive Officer Mr. Muhammad Abdul Samad
(Executive Director)

Company Secretary Ms Zainab Kazim

Board Committees

Audit Committee

Chairman Mr. Tariq Amin
Members Mr. Frahim Ali Khan
Mr. M. Habib-ur-Rahman

Secretary Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

Chairperson Ms Zehra Naqvi
Members Mr. Frahim Ali Khan
Mr. Ali H. Shirazi
Mr. Muhammad Abdul Samad

Secretary Ms Zainab Kazim

Investment Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Ali H. Shirazi
Mr. Khalid Mahmood
Mr. Muhammad Umar Khan
Mr. Fawad Javaid
Secretary Mr. Faran-ul-Haq

Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari
Ms Mishaal H. Shirazi
Mr. Tariq Ahmed Siddiqui
Ms Zainab Kazim
Mr. M. Kamran Ahmed
Mr. Najam Shehzad
Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Secretary Mr. Shaikh Owais Ahmed

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

Ground Floor, Federation House Sharae Firdousi,
Clifton, Karachi - 75600
Tel: (92-21) 111-MUTUAL (6-888-25)
(92-21) 35379501-04
Fax: (92-21) 35379280
Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

Board of Directors of the Management Company

Mr. Iftikhar H. Shirazi

Chairman

Mr. Iftikhar H. Shirazi graduated with a Bachelor of Science in Finance from Notre Dame De Namur University (formerly College of Notre Dame), U.S.A., and completed his O.P.M. from Harvard Business School, U.S.A. He has over 30 years of corporate management experience, more particularly in the financial and trading sectors. To his credit, he has work experience at the Bank of Tokyo-Mitsubishi, Yamaichi Securities, and Toyota Tsusho Corporation.

He is currently Chairman of Atlas Asset Management Limited, Shirazi Investments (Private) Limited, Atlas Insurance Limited, Shirazi Trading Company (Private) Limited, Atlas Foundation and Atlas Information Technology Resource Centre. He is also a member of the SAARC Chamber of Commerce & Industry, the Federation of Pakistan Chambers of Commerce & Industry (FPCCI), and the Karachi Chamber of Commerce & Industry (KCCI). He is also serving on the Board of the Forman Christian College, Ghulam Ishaq Khan Institute of Engineering Science and Technology and British Overseas School Association. He was also a member of the Aga Khan Resource Development Committee and FPCCI Executive Committee. He has also served the Management Association of Pakistan as their Vice President.

He also enjoys membership in several other prestigious associations, including Harvard Club of New York and Pakistan, Young Presidents Organization, Aitchison College Old Boys Association, Government College of Commerce & Economics Old Students Association, and English Speaking Union. He was also President of the International Club, Notre Dame De Namur University (formerly College of Notre Dame), U.S.A.

Mr. Frahim Ali Khan

Director

Mr. Frahim Ali Khan is a Law graduate from Karachi University. He has also attended Senior Managers' Program at Harvard University, U.S.A., Financial Management Program at Stanford University, U.S.A., and the Board of Director's Program at Insead University, France.

He has over 50 years of experience in General Management, Finance, Investment and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently, his directorships include Atlas Asset Management Limited, Atlas Power Limited, Atlas Solar Limited, Atlas Energy Limited, Atlas Insurance Limited, Shirazi Investments (Private) Limited, Atlas Engineering (Private) Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Shirazi Trading Company (Private) Limited, and Atlas Foundation.

Earlier, he has also served on the Boards of Atlas Honda Limited, Atlas Battery Limited, and Atlas Bank Limited (former), and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management Limited and Atlas Investment Bank Limited (former).

Mr. M. Habib-ur-Rahman

Director

Mr. M. Habib-ur-Rahman is a fellow of the Institute of Chartered Accountants in England & Wales. He has attended management level programme (PMD) at Harvard Business School.

Mr. Habib-ur-Rahman has a long association with Mutual Fund Industry. He held the position of General Manager Finance & Investment with National Investment Trust Limited. He was NIT nominee director on the Board of Karachi Stock Exchange and various listed companies. He worked for NIT for eleven years from 1971 to 1981 and then left NIT to join motorcycle industry, Atlas Honda Limited, where he worked for fourteen years initially as Director Finance and then as Resident Director in-charge Finance, Administration and Production. In 1995 he returned to mutual funds industry. He played an instrumental role in setting ABAMCO Limited that was the first asset management company in the private sector in Pakistan. ABAMCO was initially established as a joint venture among a leading brokerage house in Pakistan, IFC and an asset management company in US. Mr. Habib-ur-Rahman was its chief executive from 1995 to 2003. He was the Chief Executive Officer of Atlas Asset Management Limited from March 2004 till March 2018. He is a founding member and past Chairman/ Director of the Mutual Funds Association of Pakistan (MUFAP). The foundation of MUFAP was laid in 1995. Mr. Habib ur Rahman was Securities and Exchange Commission of Pakistan (SECP) nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003. He was a member of SECP Advisory Group on Capital Markets, member of the SECP Enquiry Committee (appointed in 2001) on management of Exposure Rules by KSE/ LSE and member of the SECP Committee (appointed in 2013) to review the 2008 financial crisis in capital market in Pakistan. Presently he also holds directorships in Atlas Insurance Limited & Atlas Foundation.

Mr. Tariq Amin

Independent Director

Mr. Tariq Amin is the Chairman of Orkila Pakistan (Private) Limited, a leading company dealing in chemicals. He is also on the Boards of the Salim Habib Education Foundation and the Education City. He has varied experience both in private and public sectors. He is a law graduate from the University of Karachi. He also holds a Masters degree in English from the University of Karachi and a Post Graduate Diploma in Development Administration from the University of Leeds. Mr. Amin has been past Sindh Minister/ Chairman Privatization Commission Sindh. He has also been President of the Overseas Investors Chambers of Commerce & Industry (OICCI) and also the Chairman of SITE Association of Industry for four years. Mr. Amin was conferred the civil award of Chevalier De L'ordre National Du Merite by the Government of France 2001.

Board of Directors of the Management Company

Mr. Ali H. Shirazi

Director

Mr. Ali H. Shirazi graduated with a B.A. from Yale University, U.S.A., in 2000 and thereafter completed his Masters in Law from Bristol University, U.K., in 2005. During the period, he worked for the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is Atlas Group Director Financial Services and President / Chief Executive of Atlas Battery Limited. He serves on the board of Atlas Asset Management Limited, Atlas Insurance Limited, Shirazi Investments (Private) Limited, National Management Foundation (sponsoring body of LUMS), National Foods Limited, Cherat Packaging Limited, Pakistan Cables Limited and Pakistan Society for Training and Development. Previously, he has also served on the Board of the National Clearing Company of Pakistan Limited (NCCPL).

He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and, in 2018, completed the Owner / President Management Program (O.P.M.) from Harvard Business School.

Ms Zehra Naqvi

Independent Director

Ms. Zehra Naqvi was the Chief Executive Officer of Chubb Insurance Pakistan, (a wholly owned subsidiary of Chubb INA International Holdings Limited, Delaware, USA) from September 2005 to September 2017.

She has over 35 years of work experience in the insurance sector. Prior to joining Chubb and its predecessor companies (CIGNA and ACE) in 1990, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and with Adamjee Insurance Company in Pakistan.

Ms. Naqvi holds a B.Sc. Degree, and an MBA Degree from the Institute of Business Administration, Karachi University. She is a Chartered Insurer from the Chartered Insurance Institute, UK and is a Certified Director from Institute of Chartered Accountants of Pakistan.

She has served as an elected Member of the Executive Committee of the Insurance Association of Pakistan, the Executive Committee of The American Business Council and the Managing Committee of the Overseas Investors Chamber of Commerce & Industry.

Ms. Naqvi has represented the Insurance Association of Pakistan, on the Council of Pakistan Insurance Institute and was Chairperson of the Institute for the term of 2016. She has been a visiting faculty member at the Institute.

Ms. Naqvi has served as an Independent Director on the Board of Abbott Laboratories (Pakistan) Limited. She presently serves as a Non-Executive Director on the Board of Chubb Insurance Pakistan Limited, as an Independent Director on the Boards of Attock Petroleum Limited and IGI Life Insurance Limited.

Mr. Muhammad Abdul Samad

Chief Executive Officer

Mr. Muhammad Abdul Samad has over two decades experience of local investment management industry. He joined Atlas Asset Management Limited in November 2005, and has held C-suite positions for over a decade, including the Chief Investment Officer and Chief Operating Officer positions. He is a 'Certified Director' and also attended Advanced Management Program at INSEAD Fontainebleau, France on nomination by the Atlas Group. He has a significant Board experience, where he has served as a director on the board of nineteen listed companies, including Atlas Battery Limited, Lucky Cement, Berger Paints, Mirpurkhas Sugar, amongst others. He also served as a Director on the Board of Mutual Funds Association of Pakistan (MUFAP) and currently, he is serving as Chairman of its Taxation Committee. He is also an Independent Director on the Board of Institute of Financial Markets of Pakistan (IFMP). Mr. Samad is also serving as a member on Board of Studies Faculty of Business Administration of Jinnah University for Women, Industrial Advisory Board of UIT University and Islamic Finance Academic Advisory Board of Hamdard University.

Give your
SAVINGS the
ATLAS ASSET
BENEFIT!

Growth | Returns | Tax Savings

Chairman's Review

It is my pleasure to present you the Annual Reports of Atlas Fund of Funds (ATFF) for the financial year ended June 30, 2023.

FINANCIAL REVIEW:

ASSETS OF THE FUND:

As of June 30, 2023, the total assets of the fund stood at Rs. 6,755,098. These are majorly invested in Atlas Money Market Fund whose value stood at Rs. 3,898,488. An amount of Rs. 1,662,863 is invested in units of investee funds pending transfer to certificate holders.

LIABILITIES:

The aggregate liabilities stood at Rs. 3,937,040 as on June 30, 2023, detailed as under:

AMOUNT UNCLAIMED BY CERTIFICATE HOLDERS: The liabilities represents unclaimed amount by certificate holders on account of (i) dividends amounting to Rs. 1,029,256, (ii) cash proceeds on revocation unclaimed amounting to Rs. 964,413 and (iii) units of investee funds pending transfer to certificate holders, amounting to Rs. 1,662,863. The total unclaimed amount is Rs. 3,656,532.

ACCRUED AND OTHER LIABILITIES: These amount to Rs. 89,250.

INCOME: Net income for year ended June 30, 2023 stood at Rs. 758,586. The aggregate post revocation income stood at Rs. 2,818,058 on June 30, 2023.

COURT JUDGEMENTS IN THE WORKERS WELFARE FUND (WWF) & FEDERAL EXCISE DUTY (FED) CASES:

- In the case of FED, the bench of Honorable Sindh High Court had declared the levy of FED by Federal Government as unconstitutional, where provincial Governments have levied sales tax on the service. The Federal Government filed an appeal at Honorable Supreme Court of Pakistan which is pending adjudication.
- The Fund will wait for decisions by SCP on appeal made in case of FED by Federal Government for final distribution to certificate holders of Atlas Fund of Funds. In case of favorable decisions the amount provided by the Fund on account of FED amounting to Rs. 191,258 together with post revocation income will be distributable among certificate holders.

RATING:

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "AM2+" (AM Two Plus). The rating denotes high quality as the asset manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

مشک آنست کہ خود بیودنہ کہ عطار بگوید
(Performance speaks itself)

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the unit holders for their help, support and the confidence reposed in the Fund and the Chief Executive Officer, Mr. Muhammad Abdul Samad and his management team for their hard work, dedication and sincerity of purpose.

Karachi: 11 September 2023

Iftikhar H. Shirazi
Chairman

Atlas Fund of Funds

Corporate Information

Trustee

Digital Custodian Company Limited
3rd Floor, Adamjee House, I.I. Chundrigar Road, Karachi.

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Atlas Asset Management Limited

Opinion

We have audited the special purpose financial statements of Atlas Fund of Funds ("the Fund"), which comprise the special purpose statement of assets and liabilities as at June 30, 2023, and the special purpose income statement and notes to and forming part of the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Fund for the year ended June 30, 2023 are prepared, in all material respect, in accordance with the accounting policies as disclosed in note 4 to the special purpose financial statements.

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 Special Purpose Financial Statements section of our report. We are independent of the Fund 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.

Emphasis of Matter - Basis of accounting and restriction on distribution and use

We draw attention to note 1 to the special purpose financial statements which refers to the decision of the certificate holders to revoke the Fund. These special purpose financial statements have been prepared using the liquidation basis of accounting. Our opinion is not modified in respect of this matter.

We also draw attention to note 2 of the special purpose financial statements which describes the basis of preparation. These special purpose financial statements have been prepared for the purpose of submission to the taxation authorities. As a result, the special purpose financial statements may not be suitable for any other purpose. Our report is intended solely for the Board of Directors of Atlas Asset Management Limited to comply with their regulatory requirement of submitting the special purpose financial statements to tax authorities. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Board of Directors for the Special Purpose Financial Statements

Management is responsible for the preparation of these special purpose financial statements in accordance with the accounting policies disclosed in note 4 to the special purpose financial statements, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so. The Board of directors is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 Fund'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 Fund'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 special purpose 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 Fund to cease to continue as a going concern.

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

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

Karachi: 21 September 2023

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Junaid Mesia

SPECIAL PURPOSE STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022 -----
Assets			
Bank balances	5	1,145,097	6,737,755
Investments	6	3,898,488	1,000,891
Profit receivable on bank balances		48,650	49,838
Units of investee funds awaiting transfer to the certificate holders	7	1,662,863	1,734,821
Total assets		6,755,098	9,523,305
Liabilities			
Unclaimed dividends		1,029,256	1,029,256
Payable to certificate holders :			
Settlement of proceeds on revocation			
Cash settlement		964,413	964,413
Transfer of units of investee funds (contra)		1,662,863	1,734,821
		2,627,276	2,699,234
Post revocation profits	8	2,818,058	5,362,956
		5,445,334	8,062,190
Liabilities against pending petitions in the Courts	9	191,258	191,258
Accrued expenses and other liabilities	10	89,250	240,601
Total liabilities		6,755,098	9,523,305

The annexed notes from 1 to 12 form an integral part of these special purpose financial statements.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

SPECIAL PURPOSE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022 -----
Income			
Profit on bank deposits		710,680	709,297
Gain on sale of investments - net		148,960	830,837
Unrealised (diminution) / appreciation on re-measurement of investments - net	6.1	(1,512)	891
		<u>858,128</u>	<u>1,541,025</u>
Expenses			
Auditors' remuneration		98,129	70,000
Bank charges		1,413	29,176
		<u>99,542</u>	<u>99,176</u>
Net income from operating activities		<u>758,586</u>	<u>1,441,849</u>
Reversal of provision for Sindh Workers' Welfare Fund		-	9,554,259
		<u>-</u>	<u>9,554,259</u>
Net income for the year before taxation		<u>758,586</u>	<u>10,996,108</u>
Taxation		-	-
Payable to certificate holders in respect of post revocation profits		(758,586)	(10,996,108)
Net income for the year after taxation		<u>-</u>	<u>-</u>
Other comprehensive Income		-	-
Total comprehensive income for the year		<u><u>-</u></u>	<u><u>-</u></u>

The annexed notes from 1 to 12 form an integral part of these special purpose financial statements.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 LEGAL STATUS

- 1.1 Atlas Fund of Funds (the Fund), is a closed end mutual fund managed by Atlas Asset Management Limited (AAML) as Management Company, with Digital Custodian Company Limited as the Trustee. As per the decision of the certificate holders of the Fund in the general meeting held on January 30, 2013 to revoke the Fund, and the approval of the Securities and Exchange Commission of Pakistan (the Commission) through their letter no. SCD/AMCW/ATFF/519/2013 dated May 3, 2013 read with letter no. NBFC/AMCW/ATFF/662/2013 dated July 26, 2013, the process of revocation of the Fund was completed and the final report on the revocation of the Fund was submitted jointly by the Management Company and the Trustee to the Commission on August 30, 2013.
- 1.2 Following the approval for revocation of the Fund, the Management Company of the Fund carried out the process of disposal of assets and liabilities and based on net assets of Rs. 495.66 million appearing in the books of the Fund as at July 26, 2013, issued the settlement proceeds to the certificate holders, as reported in note 25.2 of the audited financial statements of the Fund for the FY 2012-13, excluding the amount retained in respect of the provisions for Sindh Workers' Welfare Fund (SWWF) and Federal Excise Duty, against which the petitions filed in the Honourable Sindh High Court were pending at the date of revocation of the Fund. The Fund shall continue to exist as a legal entity until the decision / conclusion of these petitions. In view of the above, the Fund is not a going concern and these special purpose financial statements have been prepared using the liquidation basis of accounting. The use of liquidation basis of accounting did not have any impact on the values of the assets and liabilities of the Fund determined in accordance with the basis of preparation of the special purpose financial statements as disclosed in notes 2 and 3 below.
- 1.3 The post revocation activities and administration of the Fund are being managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahra e Firdousi, Clifton, Karachi.
- 1.4 The Commission, through their letter no. NBFC - II/DD/AAML/724/2013 dated September 24, 2013 in response to the final report on the revocation of the Fund, required the Management Company to report to the Commission on quarterly basis, the status of the pending petitions in the Honourable Sindh High Court in respect of Federal Excise Duty on quarterly basis, which are being complied with by the Management Company. The details of the petitions are disclosed in note 9 to these special purpose financial statements.
- 1.5 The Management Company of the Fund, in their final joint report on revocation with the Trustee of the Fund, had sought the approval of the Commission to invest the amount representing liability against Federal Excise Duty, pending the decision of the Honourable Sindh High Court and other liabilities, in Atlas Money Market Fund (AMF), an open ended fund managed by the Management Company. The Commission, in their letter no. NBFC - II/DD/AAML/724/2013 dated September 24, 2013, on the basis of endorsement of the proposal by the Trustee, has allowed the Management Company to retain such amount with banks, or invest in the AMF, after ensuring the best interests of the certificate holders and compliance to regulatory framework. The Management Company of the Fund has utilized such option after analysing the beneficial impact of the same for the certificate holders.
- 1.6 Following the completion of revocation formalities, the certificates of the Fund were de-listed from the Pakistan Stock Exchange with effect from September 16, 2013.

2 BASIS OF PRESENTATION

These special purpose financial statements have been prepared solely for the purpose of submission to the taxation authorities and accordingly do not contain all the disclosures required under the accounting and reporting standards as applicable in Pakistan (note 3). These special purpose financial statements comprise of the Statement of Assets and Liabilities and the Income Statement along with the notes forming part thereof for the year ended June 30, 2023.

3 BASIS OF PREPARATION

- 3.1 These special purpose financial statements have been prepared in accordance with the accounting policies as mentioned in note 4 below. These policies are consistent with the recognition principle specified under the accounting and reporting standards as applicable in Pakistan.

The accounting and reporting standards as applicable in Pakistan comprise of:

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The disclosures made in these financial statements have been limited as these are special purpose financial statements as stated in note 2 above.

- 3.2** In response to the request of the Management Company regarding relaxation of the requirements of Regulation 38(2)(f) and 38(2)(g) of the NBFC Regulations, the Commission, through their letter no. SCD/AMCW/AAML/ATFF/849/2014 dated January 16, 2014, granted approval to the Management Company to publish electronically, by uploading on the Management Company's website, an un-audited Statement of Net Assets in an abridged form to the certificate holders on quarterly basis, together with the status of pending petitions, subject to intimation thereof to the certificate holders through press notice on half yearly and annual basis, and transmission via email to those certificate holders whose email addresses are available with the Management Company.

The Management Company has prepared these special purpose financial statements for the purposes of meeting these regulatory requirements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in preparation of these special purpose financial statements are set out below.

4.1 Financial assets

4.1.1 Classification

The Fund has classified its financial assets in the following categories, based on the business model of the entity:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in units of investee funds awaiting to transfer to certificate holders and units of Atlas Money Market Fund as being managed as a group of assets whose performance is assessed on the basis of fair value and hence has classified them as FVPL.

4.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Income Statement.

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated as FVPL are marked to market by reference to the net asset values (redemption prices) declared by the respective funds. Gains / losses on financial assets classified as FVPL is taken to the Income Statement.

4.1.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.4 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Revenue recognition

- Gain on sale of investments is included in the Income Statement in the period in which it arises.
- Dividend income is recognised when the right to receive dividend is established.
- Interest income on bank balances is recognised on an accrual basis.

4.6 Liability in respect of post revocation profits

In terms of the settlement process communicated to the certificate holders, profits on bank balances and investments retained due to settlement of pending petitions (as disclosed in note 8.1 to these special purpose financial statements) is payable to the certificate holders after the decision of the Honourable Sindh High Court and it is established that the matters in respect of which petitions are pending will not be pursued further.

		2023	2022
5	Bank Balances	Note	-----Rupees-----
	Balances with banks in:		
	Savings account	5.1	<u>1,145,097</u> <u>6,737,755</u>

5.1 The mark-up rate effective at the year end on this account was 19.50% (June 30, 2022: 12.25%) per annum.

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Note	-----Rupees-----	
6 INVESTMENTS			
Investment in units of mutual fund	6.1	<u>3,898,488</u>	<u>1,000,891</u>

6.1 Investment in units of mutual funds

Name of investee fund	As at July 01, 2022	Acquired during the year	Disposed of during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)
	----- Number of units -----				----- Rupees -----		
Atlas Money Market Fund	1,972	5,695	-	7,667	3,900,000	3,898,488	(1,512)
Total as at June 30, 2023					<u>3,900,000</u>	<u>3,898,488</u>	<u>(1,512)</u>
Total as at June 30, 2022					<u>1,000,000</u>	<u>1,000,891</u>	<u>891</u>

This investment had been made in line with the approval granted by the Commission vide their letter no. NBFC - II/DD/AAML/724/2013 dated September 24, 2013, as disclosed in note 1.5.

		2023	2022
	Note	-----Rupees-----	
7 UNITS OF INVESTEE FUNDS AWAITING TRANSFER TO CERTIFICATE HOLDERS			
	7.1	<u>1,662,863</u>	<u>1,734,821</u>

7.1 This represents the portion awaiting transfer of units of the investee funds to the certificate holders, against which executed transfer deeds have been issued to them at the time of final settlement upon revocation. The total settlement in this form aggregated to Rs. 223.16 million of which transfers aggregating Rs. 222.96 million (June 30, 2022: Rs. 222.96 million) have already been executed. The remaining transfers are awaiting submission of the executed transfer deeds by the certificate holders to the relevant asset management companies managing the investee funds.

As at June 30, 2023, the market value of these units aggregates to Rs. 1.663 million (June 30, 2022: Rs. 1.734 million), based on the net asset value of the investee funds, as per the breakup below. The valuation gain of Rs. 1.029 million (June 30, 2022: Rs. 1.100 million) relates to the respective certificate holders whose units are still pending for transfer in their favour.

Name of investee fund	Total units outstanding	Market value at the time of transfer	Market value as at 30 June 2023	Unrealised gain on revaluation of investments net
			-----Rupees-----	
JS Growth Fund	6,178	146,578	901,347	754,769
JS Value Fund	-	172,808	-	(172,808)
Meezan Balanced Fund	26,676	151,584	416,376	264,792
HBL Energy Fund	34,991	163,065	345,140	182,075
	<u>67,845</u>	<u>634,035</u>	<u>1,662,863</u>	<u>1,028,828</u>

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Note	-----Rupees-----	
8 POST REVOCATION PROFITS			
	8.1	2,818,058	5,362,956

- 8.1 In terms of the settlement process communicated to the certificate holders, profit on bank balances and investments retained pending settlement of pending petitions (as discussed in note 9.1 to these special purpose financial statements) is payable to the certificate holders after the decision of the Courts and it is established that the cases in respect of which petitions are pending will not be pursued further.

The balance for post revocation profits as at June 30, 2023 includes unpresented cheques amounting to Rs. 1.090 million (June 30, 2022: Rs. 4.393 million) issued to the certificate holders in respect of reversal of provision for SWWF.

		2023	2022
	Note	-----Rupees-----	
9 LIABILITIES AGAINST PENDING PETITIONS IN THE COURTS			
Provision for Federal Excise Duty	9.1	191,258	191,258

- 9.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan which is pending adjudication.

However, as a matter of abundant caution provision for FED on remuneration of the Management Company amounting to Rs. 191,258 (representing provision upto August 30, 2013 the date of revocation of the Fund) is currently being retained in these special purpose financial statements as the matter is pending before the Honourable Supreme Court of Pakistan.

- 9.2 The amount representing the liability in respect of provision for FED which has been set aside and is placed in avenues permitted by the SECP as explained in note 1.5 to these special purpose financial statements.

		2023	2022
		-----Rupees-----	
10 ACCRUED AND OTHER LIABILITIES			
Audit fee payable		58,649	210,000
Sindh sales tax payable on remuneration of Atlas Asset Management Limited- Management Company		30,601	30,601
		89,250	240,601

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

12 AUTHORISATION OF ISSUE

These special purpose financial statements were authorised for issue by the Board of Directors of the Management Company on 11 September 2023.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director



Invest in Your Dreams

Head Office- Karachi

Ground Floor,
Federation House,
Shahra-e-Firdousi, Clifton,
Karachi-75600.
Ph: (92-21) 35379501- 04
Fax: (92-21) 35379280

Savings Center- Karachi

Ground Floor, Faiyaz Center,
Shahra-e-Faisal
(opp. FTC building),
Karachi-74400.
Ph: (92-21) 34522601-02
Fax: (92-21) 34522603

SITE Office- Karachi

C/o. Atlas Honda Limited,
F/36, Estate Avenue,
S.I.T.E.,
Karachi.

Landhi Office- Karachi

C/o. Atlas Engineering Limited,
15th Mile,
National Highway,
Landhi, Karachi.
Ph: (92-21) 111-111-235 Ext. 361

Savings Center

North Nazimabad Karachi:
Ground Floor, Symbol Building,
Block-L, North Nazimabad,
Karachi-74600.
Ph: (92-21) 37131710-13
(92-21) 36670214-16,
(92-21) 36721661-63

Savings Center - Lahore

64, Block -XX,
Khayaban-e-Iqbal,
Phase-III, DHA Lahore.
Ph: (92-42) 32560890-92
(92-42) 37132688-89

Rawalpindi Office

C/o. Atlas Honda Ltd.
Ground Floor,
Islamabad Corporate Center,
Golra Road, Rawalpindi.
Ph: (92-51) 2801140
Fax: (92-51) 5495928

Savings Center- Islamabad

Ground Floor, East End Plaza,
Plot No. 41, Sector F-6/G6,
Ataturk Avenue,
Blue Area, Islamabad.
Ph: (92-51) 2871831-34

www.atlasfunds.com.pk | cs@atlasfunds.com.pk | 021-111-MUTUAL (6-888-25)

facebook.com/atlasfunds twitter.com/FundsAtlas linkedin.com/company/aaml