



Atlas Money Market Fund

Atlas Sovereign Fund

Atlas Income Fund

Atlas Stock Market Fund

QUARTERLY REPORT

30 SEPTEMBER 2021

(UN-AUDITED)

**Atlas
funds**
Nurturing your investments

 **Managed By**
Atlas Asset Management

**Rated AM2+ by PACRA
(as of December 24, 2020)**



Vision

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

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.

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Atlas Funds

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 Ayesha Farooq
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

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Clifton, Karachi - 75600
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Website: www.atlasfunds.com.pk

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CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited Financial Statements of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the first quarter ended September 30, 2021 of FY22.

THE ECONOMY

A stark recovery in domestic economic activity was witnessed during first quarter FY22 due to gradual removal of nationwide COVID led restrictions, accommodative monetary policy and targeted support measures by State Bank of Pakistan (SBP) to public/industries. Revival of economic activities around the world amid supply constraints has pushed commodity prices to unprecedented levels. The rapid recovery in domestic demand coupled with high international commodity prices, is leading to a strong pick-up in Imports and a subsequent increase in Current Account Deficit (CAD). During first quarter FY22, Current Account balance stood at US \$3.40 billion deficit compared to US \$0.87 billion surplus in SPLY largely on back of 65.08% YoY increase in first quarter FY22 Imports of US \$18.63 billion compared to US \$11.29 billion in SPLY. The first quarter FY22 Exports increased by 27.32% YoY to stand at US \$6.97 billion while first quarter FY22 Worker's Remittances increased by 12.50% YoY to stand at US \$8.03 billion. Total liquid Foreign Exchange Reserves increased by 34.90% YoY to US \$26.15 billion as of Sept 24, 2021 (SBP's share stood at US \$19.29 billion) primarily due to IMF's new SDR allocation of US \$2.80 billion, growth in Worker's Remittances, inflows from Multilateral and Bilateral lenders and extension of debt suspension as part of G20 debt relief deal. Average CPI inflation for first quarter FY22 remained at 8.58%. The State Bank's Monetary Policy Committee increased policy rate by 25bps to 7.25% in order to ensure appropriate policy mix to support sustainable growth and contain demand.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 2.29% to Rs. 506.94 as on September 30, 2021, providing an annualized total return of 9.10%. The AMF total exposure in Short-Term Deposits with Banks/Cash, Treasury Bills and Others stood at 83.29%, 16.68% and 0.03%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 23.94 billion, with 47.23 million units outstanding as of September 30, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AMF amounting to Rs. 95.99 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AMF by 0.41%. This is one-off event and is not likely to be repeated in the future.

FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 1.99% to Rs. 103.13 as on September 30, 2021, providing an annualized total return of 7.90%. The ASF total exposure in Pakistan Investment Bonds, Short-Term Deposits with Banks /Others, Treasury Bills, Commercial Paper and TFC/Sukuk stood at 45.67%, 40.41%, 9.30%, 3.12% and 1.51%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 2.15 billion, with 20.80 million units outstanding as of September 30, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASF amounting to Rs. 13.07 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASF by 0.52%. This is one-off event and is not likely to be repeated in the future.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 2.67% to Rs. 536.51 as on September 30, 2021, providing an annualized total return of 10.59%. AIF total exposure in Bank Deposits/MTS/Spread Transactions/Others, Pakistan Investment Bonds, Treasury Bills, Term Finance Certificates, Commercial Paper and Sukuks stood at 59.06%, 19.00%, 10.25%, 5.48%, 3.66% and 2.55%, respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 5.47 billion with 10.19 million units outstanding as of September 30, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AIF amounting to Rs. 45.73 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AIF by 0.83%. This is one-off event and is not likely to be repeated in the future.

Atlas Funds

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund decreased by 3.66% to Rs. 662.91 as on September 30, 2021. The benchmark KSE-100 index decreased by 5.19% during the same period. The KSE-100 index decreased from 47,356.02 points as on June 30, 2021 to 44,899.60 points as on September 30, 2021. The ASMF equity portfolio exposure stood at 98.45% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects of earnings growth. The Net Assets of your Fund stood at Rs. 9.97 billion, with 15.04 million units outstanding as of September 30, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASMF amounting to Rs. 107.31 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASMF by 1.05%. This is one-off event and is not likely to be repeated in the future.

MUTUAL FUND TAXATION

SINDH WORKER'S WELFARE FUND (SWWF)

Levy of WWF has become provincial subject and as Sindh Government has imposed SWWF on industrial, service sectors and financial institutions. Sindh Revenue Board (SRB) has demanded SWWF from mutual funds claiming that these are "financial institutions". According to legal and tax advisors' interpretations, obtained by MUFAP, mutual funds do not fall under the definition of "financial institutions". The Companies Act 2017 has also excluded mutual funds from the definition of financial institutions. However, asset management companies are included in the definition of financial institutions. Nevertheless, as abundant precaution mutual funds made provision in respect of SWWF as recommended by MUFAP from the date of enactment (May 21, 2015) of Sindh Workers Welfare Fund Act, 2014.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds and pension funds do not qualify as Financial Institutions/ Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognized in the financial statements of the Funds.

FEDERAL EXCISE DUTY (FED)

The Finance Act, 2013 imposed Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMC's) with effect from June 13, 2013 and this was withdrawn on June 30, 2016. On September 04, 2013, a constitutional petition was filed in SHC jointly by various AMCs, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. FBR has challenged the decision of SHC in the Honorable Supreme Court of Pakistan (SCP). However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

WITHHOLDING TAX

After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan (SCP) on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). However, in assessment for TY 2018, the said exemption has been denied by The Additional Commissioner Audit (AC) in case of Atlas Income Fund & other Funds of various AMC's, on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income and commented that the distribution by the Fund fell

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short of 90% threshold. The issue was taken to Commissioner Appeal's office, which upheld the AC decision. Later subject matter was taken to Tribunal, which in its judgment decided the case in Fund's favor and vacated the previous orders issued by FBR & Appeal office. Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open-ended mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.

RATINGS

• **Asset Manager Rating**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained "AM2+" (AM Two Plus) asset manager rating for Atlas Asset Management Limited (AAML). 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.

• **Fund Stability Rating - AMF**

PACRA has assigned a stability rating of "AA+ (f)" (Double A Plus fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

• **Fund Stability Rating - ASF**

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

• **Fund Stability Rating - AIF**

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risk

FUTURE OUTLOOK

The economic recovery is expected to continue in FY22 and pick up further from 3.94% (FY21) to 4% and 5% range (as per SBP) taking support from measures announced in FY22 budget, accommodative monetary conditions, disbursements under SBP's TERF facility for investment and other refinance facilities. Downside risks to domestic growth on behalf of COVID appear to be less vulnerable on back of mass vaccination drive and overall management of pandemic by government. Imports are expected to rise on back of domestic recovery and upsurge in global commodity prices whereby market-based flexible exchange rate system, strong inflows from Worker's Remittances, encouraging pickup in Exports and appropriate macroeconomic policies will likely contain CAD in sustainable range of 2% and 3% of GDP. The outlook on Inflation, initially expected to range between 7% and 9% in FY22, now largely depends on the path of domestic demand and administered fuel/electricity prices, as well as global commodity prices. In case of emergence of demand-led inflationary pressures or current account vulnerabilities, Monetary Policy Committee shall adjust policy rate to moderate demand and gradually taper off negative real interest rates. Going forward, government's focus towards widening tax base and implementation of appropriate policy measures to support economic recovery will be instrumental in sustaining economic activity, financial stability, safeguarding jobs and addressing social needs.

وَأَنْ لَّيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَى

One Gets What One Strives For.

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan and other Regulatory Bodies, 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.

Iftikhar H. Shirazi
Chairman

Karachi: 28 October 2021

Atlas Money Market Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Samba Bank Limited
Zarai Taraqati Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 SEPTEMBER 2021

		30 September 2021 Un-audited	30 June 2021 Audited
	Note	-----Rupees-----	
Assets			
Cash and bank balances	4	24,121,734,402	24,359,094,276
Investments	5	4,830,113,758	-
Profit receivable on bank balances		6,293,852	54,608,057
Other receivables		3,686,748	3,685,722
Total assets		28,961,828,760	24,417,388,055
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	25,819,364	30,378,679
Payable to Central Depository Company of Pakistan Limited - Trustee		1,476,313	1,443,603
Payable to the Securities & Exchange Commission of Pakistan		1,208,192	3,602,024
Payable against redemption of units		135,048,139	31,822,945
Payment against Purchase of investment		4,829,799,778	-
Accrued expenses and other liabilities	7	24,017,976	121,315,452
Total liabilities		5,017,369,762	188,562,703
NET ASSETS		23,944,458,998	24,228,825,352
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		23,944,458,998	24,228,825,352
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		47,233,456	47,894,700
NET ASSET VALUE PER UNIT		506.9385	505.8769

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

Atlas Money Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Note	2021	2020
		-----Rupees-----	
Income			
Profit on saving and term deposits		248,826,264	66,135,690
Income from Government Securities		213,404,456	210,616,050
Capital gain/ (loss) on sale of investments - net		1,145,664	(3,900,185)
Net unrealised diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(674,725)	(2,070,187)
		470,939	(5,970,372)
Total income		462,701,659	270,781,368
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	6,041,083	13,907,107
Sindh Sales Tax on Remuneration of the Management Company	6.2	785,341	1,807,924
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,926,704	2,582,749
Sindh Sales Tax on Remuneration of the trustee		510,472	335,757
Annual fees to the Securities & Exchange Commission of Pakistan		1,208,217	794,692
Accounting and operational charges	9	-	4,768,151
Annual rating fee		131,358	119,469
Annual listing fee		6,932	6,856
Securities transaction cost		48,487	34,905
Auditors' remuneration		183,884	183,884
Legal and professional charges		32,400	30,780
Bank charges		34,274	19,518
(Reversal) / Provision for Sindh Workers' Welfare Fund	7.1	(91,886,047)	4,923,792
		(78,976,895)	29,515,584
Net income for the period before taxation		541,678,554	241,265,784
Taxation	11	-	-
Net income for the period after taxation		541,678,554	241,265,784
Earning per units			
Allocation of net income for the period			
- Net income for the period after taxation		541,678,554	241,265,784
- Income already paid on units redeemed		(25,612,343)	(12,522,784)
		516,066,211	228,743,000
Accounting income available for distribution:			
- Relating to capital gains		1,145,664	-
- Excluding capital gains		514,920,547	228,743,000
		516,066,211	228,743,000

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	2021	2020
	-----Rupees-----	
Net income for the period after taxation	541,678,554	241,265,784
Other comprehensive income	-	-
Total comprehensive income for the period	541,678,554	241,265,784

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	24,121,020,637	-	24,121,020,637
Undistributed income brought forward			
- Realised income	-	107,804,715	107,804,715
- Unrealised income	-	-	-
Net assets at the beginning of the period (Units outstanding: 47,894,700) (Rs. 505.8769 per unit)	24,121,020,637	107,804,715	24,228,825,352
Issue of 11,575,932 units	5,875,829,330	-	5,875,829,330
Redemption of 12,237,176 units	(6,193,723,596)	(25,612,343)	(6,219,335,939)
Total comprehensive income for the period	-	541,678,554	541,678,554
Refund of Capital	(18,567,372)	-	(18,567,372)
First interim distribution of Rs. 2.85 per unit declared on 30 July 2020	-	(117,216,802)	(117,216,802)
Second interim distribution of Rs. 4.85 per unit declared on 27 August 2021	-	(218,863,577)	(218,863,577)
Third interim distribution of Rs. 2.75 per unit declared on 24 September 2021	-	(127,890,548)	(127,890,548)
Net assets at end of the period (Units outstanding: 47,233,456) (Rs. 506.9385 per unit)	23,784,558,999	159,899,999	23,944,458,998
Undistributed income carried forward			
- Realised income	-	159,586,019	-
- Unrealised income	-	313,980	-
	-	159,899,999	-
	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	9,951,851,809	-	9,951,851,809
Undistributed income brought forward			
- Realised income	-	21,477,608	21,477,608
- Unrealised income	-	58,150,798	58,150,798
Net assets at the beginning of the period (Units outstanding: 19,854,239) (Rs. 505.2558 per unit)	9,951,851,809	79,628,406	10,031,480,215
Issue of 23,030,532 units	11,666,816,503	-	11,666,816,503
Redemption of 7,955,609 units	(4,021,864,996)	(12,522,784)	(4,034,387,780)
Total comprehensive income for the period	-	241,265,784	241,265,784
Refund of capital	(27,809,203)	-	(27,809,203)
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020	-	(49,826,179)	(49,826,179)
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020	-	(73,589,308)	(73,589,308)
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020	-	(85,292,026)	(85,292,026)
Net assets at end of the period (Units outstanding: 34,929,162) (Rs. 505.8426 per unit)	17,568,994,113	99,663,893	17,668,658,006
Undistributed income carried forward			
- Realised income	-	52,420,962	-
- Unrealised income	-	47,242,931	-
	-	99,663,893	-

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	2021	2020
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period after taxation	541,678,554	241,265,784
Adjustments for:		
Profit on saving and term deposits	(248,826,264)	(66,135,690)
Income from Government Securities	(213,404,456)	(210,616,050)
Capital (gain) / loss on sale of investments - net	(1,145,664)	3,900,185
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	674,725	2,070,187
(Reversal) / Provision for Sindh Workers Welfare Fund	(91,886,047)	4,923,792
	(554,587,706)	(265,857,576)
Increase in assets		
Prepayment and other receivables	(1,026)	(4,889)
Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(4,559,315)	2,532,863
Payable to Central Depository Company of Pakistan Limited - Trustee	32,710	423,294
Payable to the Securities & Exchange Commission of Pakistan	(2,393,832)	(1,500,985)
Payment against Purchase of investment	4,829,799,778	-
Accrued expenses and other liabilities	(5,411,429)	(831,274)
	4,817,467,912	623,898
	4,804,557,734	(23,972,783)
Interest received	297,140,469	64,120,344
Investments made during the period	(47,941,939,765)	(25,897,628,556)
Investments sold / matured during the period	43,325,701,402	23,867,493,956
Net cash generated from/ (used in) operating activities	485,459,840	(1,989,987,039)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	5,875,829,330	11,666,816,503
Net payments against redemption of units	(6,116,110,745)	(4,034,387,780)
Refund of capital	(18,567,372)	(27,809,203)
First interim distribution of Rs. 2.85 per unit declared on 30 July 2020	(117,216,802)	-
Second interim distribution of Rs. 4.85 per unit declared on 27 August 2021	(218,863,577)	-
Third interim distribution of Rs. 2.75 per unit declared on 24 September 2021	(127,890,548)	-
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020	-	(49,826,179)
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020	-	(73,589,308)
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020	-	(85,292,026)
Net cash (used in)/ generated from financing activities	(722,819,714)	7,395,912,007
Net (decrease)/ increase in cash and cash equivalents	(237,359,874)	5,405,924,968
Cash and cash equivalents at the beginning of the period	24,359,094,276	7,522,447,993
Cash and cash equivalents at the end of the period	4 24,121,734,402	12,928,372,961

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

Atlas Money Market Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplement dated 23 May 2017. The offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019, 30 October 2019, 1 April 2020 and 21 December 2020 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2020.

Moreover, PACRA has maintain the stability rating of the Fund at "AA+(f)" [2020: "AA+(f)"] on 15 October 2021 subsequently to the balance sheet date.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the year, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements

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and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2021.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2021.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2021 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2021, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2020.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2021.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2021.

		30 September 2021 Un-audited	30 June 2021 Audited
4 CASH AND BANK BALANCES	Note	----- Rupees -----	-----
Balances with banks in saving accounts	4.1	24,111,326,908	24,356,653,257
Cheques in hand	4.2	10,407,494	2,441,019
		<u>24,121,734,402</u>	<u>24,359,094,276</u>

4.1 The rate of return on these accounts ranges between 5.50% and 8.72% (30 June 2021: 5.50% and 7.95%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on 08 October 2021 (30 June 2021: 10 July 2021).

		30 September 2021 Un-audited	30 June 2021 Audited
5 INVESTMENTS	Note	----- Rupees -----	-----
At fair value through profit or loss			
Investment in Government securities - Market Treasury Bills	5.1	<u>4,830,113,758</u>	<u>-</u>

Atlas Money Market Fund

5.1 Market Treasury Bills

Particulars	As at 01 July 2021	Purchased during the period	Sold / Matured during the period	As at 30 September 2021	Amortised cost as at 30 September 2021	Market Value as at 30 September 2021	Total Investments	Net Assets
	----- Face Value (Rupees) -----				----- Rupees -----		----- %age -----	
3 Months	-	29,845,000,000	25,545,000,000	4,300,000,000	4,234,139,190	4,233,547,800	87.65	17.68
6 Months	-	16,757,220,000	16,151,290,000	605,930,000	596,649,293	596,565,958	12.35	2.49
1 year	-	2,000,000,000	2,000,000,000	-	-	-	-	-
	-	48,602,220,000	43,696,290,000	4,905,930,000	4,830,788,483	4,830,113,758	100.00	20.17
June 30, 2021					-	-		

5.1.2 The cost of investments as on 30 September 2021 is Rs. 4,829,799,778 (30 June 2021 is Nil).

5.1.3 These Market Treasury Bills carry purchase yields 7.57% (30 June 2021: Nil) per annum and will mature between 16 December 2021 (30 June 2020: Nil).

	30 September 2021	30 June 2021
	Un-audited	Audited
Note	----- Rupees -----	----- Rupees -----

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)

Remuneration of the Management Company	6.1	2,009,468	4,913,531
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	3,381,394	3,758,922
Federal Excise Duty payable on Remuneration of the Management Company	6.3	20,428,502	20,428,502
Accounting and operational charges payable	9	-	1,277,724
		25,819,364	30,378,679

6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 2.5% per annum of average annual net assets, within allowed expense in the offering document. The management company has charged its remuneration at the rate of 0.10% per annum of the average annual net assets of the Fund (30 June 2021: 0.35% per annum of the average annual net assets till 02 December 2020 and with effect from 03 December 2020 charged the remuneration at the rate of 0.25% of the average annual net assets of the Fund.) The fee is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 785,341 (2020: Rs. 1,807,924) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1,162,869 (2020: Rs. 1,546,153) was paid to the Management Company which acts as a collecting agent.

6.3 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 percent 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.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended 30 June 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 Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2021: 20.429 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2021 would have been higher by Re. 0.43 (30 June 2021: Re. 0.43) per unit.

7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	30 September	30 June
		2021	2021
		Un-audited	Audited
		----- Rupees -----	-----
Auditors' remuneration payable		675,581	491,697
Annual Rating Fee Payable		131,358	-
Annual Listing Fee Payable		6,932	-
Withholding tax payable		19,894,410	23,790,606
Legal and professional charges		33,246	-
Capital Gain Tax payable		1,346,679	2,610,406
Provision for Sindh Workers' Welfare Fund	7.1	-	91,874,642
Zakat payable		21,361	12,533
Transaction charges payable		43,569	-
Dividend payable		1,831,162	2,475,639
Printing Charges Payable		33,679	59,929
		24,017,977	121,315,452

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of

Atlas Money Market Fund

provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2021 and 30 June 2021.

9 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 30 June 2020 as per SECP SRO 639 (I) / 2020 dated 20 June 2020.

However, the management charge expenses at the rate Nil.

10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2021 is 0.21% (30 June 2021: 0.65%) which includes 0.04% (30 June 2021: 0.20%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

11 TAXATION

11.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

12 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For the Quarter Ended	
	30 September	
	2021	2020
	Un-audited	Un-audited
	----- Rupees -----	
13.1 Transactions for the period:		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	6,041,083	13,907,107
Sindh Sales tax on Remuneration of Management Company	785,341	1,807,924
Remuneration paid	8,945,146	11,893,481
Accounting and operational charges	-	4,768,151
Issue of 569 (2020: 130,422) units	287,800	66,050,063
Redemption of 278,525 (2020: 49,402) units	141,446,302	25,000,000
Dividend declared	-	1,356,920
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	3,926,704	2,582,749
Sindh Sales Tax on Remuneration of the Trustee	510,472	335,757
Remuneration paid	3,897,758	2,208,790

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	For the Quarter Ended 30 September	
	2021 Un-audited	2020 Un-audited
	----- Rupees -----	
Atlas Fund of Funds (Fund under common management)		
Issue of 182,403 (2020: 171,933) units	92,400,000	87,005,000
Redemption of 136,617 (2020: 128,670) units	69,603,080	65,329,199
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 247,974 (2020: 87,072) units	125,676,631	44,048,197
Redemption of 518,063 (2020: 14,841) units	262,704,642	7,500,000
Dividend declared	676,631	1,048,197
Atlas Engineering Limited (Group Company)		
Issue of Nil (2020: Nil) units	-	-
Dividend declared	8,023,354	-
Atlas Engineering Limited (Employees Provident Fund)		
Issue of Nil (2020: 83) units	-	41,695
Dividend declared	-	41,695
Atlas Metals (Private) Limited		
Issue of 2,318 (2020: 49,633) units	1,172,743	25,114,739
Redemption of 82,779 (2020: Nil)	42,100,000	-
Dividend declared	1,379,675	91,450
Atlas Foundation (Group Company)		
Issue of 2,991 (2020: 44,941) units	1,513,381	22,742,941
Redemption of 70,785 (2020: 9,847) units	36,000,000	5,000,000
Dividend declared	1,780,419	2,007,886
Atlas Battery Limited (Group Company)		
Issue of 853 (2020: 1,000,299) units	431,742	506,192,756
Redemption of 853 (2020: Nil) units	433,990	-
Dividend declared	4,105	6,358,795
Batools Benefit Trust (Trust having common Director / Trustee)		
Issue of 1,911 (2020: 79,942) units	966,834	40,535,677
Redemption of 9,832 (2020: Nil) units	5,000,000	-
Dividend declared	1,119,288	461,085
Atlas Honda Limited (Group Company)		
Issue of 202,869 (2020: 2,240,822) units	102,655,849	1,135,964,109
Dividend declared	120,769,832	37,879,965
Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
Issue of 2,214 (2020: 2,251) units	1,120,397	1,137,493
Redemption of 9,868 units (2020: Nil)	5,000,000	-
Dividend declared	1,120,397	1,137,493

Atlas Money Market Fund

	For the Quarter Ended 30 September	
	2021 Un-audited	2020 Un-audited
	----- Rupees -----	
Atlas Insurance Limited (Group Company)		
Issue of Nil (2020: 261,289) units	-	132,371,693
Redemption of Nil (2020: 479,618 units)	-	242,710,940
Dividend declared	-	2,374,310
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 335 (2020: 216) units	169,367	109,132
Redemption of Nil (2020: 1,972 units)	-	1,000,000
Dividend declared	169,367	109,132
Shirazi Investments (Private) Limited (Group Company)		
Issue of 17,153 (2020: Nil) units	8,678,342	-
Redemption of 1,066,275 (2020: Nil) units	541,183,647	-
Dividend declared	8,161,418	10,396,679
Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)		
Issue of Nil (2020: 9,087,018) units	-	4,602,072,851
Redemption of 5,196,881 (2020: 9,087,018) units	2,643,000,000	-
Dividend declared	-	45,158,375
Shirazi Investment (Private) Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
Issue of Nil (2020: 413) units	-	208,769
Redemption of Nil (2020: 10,667 units)	-	5,401,157
Dividend declared	-	208,769
Atlas Die Casting (Private) Limited (Group Company)		
Issue of 1 (2020: 1) unit	412	326
Dividend declared	429	384
Atlas Autos (Private) Limited (Group Company)		
Issue of 14,447 (2020: Nil) unit	7,310,385	-
Dividend declared	8,600,329	-
Honda Atlas Cars Pak (Ltd.) - (Employee Provident Fund)		
Issue of 3,106 (2020: Nil) units	1,571,883	-
Dividend declared	1,571,883	-
Honda Atlas Cars (Pakistan) Ltd.- (Employee Gratuity Fund)		
Issue of 2,133 (2020: Nil) units	1,079,555	-
Dividend declared	1,079,555	-
Directors and their close family members and key management personnel of the Management Company		
Issue of 62,564 (2020: 54,121) units	31,734,903	27,395,635
Redemption of 104,375 (2020: 161,337) units	53,015,821	81,663,408
Dividend declared	13,997,528	5,254,005

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	30 September 2021 Un-audited	30 June 2021 Audited
	----- Rupees -----	
13.2 Investments / outstanding balances as at period end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	2,009,468	4,913,531
Sindh Sales Tax payable on Remuneration of the Management Company	3,381,394	3,758,922
Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
Accounting and operational charges payable	-	1,277,724
Outstanding Nil (30 June 2021: 277,956) units - at net asset value	-	140,611,520
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	1,306,472	1,277,526
Sindh Sales Tax payable on Remuneration of the trustee	169,841	166,077
Atlas Foundation (Group Company)		
Outstanding 120,149 (30 June 2021: 187,943) units - at net asset value	60,908,154	95,076,605
Atlas Honda Limited (Group Company)		
Outstanding 11,695,014 (30 June 2021: 11,492,146) units - at net asset value	5,928,652,855	5,813,611,193
Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 98,855 (30 June 2021: 106,509) units - at net asset value	50,113,405	53,880,443
Shirazi Investments (Private) Limited (Group Company)		
Outstanding Nil (30 June 2021: 1,049,122) units - at net asset value	-	530,726,585
Atlas Engineering Limited (Group Company)		
Outstanding 767,785 (30 June 2021: Nil) units - at net asset value	389,219,797	-
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 806 (30 June 2021: 117,461) units - at net asset value	408,592	137,039,523
Atlas Autos (Private) Limited (Group Company)		
Outstanding 832,832 (30 June 2021: Nil) units - at net asset value	422,194,544	-
Atlas Die Casting (Private) Limited (Group Company)		
Outstanding 57 (30 June 2021: 56) units - at net asset value	28,895	28,329
Atlas Metals (Private) Limited		
Outstanding 72,487 (30 June 2021: 152,948) units - at net asset value	36,746,451	77,372,860
Honda Atlas Cars Pak (Ltd.) - (Employee Provident Fund)		
Outstanding 152,535 (30 June 2021: 149,428) units - at net asset value	77,325,864	75,592,173
Honda Atlas Cars (Pakistan) Ltd.- (Employee Gratuity Fund)		
Outstanding 104,759 (30 June 2021: 102,626) units - at net asset value	53,106,370	51,916,133
Atlas Fund of Funds (Fund under common management)		
Outstanding 45,785 (30 June 2021: nil) units - at net asset value	23,210,179	-

Atlas Money Market Fund

		30 September 2021 Un-audited	30 June 2021 Audited
	Note	Rupees -----	
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)			
Outstanding 16,435 (30 June 2021: 16,101) units - at net asset value		8,331,534	8,145,124
Batools Benefit Trust (Trust having common Director / Trustee)			
Outstanding 105,152 (30 June 2021: 113,073) units - at net asset value		53,305,597	57,201,019
Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)	13.3		
Outstanding 10,888,357 (30 June 2021: 11,146,688) units - at net asset value		5,519,727,365	5,638,851,971
Pakistan Petroleum Limited (Unit Holder with more than 10% holding)	13.3		
Outstanding 4,826,729 (30 June 2021: Nil) units - at net asset value		2,446,854,687	-
Directors and their close family members and key management personnel of the Management Company			
Outstanding 1,282,679 (30 June 2021: 1,324,489) units - at net asset value		650,239,334	670,028,547

13.3 Holding being less than 10% in reporting period, disclosure is not applicable.

13.4 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

14 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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As at 30 September 2021, the Fund has investments 'at fair value through profit and loss' measured using level 2 valuation technique. Particulars regarding their cost and market value are given note 5.1.

15 GENERAL

Figures have been rounded off to the nearest Rupee.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 October 2021.

**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

Atlas Sovereign Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
The First Microfinance Bank Limited
Zarai Taraqati Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2021

		30 September 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
Assets			
Bank balances	4	1,049,872,415	1,054,508,016
Investments	5	1,577,570,036	1,187,198,151
Mark-up receivable		16,634,382	19,723,378
Other receivables		3,120,088	3,197,602
Total assets		2,647,196,921	2,264,627,147
Liabilities			
Payable against purchase of investment		497,624,106	-
Payable to Atlas Asset Management Limited - Management Company	6	2,219,800	2,767,104
Payable to the Central Depository Company of Pakistan Limited - Trustee		141,166	135,046
Payable to the Securities and Exchange Commission of Pakistan		119,047	431,255
Payable against redemption of units		-	1,611,019
Accrued expenses and other liabilities	7	1,882,537	34,369,690
Total liabilities		501,986,656	39,314,114
NET ASSETS		2,145,210,265	2,225,313,033
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,145,210,265	2,225,313,033
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		20,800,553	22,006,687
NET ASSET VALUE PER UNIT		103.1324	101.1199

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

Atlas Sovereign Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
Income			
Interest income	10	48,179,605	41,811,886
Capital gain/ (loss) on sale of investments - net		1,517,675	(2,482,306)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(9,152,359)	(10,369,240)
		(7,634,684)	(12,851,546)
Total income		40,544,921	28,960,340
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	2,390,217	3,796,742
Sindh Sales Tax on remuneration of management company	6.2	310,728	493,576
Remuneration of Central Depository Company of Pakistan Limited - Trustee		388,410	350,549
Sindh Sales Tax on remuneration of Trustee		50,496	45,571
Annual fees to the Securities & Exchange Commission of Pakistan		119,511	107,856
Accounting and operational charges	9	793,754	916,828
Annual rating fee		101,486	65,429
Annual listing fee		6,932	6,465
Auditors' remuneration		92,010	92,010
Legal and professional charges		32,400	30,780
Bank charges		3,007	55,984
Provision for Sindh Workers' Welfare Fund	7.1	(12,565,416)	459,971
Total expenses		(8,276,465)	6,421,761
Net income for the period before taxation		48,821,386	22,538,579
Taxation	12	-	-
Net income for the period after taxation		48,821,386	22,538,579
Earning per unit	13		
Allocation of net income for the year:			
- Net income for the period after taxation		48,821,386	22,538,579
- Income already paid on units redeemed		(7,505,300)	(2,182,926)
		41,316,086	20,355,653
Accounting income available for distribution			
- Relating to capital gains		1,517,675	-
- Excluding capital gains		39,798,411	20,355,653
		41,316,086	20,355,653

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	2021	2020
	----- Rupees -----	
Net income for the period after taxation	48,821,386	22,538,579
Other comprehensive income	-	-
Total comprehensive income for the period	<u>48,821,386</u>	<u>22,538,579</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

Atlas Sovereign Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,212,324,575	-	2,212,324,575
Undistributed income brought forward			
- Realised income	-	-	-
- Unrealised loss	-	12,988,458	12,988,458
Net assets at the beginning of the period (Units outstanding: 22,006,687) (Rs. 101.1199 per unit)	2,212,324,575	12,988,458	2,225,313,033
Issue of 2,796,532 units	284,916,983	-	284,916,983
Redemption of 4,002,666 units	(406,335,837)	(7,505,300)	(413,841,137)
Total comprehensive income for the period	-	48,821,386	48,821,386
Net assets at the end of the period (Units outstanding: 20,800,553) (Rs. 103.1324 per unit)	2,090,905,721	54,304,544	2,145,210,265
Undistributed income carried forward			
- Realised income	-	65,285,810	-
- Unrealised loss	-	(10,981,266)	-
	-	54,304,544	-
	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,073,891,942	-	2,073,891,942
Undistributed income brought forward			
- Realised income	-	-	-
- Unrealised income	-	9,579,631	9,579,631
Net assets at the beginning of the period (Units outstanding: 20,635,634) (Rs. 100.9600 per unit)	2,073,891,942	9,579,631	2,083,471,573
Issue of 1,830,301 units	185,781,183	-	185,781,183
Redemption of 3,182,787 units	(321,729,255)	(2,182,926)	(323,912,181)
Total comprehensive income for the period	-	22,538,579	22,538,579
Net assets at end of the period (Units outstanding: 19,283,148) (Rs. 102.0518 per unit)	1,937,943,870	29,935,284	1,967,879,154
Undistributed income carried forward			
- Realised income	-	(3,074,913)	-
- Unrealised income	-	33,010,197	-
	-	29,935,284	-

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	2021	2020
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	48,821,386	22,538,579
Adjustments for:		
Interest income	(48,179,605)	(22,198,744)
Capital (gain) / loss on sale of investments - net	(1,517,675)	2,482,306
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	9,152,359	10,369,240
Provision for Sindh Workers' Welfare Fund	-	459,971
	(40,544,921)	(8,887,227)
Decrease / (Increase) in assets		
Other receivables	77,514	(6,651)
Receivable against sale of units	-	(3,000,000)
	77,514	(3,006,651)
Increase/ (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(547,304)	(1,148,210)
Payable to the Central Depository Company of Pakistan Limited - Trustee	6,120	(11,644)
Payable to the Securities and Exchange Commission of Pakistan	(312,208)	(387,336)
Payable against redemption of units	-	31,642
Payable against purchase of investment	497,624,106	-
Accrued expenses and other liabilities	(27,718,967)	(84,429,408)
	469,051,747	(85,944,956)
	477,405,726	(75,300,255)
Interest received	51,268,601	3,817,259
Investments made during the period	(3,603,904,060)	(963,110,281)
Investments sold / matured during the period	3,205,897,491	1,417,649,929
Net cash generated from operating activities	130,667,758	383,056,652
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	284,916,983	185,781,183
Net Payment against redemption of units	(415,452,156)	(323,912,181)
Cash payout against distribution	(4,768,186)	-
Net cash used in financing activities	(135,303,359)	(138,130,998)
Net (decrease) /increase in cash and cash equivalents	(4,635,601)	244,925,654
Cash and cash equivalents at the beginning of the period	1,054,508,016	301,477,720
Cash and cash equivalents at the end of the period	1,049,872,415	546,403,374

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

Atlas Sovereign Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated 23 May 2017 and 3 September 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eight, Nine and Tenth Supplements dated 24 March 2015, 3 August 2015, 23 June 2016, 13 October 2016, 2 June 2017, 18 April 2018, 20 August 2018, 2 October 2019, 30 October 2019 and 1 April 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on Pakistan Stock Exchange. The units of the Fund are being offered for public subscription on a continuous basis from 01 December 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two plus) [2020: AM2+ (AM Two plus)] on 24 December 2020.

Moreover, PACRA has maintain the stability rating of the Fund at "AA- (f)" [2020: "AA (f)"] on 15 October 2021 subsequently to the balance sheet date.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the year, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial

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statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2021.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2021.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2021 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2021, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended 30 September 2020.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended 30 June 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2021.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2021.

		30 September 2021	30 June 2021
		Un-audited	Audited
	Note	----- Rupees -----	----- Rupees -----
4 BANK BALANCES			
Balances with banks in:			
- Saving accounts	4.1	1,049,872,415	1,054,508,016
		<u>1,049,872,415</u>	<u>1,054,508,016</u>

- 4.1 The rate of return on these accounts ranges between 5.50% to 8.25% (30 June 2021: 3.00% to 7.65%) per annum.

		30 September 2021	30 June 2021
		Un-audited	Audited
	Note	----- Rupees -----	----- Rupees -----
5 INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities			
- Market Treasury Bills	5.1	246,136,500	-
- Pakistan Investment Bonds	5.2	1,208,892,944	1,162,799,909
- Sukuk Certificates - Unlisted	5.3	40,000,000	-
- Commercial paper	5.4	82,540,592	24,398,242
		<u>1,577,570,036</u>	<u>1,187,198,151</u>

Atlas Sovereign Fund

5.1 Market Treasury Bills

Treasury bills	As at 01 July 2021	Purchased during the period	Sold / matured during the period	As at 30 September 2021	Carrying value as at 30 September 2021	Market Value as at 30 September 2021	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
	Face value (Rupees)				Rupees		Percentage	
3 Months - T-bills	-	1,266,000,000	1,016,000,000	250,000,000	246,170,883	246,136,500	15.60	11.47
6 Months - T-bills	-	1,780,000,000	1,780,000,000	-	-	-	-	-
12 Months - T-bills	-	107,000,000	107,000,000	-	-	-	-	-
30 September 2021	-	3,153,000,000	2,903,000,000	250,000,000	246,170,883	246,136,500	15.60	11.47
30 June 2021					-	-	-	-

5.1.1 The cost of investments as on 30 September 2021 is Rs. 246,120,500.00 (30 June 2021: Nil).

5.1.2 These Market Treasury Bills carry purchase yields ranging from 7.07% to 7.64% (30 June 2021: Nil) per annum and will mature on February 2022 (30 June 2021: Nil).

5.2 Pakistan Investment Bonds

PIBs	As at 01 July 2021	Purchased during the period	Sold / matured during the period	As at 30 September 2021	Carrying value as at 30 September 2021	Market Value as at 30 September 2021	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
	Face value (Rupees)				Rupees		Percentage	
3 Years PIB	370,500,000	395,500,000	341,000,000	425,000,000	425,967,750	426,058,531	27.01	19.86
5 Years PIB	672,500,000	-	-	672,500,000	672,571,931	664,366,034	42.11	30.97
10 Years PIB	125,000,000	-	-	125,000,000	119,471,235	118,468,379	7.51	5.52
30 September 2021	1,168,000,000	395,500,000	341,000,000	1,222,500,000	1,218,010,916	1,208,892,944	76.63	56.35
30 June 2021					520,932,679	580,650,651	31.09	

5.2.1 The cost of investments as on 30 September 2021 is Rs. 1,219,890,210 (30 June 2021: Rs. 1,154,340,064).

5.2.2 These Pakistan Investment Bonds carry purchase yields ranging from 8.12% to 9.78% (30 June 2021: 8.12% to 9.78%) per annum and will mature between June 18, 2023 and December 10, 2030 (30 June 2021: September 19, 2022 and December 10, 2030).

5.3 Sukuk Certificates

Name of Investee Company	As at 01 July 2021	Purchased during the period	Sold / matured during the period	As at 30 September 2021	Carrying value as at 30 September 2021	Market Value as at 30 September 2021	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
	Face value (Rupees)				Rupees		Percentage	
OBS AGP (PRIVATE) LIMITED - SUKUK	-	40,000,000	-	40,000,000	40,000,000	40,000,000	2.54	1.86
30 September 2021	-	40,000,000	-	40,000,000	40,000,000	40,000,000	2.54	1.86
30 June 2021					-	-	-	-

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5.4 Commercial Paper

Name of the security	As at 01 July 2021	Purchased during the period	Sold / matured during the period	As at 30 September 2021	Carrying value as at 30 September 2021	Market Value as at 30 September 2021	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
	----- Face value (Rupees) -----				----- Rupees -----		----- Percentage -----	
K-Electric Limited	25,000,000	-	-	25,000,000	24,901,531	24,901,531	1.58	1.16
Mughal Iron & Steel Industries Limited	-	62,000,000	-	62,000,000	57,639,061	57,639,061	3.65	2.69
30 September 2021	<u>25,000,000</u>	<u>62,000,000</u>	<u>-</u>	<u>87,000,000</u>	<u>82,540,592</u>	<u>82,540,592</u>	<u>5.23</u>	<u>3.85</u>
30 June 2021					<u>24,398,242</u>	<u>24,398,242</u>	<u>2.06</u>	<u>1.10</u>

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)

	Note	Un-audited Rupees	Audited Rupees
Remuneration of the Management Company	6.1	768,422	1,248,121
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	238,727	297,284
Federal Excise Duty payable on Remuneration of the Management Company	6.3	905,341	905,341
Accounting and operational charges payable	9	307,310	316,358
		<u>2,219,800</u>	<u>2,767,104</u>

- 6.1 The management company has charged remuneration at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.60% of average daily net asset and maximum fee of 1.00% of average annual net assets. The amount of the remuneration is being paid on monthly basis in arrears.
- 6.2 During the period, an amount of Rs. 310,728 (2020: Rs. 493,576) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs. 369,285 (2020: Rs. 622,566) has been paid to the Management Company which acts as a collecting agent.
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company was of the view that further levy of FED was not justified.
- 6.4 On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 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 Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.905 million (30 June 2021: Rs 0.905 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2021 would have been higher by Re. 0.04 per unit (30 June 2021: Re. 0.04 per unit).

Atlas Sovereign Fund

		30 September 2021	30 June 2021
		Un-audited	Audited
7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- Rupees -----	-----
Auditors' remuneration payable		351,750	259,740
Printing charges payable		-	2,071
Transaction charges payable		1,204	1,204
Fund rating fee payable		83,737	-
Withholding tax payable		158,526	16,760,259
Capital Gain Tax payable		1,276,326	1,830
Dividend payable		-	4,768,186
Provision for Sindh Workers' Welfare Fund	7.1	-	12,565,416
Other payable		10,994	10,984
		1,882,537	34,369,690

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2021 and 30 June 2021.

9 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

The Management Company has charged expenses at the rate of 0.12% from July 01, 2021 to September 14, 2021 and 0.2% from September 15, 2021 to September 30, 2021 (2020: 0.17%) of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

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10 INTEREST INCOME

PLS savings and term deposit accounts	
Government securities - Market Treasury Bills	
Government securities - Pakistan Investment Bonds	
Sukuk certificates	
Commercial papers	

For the Quarter Ended 30 September	
2021	2020
Un-audited	Un-audited
----- Rupees -----	
9,721,504	3,582,303
12,458,452	18,616,441
23,740,906	19,613,142
768,460	-
1,490,283	-
48,179,605	41,811,886

11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2021 is 0.72% (30 June 2021: 1.17%) which includes 0.08% (30 June 2021: 0.21%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13 EARNING PER UNIT

Earning per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

14.1 Transactions for the period:

Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	
Remuneration paid	
Sindh Sales tax on Remuneration of Management Company	
Accounting and operation charges	

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of Trustee	
Remuneration paid	
Sindh Sales tax on Remuneration of the trustee	

For the Quarter Ended 30 September	
2021	2020
Un-audited	Un-audited
----- Rupees -----	
2,390,217	3,796,742
2,869,916	4,788,996
310,728	493,576
793,754	916,828
388,410	350,549
386,930	360,852
50,496	45,571

Atlas Sovereign Fund

For the Quarter Ended
30 September

2021	2020
Un-audited	Un-audited
----- Rupees -----	

Atlas Foundation (Group Company)

Issue of Nil (2020: 108,423) units

- 11,000,000

Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)

Issue of 242,407 (2020: 187,565) units

25,000,000 19,000,000

Redemption of 160,340 (2020: 343,763) units

16,500,000 35,000,000

Atlas Insurance Limited (Group Company)

Issue of Nil (2020: 986,539) units

- 100,000,000

Redemption of Nil (2020: 1,813,662) units

- 184,784,214

Atlas Honda Limited (Group Company)

Issue of Nil (2020: 49,072) units

- 5,005,257

Atlas Metals (Private) Limited

Issue of Nil (2020: 147,471) units

- 15,000,000

Redemption of 272,645 (2020: Nil) units

28,200,000 -

Batools Benefit Trust (Trust having common Director / Trustee)

Issue of Nil (2020: 181,492) units

- 18,500,000

Shirazi Investments (Private) Limited (Group Company)

Issue of Nil (2020: 50,535) units

- 5,154,393

Redemption of 966,883 (2020: 272,645) units

100,000,000 -

Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)

Issue of Nil (2020: 13,400) units

- 1,360,000

Redemption of Nil (2020: 9,491) units

- 962,020

Directors and their close family members and key management Personnel and executive of the Management Company

Issue of 34,311 (2020: 11,362) units

3,505,841 1,158,869

Redemption of 26,686 units (2020: Nil) units

2,750,049 -

30 September
2021

30 June
2021

Un-audited	Audited
----- Rupees -----	

14.2 Investments / outstanding balances as at period / year end

Atlas Asset Management Limited (Management Company)

Remuneration payable to the Management Company

768,422 1,248,121

Sindh Sales Tax payable on Remuneration of the Management Company

238,727 297,284

Federal Excise Duty payable on Remuneration of the Management Company

905,341 905,341

Accounting and operation charges payable

307,310 316,358

Central Depository Company of Pakistan Limited (Trustee)

Remuneration payable to the Trustee

124,923 119,509

Sindh Sales Tax payable on remuneration of the trustee

16,243 15,537

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	30 September 2021 Un-audited ----- Rupees -----	30 June 2021 Audited -----
14.2 Investments / outstanding balances as at period / year end (Cont....)		
Atlas Honda Limited (Group Company)		
Outstanding 10,751,988 (30 June 2021: 10,751,988) units - at net asset value	1,108,878,362	1,087,239,951
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 1,993,012 (30 June 2021: 2,959,895) units - at net asset value	205,544,093	299,304,286
Batool Benefit Trust		
Outstanding 190,986 (30 June 2021: 190,986) units - at net asset value	19,696,849	19,312,485
Atlas Foundation (Group Company)		
Outstanding 937,186 (30 June 2021: 937,187) units - at net asset value	96,654,241	94,768,256
Atlas Metals (Private) Limited		
Outstanding 236,397 (30 June 2021: 509,042) units - at net asset value	24,380,196	51,474,276
Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
Outstanding 585,755 (30 June 2021: 585,755) units - at net asset value	60,410,304	59,231,487
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Outstanding 979,641 (30 June 2021: 897,575) units - at net asset value	101,032,731	90,762,694
Honda Atlas Cars (Pakistan) Ltd.- Emp. Gratuity. Fund		
Outstanding 1,988,000 (30 June 2021: 1,988,000) units - at net asset value	205,027,211	201,026,361
Directors and their close family members and key management Personnel and executive of the Management Company		
Outstanding 776,662 (30 June 2021: 814,723) units - at net asset value	80,099,039	82,384,708

14.3 Holding being less than 10% in comparative period, disclosure is not applicable.

14.4 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of government securities is determined by reference to the quotation obtained from the brokers on the Reuters page. The fair values of financial assets and liabilities of the Fund, other than government securities, approximate their carrying amount due to short-term maturities of these instruments.

Atlas Sovereign Fund

Fair value hierarchy

The Fund uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 September 2021, the Fund has investments at 'at fair value through profit or loss' measured using level 2 valuation technique. The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

16 GENERAL

16.1 Figures have been rounded off to the nearest Rupee.

16.2 Units have been rounded off to the nearest decimal place.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 October 2021.

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

Atlas Income Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
The First Microfinance Bank Limited
Zarai Taraqjati Bank Limited

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 SEPTEMBER 2021

		30 September 2021	30 June 2021
		Un-audited	Audited
	Note	-----Rupees-----	
ASSETS			
Cash and Bank balances	4	3,248,476,537	2,146,464,962
Investments	5	2,674,750,454	2,383,532,812
Receivable against Margin Trading System		232,721,481	527,223,489
Interest accrued		28,144,962	45,277,174
Deposits, prepayment and other receivables		42,122,314	56,721,155
Total assets		6,226,215,748	5,159,219,592
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	30,240,188	32,526,165
Payable to the Central Depository Company of Pakistan Limited - Trustee		365,662	353,377
Payable to the Securities and Exchange Commission of Pakistan		265,684	853,312
Payable against purchase of investment		696,673,749	18,957,296
Payable against redemption of units		23,328,990	1,374,017
Dividend Payable		-	32,852,713
Accrued expenses and other liabilities	7	5,919,023	83,871,854
Total liabilities		756,793,296	170,788,734
NET ASSETS		5,469,422,452	4,988,430,858
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		5,469,422,452	4,988,430,858
CONTINGENCIES AND COMMITMENTS			
NUMBER OF UNITS IN ISSUE	8	10,194,394	9,546,130
NET ASSET VALUE PER UNIT		536.5128	522.56

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Note	2021 -----Rupees-----	2020
INCOME			
Interest income	10	105,488,923	104,155,526
Capital gain on sale / maturity of investments - net		8,550,886	2,371,078
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(4,577,302)	(11,302,643)
		3,973,584	(8,931,565)
Total income		109,462,507	95,223,961
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	6,642,732	9,274,339
Sindh Sales Tax on remuneration of the Management Company	6.2	863,555	1,205,664
Remuneration of Central Depository Company of Pakistan Limited - Trustee		996,410	695,575
Sindh Sales Tax on Remuneration of the trustee		129,533	90,425
Annual fees to the Securities and Exchange Commission of Pakistan		265,709	185,487
Accounting and operational charges	9	1,773,279	1,576,637
Auditors' remuneration		184,247	184,238
Annual rating fee		131,836	109,819
Annual listing fee		6,931	6,931
Securities transaction cost		1,350,979	591,444
Legal and professional charges		200,367	50,760
Bank charges		7,738	10,054
(Reversal) / Provision for Sindh Workers' Welfare Fund	7.1	(44,635,858)	1,624,852
Total expenses		(32,082,542)	15,606,225
Net income for the period before taxation		141,545,049	79,617,736
Taxation	12	-	-
Net income for the period after taxation		141,545,049	79,617,736
Earning per unit	13		
Allocation of net income for the period:			
- Net income for the period after taxation		141,545,049	79,617,736
- Income already paid on units redeemed		(14,474,945)	(2,210,258)
		127,070,104	77,407,478
Accounting income available for distribution:			
- Relating to capital gains		8,550,886	-
- Excluding capital gains		118,519,218	77,407,478
		127,070,104	77,407,478

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	2021	2020
	-----Rupees-----	
Net income for the period after taxation	141,545,049	79,617,736
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>141,545,049</u>	<u>79,617,736</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,773,825,599	-	4,773,825,599
Undistributed income brought forward			
- Realised income	-	185,109,189	185,109,189
- Unrealised gain	-	29,496,070	29,496,070
Net assets at the beginning of the period (Units outstanding: 9,546,130) (Rs. 522.56 per unit)	4,773,825,599	214,605,259	4,988,430,858
Issue of 2,411,428 units	1,280,398,624	-	1,280,398,624
Redemption of 1,763,164 units	(926,477,134)	(14,474,945)	(940,952,079)
Total comprehensive income for the period	-	141,545,049	141,545,049
Net assets at the end of the period (Units outstanding: 10,194,394) (Rs. 536.5128 per unit)	5,127,747,089	341,675,363	5,469,422,452
Undistributed income carried forward			
- Realised income	-	361,405,167	-
- Unrealised loss	-	(19,729,804)	-
	-	341,675,363	-
	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	3,527,040,520	-	3,527,040,520
Undistributed income brought forward			
- Realised income	-	104,252,481	104,252,481
- Unrealised gain	-	84,161,043	84,161,043
Net assets at the beginning of the period (Units outstanding: 7,151,571) (Rs. 519.53 per unit)	3,527,040,520	188,413,524	3,715,454,043
Issue of 2,583,261 units	1,356,562,258	-	1,356,562,258
Redemption of 2,495,083 units	(1,303,451,772)	(2,210,258)	(1,305,662,030)
Total comprehensive income for the period	-	79,617,736	79,617,736
Net assets at end of the period (Units outstanding: 7,239,749) (Rs. 531.2300 per unit)	3,580,151,006	265,821,002	3,845,972,007
Undistributed income carried forward			
- Realised income	-	280,201,020	-
- Unrealised loss	-	(14,380,018)	-
	-	265,821,002	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	2021	2020
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	141,545,049	79,617,736
Adjustments for:		
Interest income	(105,488,923)	(104,155,526)
Capital gain on sale / maturity of investments - net	(8,550,886)	(2,371,078)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	4,577,302	11,302,643
(Reversal) / Provision for Sindh Workers' Welfare Fund	(44,635,858)	1,624,852
	(154,098,365)	(93,599,109)
Decrease / (increase) in assets		
Receivable against Margin Trading System	294,502,008	(602,946,110)
Deposits, prepayment and other receivables	14,598,841	101,582
	309,100,849	(602,844,528)
Increase / (Decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(2,285,977)	(11,611)
Payable to the Central Depository Company of Pakistan Limited - Trustee	12,285	1,809
Payable to the Securities and Exchange Commission of Pakistan	(587,628)	(480,302)
Payable against purchase of investment	677,716,453	-
Dividend Payable	(32,852,713)	(291,511,586)
Accrued expenses and other liabilities	(33,316,973)	(61,066,057)
	608,685,447	(353,067,747)
	905,232,980	(969,893,648)
Interest received	122,621,135	94,230,277
Investments made during the period	(4,245,518,623)	(2,446,170,078)
Investment sold / redeemed / matured during the period	3,958,274,565	2,594,389,536
Net cash generated from / (used in) operating activities	740,610,057	(727,443,913)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	1,280,398,624	1,356,562,258
Net payments against redemption of units	(918,997,106)	(1,305,776,668)
Net cash generated from financing activities	361,401,518	50,785,590
Net increase / (decrease) in cash and cash equivalents	1,102,011,575	(676,658,323)
Cash and cash equivalents at the beginning of the period	2,146,464,962	1,318,246,149
Cash and cash equivalents at the end of the period	4 <u><u>3,248,476,537</u></u>	<u><u>641,587,826</u></u>

The annexed notes from 1 to 17 form an integral part of these condensed interim 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

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth and Fourteenth Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016, 29 September 2016, 02 June 2017, 02 October 2019, 30 October 2019 and 01 April 2020 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2020.

Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2020: "AA- (f)" (Double A minus)] on 15 October 2021 subsequently to the balance sheet date.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim

Atlas Income Fund

financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2021.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2021 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2021, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2020.

3 ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2021.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2021.

		30 September 2021 Un-audited	30 June 2021 Audited
	Note	-----Rupees-----	
4 CASH AND BANK BALANCES			
Balances with banks in:			
- Savings accounts	4.1	3,248,471,537	2,145,467,153
- Current account		5,000	5,000
Cheques in hand	4.2	-	992,808
		<u>3,248,476,537</u>	<u>2,146,464,962</u>
4.1	The rate of return on these accounts ranges between 5.50% and 8.72% (30 June 2021: 5.5% to 7.95%) per annum.		
4.2	This denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently Nil (30 June 2021: 28 July 2021).		

		30 September 2021 Un-audited	30 June 2021 Audited
	Note	-----Rupees-----	
5 INVESTMENTS			
At fair value through profit or loss			
Term finance certificates - listed	5.1 & 5.6	37,199,067	37,058,292
Term finance certificates - unlisted	5.2 & 5.6	303,983,825	298,812,248
Sukuk certificates	5.3 & 5.6	158,643,214	201,665,984
Government Securities - Market Treasury Bills	5.4	638,179,500	396,979,395
Government Securities - Pakistan Investment Bonds	5.5	1,183,195,896	1,277,512,883
Islamic Commercial Paper	5.7	227,897,725	24,398,246
Investment in ordinary shares	5.8	120,327,960	143,201,863
Investment in Future Contracts		5,323,267	3,903,900
		<u>2,674,750,454</u>	<u>2,383,532,812</u>

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5.1 Term finance certificates - listed

(Certificates having a face value of Rs. 5,000 each unless stated otherwise)

Name of investee company	As at 01 July 2021	Purchased during the period	Disposed during the period	As at 30 September 2021	Carrying Value as at 30 September 2021	Market value as at 30 September 2021	Market Value as a Percentage of			
							Total Investments	Net Assets	Total Issue Size	
----- Number of Certificates -----							----- Rupees -----		----- % age -----	
BANKS										
Soneri Bank Limited		7,428	-	-	7,428	37,050,864	37,199,067	1.39	0.68	1.24
TELECOMMUNICATION										
Telecard Limited	5.6.1	4,000	-	-	4,000	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited	5.6.1	5,000	-	-	5,000	-	-	-	-	-
Total - 30 September 2021						37,050,864	37,199,067	1.39	0.68	
Total - 30 June 2021						36,825,928	37,058,292	1.55	0.74	

5.2 Term finance certificates - Unlisted

(Certificates having a face value of Rs. 5,000 each unless stated otherwise)

Name of investee company	As at 01 July 2021	Purchased during the period	Disposed during the period	As at 30 September 2021	Carrying Value as at 30 September 2021	Market value as at 30 September 2021	Market Value as a Percentage of			
							Total Investments	Net Assets	Total Issue Size	
----- Number of Certificates -----							----- Rupees -----		----- % age -----	
BANKS										
The Bank of Punjab Limited (Face Value of Rs. 100,000 per certificate)		527	-	-	527	53,131,191	53,657,243	2.01	0.98	2.11
Askari Bank Limited - VII (Face Value of Rs. 1000,000 per certificate)		150	-	-	150	150,671,100	153,460,779	5.74	2.81	2.50
Samba Bank Limited TFC (Face Value of Rs. 100,000 per certificate)		150	-	-	150	94,981,000	96,865,803	3.62	1.77	0.30
CHEMICALS										
Agritech Limited- I	5.6.1	2,000	-	-	2,000	-	-	-	-	-
Agritech Limited - II	5.6.1	8,000	-	-	8,000	-	-	-	-	-
Agritech Limited- IV	5.6.1	2,203	-	-	2,203	-	-	-	-	-
		12,203	-	-	12,203	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited-V	5.6.1	1,075	-	-	1,075	-	-	-	-	-
Total - 30 September 2021						298,783,291	303,983,825	11.36	5.56	
Total - 30 June 2021						295,049,779	298,812,248	12.54	5.99	

Atlas Income Fund

5.3 Sukuk certificates

Name of investee company	As at 01 July 2021	Purchased during the period	Disposed during the period	As at 30 September 2021	Carrying Value as at 30 September 2021	Market value as at 30 September 2021	Market Value as a Percentage of		
							Total Investments	Net Assets	Total Issue Size
----- Number of Certificates -----				----- Rupees -----		----- % age -----			
CHEMICALS									
Agritech Limited	4,060	-	-	4,060	-	-	-	-	-
BANKS									
Meezan Bank Limited Tier - II - Unlisted (face value of Rs. 1,000,000 per certificate)	47	-	-	47	48,674,234	48,643,214	1.82	0.89	0.67
PHARMACEUTICALS									
OBS-AGP Sukuk	-	1,100	-	1,100	110,000,000	110,000,000	4.11	2.01	-
POWER GENERATION AND DISTRIBUTION									
The Hub Power Company Limited - Listed (face value of Rs. 100,000 per certificate)	1,500	-	1,500	-	-	-	-	-	-
Total - 30 September 2021					158,674,234	158,643,214	5.93	2.90	
Total - 30 June 2021					201,392,200	201,665,984	8.46	4.04	

5.4 Government Securities - Market Treasury Bills

Tenor	As at 01 July 2021	Purchased during the period	Disposed / Matured during the period	As at 30 September 2021	Carrying Value as at 30 September 2021	Market Value as at 30 September 2021	Market value as a percentage of	
							Total Investments	Net Assets
----- Face value (Rupees) -----				----- Rupees -----		----- % age -----		
3 months - T- Bills	400,000,000	1,837,000,000	1,887,000,000	350,000,000	344,639,236	344,591,100	12.88	6.30
6 months - T- Bills	-	1,215,000,000	915,000,000	300,000,000	293,803,712	293,588,400	10.98	5.37
12 months - T- Bills	-	355,000,000	355,000,000	-	-	-	-	-
Total - 30 September 2021	400,000,000	3,407,000,000	3,157,000,000	650,000,000	638,442,948	638,179,500	23.86	11.67
Total - 30 June 2021					396,954,566	396,979,395	16.66	7.96

5.4.1 Market treasury bills carry purchase yield of 7.52% to 7.57% (30 June 2021: 7.33% to 7.34%) per annum and will mature between 16 December 2021 and 13 January 2022 (30 June 2021: 29 July 2021 and 12 August 2021). The cost of these investments as on 30 September 2021 is Rs. 633,725,200 (30 June 2021: Rs. 393,356,100).

5.5 Government Securities - Pakistan Investment Bonds

Tenor	As at 01 July 2021	Purchased during the period	Disposed / Matured during the period	As at 30 September 2021	Carrying Value as at 30 September 2021	Market Value as at 30 September 2021	Market value as a percentage of	
							Total Investments	Net Assets
----- Face value (Rupees) -----				----- Rupees -----		----- % age -----		
3 Years	489,000,000	585,000,000	674,000,000	400,000,000	401,120,850	401,150,443	15.00	7.33
5 Years	640,000,000	-	-	640,000,000	628,494,290	620,611,222	23.20	11.35
10 Years	175,000,000	-	-	175,000,000	163,694,970	161,434,231	6.04	2.95
Total - 30 September 2021	1,304,000,000	585,000,000	674,000,000	1,215,000,000	1,193,310,110	1,183,195,896	44.24	21.63
Total - 30 June 2021					1,282,786,465	1,277,512,883	53.60	25.61

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5.5.1 Pakistan Investment Bonds carry purchase yield of 8.12% to 9.78% (30 June 2021: 7.83% to 9.78%) per annum and will mature between 19 Sep 2022 and 10 December 2030 (30 June 2021: 10 December 2030). The cost of these investments is Rs. 1,193,770,630 (2021: Rs. 1,259,749,272).

5.6 Particulars of non-compliant investments

5.6.1 The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated 07 July 2010, prescribed certain disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The following are the details of non-compliant investments:

Non-compliant investment	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
					Net assets	Gross assets
		----- Rupees -----			----- % age -----	
Listed						
Telecard Limited	Term finance certificate	4,668,990	4,668,990	-	-	-
Azgard Nine Limited	Term finance certificate	7,979,735	7,979,735	-	-	-
		12,648,725	12,648,725	-	-	-
Unlisted						
Agritech Limited - I	Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited - II	Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited - IV	Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited - V	Term finance certificate	5,375,000	5,375,000	-	-	-
		53,860,000	53,860,000	-	-	-
Unlisted						
Agritech Limited	Sukuk certificate	15,225,000	15,225,000	-	-	-
Total - 30 September 2021		81,733,725	81,733,725	-	-	-
Total - 30 June 2021		81,733,725	81,733,725	-	-	-

5.6.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs. 81.63 million (30 June 2021: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

5.7 Islamic commercial paper

Name of the Investee Company	As at 01 July 2021	Purchases during the period	Sold/ matured during the period	As at 30 September 2021	Carrying Value as at 30 September 2021	Market Value as at 30 June 2021	Market Value as a % of Total Investment	Market Value as a % of net assets of fund
----- No. of Certificates -----				----- Rupees -----		----- % age -----		
K-Electric - Islamic Commercial Paper	25	-	-	25	24,901,531	24,901,531	0.93	0.46
Mughal - Commercial Paper	-	63	-	63	58,577,172	58,577,172	2.19	1.07
K-Electric - Islamic Commercial Paper	-	150	-	150	144,419,022	144,419,022	5.40	2.64
30 September 2021	25	213	-	238	227,897,725	227,897,725	8.52	4.17
30 June 2021					24,398,246	24,398,246	13.12	23.81

Atlas Income Fund

5.7.1 The nominal value of these commercial papers in Rs. 1,000,000 per certificate with expected profit rate ranging from 8.03% to 9.57% (2021: 8.41%)

5.7.2 The securities are valued on the basis of amortization on its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non trade debt securities with residual maturity of up six months.

5.8 Listed equity securities

Name of Investee Company	As at 01 July 2021	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 September 2021	Carrying Cost	Market Value	Market Value as a Percentage of total investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
	----- Number of shares -----				----- Rupees -----		----- Percentage -----			
Cement										
D.G. Khan Cement Company Limited	332,500	787,500	-	1,120,000	-	-	-	-	-	-
Fauji Cement Company Limited	127,000	-	-	127,000	-	-	-	-	-	-
Lucky Cement Limited	-	29,000	-	29,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	1,427,000	3,466,000	-	4,128,000	765,000	26,672,959	26,928,000	1.01	0.49	0.07
	1,886,500	4,282,500	-	5,404,000	765,000	26,672,959	26,928,000	1.01	0.49	
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	-	5,000	-	5,000	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	117,000	-	-	117,000	-	-	-	-	-	-
	117,000	5,000	-	122,000	-	-	-	-	-	-
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	-	400,000	-	-	400,000	34,221,520	33,520,000	1.25	0.61	0.01
Pakistan Petroleum Limited	7,500	-	-	7,500	-	-	-	-	-	-
	7,500	400,000	-	7,500	400,000	34,221,520	33,520,000	1.25	0.61	
Engineering										
International Steels Limited	-	1,000,000	-	1,000,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Ltd	90,000	90,000	-	180,000	-	-	-	-	-	-
	90,000	1,090,000	-	1,180,000	-	-	-	-	-	-
Technology & Communications										
Pakistan Telecommunication Company Ltd.	200,000	-	-	200,000	-	-	-	-	-	-
	200,000	-	-	200,000	-	-	-	-	-	-
Fertilizer										
Engro Fertilizers Limited	100,000	-	-	100,000	-	-	-	-	-	-
	100,000	-	-	100,000	-	-	-	-	-	-
Chemicals										
Lotte Chemical Pakistan Limited	32,500	44,500	-	77,000	-	-	-	-	-	-
	32,500	44,500	-	77,000	-	-	-	-	-	-
Foods & Personal Care Products										
Unity Foods Limited	-	1,918,001	-	1	1,918,000	64,274,105	59,879,960	2.24	1.09	0.19
	-	1,918,001	-	1	1,918,000	64,274,105	59,879,960	2.24	1.09	0.19
Total as at 30 September 2021						125,168,584	120,327,960	4.50	2.19	
Total as at 30 June 2021						144,061,078	143,201,863	6.01	2.87	

5.9 The cost of listed equity securities as at 30 September 2021 is Rs. 145,195,291 (30 June 2021: 144,061,078).

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	Note	30 September	30 June
		2021	2021
		Un-audited	Audited
		-----Rupees-----	
6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	6.1	2,157,296	4,169,613
Sindh Sales Tax payable on remuneration of the Management Company	6.2	3,803,147	4,064,748
Federal Excise Duty payable on remuneration of the Management Company	6.3	23,582,971	23,582,971
Accounting and operational charges payable		696,774	708,833
		30,240,188	32,526,165

- 6.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Acheme within allowed expense ratio. The Management Company has charged management fee at the rate of 0.50% of the average annual net assets of the Fund. Previously, the management company charged management fee at the rate of 1%. The fee is payable to the Management Company monthly in arrears.
- 6.2** During the period, an amount of Rs. 863,555 (2020: Rs. 1,205,664) was charged on account of sales tax on remmuration of the Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,125,156 (2020: Rs. 1,206,825) has been paid to the Management Company which acts as a collecting agent.
- 6.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board (as explained in note 6.2 above) which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 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 Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23.583 million (30 June 2021: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2021 would have been higher by Rs. 2.31 per unit (30 June 2021: Rs. 2.47 per unit).

Atlas Income Fund

	30 September 2021	30 June 2021
	Un-audited	Audited
7 ACCRUED AND OTHER LIABILITIES	Note	Rupees
Auditors' remuneration payable	672,505	488,258
NCCPL charges payable	-	147,733
Printing charges payable	-	4,263
Transaction charges payable	3,277,524	3,631,447
Legal fee payable	168,370	400,000
Fund rating / ranking fee payable	131,820	-
Annual listing fee payable	6,931	-
Withholding tax payable	194,274	34,002,269
Capital gain tax Payable	1,041,608	220,353
Zakat payable	5,167	5,167
Other Payable	392,071	334,343
Dividend Payable	28,753	-
Provision for Sindh Workers' Welfare Fund	7.1	44,638,021
		5,919,023
		83,871,854

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

8 CONTINGENCIES AND COMMITMENTS

8.1 There were no contingencies and commitments outstanding as at 30 September 2021 and 30 June 2021.

9 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

The Management Company has charged expenses at the rate of 0.12% from July 01, 2021 to September 14, 2021 and 0.2% from September 15, 2021 to September 30, 2021 of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

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		For the Quarter Ended 30 September	
		2021	2020
		Un-audited	Un-audited
10 INTEREST INCOME	Note	----- Rupees -----	
Interest on:			
Saving and term deposits		34,285,621	10,339,436
Margin Trading System		11,677,895	27,927,050
Term finance certificates	10.1	7,427,524	18,406,070
Sukuk certificates		4,163,807	8,467,703
Islamic Commercial Paper		1,807,601	-
Government Securities - Market Treasury Bills		22,042,298	17,663,516
Government Securities - Pakistan Investment Bonds		24,084,177	21,351,751
		105,488,923	104,155,526

10.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (2020: Rs. Nil). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 80.45 million (2020: Rs. 70.74 million) based on outstanding principal has not been recognised during the period.

11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2021 is 0.94% (30 June 2021 is 1.79%) which includes 0.09% (30 June 2021: 0.29%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end 30 June, 2022, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

13 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

14. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

		For the Quarter Ended 30 September	
		2021	2020
		Un-audited	Un-audited
14.1 <u>Transactions for the period:</u>		-----Rupees-----	
Atlas Asset Management Limited (Management Company)			
Remuneration charged		6,642,732	9,274,339
Remuneration paid		8,655,049	9,283,270
Sindh Sales Tax on remuneration of the Management Company		863,555	1,205,664
Accounting and operational charges		1,773,279	1,576,637
Redemption of 100,335 (2020: Nil) units		52,975,675	-

Atlas Income Fund

	For the Quarter Ended 30 September	
	2021 Un-audited	2020 Un-audited
	-----Rupees-----	
Central Depository Company of Pakistan Limited		
Remuneration of the Trustee	996,410	695,575
Remuneration paid	985,537	696,245
Sindh Sales Tax on remuneration of the Trustee	129,533	90,425
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 70,168 (2020: 63,320) Units	37,000,000	33,000,000
Atlas Energy Limited		
Redemption of 1,878 (2020: Nil) units	1,000,000	-
Atlas Honda Limited		
Issue of 838,936 (2020: Nil) Units	450,000,000	-
Atlas Honda Limited - Management Staff Gratuity Fund (Retirement benefit plan of Group Company)		
Redemption of 1,865 (2020: Nil) Units	1,000,000	-
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Redemption of 9,324 (2020: Nil) units	5,000,000	-
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of Nil (2020: 56,853) Units	-	30,041,703
Redemption of Nil (2020: 5,814) Units	-	3,036,000
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2020: 3,868) units	-	2,015,774
Redemption of 373,236 (2020: Nil) units	200,000,000	-
M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund		
Issue of 5,729 (2020: Nil) units	3,000,000	-
Redemption of 2,998 (2020: Nil) units	1,600,000	-
Atlas Metals (Private) Limited		
Issue of Nil (2020: 28,557) units	-	15,000,000
Redemption of 52,577 (2020: Nil) units	28,200,000	-
Atlas Autos (Private) Limited		
Issue of 180 (2020: Nil) units	94,731	-
Atlas Engineering (Private) Limited		
Issue of 285,499 (2020: Nil) units	150,000,000	-
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Issue of 183,332 (2020: 43,791) units	96,000,000	23,000,000
Redemption of 50,517 units (2020: Nil) units	27,000,000	-
Key Management Personnel of Management Company		
Issue of 18,973 (2020: 20,291) units	10,000,000	10,751,301

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14.2 Details of balances with related parties as at the period / year end are as follows:	30 September 2021	30 June 2021
	Un-audited	Audited
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	2,157,296	4,169,613
Sindh Sales Tax payable on remuneration of the Management Company	3,803,147	4,064,748
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	696,774	708,833
Outstanding Nil (30 June 2021: 100,335) units - at net asset value	-	52,430,926
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	323,595	312,723
Sindh Sales Tax payable on remuneration of the trustee	42,067	40,654
Atlas Foundation (Trust having common Director / Trustee)		
Outstanding 606,740 (2021: 536,572) units - at net asset value	325,523,776	280,391,373
Atlas Honda Limited (Group Company)		
Outstanding 1,433,462 (2021: 594,525) units - at net asset value	769,070,708	310,675,541
Atlas Insurance Limited (Group company)		
Outstanding 103,900 (2021: 103,900) units - at net asset value	55,743,705	54,294,061
Batool Benefit Trust (Trust having common Director / Trustee)		
Outstanding 71,241 (2021: 71,241) units - at net asset value	38,221,901	37,227,920
Shirazi Investments (Private) Limited (Group company)		
Outstanding 3,552,407 (2021: 3,925,643) units - at net asset value	1,905,911,663	2,051,385,734
M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund		
Outstanding 2,731 (2021: Nil) units - at net asset value	1,465,216	-
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 17,942 (2021: 27,266) units - at net asset value	9,626,113	14,248,124
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)		
Outstanding 162,038 (2021: 162,038) units - at net asset value	86,935,461	84,674,812
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of Group Company)		
Outstanding 184,372 (2021: 51,558) units - at net asset value	98,917,938	26,941,964
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of Group Company)		
Outstanding 31,028 (2021: 32,894) units - at net asset value	16,646,919	17,188,871
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)		
Outstanding Units 278,826 (2021: 278,826) units - at net asset value	149,593,718	145,703,317
Atlas Metals (Private) Limited		
Outstanding 45,865 (2021: 98,441) units - at net asset value	24,607,160	51,441,626
Atlas Autos (Private) Limited		
Issue of 1,569,770 (2021: 1,569,589) units	842,201,433	820,205,472

Atlas Income Fund

	30 September 2021	30 June 2021
	Un-audited	Audited
	----- Rupees -----	
Atlas Engineering Private Limited		
Outstanding 285,499 (2021: Nil) units - at net asset value	153,173,951	-
Atlas Energy Limited		
Outstanding 8,817 (2021: 98,441) units - at net asset value	4,730,433	5,588,874
Directors and their close family members and key management personnel and executive of the Management Company		
Outstanding 507,452 (2021: 488,479) units - at net asset value	272,254,711	255,259,992

14.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

15 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 September 2021, the Fund has investments 'at fair value through profit and loss' measured using level 2 valuation technique. Particulars regarding their cost and market value are given note 5.

16 GENERAL

Figures have been rounded off to the nearest Rupee.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 October 2021.

**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

Atlas Stock Market Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 SEPTEMBER 2021

		30 September 2021	30 June 2021
		Un-audited	Audited
	Note	-----Rupees-----	
ASSETS			
Cash and bank balances	4	78,738,754	311,116,751
Investments	5	9,888,147,741	9,840,526,442
Dividend receivable		60,130,833	-
Receivable against sale of investments		-	98,787,808
Profit receivable on bank balances		-	914,389
Advances, deposits, prepayment and other receivables		16,630,395	13,529,987
Total assets		10,043,647,724	10,264,875,377
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	50,039,023	48,685,188
Payable to the Central Depository Company of Pakistan Limited - Trustee		1,044,995	1,046,330
Payable to the Securities and Exchange Commission of Pakistan		516,791	1,804,473
Payable against purchase of investments		8,988,184	-
Payable against redemption of units		3,884,059	114,849
Unclaimed dividend		401,732	401,732
Accrued expenses and other liabilities	7	11,442,621	350,353,228
Total liabilities		76,317,406	402,405,800
NET ASSETS		9,967,330,318	9,862,469,578
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		9,967,330,318	9,862,469,578
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		15,035,812	14,333,327
NET ASSET VALUE PER UNIT		662.9060	688.0795

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Note	2021 -----Rupees-----	2020
INCOME			
Profit on bank balances		2,717,751	2,302,553
Dividend income		166,468,252	35,337,204
Capital gain on sale of investments - net		30,062,443	151,075,836
Net unrealised (diminution)/ appreciation on re-measurement of investments / classified as 'financial assets at fair value through profit or loss'		(607,329,491)	1,344,544,991
		(577,267,048)	1,495,620,827
Total income		(408,081,045)	1,533,260,584
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	62,017,985	49,939,860
Sindh sales tax on remuneration of the Management Company	6.2	8,062,338	6,492,182
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,836,137	2,332,882
Sindh sales tax on remuneration of the trustee		368,698	303,275
Annual fee to the Securities and Exchange Commission of Pakistan		516,817	416,165
Accounting and operational charges	9	10,780,704	3,537,407
Auditors' remuneration		169,817	169,817
Annual listing fee		6,931	6,428
Securities transaction cost		2,794,713	3,285,712
Legal and professional charges		32,400	30,780
Provision for Sindh Workers' Welfare Fund	7.1	(105,137,220)	29,334,757
Bank charges		7,715	8,244
Total expenses		(17,542,964)	95,857,509
Net (loss) / income for the period before taxation		(390,538,081)	1,437,403,075
Taxation	11	-	-
Net (loss) / income for the period after taxation		(390,538,081)	1,437,403,075
Earnings per unit	12		
Allocation of net income for the period:			
- Net income for the period after taxation		-	1,437,403,075
- Income already paid on units redeemed		-	(54,113,001)
		-	1,383,290,074
Accounting income available for distribution:			
- Relating to capital gains		-	1,495,620,827
- Excluding capital gains		-	(112,330,753)
		-	1,383,290,074

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	2021	2020
	-----Rupees-----	
Net (loss) / income for the period after taxation	(390,538,081)	1,437,403,075
Other comprehensive income / (loss)	-	-
Total comprehensive (loss) / income for the period	(390,538,081)	1,437,403,075

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	7,557,133,362	-	7,557,133,362
Undistributed income brought forward			
- Realised income	-	1,331,130,189	1,331,130,189
- Unrealised income	-	974,206,027	974,206,027
Net assets at the beginning of the period (Units outstanding: 14,333,327) (Rs. 688.0795 per unit)	7,557,133,362	2,305,336,216	9,862,469,578
Issue of 1,475,650 units	1,021,627,462	-	1,021,627,462
Redemption of 773,165 units	(526,228,641)	-	(526,228,641)
Total comprehensive loss for the period	-	(390,538,081)	(390,538,081)
Net assets at end of the period (Units outstanding: 15,035,812) (Rs. 662.9060 per unit)	8,052,532,184	1,914,798,135	9,967,330,318
Undistributed income carried forward			
- Realised income	-	1,738,205,394	-
- Unrealised income	-	176,592,740	-
	-	1,914,798,135	-

	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	6,499,701,211	-	6,499,701,211
Undistributed income brought forward			
- Realised income	-	909,302,970	909,302,970
- Unrealised loss	-	(567,334,642)	(567,334,642)
Net assets at the beginning of the period (Units outstanding: 13,240,837) (Rs. 516.71 per unit)	6,499,701,211	341,968,328	6,841,669,539
Issue of 2,104,537 units	1,267,865,487	-	1,267,865,487
Redemption of 1,366,898 units	(779,655,403)	(54,113,001)	(833,768,404)
Total comprehensive income for the period	-	1,437,403,075	1,437,403,075
Net assets at end of the period (Units outstanding: 13,978,476) (Rs. 623.3276 per unit)	6,987,911,295	1,725,258,402	8,713,169,697
Undistributed income carried forward			
- Realised income	-	976,452,912	-
- Unrealised income	-	748,805,490	-
	-	1,725,258,402	-

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Note	2021 -----Rupees-----	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the period after taxation		(390,538,081)	1,437,403,075
Adjustments:			
Profit on bank balances		(2,717,751)	(2,302,553)
Dividend income		(166,468,252)	(35,337,204)
Capital gain on sale of investments - net		-	(151,075,836)
Net unrealised (diminution)/ appreciation on re-measurement of investments / classified as 'financial assets at fair value through profit or loss'		-	(1,344,544,991)
Provision for Sindh Workers' Welfare Fund		(105,137,220)	29,334,757
		(664,861,304)	(66,522,752)
Decrease/ (increase) in assets			
Receivable against sale of units		98,787,808	(3,995,783)
Advances, deposits, prepayment and other receivables		(3,100,408)	-
		95,687,400	(3,995,783)
(Decrease)/ increase in liabilities			
Payable to Atlas Asset Management Limited - Management Company		1,353,836	4,821,436
Payable to the Central Depository Company of Pakistan Limited		(1,334)	189,295
Payable to the Securities and Exchange Commission of Pakistan		(1,287,681)	(829,282)
Payable against purchase of investments		8,988,184	159,802,736
Unclaimed dividend		(0)	222
Accrued expenses and other liabilities		(233,773,387)	(13,027,361)
		(224,720,384)	150,957,046
Profit received on bank balances		3,632,140	1,578,455
Dividend received		106,337,419	25,157,968
Investments made during the period		(47,621,299)	(1,486,091,949)
Investments sold during the period			1,349,438,247
Net cash used in operating activities		(731,546,028)	(29,478,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		1,021,627,462	1,267,865,487
Net payments against redemption of units		(522,459,431)	(964,168,561)
Net cash generated from financing activities		499,168,031	303,696,926
Net (decrease)/ increase in cash and cash equivalents		(232,377,997)	274,218,158
Cash and cash equivalents at the beginning of the period		311,116,751	75,706,293
Cash and cash equivalents at the end of the period	4	78,738,754	349,924,451

The annexed notes from 1 to 16 form an integral part of these condensed interim 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

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009 and 23 May 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth and Fourteenth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009, 14 October 2013, 24 March 2015, 03 August 2015, 29 September 2016, 02 June 2017, 25 May 2018, 5 September 2019, 25 November 2019 and 1 April 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2020.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the year, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2021.

Atlas Stock Market Fund

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2021.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2021 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2021, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended 30 September 2020.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2021.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2021.

4 CASH AND BANK BALANCES	Note	30 September 2021	30 June 2021
		Un-audited	Audited
		-----Rupees-----	
Balances with banks:			
- in saving accounts	4.1	78,148,958	278,461,795
- in current account		5,000	5,000
- Cheques in hand	4.2	584,796	32,649,957
		78,738,754	311,116,751

4.1 The rate of return on these accounts ranges between 5.50% and 8.00% (30 June 2021: 5.50% and 7.80%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequent to the year end by 08 October 2021 (30 June 2020: 2nd to 6th July 2021).

5 INVESTMENTS	Note	30 September 2021	30 June 2021
		Un-audited	Audited
		-----Rupees-----	
At fair value through profit or loss			
-Investment in listed equity securities	5.1	9,888,147,741	9,840,526,442

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5.1 Listed equity securities

At fair value through profit or loss - equity securities

Shares of listed companies- fully paid ordinary shares with a face value of Rs. 10 each unless stated other wise.

Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2021	Carrying value as at 30 September 2021	Market value as at 30 September 2021	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
	Number of Shares					Rupees		Percentage		
BANKS										
Bank Alfalah Limited	-	7,975,001	-	-	7,975,001	258,575,298	257,991,282	2.61	2.59	0.45
Bank Al Habib Limited (Note # 5.3)	3,306,292	1,262,746	-	10,100	4,558,938	318,442,888	315,250,563	3.19	3.16	0.41
Faysal Bank Limited	994,943	300,000	-	994,000	300,943	8,728,603	7,920,820	0.08	0.08	0.02
Habib Bank Limited	4,705,400	321,500	-	40,000	4,986,900	611,361,698	545,317,515	5.51	5.47	0.34
Habib Metropolitan Bank Limited	5,713,500	100,000	-	2,084,500	3,729,000	151,542,463	162,211,500	1.64	1.63	0.36
MCB Bank Limited	785,915	-	-	25,000	760,915	121,617,044	114,662,281	1.16	1.15	0.06
Meezan Bank Limited	3,577,898	75,000	547,934	75,000	4,125,832	415,940,624	577,327,672	5.84	5.79	0.25
United Bank Limited (Note # 5.3)	4,958,463	440,000	-	25,000	5,373,463	655,275,864	637,077,773	6.44	6.39	0.44
	24,042,411	10,474,247	547,934	3,253,600	31,810,992	2,541,484,481	2,617,759,406	26.47	26.26	
INSURANCE										
Adamjee Insurance Company Limited	670,000	-	-	-	670,000	27,784,900	23,624,200	0.24	0.24	0.19
IGI Holdings Limited	263,900	15,000	-	-	278,900	53,690,485	45,998,977	0.47	0.46	0.20
Jubilee Life Insurance Company Limited	95,200	-	-	-	95,200	31,868,200	25,913,440	0.26	0.26	0.11
Pakistan Reinsurance Company Limited	1,178,500	-	-	-	1,178,500	28,672,905	26,740,165	0.27	0.27	0.39
	2,207,600	15,000	-	-	2,222,600	142,016,490	122,276,782	1.24	1.23	
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	1,218,000	945,000	-	-	2,163,000	112,423,215	118,554,030	1.20	1.19	0.42
Interloop Limited	1,117,500	331,000	-	-	1,448,500	102,758,670	103,089,745	1.04	1.03	0.17
Kohinoor Textile Mills Limited	1,306,000	193,500	-	-	1,499,500	114,596,450	104,140,275	1.05	1.04	0.50
Nishat (Chunian) Limited	-	1,250,000	-	-	1,250,000	62,888,570	61,900,000	0.63	0.62	0.52
Nishat Mills Limited	1,971,500	850,700	-	26,200	2,798,000	260,276,361	254,044,560	2.57	2.55	0.80
	5,613,000	3,570,200	-	26,200	9,157,000	652,943,266	641,728,610	6.49	6.44	
CEMENT										
Attock Cement Pakistan Limited	431,100	-	-	322,700	108,400	19,492,488	15,269,224	0.15	0.15	0.08
Cherat Cement Company Limited	597,900	-	-	72,500	525,400	93,195,452	75,247,788	0.76	0.75	0.27
D.G. Khan Cement Company Limited	1,665,000	175,000	-	-	1,840,000	216,381,316	162,692,800	1.65	1.63	0.42
Fauji Cement Company Limited	7,914,000	-	-	-	7,914,000	182,022,000	142,056,300	1.44	1.43	0.57
Kohat Cement Company Limited	683,000	105,700	-	-	788,700	163,471,163	135,609,078	1.37	1.36	0.39
Lucky Cement Limited	737,000	15,000	-	-	752,000	649,057,648	543,620,800	5.50	5.45	0.23
Maple Leaf Cement Factory Limited	1,090,000	250,000	-	-	1,340,000	63,238,730	47,168,000	0.48	0.47	0.12
Pioneer Cement Limited	190,000	-	-	-	190,000	24,903,300	16,778,900	0.17	0.17	0.08
	13,308,000	545,700	-	395,200	13,458,500	1,411,762,097	1,138,442,890	11.51	11.42	
REFINERY										
Attock Refinery Limited	285,500	-	-	-	285,500	73,216,475	51,041,690	0.52	0.51	0.27
National Refinery Limited	48,000	-	-	-	48,000	25,113,120	14,537,280	0.15	0.15	0.06
	333,500	-	-	-	333,500	98,329,595	65,578,970	0.66	0.66	
POWER GENERATION & DISTRIBUTION										
The Hub Power Company Limited	6,223,808	655,000	-	75,000	6,803,808	541,269,516	500,284,002	5.06	5.02	0.52
Kot Addu Power Company Limited	1,335,000	-	-	-	1,335,000	59,207,250	46,725,000	0.47	0.47	0.15
K-Electric Limited (face value Rs. 3.5 per share)	9,500,000	-	-	-	9,500,000	39,710,000	38,000,000	0.38	0.38	0.03
Lalpur Power Limited	7,464,000	-	-	-	7,464,000	133,307,040	117,110,160	1.18	1.17	1.97
Paikun Power Limited	3,248,000	-	-	-	3,248,000	80,095,680	79,218,720	0.80	0.79	0.87
	27,770,808	655,000	-	75,000	28,350,808	853,589,486	781,337,882	7.90	7.84	
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	1,433,177	117,500	-	50,000	1,500,677	337,037,167	301,621,070	3.05	3.03	0.32
Sui Northern Gas Pipelines Limited	2,074,098	550,000	-	75,000	2,549,098	124,983,243	115,932,977	1.17	1.16	0.40
	3,507,275	667,500	-	125,000	4,049,775	462,020,410	417,554,047	4.22	4.19	
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	265,049	-	-	-	265,049	404,038,045	411,719,165	4.16	4.13	0.20
Oil & Gas Development Company Limited (Note # 5.3)	4,918,100	50,000	-	30,000	4,938,100	469,059,849	413,812,780	4.18	4.15	0.11
Pakistan Oilfields Limited	256,020	-	-	-	256,020	100,836,037	96,097,107	0.97	0.96	0.09
Pakistan Petroleum Limited (Note # 5.3)	2,767,602	-	-	20,000	2,747,602	238,574,282	205,822,866	2.08	2.06	0.10
	8,206,771	50,000	-	50,000	8,206,771	1,212,508,212	1,127,451,918	11.40	11.31	

Atlas Stock Market Fund

Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2021	Carrying value as at 30 September 2021	Market value as at 30 September 2021	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
	Number of Shares				Rupees		Percentage			
ENGINEERING										
Aisha Steel Mills Limited	-	2,000,000	-	-	2,000,000	49,714,720	41,620,000	0.42	0.42	0.26
Amreli Steels Limited	-	249,500	-	-	249,500	11,556,474	9,767,925	0.10	0.10	0.08
Crescent Steel & Allied Products Limited	405,000	-	-	-	405,000	34,011,900	22,724,550	0.23	0.23	0.52
International Industries Limited	469,000	-	-	115,300	353,700	74,637,774	58,986,549	0.60	0.59	0.27
International Steels Limited	494,000	100,000	-	593,616	384	35,836	29,265	0.00	0.00	0.00
Inteq Iron Industries Limited	-	727,000	-	-	727,000	13,514,205	10,665,090	0.11	0.11	0.50
Mughal Iron And Steel Industries Ltd	591,213	100,000	-	-	691,213	73,510,439	67,476,213	0.68	0.68	0.24
	1,959,213	3,176,500	-	708,916	4,426,797	256,981,347	211,269,592	2.14	2.12	
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	56,200	52,140	-	-	108,340	139,130,348	126,554,121	1.28	1.27	0.14
Millar Tractors Limited	90,000	-	-	-	90,000	97,164,900	96,588,000	0.98	0.97	0.16
Pak Suzuki Motor Company Limited	215,000	128,500	-	-	343,500	122,207,655	91,903,425	0.93	0.92	0.42
	361,200	180,640	-	-	541,840	358,502,903	315,045,546	3.19	3.16	
AUTOMOBILE PARTS & ACCESSORIES										
Panther Tyres Limited	1,025,363	-	205,072	-	1,230,435	70,883,344	60,857,315	0.62	0.61	0.73
Thal Limited (face value Rs. 5 per share)	395,700	35,200	-	-	430,900	181,650,846	167,340,015	1.69	1.68	0.53
	1,421,063	35,200	205,072	-	1,661,335	252,534,190	228,197,330	2.31	2.29	
CABLES & ELECTRICAL GOODS TRANSPORT										
Pakistan International Bulk Terminal Limited	7,400,000	-	-	-	7,400,000	84,212,000	65,934,000	0.67	0.66	0.41
	7,400,000	-	-	-	7,400,000	84,212,000	65,934,000	0.67	0.66	
TECHNOLOGY & COMMUNICATIONS										
Air Link Communication Limited	-	786,525	-	-	786,525	56,236,538	56,684,857	0.57	0.57	0.21
Pakistan Telecommunication Company Ltd. Systems Limited	5,226,000	-	-	-	5,226,000	61,875,840	48,915,360	0.49	0.49	0.14
Ttg Pakistan Limited - Class 'A'	451,700	-	-	188,100	263,600	147,673,992	191,771,636	1.94	1.92	0.19
	865,000	-	-	25,000	840,000	139,717,200	135,802,800	1.37	1.36	0.15
	6,542,700	786,525	-	213,100	7,116,125	403,503,570	433,174,653	4.38	4.35	
FERTILIZER										
Engro Fertilizers Limited (Note # 5.3)	3,153,500	100,000	-	-	3,253,500	229,296,220	228,655,980	2.31	2.29	0.24
Engro Corporation Limited	1,544,701	135,000	-	-	1,679,701	494,793,682	469,896,355	4.75	4.71	0.29
Fauji Fertilizer Bin Qasim Limited	1,700,000	-	-	-	1,700,000	44,897,000	38,250,000	0.39	0.38	0.13
Fauji Fertilizer Company Limited	955,000	-	-	106,801	848,199	89,993,914	86,567,190	0.88	0.87	0.07
	7,353,201	235,000	-	106,801	7,481,400	858,980,816	823,369,525	8.33	8.26	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	113,500	81,000	-	-	194,500	152,447,910	150,321,270	1.52	1.51	0.20
Ferozsons Laboratories Limited	15,700	-	-	-	15,700	5,539,274	5,725,790	0.06	0.06	0.04
Glaxosmithkline Pakistan Limited	210,800	-	-	-	210,800	34,923,236	31,160,456	0.32	0.31	0.07
Highnoon Laboratories Limited	259,542	-	-	-	259,542	155,725,200	160,830,391	1.63	1.61	0.68
The Seale Company Limited	201,572	-	-	-	201,572	48,905,399	40,618,774	0.41	0.41	0.08
	801,114	81,000	-	-	882,114	397,541,019	388,656,681	3.93	3.90	
CHEMICALS										
Engro Polymer & Chemicals Limited	2,428,500	1,325,000	-	486,000	3,267,500	157,612,663	179,941,225	1.82	1.81	0.36
ICI Pakistan Limited	40,000	-	-	40,000	-	-	-	-	-	-
	2,468,500	1,325,000	-	526,000	3,267,500	157,612,663	179,941,225	1.82	1.81	
PAPER & BOARD										
Packages Limited	208,000	-	-	-	208,000	113,401,600	97,626,880	0.99	0.98	0.23
	208,000	-	-	-	208,000	113,401,600	97,626,880	0.99	0.98	
LEATHER & TANNERIES										
Bata Pakistan Limited	35,440	-	-	34,860	580	994,352	1,028,578	0.01	0.01	0.01
Service Global Footwear Limited	915,837	125,000	-	-	1,040,837	60,434,739	46,723,173	0.47	0.47	0.51
Service Industries Limited	120,836	-	-	115,700	5,136	3,018,068	2,290,399	0.02	0.02	0.01
	1,072,113	125,000	-	150,560	1,046,553	64,447,158	50,042,150	0.51	0.50	
FOODS & PERSONAL CARE PRODUCTS										
At-Tabur Limited	3,933,750	50,000	-	-	3,983,750	93,031,430	108,995,400	1.10	1.09	2.24
Shezan International Limited	76,000	-	-	-	76,000	25,183,360	24,266,800	0.25	0.24	0.87
Treet Corporation Limited	1,156,500	-	-	1,156,500	-	-	-	-	-	-
Unity Foods Limited	831,800	-	-	831,800	-	-	-	-	-	-
	5,998,050	50,000	-	1,988,300	4,059,750	118,214,790	133,262,200	1.35	1.34	
GLASS & CERAMICS										
Shabbir Tiles & Ceramics Limited (face value Rs. 5 per share)	1,157,000	191,500	-	1,348,500	-	-	-	-	-	-
Tariq Glass Industries Limited	-	487,900	-	-	487,900	52,891,140	49,497,455	0.50	0.50	0.35
	1,157,000	679,400	-	1,348,500	487,900	52,891,140	49,497,455	0.50	0.50	
Total as at 30 September 2021						10,495,477,232	9,888,147,741	100.00	99.21	
Total as at 30 June 2021						8,373,929,774	9,840,526,442			

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- 5.2 The cost of listed equity securities as at 30 September 2021 is Rs. 9,711,555,001 (30 June 2021: Rs. 7,557,777,485).
- 5.3 The above investments include following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated 23 October 2007 issued by the SECP.

	Quantity		Market value	
	30 September 2021 Un-audited ----- Number of Shares -----	30 June 2021 Audited	30 September 2021 Un-audited ----- Rupees -----	30 June 2021 Audited
Pakistan Petroleum Limited	297,000	297,000	22,248,270	25,788,510
Habib Bank Limited	60,000	60,000	6,561,000	7,342,200
Engro Fertilizers Limited	425,000	425,000	29,869,000	29,864,750
United Bank Limited	170,000	170,000	20,155,200	20,774,000
Oil & Gas Development Company Ltd	100,000	100,000	8,380,000	9,503,000
	1,052,000	1,052,000	87,213,470	93,272,917

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)

		30 September 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	----- Rupees -----
Remuneration of the Management Company	6.1	20,300,939	20,250,329
Sindh sales tax payable on remuneration of the Management Company	6.2	5,608,168	5,601,589
Federal Excise Duty payable on remuneration of the Management Company	6.3	20,301,988	20,301,988
Accounting and operational charges payable	9	3,827,929	2,531,282
		50,039,023	48,685,188

- 6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 2.40% per annum of the average annual net assets. Previously, the Management Company was charged management fee at the rate of 2.40% per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.
- 6.2 During the year, an amount of Rs. 8,062,338 (2020: Rs. 6,492,182) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 8,055,759 (2020: Rs. 5,970,226) has been paid to the Management Company which acts as the collecting agent.
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 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 Supreme Court of Pakistan which is pending adjudication.

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

Atlas Stock Market Fund

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2021: Rs 20.302 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2021 would have been higher by Rs. 1.35 (30 June 2021: Rs. 1.45) per unit.

7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	30 September	30 June
		2021	2021
		Un-audited	Audited
		Rupees	
Auditors' remuneration payable		626,819	457,002
Printing charges payable		-	8,736
NCCPL charges payable		25,000	25,000
Withholding and capital gain tax payable		1,699,865	50,110,148
Zakat payable		83,816	83,816
Sales Load Payable		64,700	68,090
Transaction charges payable		8,179,797	10,051,896
Annual listing fee payable		6,412	-
Other payables		357,230	66,820
Dividend payable		398,983	184,344,500
Provision for Sindh Workers' Welfare Fund	7.1	-	105,137,220
		11,442,621	350,353,228

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2021 and 30 June 2021.

9 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

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The Management Company has charged expenses at the rate of 0.40% of the average annual net assets of the Fund for the period from 01 July 2021 to 14 September 2021 and 0.45% of the average annual net assets of the Fund for the period from 15 September 2021 to 30 September 2021 for allocation of such expenses to the Fund.

10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2021 is 3.39% (30 June 2021: 3.96%) which includes 0.36% (30 June 2021: 1.05%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

11 TAXATION

11.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

12 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

	For the Quarter Ended	
	30 September	
	2021	2020
	Un-audited	Un-audited
	----- Rupees -----	
13.1 Details of transaction with related parties during the period are as follows:		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	62,017,985	49,939,860
Remuneration paid	61,967,375	45,924,812
Sindh Sales Tax on remuneration of the Management Company	8,062,338	6,492,182
Accounting and operational charges	10,780,704	3,537,407
Issue of 2,234 (2020: 28,121) units	1,542,322	14,984,586
Redemption of Nil (2020: 79,400) units	-	50,000,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,836,137	2,332,882
Remuneration paid	2,834,028	2,165,364
Sindh Sales Tax on remuneration of the trustee	368,698	303,275
Settlement charges	124,568	119,792
Sindh Sales Tax on settlement charges	16,194	15,573
Atlas Foundation (Group Company)		
Issue of Nil (2020: 23,822) units	-	14,000,000
Atlas Insurance Limited (Group Company)		
Issue of 287,031 (2020: 162,851) units	187,412,432	100,000,000
Redemption of 287,031 units (2020: Nil)	187,412,432	-

Atlas Stock Market Fund

	For the Quarter Ended 30 September	
	2021	2020
	Un-audited	Un-audited
	----- Rupees -----	
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue of 4,526 (2020: Nil) units	3,000,000	-
Redemption of Nil (2020: 12,990) units	-	8,000,000
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Redemption of Nil (2020: 1,539) units	-	1,000,000
Atlas Metals (Private) Limited		
Redemption of 32,394 (2020: 30,727) units	22,150,000	20,000,000
Directors and their close family members and key management personnel of the Management Company		
Issue of 1,769 (2020: 15,719) units	1,226,081	9,752,900
Redemption of Nil (2020: 1,594) units	-	1,025,000
	30 September	30 June
	2021	2021
	Un-audited	Audited
	-----Rupees-----	
13.2 Details of balances with related parties as at the period / year end are as follows:		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	20,300,939	20,250,329
Sindh Sales tax payable on remuneration of the Management Company	5,608,168	5,601,589
Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
Accounting and operational charges payable	3,827,929	2,531,282
Outstanding 93,768 (30 June 2021: 91,534) units - at net asset value	62,159,596	62,982,893
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	928,064	925,955
Sindh Sales tax payable on remuneration of trustee	120,648	120,374
Atlas Honda Limited (Group Company)		
Outstanding 29,783 (30 June 2021: 29,783) units - at net asset value	19,743,329	20,493,072
Atlas Foundation (Group Company)		
Outstanding 894,455 (30 June 2021: 894,455) units - at net asset value	592,939,586	615,456,149
Atlas Insurance Limited (Group Company)		
Outstanding 287,031 (30 June 2021: 287,031) units - at net asset value	190,274,572	197,499,863
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 136,750 (30 June 2021: 132,224) units - at net asset value	90,652,396	90,980,624

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	30 September 2021 Un-audited	30 June 2021 Audited
	-----Rupees-----	
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 90,998 (30 June 2021: 90,998) units - at net asset value	60,323,120	62,613,838
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 20,726 (30 June 2021: 20,725) units - at net asset value	13,739,390	14,261,052
Atlas Metals (Private) Limited		
Outstanding 29,503 (30 June 2021: 61,896) units - at net asset value	19,557,716	42,589,708
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 225,620 (30 June 2021: 225,620) units - at net asset value	149,564,852	155,244,767
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 132,660 (30 June 2021: 132,660) units - at net asset value	87,941,138	91,280,656
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 3,462 (30 June 2021: 3,462) units - at net asset value	2,294,981	2,382,131
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 3,829,218 (30 June 2021: 3,829,218) units - at net asset value	2,538,411,588	2,634,806,675
Directors and their close family members and key management personnel of the Management Company		
Outstanding 2,119,062 (30 June 2021: 2,117,293) units - at net asset value	1,404,739,156	1,456,866,235

13.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

14 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Atlas Stock Market Fund

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Fund only invests in listed equity securities the fair values of which are based on level 1 valuation technique.

15 GENERAL

Figures have been rounded off to the nearest Rupee.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 October 2021.

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

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