

# Atlas funds

*Nurturing your investments*

Atlas Money Market Fund

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Atlas Income Fund

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Atlas Stock Market Fund

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THIRD QUARTER REPORT

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31 March 2013

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(UN-AUDITED)



Your Atlas  
to the World of  
**Investments**



It Takes Skill to  
Master the Game



Management Company

**Atlas Asset Management**

Rated AM2- by PACRA



### Vision

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

### Mission Statement

We are committed to offering our investors the best possible returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and 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		Investment Committee	
Atlas Asset Management Limited		Chairman	Mr. M. Habib-ur-Rahman
Board of Directors of the Management Company		Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood Mr. Muhammad Umar Khan (Secretary) Mr. Fawad Javaid
Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)	Management Committee	
Directors	Mr. Azam Faruque (Independent Director) Mr. Shamshad Nabi (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Arshad P. Rana (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director)	Chairman	Mr. M. Habib-ur-Rahman
Chief Executive Officer	Mr. M. Habib-ur-Rahman (Executive Director)	Members	Ms Lilly R. Dossabhoy Mr. Muhammad Abdul Samad Mr. Abbas Sajjad
Company Secretary	Ms Lilly R. Dossabhoy	Secretary	Mr. M. Irfan Dhedhi
Board Committees		Risk Management Committee	
Audit Committee		Chairman	Mr. Muhammad Abdul Samad
Chairman	Mr. Azam Faruque	Members	Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari Mr. Muhammad Umar Khan
Members	Mr. Shamshad Nabi Mr. Frahim Ali Khan	Secretary	Ms Zainab Hussain
Secretary	Ms Qurrat-ul-Ain Jafari	Chief Internal Auditor	
Human Resource & Remuneration Committee		Ms Qurrat-ul-Ain Jafari	
Chairman	Mr. Frahim Ali Khan	Registered Office	
Members	Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi	Ground Floor, Federation House, Sharae Firdousi Clifton, Karachi - 75600 Tel: (92-21) 111-MUTUAL (6-888-25) (92-21) 35379501-04 Fax: (92-21) 35379280 Email: info@atlasfunds.com.pk Website: www.atlasfunds.com.pk	
Secretary	Mr. Mohsin Ali Khan		

# Third Quarter Report 2012-13

## CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited financial statements of Atlas Money Market Fund (AMF), Atlas Income Fund (AIF), and Atlas Stock Market Fund (ASMF) for the nine months period ended 31 March 2013 of the FY 2012-13.

## THE ECONOMY

During the period July-March FY 2012-13, total exports stood at US\$ 18 billion. The foreign exchange reserves of the country stood at US\$ 12.2 billion as on 29 March 2013. Foreign remittances reached a record level of US\$ 10.35 billion, which is an increase of 6.35% YoY compared to the corresponding period last year. CPI inflation for the period averaged at 8% as compared to 10.8% recorded during the corresponding period last year. The State Bank of Pakistan (SBP) lowered its policy rate by a cumulative 250 basis points (bps) to 9.50% during current FY. Lower than expected inflation allowed the SBP to focus on encouraging private investment expenditures in the economy by adopting softer monetary policy stance. During July-February FY 2012-13, loans to private businesses have increased by Rs.173.3 billion as opposed to Rs.56.8 billion during the same period of last year.

## FUND OPERATIONS - AMF

The Net Asset Value per unit of AMF increased by 6.88% to Rs.505.36 as on 31 March 2013, thus providing an annualized total return of 9.17%. The AMF's total exposure in Treasury Bills stood at 88.38% with remaining in short term deposits with banks/cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs.3.73 billion, with 7.38 million units outstanding as of 31 March 2013.

The Investment Committee of Atlas Asset Management Limited, the Management Company of AMF, under the authority delegated by the Board of Directors, approved an interim bonus distribution of Rs.3.00 per unit (0.60% on the face value of Rs.500 per unit). This is in addition to the aggregate Interim Bonus Distribution of Rs.28 per unit (5.60% on the face value of Rs.500 per unit), already distributed.

## FUND OPERATIONS - AIF

The Net Asset Value per unit of AIF increased by 7.64% to Rs.514.59 as on 31 March 2013, this works out to 10.17% on an annualized basis. AIF's current asset allocation is 63.33% in Government Securities, 12.56% in TFC/ Sukuks, 9.15% in MTS and remaining in bank deposits/others. AIF presents a good investment opportunity for investors to earn attractive returns and at the same time benefit from any gain as a result of reversal of provisions/income. The Net Assets of the Fund increased from Rs.0.93 billion as on 30 June 2012 to Rs.1.86 billion as on 31 March 2013, with 3.62 million units outstanding.

The Investment Committee of Atlas Asset Management Limited, the Management Company of AIF, under the authority delegated by the Board of Directors, approved an interim bonus distribution of Rs.10.00 per unit (2.00% on the face value of Rs.500 per unit). This is in addition to the interim bonus distribution of Rs.25 per unit (5.00% on the face value of Rs.500 per unit) already distributed.

## FUND OPERATIONS - ASMF

The Net Asset Value per unit of ASMF increased by 32.92% to Rs.459.86 as on 31 March 2013. The benchmark KSE-100 index increased by 30.74% during the same period. The KSE-100 increased from 13,801 points as on 30 June 2012 to 18,043 points as on 31 March 2013. The ASMF's equity portfolio exposure was mainly in Oil & Gas, Chemical and Banking sectors. ASMF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. The Net Assets of the Fund stood at Rs.869.32 million, with 1.89 million units outstanding as of 31 March 2013.

# Atlas Funds

## RATINGS

### • Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of Atlas Asset Management Limited (AAML) at "AM2-" (AM Two Minus). The rating denotes the company's very strong capacity to manage the risks inherent in asset management and meets very high investment management industry standards and benchmarks.

### • Fund Stability Rating - AMF

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

### • Star Ranking - ASMF

PACRA has assigned a "4 Star" short term ranking to the Fund, and a long term "4 Star" ranking, for FY 2011-12. The short term ranking is based on performance during the trailing twelve months period, whereas long-term star ranking is based on performance during the trailing thirty six months.

## FUTURE OUTLOOK

Growth in workers' remittances helped lower the current account deficit, and the inflation is expected to be well below target level. The private sector credit growth remains subdued as government's large financing need diverted the credit from the private sector, which is an impediment to growth in the economy. Going forward, there is a need to ensure improved resources for energy requirements with foremost resolution of the persistent circular debt. Furthermore, fiscal reforms need to be implemented to ensure better tax collection and reduced borrowing from the banking system. This will not only help the economy on the fiscal side but also help improve foreign inflows, build foreign exchange reserves and achieve sustainable growth in the economy.

The Funds are committed to prudent investment procedures and will continue to provide consistent long term returns to the investors.

ستاروں سے آگے جہاں اور بھی ہیں  
(There is a world beyond the stars)

## Acknowledgement

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

Karachi: 25 April 2013

Yusuf H. Shirazi  
Chairman

# Third Quarter Report 2012-13

## Atlas Money Market Fund

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### Corporate Information

#### Trustee

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

#### Auditors

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Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

#### Legal Advisers

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Bawaney & Partners

#### Bankers

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Bank Alfalah Limited  
Faysal Bank Limited  
National Bank of Pakistan

# Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 31 MARCH 2013

		31 March 2013 Un-audited	30 June 2012 Audited
	Note	Rupees -----	
<b>ASSETS</b>			
Bank balances and term deposits	4	460,626,571	1,062,768,340
Investments	5	3,296,907,745	3,491,055,485
Interest accrued		1,925,236	4,162,824
Prepayments		70,000	-
Deferred formation cost		250,000	400,000
<b>Total assets</b>		<b>3,759,779,552</b>	<b>4,558,386,649</b>
<b>LIABILITIES</b>			
Payable to the Management Company		3,703,894	4,710,250
Payable to the trustee		353,024	418,055
Payable to SECP		2,336,594	3,286,644
Accrued and other liabilities	6	23,130,624	17,946,886
<b>Total liabilities</b>		<b>29,524,136</b>	<b>26,361,835</b>
<b>NET ASSETS</b>		<b>3,730,255,416</b>	<b>4,532,024,814</b>
<b>UNIT HOLDERS' FUND</b>		<b>3,730,255,416</b>	<b>4,532,024,814</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-	-
<b>NUMBER OF UNITS IN ISSUE</b>		<b>7,381,430</b>	<b>9,015,663</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>505.36</b>	<b>502.68</b>

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director



# Third Quarter Report 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	Note	For the Nine Months Ended		For the Quarter Ended	
		31 March		31 March	
		2013	2012	2013	2012
----- Rupees -----					
<b>INCOME</b>					
Interest income	8	324,088,815	391,428,004	88,183,555	132,445,874
Net gain/(loss) on investments designated at fair value through income statement					
Net gain/(loss) on maturity/sale of investments		3,582,859	1,146,266	(102,423)	(226,785)
Net unrealised loss on revaluation of investments		(1,367,701)	(1,445,857)	(3,089,043)	(493,308)
		2,215,158	(299,591)	(3,191,466)	(720,093)
Element of income/loss and capital gains/ losses included in prices of units sold less those in units redeemed - net		(2,256,294)	936,658	(210,113)	(788,648)
		324,047,679	392,065,071	84,781,976	130,937,133
<b>EXPENSES</b>					
Remuneration of the Management Company		31,154,507	31,436,635	9,465,701	11,275,998
Sindh Sales Tax on Remuneration of the Management Company		4,984,721	5,029,862	1,514,512	1,804,160
Remuneration of the trustee		3,286,213	3,310,781	1,014,173	1,169,804
SECP annual fee		2,336,594	2,357,752	709,929	845,703
Annual rating fee		160,000	150,000	60,000	50,000
Annual listing fee		30,000	30,000	10,000	10,000
Brokerage		138,975	140,367	65,601	59,598
Auditors' remuneration		389,585	409,535	135,617	143,750
Printing charges		150,755	71,708	29,231	25,825
Amortisation of formation cost		150,000	150,000	50,000	50,000
Bank charges		71,558	63,725	20,641	24,244
Provision for Workers' Welfare Fund	6.1	5,623,895	6,978,294	1,434,131	2,309,561
		48,476,803	50,128,659	14,509,536	17,768,643
Net income for the period before taxation		275,570,876	341,936,412	70,272,440	113,168,490
Taxation	9	-	-	-	-
Net income for the period after taxation		275,570,876	341,936,412	70,272,440	113,168,490

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	<u>For the Nine Months Ended</u>		<u>For the Quarter Ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>----- Rupees -----</u>			
Net income for the period after taxation	275,570,876	341,936,412	70,272,440	113,168,490
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>275,570,876</u>	<u>341,936,412</u>	<u>70,272,440</u>	<u>113,168,490</u>

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended	
	31 March 2013	31 March 2012
	----- Rupees -----	
Undistributed income brought forward	5,087,897	98,823,653
Final distribution for the year ended 30 June 2012 - Nil (2012: Rs.15 per unit declared on 7 July 2011)		
- Bonus units	-	(74,914,265)
- Cash payout against final distribution	-	(21,317,923)
	-	(96,232,188)
Net income for the period after taxation	275,570,876	341,936,412
Interim distribution for the month ended 31 July 2012 at the rate of Rs.4 per unit declared on 27 July 2012 (2012: Rs.4 per unit declared on 29 July 2011)		
- Bonus units	(32,706,265)	(24,737,370)
- Cash payout against interim distribution	(2,265,771)	(5,489,173)
	(34,972,036)	(30,226,543)
Interim distribution for the month ended 31 August 2012 at the rate of Rs.4 per unit declared on 31 August 2012 (2012: Rs.5 per unit declared on 26 August 2011)		
- Bonus units	(32,745,277)	(33,388,867)
- Cash payout against interim distribution	(1,464,198)	(7,948,315)
	(34,209,475)	(41,337,182)
Interim distribution for the month ended 30 September 2012 at the rate of Rs.3.75 per unit declared on 28 September 2012 (2012: Rs.5 per unit declared on 28 September 2011)		
- Bonus units	(28,006,481)	(31,445,821)
- Cash payout against interim distribution	(1,372,685)	(8,019,397)
	(29,379,166)	(39,465,218)
Interim distribution for the month ended 31 October 2012 at the rate of Rs.3.75 per unit declared on 31 October 2012 (2012: Rs.5 per unit declared on 28 October 2011)		
- Bonus units	(31,567,445)	(30,831,496)
- Cash payout against interim distribution	(1,372,685)	(8,021,249)
	(32,940,130)	(38,852,745)
Interim distribution for the month ended 30 November 2012 at the rate of Rs.3.25 per unit declared on 30 November 2012 (2012: Rs.4 per unit declared on 25 November 2011)		
- Bonus units	(26,345,403)	(26,165,674)
- Cash payout against interim distribution	(1,141,532)	(6,416,999)
	(27,486,935)	(32,582,673)
Interim distribution for the month ended 31 December 2012 at the rate of Rs.3.25 per unit declared on 26 December 2012 (2012: Rs.4 per unit declared on 28 December 2011)		
- Bonus units	(24,872,121)	(26,217,200)
- Cash payout against interim distribution	(1,461,981)	(6,416,999)
	(26,334,102)	(32,634,199)
Interim distribution for the month ended 31 January 2013 at the rate of Rs.3.25 per unit declared on 31 January 2013 (2012: Rs.4 per unit declared on 27 January 2012)		
- Bonus units	(24,362,054)	(26,565,035)
- Cash payout against interim distribution	(437,576)	(8,979,516)
	(24,799,630)	(35,544,551)
	c/f 70,537,299	93,884,766

# Atlas Money Market Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) (Continued...)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended	
	31 March 2013	31 March 2012
	----- Rupees -----	
b/f	70,537,299	93,884,766
Interim distribution for the month ended 28 February 2013 at the rate of Rs.2.75 per unit declared on 28 February 2013 (2012: Rs.4 per unit declared on 24 February 2012)		
- Bonus units	(20,645,553)	(27,253,464)
- Cash payout against interim distribution	(305,240)	(9,139,563)
	(20,950,793)	(36,393,027)
Interim distribution for the month ended 31 March 2013 at the rate of Rs.3 per unit declared on 29 March 2013 (2012: Rs.4 per unit declared on 29 March 2012)		
- Bonus units	(21,682,734)	(25,425,645)
- Cash payout against interim distribution	(332,989)	(9,337,960)
	(22,015,723)	(34,763,605)
Undistributed income carried forward	27,570,783	22,728,134

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months ended			
	31 March 2013		31 March 2012	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.502.68 (2011: 516.97) per unit]	9,015,663	4,532,024,814	6,415,479	3,316,615,640
Issue of units	5,946,410	3,009,367,153	7,017,139	3,543,275,224
Redemption of units	(8,062,187)	(4,078,809,064)	(5,638,647)	(2,850,090,020)
	(2,115,777)	(1,069,441,911)	1,378,492	693,185,204
Element of income/loss and capital gains/losses included in prices of units sold less those in units redeemed - net	-	2,256,294	-	(936,658)
Final distribution for the year ended 30 June 2012 - Nil (2012: Rs.15 per unit declared on 7 July 2011)				
Issue of bonus units	-	-	149,241	-
Cash payout against distribution	-	-	-	(21,317,923)
Net income for the period after taxation	-	275,570,876	-	341,936,412
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	275,570,876	-	341,936,412
Interim distribution at the rate of Rs.4 declared on 27 July 2012 (2012 : Rs.4 declared on 29 July 2011)				
Issue of bonus units	65,082	-	49,223	-
Cash payout against distribution	-	(2,265,771)	-	(5,489,173)
Interim distribution at the rate of Rs.4 declared on 31 August 2012 (2012 : Rs.5 declared on 26 August 2011)				
Issue of bonus units	64,888	-	66,476	-
Cash payout against distribution	-	(1,464,198)	-	(7,948,315)
Interim distribution at the rate of Rs.3.75 declared on 28 September 2012 (2012 : Rs.5 declared on 28 September 2011)				
Issue of bonus units	55,535	-	62,584	-
Cash payout against distribution	-	(1,372,685)	-	(8,019,397)
Interim distribution at the rate of Rs.3.75 declared on 31 October 2012 (2012 : Rs.5 declared on 28 October 2011)				
Issue of bonus units	62,507	-	61,294	-
Cash payout against distribution	-	(1,372,685)	-	(8,021,249)
Interim distribution at the rate of Rs.3.25 declared on 30 November 2012 (2012 : Rs.4 declared on 25 November 2011)				
Issue of bonus units	52,188	-	52,031	-
Cash payout against distribution	-	(1,141,532)	-	(6,416,999)
Interim distribution at the rate of Rs.3.25 declared on 26 December 2012 (2012 : Rs.4 declared on 28 December 2011)				
Issue of bonus units	49,314	-	52,092	-
Cash payout against distribution	-	(1,461,981)	-	(6,416,999)
c/f	7,249,400	3,731,331,221	8,286,910	4,287,170,543

# Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months ended			
	31 March 2013		31 March 2012	
	Units	Rupees	Units	Rupees
b/f	7,249,400	3,731,331,221	8,286,910	4,287,170,543
Interim distribution at the rate of Rs.3.25 declared on 31 January 2013 (2012: Rs.4 per unit declared on 27 January 2012)				
Issue of bonus units	48,233	-	52,730	-
Cash payout against distribution	-	(437,576)	-	(8,979,516)
Interim distribution at the rate of Rs.2.75 declared on 28 February 2013 (2012: Rs.4 per unit declared on 24 February 2012)				
Issue of bonus units	40,873	-	54,129	-
Cash payout against distribution	-	(305,240)	-	(9,139,563)
Interim distribution at the rate of Rs.3 declared on 29 March 2013 (2012: Rs. 4 per unit declared on 29 March 2012)				
Issue of bonus units	42,924	-	50,432	-
Cash payout against distribution	-	(332,989)	-	(9,337,960)
Net assets at the end of the period [Rs.505.36 (2012: Rs.504.45) per unit]	<u>7,381,430</u>	<u>3,730,255,416</u>	<u>8,444,201</u>	<u>4,259,713,504</u>

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended	
	31 March 2013	31 March 2012
Note	----- Rupees -----	
Cash flows from operating activities		
Net income for the period after taxation	275,570,876	341,936,412
Adjustments for:		
Interest income	(324,088,815)	(391,428,004)
Net (gain) / loss on investments designated at fair value through income statement		
Net gain on maturity/sale of investments	(3,582,859)	(1,146,266)
Net unrealised loss on revaluation of investments	1,367,701	1,445,857
Amortization of formation cost	150,000	150,000
Element of income/loss and capital gains/losses included in prices of units sold less those in units redeemed - net	2,256,294	(936,658)
	(323,897,679)	(391,915,071)
Increase in prepayments	(70,000)	(10,000)
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,006,356)	1,098,066
Payable to the trustee	(65,031)	112,075
Payable to SECP	(950,050)	636,338
Accrued and other liabilities	5,183,738	8,134,682
	3,162,301	9,981,161
	(45,234,502)	(40,007,498)
Interest received	326,326,403	389,395,544
Investments made during the period	(11,389,114,348)	(9,475,731,691)
Investments matured / sold during the period	11,585,477,245	8,595,972,890
Net cash inflow from / (used in) operating activities	477,454,799	(530,370,755)
Cash flows from financing activities		
Proceeds from issue of units	3,009,367,153	3,543,275,224
Payment on redemption of units	(4,078,809,064)	(2,850,090,020)
Cash payout against distribution	(10,154,657)	(91,087,094)
Net cash (used in) / inflow from financing activities	(1,079,596,568)	602,098,110
Net (decrease) / increase in cash and cash equivalents	(602,141,769)	71,727,355
Cash and cash equivalents at the beginning of the period	1,062,768,340	345,287,703
Cash and cash equivalents at the end of the period	460,626,571	417,015,058

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Money Market Fund

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open ended Fund constituted by a trust deed dated 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund have been offered for public subscription on a continuous basis from 20 January 2010, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 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, lending to/deposit with scheduled banks, certificates of deposit (CODs), certificate of musharakas (COM), 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 more fully defined in the Fund's offering document.

## 2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", 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 directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements of the Fund and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2012.

- 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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 2012.

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 2012.

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 2012.



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	31 March 2013	30 June 2012
	Un-audited	Audited
Note	-----	-----
	Rupees	

## 4. BANK BALANCES AND TERM DEPOSITS

PLS saving accounts	4.1	160,626,571	762,768,340
Term deposit accounts	4.2	300,000,000	300,000,000
		<u>460,626,571</u>	<u>1,062,768,340</u>

4.1 The rate of return on these accounts ranges between 6% and 8.75% (30 June 2012: 6% and 12%) per annum.

4.2 The rate of return on these deposits is 9.60% (30 June 2012: 12%) per annum. These deposits will mature by 02 May 2013 (30 June 2012: 16 July 2012).

## 5. INVESTMENTS - Designated at fair value through income statement

### Government Securities

Market Treasury Bills	5.1	3,296,907,745	3,491,055,485
-----------------------	-----	---------------	---------------

### 5.1 Market Treasury Bills

Treasury bills	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Matured/ Disposed during the period	At the end of the period	Amotized cost	Market Value	Total Investments	Net Assets
3 Months - T-bills	1,990,000,000	3,737,500,000	4,577,500,000	1,150,000,000	1,140,860,153	1,140,664,280	34.60	30.58
6 Months - T-bills	1,390,000,000	5,845,000,000	5,050,000,000	2,185,000,000	2,157,415,293	2,156,243,465	65.40	57.80
12 Months - T-bills	190,000,000	1,830,000,000	2,020,000,000	-	-	-	-	-
	<u>3,570,000,000</u>	<u>11,412,500,000</u>	<u>11,647,500,000</u>	<u>3,335,000,000</u>	<u>3,298,275,446</u>	<u>3,296,907,745</u>	<u>100.00</u>	<u>88.38</u>

5.2 The cost of investments as on 31 March 2013 is Rs.3,233,461,400 (30 June 2012: Rs.3,431,916,335).

5.3 These Market Treasury Bills carry purchase yields ranging from 9.07% to 9.74% (30 June 2012: 11.50% to 11.94%) per annum and will mature between 4 April 2013 and 25 July 2013 (30 June 2012: 26 July 2012 and 13 December 2012).

	31 March 2013	30 June 2012
	Un-audited	Audited
Note	-----	-----
	Rupees	

## 6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		254,287	417,341
Printing charges payable		101,453	100,000
Payable to unit holders		3,374	3,374
Payable to brokers		21,968	3,074
Withholding tax payable		3,597	163,500
Sindh Sales Tax payable on remuneration of the management company		528,623	657,640
Zakat payable		-	8,530
Provision for Workers' Welfare Fund	6.1	22,217,322	16,593,427
		<u>23,130,624</u>	<u>17,946,886</u>

# Atlas Money Market Fund

6.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) / pension funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company has been providing for WWF contribution since financial year ended 30 June 2010.

Subsequent to the year ended 30 June 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several mutual funds (CISs) / pension funds including the Fund for the collection of WWF. In respect of such show cause notices, certain mutual funds (CISs) / pension funds including the fund have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, the Hon'ble SHC, comprising of a three member bench, in their judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Hon'ble Lahore High Court which had held such amendments as unlawful and unconstitutional. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs/Pension Funds is pending before the Hon'ble SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.22,217,322 (30 June 2012: Rs.16,593,427) in these condensed interim financial statements. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.3.01 (30 June 2012: Rs.1.84) per unit.

## 7. CONTINGENCIES AND COMMITMENTS

7.1 There were no contingencies outstanding as at 31 March 2013.

	For the Nine Months Ended		For the Quarter Ended	
	31 March		31 March	
	2013	2012	2013	2012
	Un-audited		Un-audited	
	----- Rupees -----			

## 8. INTEREST INCOME

PLS saving and term deposit accounts	37,080,892	40,164,263	13,992,735	16,992,690
Government Securities - Market Treasury bills	287,007,923	351,263,741	74,190,820	115,453,184
	<u>324,088,815</u>	<u>391,428,004</u>	<u>88,183,555</u>	<u>132,445,874</u>

## 9. TAXATION

The Fund's income is exempt from Income Tax as per 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. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

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For the Nine Months Ended	
31 March 2013	31 March 2012
Un-audited	Un-audited
----- Rupees -----	

## 10. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

### 10.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	31,154,507	31,436,635
Remuneration paid	31,960,863	30,138,569
Sindh Sales Tax on remuneration of the Management Company	4,984,721	5,029,862
Sale of 17,829 (2012: 79,386) units	9,000,000	40,000,000
Redemption of 105,724 (2012: 106,773) units	53,500,000	53,950,000
Bonus of 1,929 (2012: 10,706) units	972,415	5,381,267
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	3,286,213	3,310,781
Remuneration paid	3,351,244	3,198,706
Atlas Battery Limited (Group Company)		
Sale of Nil (2012: 297,087) units	-	150,000,000
Redemption of 356,039 (2012: 418,560) units	180,000,000	211,012,683
Bonus of 31,980 (2012: 38,847) units	16,129,466	19,531,248
Atlas Foundation (Trust having Common Director/Trustee)		
Sale of 4,353 (2012: 32,058) units	2,200,000	16,220,000
Redemption of 42,264 (2012: 77,330) units	21,350,000	38,995,000
Bonus of 1,417 (2012: 11,255) units	714,274	5,657,874
Atlas Fund of Funds (Fund under common management)		
Sale of 253,098 (2012: 59,683) units	128,000,000	30,000,000
Redemption of 328,360 (2012: 109,536) units	165,851,335	55,196,594
Bonus of 1,413 (2012: 1,450) units	712,187	728,041
Atlas Honda Limited (Group Company)		
Sale of 128,552 (2012: 158,374) units	65,000,000	80,000,000
Redemption of 395,750 (2012: Nil) units	200,000,000	-
Bonus of 50,264 (2012: 79,204) units	25,355,997	39,825,315
Atlas Insurance Limited (Group Company)		
Sale of 405,851 (2012: 958,295) units	205,000,000	483,800,000
Redemption of 384,513 (2012: 700,457) units	194,389,481	353,798,259
Bonus of 11,789 (2012: 36,409) units	5,948,133	18,312,661
Batool Benefit Trust (Trust having Common Director/Trustee)		
Bonus of 68 (2012: 106) units	34,306	53,211
Iftikhar Shirazi Family Trust (Trust having Common Director/Trustee)		
Redemption of 39,000 (2012: Nil) units	19,726,826	-
Bonus of 3,036 (2012: 7,546) units	1,531,315	2,912,652

# Atlas Money Market Fund

For the Nine Months Ended  
 31 March 2013      31 March 2012  
 Un-audited      Un-audited  
 ----- Rupees -----

## 10.1 Transactions for the period (Continued...)

Shirazi Investments (Private) Limited (Group Company)		
Redemption of Nil (2012: 199,335) units	-	100,414,816
Bonus of Nil (2012: 5,784) units	-	2,903,263
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 7,069 (2012: 4,827) units	3,580,000	2,430,000
Redemption of 2,414 (2012: 4,057) units	1,220,000	2,050,000
Bonus of 1,792 (2012: 2,369) units	904,007	1,191,388
Shirazi (Private) Limited (Group Company)		
Redemption of 1,681 (2012: Nil) units	846,935	-
Bonus of 4 (2012: Nil) units	1,873	-
<u>Key Management Personnel of Management Company</u>		
Sale of 17,618 (2012: 36,081) units	8,900,000	18,238,000
Redemption of 28,018 (2012: 11,015) units	14,176,000	5,551,051
Bonus of 4,502 (2012: 6,092) units	2,271,000	3,025,172

31 March 2013      30 June 2012  
 Un-audited      Audited  
 ----- Rupees -----

## 10.2 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	3,303,894	4,110,250
Sindh Sales Tax payable on remuneration of the Management Company	528,623	657,640
Payable in respect of formation cost	400,000	600,000
Units in issue 975 (30 June 2012: 86,941)	492,915	43,703,575
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	353,024	418,055
Atlas Battery Limited (Group Company)		
Units in issue 387,174 (30 June 2012: 711,234)	195,662,221	357,523,038

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	31 March 2013 Un-audited	30 June 2012 Audited
	----- Rupees -----	

## 10.2 Details of balances with related parties as at the period / year end are as follows: (Continued...)

Atlas Foundation (Group Company)		
Units in issue 12,001 (30 June 2012: 48,496)	6,064,960	24,378,073
Atlas Fund of Funds (Fund under common management)		
Units in issue Nil (30 June 2012: 73,849)	-	37,122,411
Atlas Honda Limited (Group Company)		
Units in issue 682,619 (30 June 2012: 899,553)	344,968,413	452,187,090
Atlas Insurance Limited (Group Company)		
Units in issue 191,759 (30 June 2012: 158,632)	96,907,430	79,740,955
Batool Benefit Trust (Trusts having Common Director / Trustee)		
Units in issue 1,145 (30 June 2012: 1,077)	578,538	541,288
Iftikhar Shirazi Family Trust (Trusts having Common Director / Trustee)		
Units in issue 40,812 (30 June 2012: 76,775)	20,624,531	38,593,207
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Units in issue 29,764 (30 June 2012: 23,317)	15,041,709	11,721,363
Shirazi (Private) Limited (Group Company)		
Units in issue Nil (30 June 2012: 1,677)	-	843,071
<u>Key Management Personnel of Management Company</u>		
Units in issue 65,179 (30 June 2012: 79,804)	32,938,982	40,115,364

10.3 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.

# Atlas Money Market Fund

## 11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 25 April 2013 by the Board of Directors of the Management Company.

## 12. GENERAL

12.1 Figures have been rounded off to the nearest Rupee.

12.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

## Atlas Income Fund

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### Corporate Information

#### Trustee

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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

---

Mohsin Tayebaly & Co.

#### Bankers

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Bank Alfalah Limited  
Faysal Bank Limited  
National Bank of Pakistan  
Summit Bank Limited  
The Bank of Punjab

# Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 31 MARCH 2013

		31 March 2013 Un-audited	30 June 2012 Audited
	Note	----- Rupees -----	
<b>ASSETS</b>			
Bank balances	4	280,854,825	146,593,329
Investments	5	1,415,189,672	784,683,912
Receivable against Margin Trading System		170,252,023	-
Interest accrued		8,559,538	11,487,613
Deposit, prepayments and other receivable		584,384	100,000
<b>Total assets</b>		<b>1,875,440,442</b>	<b>942,864,854</b>
<b>LIABILITIES</b>			
Payable to the Atlas Asset Management Limited - Management Company		2,358,244	1,130,252
Payable to the Central Depository Company of Pakistan Limited - Trustee		224,324	128,095
Annual fee payable to the Securities and Exchange Commission of Pakistan		742,353	609,076
Accrued and other liabilities	6	11,704,271	9,510,150
<b>Total liabilities</b>		<b>15,029,192</b>	<b>11,377,573</b>
<b>NET ASSETS</b>		<b>1,860,411,250</b>	<b>931,487,281</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,860,411,250</b>	<b>931,487,281</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>3,615,325</b>	<b>1,855,552</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>514.59</b>	<b>502.00</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director



# Third Quarter Report 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

Note	For the Nine Months Ended		For the Quarter Ended		
	31 March		31 March		
	2013	2012	2013	2012	
	Rupees				
<b>INCOME</b>					
Interest income	8	104,216,183	89,697,984	42,900,523	37,123,865
Gain on sale of investments - net		6,831,107	191,926	119,872	-
Gain on exchange of financial asset	5.1	3,933,397	-	-	-
Unrealised gain / (loss) on revaluation of investments - net		687,840	(52,480,456)	(42,935)	(12,176,828)
		11,452,344	(52,288,530)	76,937	(12,176,828)
Other income		-	19,012	-	-
Element of income/(loss) and capital gains / (losses) included in prices of units issued less those in units redeemed-net		12,122,279	(1,182,116)	1,414,342	652,079
		127,790,806	36,246,350	44,391,802	25,599,116
<b>EXPENSES</b>					
Remuneration of Atlas Asset Management Limited - Management Company		14,847,058	8,808,182	6,515,133	3,160,532
Sindh sales tax on management company's remuneration		2,375,529	1,409,309	1,042,421	505,685
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,468,091	998,268	578,777	358,195
Annual fees - Securities and Exchange Commission of Pakistan		742,353	440,411	325,756	158,025
Auditors' remuneration		390,514	390,488	129,945	131,750
Annual rating fee		160,000	150,000	60,000	50,000
Annual listing fee		30,000	30,000	10,000	10,000
Securities transaction cost		561,773	139,988	405,527	46,988
Printing charges		150,755	39,140	29,231	18,894
Bank charges		42,766	19,112	17,609	5,247
Provision for Workers' Welfare Fund	6.1	2,140,439	476,429	705,548	423,076
		22,909,278	12,901,327	9,819,947	4,868,392
Net income for the period before taxation		104,881,528	23,345,023	34,571,855	20,730,724
Taxation	9	-	-	-	-
Net income for the period after taxation		104,881,528	23,345,023	34,571,855	20,730,724

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	For the Nine Months Ended		For the Quarter Ended	
	31 March 2013	2012	31 March 2013	2012
	Rupees			
Net income for the period after taxation	104,881,528	23,345,023	34,571,855	20,730,724
Net unrealised diminution in the value of investments classified as 'available for sale'	(508,316)	-	(105,899)	-
Total comprehensive income for the period	<u>104,373,212</u>	<u>23,345,023</u>	<u>34,465,956</u>	<u>20,730,724</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended	
	31 March 2013	31 March 2012
	----- Rupees -----	
Undistributed income brought forward	8,120,663	26,412,737
Final distribution for the year ended 30 June 2012 - Nil (2011: Rs.13.75 per unit declared on 7 July 2011)		
- Bonus units	-	(21,042,760)
Net income for the period after taxation	104,881,528	23,345,023
Interim distribution for the quarter ended 30 September 2012 Rs.12.50 per unit declared on 5 October 2012 (2011: Nil)		
- Bonus units	(25,123,989)	-
- Cash payout against interim distribution	(67,801)	-
	(25,191,790)	-
Interim distribution for the quarter ended 31 December 2012 Rs.12.50 per unit declared on 4 January 2013 (2012: Nil)		
- Bonus units	(39,867,566)	-
- Cash payout against interim distribution	(67,801)	-
	(39,935,367)	-
Undistributed income carried forward	47,875,034	28,715,000

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months ended			
	31 March 2013		31 March 2012	
	Units	Rupees	Units	Rupees
Net assets as at the beginning of the period [Rs.502.00 (2011: Rs.514.21) per unit]	1,855,552	931,487,281	1,530,383	786,934,887
Issue of units	2,318,759	1,189,399,377	579,060	287,508,048
Redemption of units	(687,502)	(352,590,739)	(442,802)	(220,498,615)
	1,631,257	836,808,638	136,258	67,009,433
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed	-	(12,122,279)	-	1,182,116
Final distribution for the year ended 30 June 2012 - Nil (2011: Rs.13.75 per unit declared on 7 July 2011)				
Issue of bonus units Interim distribution @ Rs.12.50 declared on 5 October 2012 (2011: Nil)	-	-	42,047	-
Issue of bonus units Cash payout against distribution	49,644	-	-	-
	-	(67,801)	-	-
Interim distribution @ Rs.12.50 declared on 4 January 2013 (2012: Nil)				
Issue of bonus units Cash payout against distribution	78,872	-	-	-
	-	(67,801)	-	-
Net income for the period after taxation	-	104,881,528	-	23,345,023
Other comprehensive loss	-	(508,316)	-	-
Total comprehensive income for the period	-	104,373,212	-	23,345,023
Net assets as at the end of the period [Rs.514.59 (2012: Rs.514.12) per unit]	3,615,325	1,860,411,250	1,708,687	878,471,459

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

Note	For the Nine Months Ended	
	31 March 2013	31 March 2012
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	104,881,528	23,345,023
Adjustments:		
Interest income	(104,216,183)	(89,697,984)
Gain on sale of investments - net	(6,831,107)	(191,926)
Gain on exchange of financial asset	(3,933,397)	-
Unrealised loss on revaluation of investments - net	(687,840)	52,480,456
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	(12,122,279)	1,182,116
	(127,790,806)	(36,227,338)
(Increase)/decrease in assets		
Receivable against Margin Trading System	(170,252,023)	-
Deposits, prepayments & other receivable	(484,384)	(10,000)
	(170,736,407)	(10,000)
Increase/(decrease) in liabilities		
Payable to the Management Company	1,227,992	132,091
Payable to Central Depository Company of Pakistan Limited - Trustee	96,229	14,780
Annual fee payable to the Securities and Exchange Commission of Pakistan	133,277	(304,896)
Accrued and other liabilities	2,194,121	518,980
	3,651,619	360,955
	(189,994,066)	(12,531,360)
Interest received	107,144,258	95,524,582
Investments made during the period	(2,661,834,205)	(1,002,302,955)
Investment sold / redeemed / matured during the period	2,042,272,472	809,469,261
Net cash used in operating activities	(702,411,540)	(109,840,472)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,189,399,377	287,508,048
Net payments against redemption of units	(352,590,739)	(220,498,615)
Cash payout against distribution	(135,602)	-
Net cash generated from financing activities	836,673,036	67,009,433
Net increase/(decrease) in cash and cash equivalents during the period	134,261,496	(42,831,039)
Cash and cash equivalents at beginning of the period	146,593,329	74,058,608
Cash and cash equivalents at the end of the period 4	280,854,825	31,227,569

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Income Fund

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted by a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the establisher and the management company and MCB Financial Services Limited (MCBFSL) as the trustee. MCBFSL resigned on 11 June 2005 as trustee and Central Depository Company of Pakistan Limited (CDC) was appointed as the trustee with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and First Supplemental Trust Deed dated 11 June 2005, Second Supplemental Trust Deed dated 29 October 2007, Third Supplemental Trust Deed dated 23 June 2010 and the Fourth Supplemental Trust Deed dated 12 November 2010, with the approval of the SECP. Also, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth and Fifth Supplements, dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010 and 12 November 2010 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 Units of the Fund have been 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 Lahore Stock Exchange.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in 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 (COI), money market placements, deposits, Certificates of deposits (COD), Certificates of Musharikas (COM), TDRs, commercial paper, reverse repo, term finance certificates (TFCs)/Sukuks, spread transactions and any other instruments that may be allowed by the Securities and Exchange Commission of Pakistan. The investment objectives and policies are more fully defined in the Fund's offering document.

## 2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 " Interim Financial Reporting", 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 directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2012.

- 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

# Third Quarter Report 2012-13

## 3. SIGNIFICANT ACCOUNTING POLICIES

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 2012.

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 2012.

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 2012.

	Note	31 March 2013 Un-audited ----- Rupees -----	30 June 2012 Audited -----
<b>4. BANK BALANCES</b>			
In local currency			
Profit and loss sharing accounts	4.1	80,854,825	146,593,329
Term deposit accounts	4.2	200,000,000	-
		<u>280,854,825</u>	<u>146,593,329</u>

4.1 The rate of return on these profit and loss sharing accounts ranges from 6% to 8.75% (30 June 2012: 6% to 12% per annum).

4.2 The rate of return on term deposit is 9.60% (30 June 2012 : Nil) per annum. The deposit will mature on 02 May 2013.

	Note	31 March 2013 Un-audited ----- Rupees -----	30 June 2012 Audited -----
<b>5. INVESTMENTS</b>			
Available for sale			
Quoted equity security	5.1	3,425,081	-
At fair value through profit or loss - held for trading			
Term finance certificates - listed	5.2 & 5.7	185,680,818	234,500,376
Term finance certificates - unlisted	5.3 & 5.7	47,915,700	49,362,050
Sukuk certificates - unlisted	5.4 & 5.7	-	-
Government Securities - Market Treasury Bills	5.5	1,152,698,485	500,821,486
Government Securities - Pakistan Investment Bonds	5.6	25,469,588	-
		<u>1,411,764,591</u>	<u>784,683,912</u>
Investments - Total		<u>1,415,189,672</u>	<u>784,683,912</u>

# Atlas Income Fund

## 5.1 Quoted equity security

Ordinary shares have a face value of Rs.10/- each unless stated otherwise

	Number of shares			Rupees		Percentage of			
	As at 01 July 2012	Purchases during the period	Sales during the period	As at 31 March 2013	Carrying Cost	Market Value	Market Value as a percentage of Investment	Market Value as a percentage of net assets	Market Value as a percentage of Paid-up Capital of Investee company
----- Rupees -----									
CHEMICAL									
Agritech Limited	-	302,569	-	302,569	3,933,397	3,425,081	0.24	0.18	0.08

5.1.1 This represents shares allocated to the Fund as part of the settlement agreement finalised between Azgard Nine Limited and its creditors. As part of the settlement, 302,569 shares of Agritech Limited have been allocated to the Fund against its receivable balance of Rs.10.589 million from Azgard Nine Limited. The Fund's gross receivable against Azgard Nine Limited amounted to Rs.18.724 million out of which Rs.10.589 million has been settled as part of this agreement. In prior years, the Fund has fully provided its exposure against Azgard Nine Limited and has consequently recorded a gain of Rs.3.933 million on this settlement. This gain representing the market value of the shares on the date of settlement is reflected in the income statement. The balance receivable amounting to Rs.8.135 million (market value Rs.7.871 million) remains fully provided.

## 5.2 Term finance certificates - listed

Note	As at 01 July 2012	Purchases during the period	Disposed/ matured during the period	As at 31 March 2012	Carrying Cost	Market Value	Market Value as a percentage of Investment	Market Value as a percentage of net assets	
									-----Number of Certificates-----
BANKS									
Askari Bank Limited - I	2,400	-	2,400	-	-	-	-	-	
Askari Bank Limited - II	6,775	-	-	6,775	33,879,923	34,029,988	2.40	1.82	
Bank Al Habib Limited - II	1,192	-	-	1,192	6,145,433	6,064,610	0.43	0.33	
Bank Alfalah Limited - V	-	2,450	-	2,450	12,250,000	12,178,264	0.86	0.65	
NIB Bank Limited	1,399	-	-	1,399	6,949,583	6,977,520	0.49	0.38	
Standard Chartered Bank (Pakistan) Limited - III	12,000	-	12,000	-	-	-	-	-	
United Bank Limited - II	2,000	-	2,000	-	-	-	-	-	
United Bank Limited - III	5,500	-	-	5,500	13,565,208	13,894,771	0.98	0.75	
United Bank Limited - IV	8,000	-	-	8,000	40,259,456	40,778,280	2.88	2.19	
					113,049,603	113,923,433	8.04	6.12	
FINANCIAL SERVICES									
Escorts Investment Bank Limited	5,000	-	-	5,000	2,106,752	2,762,836	0.20	0.15	
TELECOMMUNICATION									
Pakistan Mobile Communications									
Limited	13,800	-	-	13,800	68,096,928	68,994,549	4.88	3.71	
Telecard Limited	5.7	4,000	-	4,000	-	-	-	-	
					68,096,928	68,994,549	4.88	3.71	
PERSONAL GOODS									
Azgard Nine Limited	5.7	5,000	-	5,000	-	-	-	-	
					183,253,283	185,680,818	13.12	9.98	





# Atlas Income Fund

	Note	31 March 2013 Un-audited	30 June 2012 Audited
		Rupees	
5.6 Government Securities			
Pakistan Investment Bonds	5.6.1	25,469,588	-

## 5.6.1 Pakistan Investment Bonds (PIBs)

	As at 01 July 2012	Purchases during the period	Sales/ matured during the period	As at 31 March 2013	Amortized Cost	Market Value	Market Value as a percentage of Investment	Market Value as a percentage of net assets
Rupees								
3 Year - PIBs	-	25,000,000	-	25,000,000	25,400,000	25,469,588	1.80	1.37

5.6.2 These Pakistan Investment Bonds carry purchase yield of 11.25% (30 June 2012: Nil) per annum and will mature by 19 July 2015.

## 5.7 PARTICULARS OF NON-COMPLIANT INVESTMENTS

The Securities & 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			%	%
<b>Listed</b>						
Azgard Nine Limited	Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited	Term finance certificate	5,506,380	5,506,380	-	-	-
		13,377,891	13,377,891			
<b>Unlisted</b>						
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	Sukuk certificate	15,225,000	15,225,000	-	-	-
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	-	-	-
Bunny's Limited	Term finance certificate	1,590,000	1,590,000	-	-	-
		70,675,000	70,675,000			
		84,052,891	84,052,891	-	-	-

5.7.1 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 accordingly, an aggregate provision of Rs.84.05 million (30 June 2012: Rs.107.192 million), net of market discount on valuation as permitted under SECP's Circular 3 of 2010 dated 20 January 2010, has been made in accordance with the minimum provisioning requirements of the above mentioned circulars.

5.7.2 During the period, the Fund has received zero coupon term finance certificates of Azgard Nine Limited having face value of Rs.5,375,000. These TFCs have been received against outstanding markup of Azgard Nine Limited's TFC, payable as of 31 March 2012.

# Third Quarter Report 2012-13

		31 March 2013 Un-audited	30 June 2012 Audited
	Note	----- Rupees -----	-----
<b>6. ACCRUED AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		215,043	379,851
NCCPL charges payable		16,666	15,000
Printing charges payable		101,454	100,000
Payable to unit holders against redemption of units		23,931	23,931
Brokerage payable		12,533	2,812
Withholding tax payable		10,420	1,250
Sindh Sales Tax payable on remuneration of the Management Company		377,319	180,840
Provision for Workers' Welfare Fund	6.1	10,946,905	8,806,466
		<u>11,704,271</u>	<u>9,510,150</u>

6.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/Mutual Funds (CISs)/Pension Funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication. However, without prejudice to the above, the Management Company has been providing for WWF contribution since the financial year ended 30 June 2010.

In the year 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF, including the Fund. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, the Hon'ble SHC, comprising of a three member bench, in their judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Hon'ble Lahore High Court which had held such amendments as unlawful and unconstitutional. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is pending before the Hon'ble SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.10,946,905 (30 June 2012: Rs.8,806,466) in these financial statements. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.3.03 per unit (30 June 2012: Rs.4.75 per unit).

## 7. CONTINGENCIES AND COMMITMENTS

7.1 There were no contingencies outstanding as at 31 March 2013.

# Atlas Income Fund

	31 March 2013	30 June 2012
	Un-audited	Audited
	----- Rupees -----	

## 7.2 Commitments

Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions have not been settled as at 31 March 2013

	30,239,926	-
--	------------	---

	For the Nine Months Ended		For the Quarter Ended	
	31 March 2013	2012	31 March 2013	2012
	Un-audited		Un-audited	
	----- Rupees -----			

## 8. INTEREST INCOME

Profit and loss sharing accounts	11,469,414	3,451,784	6,457,842	1,001,653
Income from Margin Trading System	3,578,429	-	3,572,989	-
Term finances certificates	24,686,244	46,355,684	7,478,213	21,037,944
Government Securities - Market				
Treasury Bills	63,048,877	39,890,516	24,697,986	15,084,268
Government Securities - Pakistan				
Investment Bonds	1,433,219	-	693,493	-
	<u>104,216,183</u>	<u>89,697,984</u>	<u>42,900,523</u>	<u>37,123,865</u>

8.1 Mark-up on non performing securities amounting to Rs.20.50 million (2012: Rs.38.38 million); based on outstanding principal has not been recognised in accordance with the SECP Circular 1 of 2009 and Circular 33 of 2012.

## 9. TAXATION

The Fund's income is exempt from Income Tax as per 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. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, if any, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

## 10. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

	For the Nine Months Ended	
	31 March 2013	31 March 2012
	Un-audited	Un-audited
	----- Rupees -----	

### 10.1 Details of transactions with related parties during the period are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration charged	14,847,058	8,808,182
Remuneration paid	13,619,066	8,676,091
Sindh Sales Tax on Remuneration of the Management Company	2,375,529	1,409,309
Sale of 99,099 (2012: 12,730) units	50,500,000	6,500,000
Redemption of 26,348 (2012: Nil) units	13,500,000	-
Bonus of 3,572 (2012: Nil) units	1,806,151	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	1,468,091	998,268
Trustee fee paid	1,390,360	983,488
Settlement charges	22,998	4,500

# Third Quarter Report 2012-13

For the Nine Months Ended

31 March 2013	31 March 2012
Un-audited	Un-audited
----- Rupees -----	

10.1 Details of transactions with related parties during the period are as follows: (Continued...)

Atlas Battery Limited (Group Company)		
Sale of 508,447 (2012: 62,174) units	259,989,087	30,000,000
Bonus of 11,567 (2012: Nil) units	5,849,216	-
Atlas Foundation (Trust having common Director/Trustee)		
Sale of 39,285 (2012: 26,870) units	20,100,000	13,700,000
Redemption of 59,327 (2012: 447) units	30,345,000	225,000
Bonus of 6,397 (2012: 2,732) units	3,235,347	1,367,341
Atlas Fund of Funds (Fund under common management)		
Sale of Nil (2012: 20,523) units	-	10,000,000
Redemption of 22,236 (2012: Nil) units	11,254,351	-
Bonus of 536 (2012: Nil) units	271,246	-
Atlas Honda Limited (Group Company)		
Sale of 505,108 (2012: Nil) units	260,000,000	-
Redemption of Nil (2012: 101,789) units	-	50,000,000
Bonus of 47,874 (2012: 20,605) units	24,209,635	10,311,841
Atlas Insurance Limited (Group Company)		
Sale of 436,407 (2012: 355,553) units	225,000,000	176,700,000
Redemption of 270,995 (2012: 213,234) units	139,882,364	106,661,958
Bonus of 15,628 (2012: 1,897) units	7,903,492	949,240
Batool Benefit Trust (Trust having common Director/Trustee)		
Sale of Nil (2012: 466) units	-	231,000
Redemption of 30,966 (2012: 5,912) units	15,815,000	2,919,000
Bonus of 6,781 (2012: 4,738) units	3,429,681	2,371,208
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Sale of 375 (2012: Nil) units	190,000	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Sale of 9,957 (2012: Nil) units	5,070,000	-
Redemption of 17,537 (2012: 17,984) units	9,014,363	9,000,000
Bonus of 473 (2012: 632) units	238,994	316,512
<u>Key Management Personnel of Management Company</u>		
Sale of 50,468 (2012: 20,135) units	25,720,000	10,075,000
Redemption of Nil (2012: 104) units	-	51,017
Bonus of 4,514 (2012: 591) units	2,283,068	295,773
	31 March 2013	30 June 2012
	Un-audited	Audited
	----- Rupees -----	

10.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	2,358,244	1,130,252
Sindh Sales Tax payable on Remuneration of the Management Company	377,319	180,840
Units in issue - 112,103 (30 June 2012: 35,780)	57,686,861	17,961,761
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	205,826	128,095
Settlement charges payable	18,498	-

# Atlas Income Fund

	31 March 2013 Un-audited	30 June 2012 Audited
	----- Rupees -----	

## 10.2 Details of balances with related parties as at the period end are as follows: (Continued...)

Atlas Battery Limited (Group Company) Units in issue - 585,751 (30 June 2012: 65,737)	301,421,707	33,000,058
Atlas Foundation (Trust having common Director/Trustee) Units in issue - 117,597 (30 June 2012: 131,241)	60,513,997	65,883,170
Atlas Fund of Funds (Fund under common management) Units in issue - Nil (30 June 2012: 21,700)	-	10,893,236
Atlas Honda Limited (Group Company) Units in issue - 1,260,081 (30 June 2012: 707,099)	648,425,128	354,963,618
Atlas Insurance Limited (Group Company) Units in issue - 406,455 (30 June 2012: 225,416)	209,157,839	113,158,794
Batool Benefit Trust (Trust having common Director/Trustee) Units in issue - 139,913 (30 June 2012: 164,099)	71,998,078	82,377,590
Ifikhar Shirazi Family Trust (Trust having common Director/Trustee) Units in issue - 375 (30 June 2012: Nil)	192,966	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company) Units in issue - Nil (30 June 2012: 7,107)	-	3,567,931
<u>Key Management Personnel of Management Company</u>		
Units in issue - 112,995 (30 June 2012: 58,012)	58,145,847	29,121,952

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

## 11. SUBSEQUENT EVENT - INTERIM DISTRIBUTION TO UNITHOLDERS PER UNIT

The Investment Committee of the management company, under the authority delegated to them by the Board of Directors of the Management Company, in their meeting held on 05 April 2013 approved an interim distribution of Rs.10/- (2012: Nil) per unit on the face value of Rs.500 each, i.e. 2% (2012: Nil), amounting to Rs.36,163,868/- (2012: Nil), on behalf of the Board of Directors of the Management Company.

## 12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 25 April 2013 by the Board of Directors of the Management Company.

## 13. GENERAL

13.1 Figures have been rounded off to the nearest rupees.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

## Atlas Stock Market Fund

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### 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

---

Mohsin Tayebaly & Co.

#### Bankers

---

Bank Alfalah Limited  
Faysal Bank Limited  
Summit Bank Limited  
The Bank of Punjab

# Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 31 MARCH 2013

	31 March 2013 Un-audited	30 June 2012 Audited
Note	-----	Rupees -----
<b>ASSETS</b>		
Bank balances	4 56,109,732	11,548,993
Investments	5 802,801,490	704,262,103
Dividend receivable	24,950,000	525,000
Interest accrued	331,042	247,572
Receivable against sale of securities	544,430	4,751,684
Deposits, prepayments and other receivables	2,649,777	2,614,777
<b>Total assets</b>	<b>887,386,471</b>	<b>723,950,129</b>
<b>LIABILITIES</b>		
Payable to Atlas Asset Management Limited - Management Company	1,476,897	1,147,749
Payable to Central Depository Company of Pakistan Limited - Trustee	162,711	120,755
Annual fee payable to the Securities and Exchange Commission of Pakistan	616,643	614,174
Accrued expenses and other liabilities	6 15,812,812	11,450,778
<b>Total liabilities</b>	<b>18,069,063</b>	<b>13,333,456</b>
<b>NET ASSETS</b>	<b>869,317,408</b>	<b>710,616,673</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>	<b>869,317,408</b>	<b>710,616,673</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>1,890,387</b>	<b>1,729,144</b>
<b>NET ASSET VALUE PER UNIT</b>	<b>459.86</b>	<b>410.96</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director



# Third Quarter Report 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	For the Nine Months Ended		For the Quarter Ended	
	31 March		31 March	
Note	2013	2012	2013	2012
	Rupees			
<b>INCOME</b>				
Profit on Bank deposits	2,743,462	1,484,320	896,339	370,643
Dividend income	69,557,500	40,483,008	31,675,000	17,486,706
Gain on sale of investments - net	127,530,002	43,251,498	63,936,764	38,059,288
Unrealised gain/(loss) on revaluation of investments - net	63,101,972	48,695,424	(8,991,882)	112,035,780
	190,631,974	91,946,922	54,944,882	150,095,068
Element of (loss) and capital (losses) included in prices of units issued less those in units redeemed - net	(22,669,609)	(8,359,595)	(31,962,580)	(6,022,159)
	240,263,327	125,554,655	55,553,641	161,930,258
<b>EXPENSES</b>				
Remuneration of Atlas Asset Management Limited - Management Company	12,981,866	9,452,857	4,433,708	3,186,314
Sindh sales tax on Management Company's remuneration	2,077,099	1,512,457	709,394	509,810
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,298,184	945,281	443,372	318,629
Annual fees - Securities and Exchange Commission of Pakistan	616,643	449,004	210,608	151,344
Auditors' remuneration	295,140	321,000	108,875	112,000
Annual listing fee	30,000	30,000	10,000	10,000
Annual rating fee	75,000	75,000	25,000	25,000
Securities transaction cost	3,060,366	2,946,795	973,016	890,626
Printing charges	102,817	99,580	29,932	34,580
Bank charges	20,743	14,551	7,523	3,398
Provision for Workers' Welfare Fund 6.1	4,394,109	2,194,163	972,044	2,194,163
	24,951,967	18,040,688	7,923,472	7,435,864
Net income for the period before taxation	215,311,360	107,513,967	47,630,169	154,494,394
Taxation 8	-	-	-	-
Net income for the period after taxation	215,311,360	107,513,967	47,630,169	154,494,394

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	<u>For the Nine Months Ended</u>		<u>For the Quarter Ended</u>	
	31 March		31 March	
	2013	2012	2013	2012
	----- Rupees -----			
Net income for the period after taxation	215,311,360	107,513,967	47,630,169	154,494,394
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period	<u>215,311,360</u>	<u>107,513,967</u>	<u>47,630,169</u>	<u>154,494,394</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended	
	31 March 2013	31 March 2012
	----- Rupees -----	
Accumulated losses brought forward	(119,822,281)	(91,450,675)
Final Distribution for the year ended 30 June 2012 at the rate of Rs.65 per unit declared on 5 July 2012 (2011: Rs.110 per unit declared on 7 July 2011)		
- Issue of bonus units	(111,436,354)	(125,664,521)
- Cash payout against distribution	(958,012)	(35,341,823)
	(112,394,366)	(161,006,344)
Net income for the period after taxation	215,311,360	107,513,967
Accumulated losses carried forward	(16,905,287)	(144,943,052)

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended			
	31 March 2013		31 March 2012	
	Units	Rupees	Units	Rupees
Net assets at beginning of the period [Rs.410.96 (2011: Rs.444.26) per unit]	1,729,144	710,616,673	1,463,694	650,258,865
Issue of units	1,358,138	550,947,902	738,965	250,604,386
Redemption of units	(1,519,003)	(629,270,124)	(867,536)	(301,940,379)
	(160,865)	(78,322,222)	(128,571)	(51,335,993)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	22,669,609	-	8,359,595
- Issue of bonus units	322,108	-	375,948	-
- Cash payout against final distribution	-	(958,012)	-	(35,341,823)
Net income for the period after taxation	-	215,311,360	-	107,513,967
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	215,311,360	-	107,513,967
Net assets at the end of the period [Rs.459.86 (2012: Rs.397.09) per unit]	1,890,387	869,317,408	1,711,071	679,454,611

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended	
	31 March 2013	31 March 2012
Note	-----	Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	215,311,360	107,513,967
Adjustments:		
Profit on bank deposits	(2,743,462)	(1,484,320)
Dividend income	(69,557,500)	(40,483,008)
Gain on sale of investments - net	(127,530,002)	(43,251,498)
Unrealised gain on revaluation of investments - net	(63,101,972)	(48,695,424)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	22,669,609	8,359,595
	(240,263,327)	(125,554,655)
	(24,951,967)	(18,040,688)
(Increase) / decrease in assets		
Receivable against sale of investments	4,207,254	3,070,080
Deposits, prepayments and other receivables	(35,000)	(35,000)
	4,172,254	3,035,080
Increase / (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	329,148	21,220
Payable to Central Depository Company of Pakistan Limited - Trustee	41,956	5,232
Annual fee payable to the Securities and Exchange Commission of Pakistan	2,469	(148,414)
Payable against purchase of investments	-	(14,065,702)
Payable to unit holders against redemption of units	-	66,615
Accrued expenses and other liabilities	4,362,034	2,280,535
	4,735,607	(11,840,514)
Profit received on bank deposits	2,659,992	1,669,071
Dividend received	45,132,500	26,824,931
Investments made during the period	(1,381,635,241)	(1,299,858,867)
Investments sold during the period	1,473,727,828	1,377,476,403
Net cash generated from operating activities	123,840,973	79,265,416
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	550,947,902	250,604,386
Net payments against redemption of units	(629,270,124)	(301,940,379)
Cash payout against distribution	(958,012)	(35,341,823)
Net cash used in from financing activities	(79,280,234)	(86,677,816)
Net increase / (decrease) in cash and cash equivalents during the period	44,560,739	(7,412,400)
Cash and cash equivalents at beginning of the period	11,548,993	28,563,363
Cash and cash equivalents at end of the period	4 56,109,732	21,150,963

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Stock Market Fund

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Stock Market Fund (the Fund) is an open ended mutual Fund constituted by 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, and Fifth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, and 4 December 2009 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 and Fifth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, and 4 December 2009 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.

Units of the Fund are offered for public subscription on a continuous basis since 23 November 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.

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.

## 2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 " Interim Financial Reporting", 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 directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2012.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

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## 3. SIGNIFICANT ACCOUNTING POLICIES

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 2012.

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 2012.

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 2012.

	Note	31 March 2013 Un-audited	30 June 2012 Audited
		Rupees -----	
<b>4. BANK BALANCES</b>			
In local currency			
- Profit and loss sharing accounts	4.1	56,109,732	11,548,993

4.1 The rate of return on these profit and loss sharing accounts ranges from 6% to 8.75% (30 June 2012: 6% to 12%) per annum.

## 5. INVESTMENTS

At fair value through profit or loss			
- Held for trading - Listed equity securities	5.1	802,801,490	704,262,103

### 5.1 Financial Assets

At fair value through profit and loss

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

	Number of shares				Rupees		Percentage of			
	As at 01 July 2012	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2013	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market Value as a percentage of Paid-up Capital of Investee Company
Held for trading equity securities										
Oil & Gas										
Attock Petroleum Limited	-	149,000	-	149,000	-	-	-	-	-	-
National Refinery Limited	-	150,000	-	150,000	-	-	-	-	-	-
Oil & Gas Development Company Limited	150,000	345,000	-	195,000	300,000	55,538,197	61,182,000	7.62	7.04	0.01
Pakistan Oilfields Limited	185,000	175,000	-	170,000	190,000	77,396,240	86,189,700	10.74	9.91	0.08
Pakistan Petroleum Limited	377,500	214,900	93,750	196,150	490,000	78,217,643	85,852,900	10.69	9.88	0.03
Pakistan State Oil Company Limited	150,000	162,700	40,000	227,700	125,000	23,126,628	25,391,250	3.16	2.92	0.05
	862,500	1,196,600	133,750	1,087,850	1,105,000	234,278,708	258,615,850	32.21	29.75	

# Atlas Stock Market Fund

Number of shares					Rupees		Percentage of		
As at 01 July 2012	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2013	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market Value as a percentage of Paid-up Capital of Investee Company

Held for trading equity securities (Continued...)

## Chemicals

Engro Corporation Limited	-	975,000	-	475,000	500,000	54,457,818	64,500,000	8.03	7.42	0.10
Fatima Fertilizer Company Limited	1,000,000	800,000	-	1,800,000	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	1,988,500	-	1,488,500	500,000	19,240,188	18,805,000	2.34	2.16	0.05
Fauji Fertilizer Company Limited	300,000	875,000	-	380,000	795,000	90,435,233	87,370,500	10.88	10.05	0.06
	1,300,000	4,638,500	-	4,143,500	1,795,000	164,133,239	170,675,500	21.25	19.63	

## Construction and Materials (Cement)

Attock Cement Pakistan Limited	-	25,000	-	25,000	-	-	-	-	-	-
D G Khan Cement Company Limited	1,000,000	1,795,000	-	2,195,000	600,000	30,618,638	41,562,000	5.18	4.78	0.14
Fecto Cement Limited	-	600,000	-	600,000	-	-	-	-	-	-
Kohat Cement Company Limited	200,000	-	-	200,000	-	-	-	-	-	-
Lucky Cement Limited	270,000	600,000	-	570,000	300,000	40,420,190	50,277,000	6.26	5.78	0.09
	1,470,000	3,020,000	-	3,590,000	900,000	71,038,828	91,839,000	11.44	10.56	

## Automobile and Parts

Indus Motor Company Limited	33,470	-	-	33,470	-	-	-	-	-	-
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## Food Producers

Engro Foods Limited	-	200,000	-	-	200,000	14,443,665	25,426,000	3.18	2.93	0.03
Quice Food Industries Limited	-	500,000	-	500,000	-	-	-	-	-	-
	-	700,000	-	500,000	200,000	14,443,665	25,426,000	3.18	2.93	

## Personal Goods (Textile)

Gadoon Textile Mills Limited	-	169,500	-	69,500	100,000	9,720,230	11,100,000	1.38	1.28	0.43
Nishat (Chunian) Limited	-	181,000	-	181,000	-	-	-	-	-	-
Nishat Mills Limited	1,100,000	1,445,813	-	2,045,813	500,000	32,666,835	42,145,000	5.25	4.85	0.14
	1,100,000	1,796,313	-	2,296,313	600,000	42,387,065	53,245,000	6.63	6.14	

## Fixed Line Telecommunication

Pakistan Telecommunication Company Limited	600,000	2,282,500	-	2,882,500	-	-	-	-	-	-
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## Electricity

Kot Addu Power Company Limited	-	331,000	-	331,000	-	-	-	-	-	-
Nishat Chunian Power Limited	1,500,000	100,000	-	1,600,000	-	-	-	-	-	-
Nishat Power Limited	1,200,000	-	-	1,200,000	-	-	-	-	-	-
Pakgen Power Limited	-	1,439,500	-	1,439,500	-	-	-	-	-	-
The Hub Power Company Limited	1,600,000	1,050,000	-	1,150,000	1,500,000	65,420,332	75,390,000	9.40	8.67	0.13
	4,300,000	2,920,500	-	5,720,500	1,500,000	65,420,332	75,390,000	9.40	8.67	



# Third Quarter Report 2012-13

	Number of shares				Rupees		Percentage of		
	As at 01 July 2012	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2013	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets

Held for trading equity securities (Continued...)

## Commercial Banks

Allied Bank Limited	770,000	-	-	770,000	-	-	-	-	-	-
Bank Alfalah Limited	2,500,000	4,022,000	-	3,422,000	3,100,000	53,375,039	46,810,000	5.83	5.38	0.23
Bank Al Habib Limited	-	2,870,000	-	170,000	2,700,000	82,743,865	71,064,000	8.85	8.17	0.27
BankIslami Pakistan Limited	-	824,500	-	47,500	777,000	7,078,777	4,910,640	0.61	0.56	0.15
Habib Bank Limited	-	150,000	-	100,000	50,000	4,800,000	4,825,500	0.60	0.56	0.004
Meezan Bank Limited	-	200,000	-	200,000	-	-	-	-	-	-
MCB Bank Limited	275,000	7,000	-	282,000	-	-	-	-	-	-
National Bank of Pakistan	200,000	200,000	-	400,000	-	-	-	-	-	-
United Bank Limited	600,000	1,345,039	-	1,945,039	-	-	-	-	-	-
	4,345,000	9,618,539	-	7,336,539	6,627,000	147,997,681	127,610,140	15.89	14.67	

Total Investment at fair value through profit or loss as at 31 March 2013 739,699,518 802,801,490 100.00 92.35

Total Investment at fair value through profit or loss as at 30 June 2012 690,455,841 704,262,103

5.2 The above investments include 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 Securities & Exchange Commission of Pakistan, which are as follows:

	Number of shares		Market value	
	31 March 2013	30 June 2012	31 March 2013	30 June 2012
	Un-audited	Audited	Un-audited	Audited
	----- Rupees -----			
Pakistan Oilfields Limited	110,000	110,000	49,899,300	40,363,400
Pakistan Petroleum limited	197,000	197,000	34,516,370	37,093,130
Fauji Fertilizer Company Limited	175,000	75,000	19,232,500	8,328,750
The Hub Power Company Limited	200,000	200,000	10,052,000	8,378,000
Bank Alfalah limited	500,000	-	7,550,000	-
Allied Bank Limited	-	200,000	-	12,836,000
MCB Bank Limited	-	100,000	-	16,624,000
	<u>1,182,000</u>	<u>882,000</u>	<u>121,250,170</u>	<u>123,623,280</u>

# Atlas Stock Market Fund

		31 March 2013 Un-audited	30 June 2012 Audited
	Note	----- Rupees -----	-----
<b>6. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		190,426	337,899
Printing charges payable		128,516	175,000
NCCPL charges payable		25,887	23,046
Withholding tax payable		102	9,236
Zakat payable		18,658	5,329
Sales load payable to distributors		73,567	-
Payable to unit holder against redemption of units		170,006	141,391
Sindh Sales Tax payable on Remuneration of the Management Company		236,304	183,640
Provision for Workers' Welfare Fund	6.1	14,969,346	10,575,237
		<u>15,812,812</u>	<u>11,450,778</u>

6.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable Sindh High Court (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication. However, without prejudice to the above, the Management Company has been providing for WWF contribution since the financial year ended 30 June 2010.

In the year 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, the Hon'ble SHC, comprising of a three member bench, in their judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Hon'ble Lahore High Court which had held such amendments as unlawful and unconstitutional. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is pending before the Hon'ble SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.14,969,346 (30 June 2012: Rs.10,575,237) in these condensed interim financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.7.92 (30 June 2012: Rs.6.12 per unit).

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## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2013.

## 8. TAXATION

The Fund's income is exempt from Income Tax as per 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. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, if any, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

For the Nine Months Ended	
31 March 2013	31 March 2012
Un-audited	Un-audited
----- Rupees -----	

## 9. TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

9.1 Details of transaction with related parties during the period are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	12,981,866	9,452,857
Remuneration paid	12,652,718	9,431,637
Sindh Sales Tax on Remuneration of the Management Company	2,077,099	1,512,457
Sales load	1,471	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,298,184	945,281
Remuneration paid	1,265,270	(943,832)
Settlement charges	85,364	69,630
Atlas Battery Limited (Group Company)		
Sale of 75,697 (2012: Nil) units	29,996,625	-
Bonus 8,152 (2012: Nil) units	2,820,120	-
Atlas Fund of Funds (Fund under common management)		
Sale of 347,475 (2012: 182,550) units	139,742,770	60,393,476
Bonus 11,492 (2012: 23,140) units	3,975,820	7,734,852
Redemption of 344,404 (2012: 229,075) units	140,066,852	76,813,328
Atlas Insurance Limited (Group Company)		
Sale of 354,813 (2012: 319,372) units	147,000,000	112,200,000
Bonus 42,439 (2012: 3,345) units	14,682,032	1,118,034
Redemption of 358,193 (2012: 107,872) units	148,696,730	42,000,000

# Atlas Stock Market Fund

For the Nine Months Ended  
 31 March            31 March  
 2013                    2012  
 Un-audited        Un-audited  
 ----- Rupees -----

9.1 Details of transaction with related parties during the period are as follows: (Continued...)

Batool Benefit Trust (Trust having common Director/Trustee)		
Sale of 5,193 (2012: Nil) units	2,000,000	-
Bonus 3,641 (2012: Nil) units	1,259,654	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Sale of 551 (2012: Nil) units	200,000	-
Bonus 3,055 (2012: Nil) units	1,056,945	-
Redemption of 19,867 (2012: Nil) units	9,121,347	-
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Sale of 25,746 (2012: Nil) units	9,863,413	-
<u>Key Management Personnel of Management Company</u>		
Sale 10,219 (2012: 8,716) units	4,000,000	2,818,000
Bonus 21,088 (2012: 31,547) units	7,295,525	10,544,880
Redemption of 1,479 (2012: Nil) units	600,000	-
	31 March	30 June
	2013	2012
	Un-audited	Audited
	-----	-----
	Rupees	

9.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	1,476,897	1,147,749
Sindh Sales Tax payable on Remuneration of the Management Company	236,304	183,640
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to trustee	147,690	114,776
Settlement charges payable	15,021	5,979
Atlas Battery Limited (Group Company)		
Outstanding 127,235 (30 June 2012: 43,386) units	58,510,190	17,830,099
Atlas Fund of Funds (Fund under Common Management)		
Outstanding 75,729 (30 June 2012: 61,166) units	34,824,882	25,136,969

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31 March 2013 Un-audited	30 June 2012 Audited
----- Rupees -----	

## 9.2 Details of balances with related parties as at the period end are as follows: (Continued...)

Atlas Insurance Limited (Group Company) Outstanding 264,937 (30 June 2012: 225,878) units	121,833,820	92,826,585
Batool Benefit Trust (Trust having common Director/Trustee) Outstanding 28,213 (30 June 2012: 19,380) units	12,974,086	7,964,117
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company) Outstanding Nil (30 June 2012: 16,261) units	-	6,682,493
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee) Outstanding 25,746 (30 June 2012: Nil) units	11,839,391	-
<u>Key Management Personnel of Management Company</u>		
Outstanding 142,066 (30 June 2012: 137,825) units	65,330,694	56,640,802

9.3 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.

## 10. DATE FOR AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 25 April 2013 by the Board of Directors of the Management Company.

## 11. GENERAL

11.1 Figures have been rounded off to the nearest rupee.

11.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

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