

# 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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Atlas Gold Fund

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**THIRD QUARTER REPORT**

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31 March 2014

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**(UN-AUDITED)**



**Invest today**  
Prosper tomorrow



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, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.

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# Atlas Funds

## ORGANISATION

### Management Company

Atlas Asset Management Limited

### Board of Directors of the Management Company

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

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)

Chief Executive Officer Mr. M. Habib-ur-Rahman  
(Executive Director)

Company Secretary Ms Lilly R. Dossabhoy

### Board Committees

#### Audit Committee

Chairman Mr. Azam Faruque  
Members Mr. Shamshad Nabi  
Mr. Frahim Ali Khan

Secretary Ms Qurrat-ul-Ain Jafari

#### Board Evaluation Committee

Chairman Mr. Azam Faruque  
Members Mr. Shamshad Nabi  
Mr. Ali H. Shirazi

Secretary Mr. M. Habib-ur-Rahman

#### Human Resource & Remuneration Committee

Chairman Mr. Frahim Ali Khan  
Members Mr. Ali H. Shirazi  
Mr. M. Habib-ur-Rahman

Secretary Mr. Mohsin Ali Khan

### Investment Committee

Chairman Mr. M. Habib-ur-Rahman  
Members Mr. Ali H. Shirazi  
Mr. Muhammad Abdul Samad  
Mr. Khalid Mahmood  
Mr. Muhammad Umar Khan  
(Secretary)  
Mr. Fawad Javaid

### Management Committee

Chairman Mr. M. Habib-ur-Rahman  
Members Ms Lilly R. Dossabhoy  
Mr. Muhammad Abdul Samad  
Mr. Abbas Sajjad

Secretary Mr. M. Irfan Dhedhi

### Risk Management Committee

Chairman Mr. Muhammad Abdul Samad  
Members Mr. Khalid Mahmood  
Ms Qurrat-ul-Ain Jafari  
Mr. Muhammad Umar Khan

Secretary Ms Zainab Hussain

### Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

### Registered Office

Ground Floor, Federation House, Sharae Firdousi  
Clifton, Karachi - 75600

Tel: (92-21) 111-MUTUAL (6-888-25)  
(92-21) 35379501-04

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Website: [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk)

# Third Quarter Report 2013-14

## CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Money Market Fund (AMF), Atlas Income Fund (AIF), Atlas Stock Market Fund (ASMF) and Atlas Gold Fund (AGF) for the nine months / period ended 31 March 2014 of the FY 2013-14.

### The Economy

During the period July - February FY 2013-14, total exports stood at US\$16.9 billion as compared to US\$15.9 billion reported in the same period last year. Trade deficit was reduced from US\$13.1 billion to US\$12.5 billion during the same period. Exports showed a growth of 6.2% against 1.1% increase in imports. The foreign exchange reserves of the country stood at US\$10.07 billion as on 31 March 2014 with SBP's share of US\$5.36 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-March FY 2013-14 stood at US\$11.6 billion, which was an increase of 11.87% YoY compared to the corresponding period last year. CPI inflation for the period of July-March FY 2013-14 was recorded at 8.6% as compared to 8.0% recorded during the corresponding period last year. The State Bank of Pakistan maintained the policy discount rate at 10%, under its latest monetary policy statement announced on 15 March 2014. The objective of adopting this stance is to support accumulation of foreign exchange reserves amid anticipated foreign inflows and manage inflation outlook.

### Fund Operations - AMF

The Net Asset Value per unit of Atlas Money Market Fund has increased by 6.04% to Rs.502.96 as on 31 March 2014, thus providing an annualized total return of 8.05%. The AMF's total exposure in Treasury Bills stood at 90.58% 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.7.37 billion, with 14.64 million units outstanding as of 31 March 2014.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim bonus distribution of Rs.3.50 per unit (0.70% on the face value of Rs.500 per unit). This is in addition to the aggregate Interim Bonus Distribution of Rs.25.50 per unit (5.10% on the face value of Rs.500 per unit), already distributed.

### Fund Operations - AIF

The Net Asset Value per unit of Atlas Income Fund has increased by 6.49% to Rs.516.75 as on 31 March 2014, this works out to 8.64% on an annualized basis. AIF's current asset allocation is 39.89% in Treasury bills, 27.90% in Pakistan Investment Bonds, 21.21% in Margin Trading System, 4.65% in TFCs/Sukuks, 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 stood at Rs.2.20 billion with 4.26 million units outstanding as of 31 March 2014.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim bonus distribution of Rs.9.50 per unit (1.90% on the face value of Rs.500 per unit) for the quarter ended 31 March 2014. This is in addition to the aggregate Interim Bonus Distribution of Rs.19 per unit (3.80% on the face value of Rs.500 per unit), already distributed.

# Atlas Funds

## Fund Operations - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund has increased by 23.14% to Rs.489.81 as on 31 March 2014. The benchmark KSE-100 index increased by 29.30% during the same period. The KSE-100 index increased from 21,005.69 points as on 30 June 2013 to 27,159.91 points as on 31 March 2014. The main reasons for underperformance were lower equity allocation and underperformance of Hubco's share price. The ASMF's equity portfolio exposure was mainly in Commercial Banks, Oil & Gas, and Chemicals 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.1.14 billion, with 2.32 million units outstanding as of 31 March 2014.

## Fund Operations - AGF

The Net Asset Value per unit of Atlas Gold Fund has increased by 1.88% to Rs.101.88 as on 31 March 2014. The benchmark has increased by 1.06% during the same period. The AGF's current asset allocation is 80.28% in Gold/Gold futures contracts and remaining in bank deposits/others. The net assets of the Fund stood at Rs.220.77 million, with 2.17 million units outstanding as of 31 March 2014.

## 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) for FY 2012-13. 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 plus - Fund Rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

### • Fund Stability Rating - 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 "3 Star" short term ranking to the Fund, and a long term "4 Star" ranking, for FY 2012 - 13. 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.

### • Rating/Ranking - AGF

Not yet rated/ranked. AGF was launched on 15 July 2013.

# Third Quarter Report 2013-14

## Future Outlook

Improved foreign inflows will provide greater economic stability. However, there is a need to reduce trade deficit by enhancing efficiency and competitiveness of exports. The growth in large scale manufacturing sector, an indicator of improved aggregate supply, bode well for containing inflation. The recent strengthening of Pak Rupee, has also helped improve the inflation outlook. In the short-run, auction of 3G license, bond floatation, divestment of shares through stock market and timely materialization of anticipated foreign inflows will help reduce fiscal borrowing. Going forward, concerted policy efforts are needed to overcome the economic challenges and to achieve sustainable economic growth.

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

لَيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَى  
(انسان کو اتنا ہی ملے گا جتنی اس نے کوشش کی)

## Aknowledgement

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

Karachi: 29 April 2014

Yusuf H. Shirazi  
Chairman

# Atlas Money Market Fund

## 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



# Third Quarter Report 2013-14

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2014

		31 March 2014 Un-audited	30 June 2013 Audited
	Note	----- Rupees -----	----- Rupees -----
<b>Assets</b>			
Bank balances and term deposits	4	735,244,336	103,676,820
Investments	5	6,671,595,696	3,748,608,910
Interest accrued		7,474,838	1,028,245
Prepayment		82,883	-
Deferred formation cost		50,000	200,000
<b>Total assets</b>		<b>7,414,447,753</b>	<b>3,853,513,975</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	6	13,901,736	4,274,304
Payable to Central Depository Company of Pakistan Limited - Trustee		539,587	290,029
Annual fee payable to the Securities & Exchange Commission of Pakistan		3,377,006	3,024,801
Accrued expenses and other liabilities	7	31,557,221	24,287,650
<b>Total liabilities</b>		<b>49,375,550</b>	<b>31,876,784</b>
<b>NET ASSETS</b>		<b>7,365,072,203</b>	<b>3,821,637,191</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>7,365,072,203</b>	<b>3,821,637,191</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>14,643,364</b>	<b>7,607,048</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>502.96</b>	<b>502.38</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

# Atlas Money Market Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2014

	Note	For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2014	2013	2014	2013
----- Rupees -----					
<b>Income</b>					
Interest income	9	424,492,168	324,088,815	173,451,781	88,183,555
<b>Net (loss)/gain on financial assets at fair vale through profit and loss</b>					
Net (loss)/gain on maturity/sale of investments		(1,475,455)	3,582,859	(204,264)	(102,423)
Net unrealised (loss)/gain on remeasurement of investments	5.1	(1,416,264)	(1,367,701)	525,644	(3,089,043)
		<b>(2,891,719)</b>	<b>2,215,158</b>	<b>321,380</b>	<b>(3,191,466)</b>
Element of income/(loss) and capital gains/(losses) included in prices of units sold less those in units redeemed - net		6,959,974	(2,256,294)	750,811	(210,113)
		<b>428,560,423</b>	<b>324,047,679</b>	<b>174,523,972</b>	<b>84,781,976</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	6.1	38,272,763	31,154,507	14,926,840	9,465,701
Sindh Sales Tax on Remuneration of the Management Company	6.2	7,103,425	4,984,721	2,770,422	1,514,512
Federal Excise Duty on Remuneration of the Management Company	6.3	6,123,642	-	2,388,294	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,940,020	3,286,213	1,502,003	1,014,173
Annual fees - Securities & Exchange Commission of Pakistan		3,377,006	2,336,594	1,317,073	709,929
Annual rating fee		169,117	160,000	59,117	60,000
Annual listing fee		30,000	30,000	10,000	10,000
Brokerage		248,893	138,975	69,357	65,601
Auditors' remuneration		419,929	389,585	137,983	135,617
Printing charges		221,816	150,755	63,750	29,231
Amortisation of formation cost		150,000	150,000	50,000	50,000
Bank charges		73,361	71,558	25,618	20,641
Provision for Workers' Welfare Fund	7.1	7,368,609	5,623,895	3,024,070	1,434,131
		<b>67,498,581</b>	<b>48,476,803</b>	<b>26,344,527</b>	<b>14,509,536</b>
<b>Net income for the period before taxation</b>		<b>361,061,842</b>	<b>275,570,876</b>	<b>148,179,445</b>	<b>70,272,440</b>
<b>Taxation</b>	10	-	-	-	-
<b>Net income for the period after taxation</b>		<b>361,061,842</b>	<b>275,570,876</b>	<b>148,179,445</b>	<b>70,272,440</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 2013-14

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2014

	<u>For the Nine Months ended</u>		<u>For the Quarter ended</u>	
	31 March		31 March	
	2014	2013	2014	2013
	----- Rupees -----			
Net income for the period after taxation	361,061,842	275,570,876	148,179,445	70,272,440
Other comprehensive income /(loss)	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>361,061,842</b>	<b>275,570,876</b>	<b>148,179,445</b>	<b>70,272,440</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

# Atlas Money Market Fund

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	2014	2013
	----- Rupees -----	
<b>Undistributed income brought forward</b>	<b>5,661,146</b>	<b>5,087,897</b>
Net income for the period after taxation	361,061,842	275,570,876
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>361,061,842</b>	<b>275,570,876</b>
Interim distribution for the month ended 31 July 2013 at the rate of Rs.3 per unit declared on 31 July 2013 (2012: Rs.4 per unit declared on 27 July 2012)		
- 52,470 Bonus units (2012: 65,082)	(26,371,028)	(32,706,265)
- Cash payout against interim distribution	(175,909)	(2,265,771)
	<b>(26,546,937)</b>	<b>(34,972,036)</b>
Interim distribution for the month ended 31 August 2013 at the rate of Rs.3 per unit declared on 30 August 2013 (2012: Rs.4 per unit declared on 31 August 2012)		
- 54,844 Bonus units (2012: 64,888)	(27,566,801)	(32,745,277)
- Cash payout against interim distribution	(175,909)	(1,464,198)
	<b>(27,742,710)</b>	<b>(34,209,475)</b>
Interim distribution for the month ended 30 September 2013 at the rate of Rs. 3 per unit declared on 27 September 2013 (2012: Rs. 3.75 per unit declared on 28 September 2012)		
- 59,279 Bonus units (2012: 55,534)	(29,782,672)	(28,006,481)
- Cash payout against interim distribution	(143,175)	(1,372,685)
	<b>(29,925,847)</b>	<b>(29,379,166)</b>
Interim distribution for the month ended 31 October 2013 at the rate of Rs.3.25 per unit declared on 24 October 2013 (2012: Rs.3.75 per unit declared on 31 October 2012)		
- 81,841 Bonus units (2012: 62,507)	(41,092,499)	(31,567,445)
- Cash payout against interim distribution	(155,106)	(1,372,685)
	<b>(41,247,605)</b>	<b>(32,940,130)</b>
Interim distribution for the month ended 30 November 2013 at the rate of Rs.3.25 per unit declared on 29 November 2013 (2012: Rs.3.25 per unit declared on 30 November 2012)		
- 79,851 Bonus units (2012: 52,188)	(40,119,591)	(26,345,403)
- Cash payout against interim distribution	(155,106)	(1,141,532)
	<b>(40,274,697)</b>	<b>(27,486,935)</b>
c/f	<b>200,985,192</b>	<b>121,671,031</b>

# Third Quarter Report 2013-14

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) (Continued...) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	2014	2013
	----- Rupees -----	
b/f	<b>200,985,192</b>	<b>121,671,031</b>
Interim distribution for the month ended 31 December 2013 at the rate of Rs.3.25 per unit declared on 27 December 2013 (2012: Rs.3.25 per unit declared on 26 December 2012)		
- 84,723 Bonus units (2012: 49,314)	(42,565,045)	(24,872,121)
- Cash payout against interim distribution	(158,338)	(1,461,981)
	<b>(42,723,383)</b>	<b>(26,334,102)</b>
Interim distribution for the month ended 31 January 2014 at the rate of Rs.3.50 per unit declared on 31 January 2014 (2013: Rs.3.25 per unit declared on 31 January 2013)		
- 90,900 Bonus units (2013: 48,233)	(45,711,751)	(24,362,054)
- Cash payout against interim distribution	(150,523)	(437,576)
	<b>(45,862,274)</b>	<b>(24,799,630)</b>
Interim distribution for the month ended 28 February 2014 at the rate of Rs.3.25 per unit declared on 28 February 2014 (2013: Rs.2.75 per unit declared on 28 February 2013)		
- 95,034 Bonus units (2013: 40,873)	(47,785,935)	(20,645,553)
- Cash payout against interim distribution	(113,342)	(305,240)
	<b>(47,899,277)</b>	<b>(20,950,793)</b>
Interim distribution for the month ended 31 March 2014 at the rate of Rs.3.50 per unit declared on 28 March 2014 (2013: Rs.3 per unit declared on 29 March 2013)		
- 102,465 Bonus units (2013: 42,924)	(51,498,734)	(21,682,734)
- Cash payout against interim distribution	(110,255)	(332,989)
	<b>(51,608,989)</b>	<b>(22,015,723)</b>
<b>Undistributed income carried forward</b>	<b>12,891,269</b>	<b>27,570,783</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

# Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2014

	31 March 2014		31 March 2013	
	Units	Rupees	Units	Rupees
<b>Net assets at the beginning of the period</b> [Rs.502.38 per unit (2012: 502.68 per unit)]	7,607,048	3,821,637,191	9,015,663	4,532,024,814
Issue of units	12,305,135	6,203,876,119	5,946,410	3,009,367,153
Redemption of units	(5,970,226)	(3,013,205,312)	(8,062,187)	(4,078,809,064)
	<b>6,334,909</b>	<b>3,190,670,807</b>	<b>(2,115,777)</b>	<b>(1,069,441,911)</b>
Element of loss/(income) and capital losses/(gains) included in prices of units sold less those in units redeemed - net	-	(6,959,974)	-	2,256,294
Net (loss)/gain on maturity/sale of investments	-	(1,475,455)	-	3,582,859
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(1,416,264)	-	(1,367,701)
Other net income for the period	-	363,953,561	-	273,355,718
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>361,061,842</b>	<b>-</b>	<b>275,570,876</b>
Total interim distributions for the period ended 31 March 2014 (As per Distribution Statement)				
Issue of bonus units	701,407	-	481,544	-
Cash payout against distribution	-	(1,337,663)	-	(10,154,657)
<b>Net assets at the end of the period</b> [Rs. 502.96 per unit (2013: Rs.505.36 per unit)]	<b>14,643,364</b>	<b>7,365,072,203</b>	<b>7,381,430</b>	<b>3,730,255,416</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 2013-14

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	2014	2013
	Note ----- Rupees -----	
<b>Cash flows from operating activities</b>		
Net income for the period after taxation	361,061,842	275,570,876
<b>Adjustments for:</b>		
Interest income	(424,492,168)	(324,088,815)
Net loss/(gain) on maturity/sale of investments	1,475,455	(3,582,859)
Net unrealised loss on remeasurement of investments classified as "financial assets at fair value through profit or loss"	1,416,264	1,367,701
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	(6,959,974)	2,256,294
	<b>(428,410,423)</b>	<b>(323,897,679)</b>
<b>Increase in prepayment</b>	<b>(82,883)</b>	<b>(70,000)</b>
<b>Increase/(decrease) in liabilities</b>		
Payable to the Management Company	9,627,432	(1,135,373)
Payable to the trustee	249,558	(65,031)
Payable to SECP	352,205	(950,050)
Accrued and other liabilities	7,269,571	5,312,755
	<b>17,498,766</b>	<b>3,162,301</b>
	<b>(49,932,698)</b>	<b>(45,234,502)</b>
Interest received	418,045,575	326,326,403
Investments made during the period	(25,693,971,537)	(11,389,114,348)
Investments sold/matured during the period	22,768,093,032	11,585,477,245
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,557,765,628)</b>	<b>477,454,799</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	6,203,876,119	3,009,367,153
Payment on redemption of units	(3,013,205,312)	(4,078,809,064)
Cash payout against distribution	(1,337,663)	(10,154,657)
<b>Net cash generated from/(used in) financing activities</b>	<b>3,189,333,144</b>	<b>(1,079,596,568)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>631,567,516</b>	<b>(602,141,769)</b>
Cash and cash equivalents at the beginning of the period	103,676,820	1,062,768,340
<b>Cash and cash equivalents at the end of the period</b> 4	<b>735,244,336</b>	<b>460,626,571</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

# Atlas Money Market Fund

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2014

### 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 are offered for public subscription on a continuous basis since 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 Musharaka (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. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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 2013.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 2014.

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

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

IFRS 7 – Financial Instruments : Disclosures – (Amendment)

- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

#### Improvements to accounting standards issued by IASB

IAS 1 - Presentation of Financial Statements - Clarification of the requirements for comparative information

IAS 32 - Financial Instruments : Presentation – Tax Effects of Distribution to Holders of Equity Instruments

IAS 34 - Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities



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The adoption of the above amendments and improvements to accounting standards did not have any effect on these condensed interim financial statements.

There are certain amendments, revisions and improvements to accounting standards that are mandatory for the Fund's accounting periods beginning on or after 1 July 2013 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these condensed interim financial statements.

## 3. SUMMARY OF 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 2013, other than as disclosed in note 2.2 above.

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 2013.

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 2013.

	31 March 2014	30 June 2013
	Un-audited	Audited
Note	-----	Rupees -----

## 4. BANK BALANCES AND TERM DEPOSITS

In PLS saving accounts	4.1	65,244,336	103,676,820
Term deposit account	4.2	670,000,000	-
		<b>735,244,336</b>	<b>103,676,820</b>

4.1 These carry rates of return ranging between 6.50% and 9.2% (30 June 2013: 6% and 8.75%) per annum.

4.2 The rate of return on term deposit is 10.05% (30 June 2013: Nil) per annum. The deposit will mature by 3 April 2014 (30 June 2013: Nil).

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

### Government securities

Market Treasury Bills - held-for-trading	5.1	<b>6,671,595,696</b>	<b>3,748,608,910</b>
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### 5.1 Market Treasury Bills - Held for trading

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Sold / Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months - T-bills	1,585,000,000	19,767,300,000	15,072,500,000	6,279,800,000	6,229,101,312	6,227,794,610	93.35	84.56
6 Months - T-bills	1,245,000,000	1,935,990,000	2,730,990,000	450,000,000	430,076,374	429,970,500	6.44	5.83
12 Months - T-bills	960,000,000	4,052,000,000	4,998,000,000	14,000,000	13,834,274	13,830,586	0.21	0.19
	<b>3,790,000,000</b>	<b>25,755,290,000</b>	<b>22,801,490,000</b>	<b>6,743,800,000</b>	<b>6,673,011,960</b>	<b>6,671,595,696</b>	<b>100.00</b>	<b>90.58</b>

5.2 The cost of investments as on 31 March 2014 is Rs.6,595,370,522 (30 June 2013: Rs.3,699,034,610).

5.3 These Market treasury bills carry purchase yields ranging from 9.85% to 10.32% (30 June 2013: 8.89% to 9.78%) per annum and will mature between 3 April 2014 and 18 September 2014 (30 June 2013: 11 July 2013 and 12 December 2013).

# Atlas Money Market Fund

		31 March 2014 Un-audited	30 June 2013 Audited
	Note	----- Rupees -----	
<b>6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY</b>			
Management fee	6.1	5,393,399	3,045,117
Formation cost payable		200,000	400,000
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	1,889,895	534,387
Federal Excise Duty payable on remuneration of the Management Company	6.3	6,418,442	294,800
		<b>13,901,736</b>	<b>4,274,304</b>

**6.1** In accordance with the provisions of the NBFC Regulations, the management company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. The management company has charged its remuneration of 0.85% per annum of the average net assets for the period.

**6.2** During the period, an amount of Rs.7,103,425 (2013: Rs.4,984,721) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, out of which Rs.5,213,530 (2013: Rs.4,456,098) has already been paid to the Management Company which acts as a collecting agent.

**6.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include asset management companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has charged FED to the Fund with effect from 13 June 2013.

		31 March 2014 Un-audited	30 June 2013 Audited
	Note	----- Rupees -----	
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		255,064	381,410
Printing charges payable		160,750	129,868
Payable to unit holders		3,374	3,374
Payable to brokers		14,864	14,853
Withholding tax payable		47,106	50,820
Zakat payable		129	-
Provision for Workers' Welfare Fund	7.1	31,075,934	23,707,325
		<b>31,557,221</b>	<b>24,287,650</b>

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7.1 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.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and one of the pension fund managed by the AMC. 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, a three member bench of the Sindh High Court in its 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 Acts, 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 Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs/Pension Funds is currently pending before the Honorable 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.31,075,934 (30 June 2013: Rs.23,707,325) 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.2.12 (30 June 2013: Rs.3.12) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies commitments outstanding and as at 31 March 2014.

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2014	2013	2014	2013
	Un-audited	Un-audited	Un-audited	Un-audited
	----- Rupees -----			

## 9. INTEREST INCOME

PLS saving and term deposit accounts	45,822,137	37,080,892	24,257,137	13,992,735
Government Securities -				
Market Treasury bills	378,670,031	287,007,923	149,194,644	74,190,820
	<b>424,492,168</b>	<b>324,088,815</b>	<b>173,451,781</b>	<b>88,183,555</b>

## 10. 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.

In March 2014, the taxation officers, in case of certain funds, have amended the assessment under Section 120 of the Income Tax Ordinance, 2001. These orders have, in form, denied the exemption to the income of the fund under Clause 99 of Part 1 of the Second Schedule to the Ordinance, however the context and the discussion with the Federal Board of Revenue reveal that a different viewpoint, not supported by law, is being adopted for the tax effect and incidence of the 'distribution' made by the fund by way of bonus units.

# Atlas Money Market Fund

There seems to be an apparent contradiction as tax effect and incidence on bonus unit if any, being an issue related to income of the recipient of distribution does not affect the validity of exemption to the fund. This industry issue has been examined by legal experts and tax advisors and there is unanimity of view that under the present regulations, including the provisions of Clause 99, tax department's contentions are primarily erroneous and not tenable under the law. Appropriate appellate and executive remedies are being adopted to resolve the matter.

No provision has been made in these accounts for the demands raised in the orders as the Management Company is confident that no tax incidence arises to the fund under the present clear regulations on the matter.

## 11. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For the Nine Months ended	
	31 March 2014 Un-audited	31 March 2013 Un-audited
	----- Rupees -----	
<b>11.1 Transactions for the period:</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the management company	38,272,763	31,154,507
Remuneration paid	35,924,481	31,960,863
Sindh Sales Tax on Remuneration of the Management Company	7,103,425	4,984,721
Federal Excise Duty on Remuneration of the Management Company	6,123,642	-
Sale of 49,586 (2013: 17,829) units	25,000,000	9,000,000
Redemption of Nil (2013: 105,724) units	-	53,500,000
Bonus of 1,024 (2013: 1,929) units	514,543	972,415
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	3,940,020	3,286,213
Remuneration paid	3,690,462	3,351,244
<b>Atlas Battery Limited (Group Company)</b>		
Redemption of 59,604 (2013: 356,039) units	30,000,000	180,000,000
Bonus of 25,349 (2013: 31,980) units	12,739,326	16,129,466
<b>Atlas Foundation (Trust having Common Director/Trustee)</b>		
Sale of 9,349 (2013: 4,353) units	4,700,000	2,200,000
Redemption of 9,934 (2013: 42,264) units	5,000,000	21,350,000
Bonus of 1,095 (2013: 1,417) units	550,181	714,274
<b>Atlas Fund of Funds (Fund under common management)</b>		
Sale of Nil (2013: 253,098) units	-	128,000,000
Redemption of Nil (2013: 328,360) units	-	165,851,335
Bonus of Nil (2013: 1,413) units	-	712,187
<b>Atlas Hitec (Private) Limited (Group Company)</b>		
Sale of 336,165 (2013: Nil) units	169,000,000	-
Bonus of 13,602 (2013: Nil) units	6,835,771	-
<b>Atlas Honda Limited (Group Company)</b>		
Sale of 3,881,162 (2013: 128,552) units	1,954,604,607	65,000,000
Redemption of 497,167 (2013: 395,750) units	250,000,000	200,000,000
Bonus of 157,707 (2013: 50,264) units	79,256,375	25,355,997
<b>Atlas Insurance Limited (Group Company)</b>		
Sale of 543,093 (2013: 405,851) units	273,500,000	205,000,000
Redemption of 98,902 (2013: 384,513) units	50,000,000	194,389,481
Bonus of 13,114 (2013: 11,789) units	6,592,148	5,948,133
<b>Atlas Metals (Private) Limited (Group Company)</b>		
Sale of 29,739 (2013: Nil) units	15,000,000	-
Bonus of 807 (2013: Nil) units	405,535	-

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	For the Nine Months ended	
	31 March 2014	31 March 2013
	Un-audited Note -----	Un-audited Rupees -----
<b>11.1 Transactions for the period: (Continued...)</b>		
<b>Batool Benefit Trust (Trust having common Director/Trustee)</b>		
Redemption of 129 (2013: Nil) units	65,000	-
Bonus of 64 (2013: 68) units	32,322	34,306
<b>Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)</b>		
Sale of Nil (2013: 39,000) units	-	19,726,826
Bonus of 2,479 (2013: 3,036) units	1,245,966	1,531,315
<b>Shirazi Trading Company (Private) Limited (Group Company)</b>		
Sale of 291,713 (2013: Nil) units	147,000,000	-
Redemption of 291,878 (2013: Nil) units	147,314,282	-
Bonus of 165 (2013: Nil) units	82,997	-
<b>Shirazi Investments (Private) Limited - Employees</b>		
<b>Provident Fund (Retirement benefit plan of a Group Company)</b>		
Sale of 9,359 (2013: 7,069) units	4,715,000	3,580,000
Redemption of 34,000 (2013: 2,414) units	17,161,160	1,220,000
Bonus of 937 (2013: 1,792) units	470,864	904,007
<b>Shirazi (Private) Limited (Group Company)</b>		
Redemption of Nil (2013: 1,681) units	-	846,935
Bonus of Nil (2013: 4) units	-	1,873
<b>Key Management Personnel of Management Company 11.3</b>		
Sale of 29,886 (2013: 17,618) units	15,046,244	8,900,000
Redemption of 21,993 (2013: 28,018) units	11,075,285	14,176,000
Bonus of 5,694 (2013: 4,502) units	2,861,581	2,271,000
	<b>31 March 2014</b>	<b>30 June 2013</b>
	<b>Un-audited</b>	<b>Audited</b>
	<b>----- Rupees -----</b>	

## 11.2 Investments/outstanding balances as at period/year end

<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the management company	5,393,399	3,045,117
Payable in respect of formation cost	200,000	400,000
Sindh Sales Tax payable on Remuneration of the Management Company	1,889,895	534,387
Federal Excise Duty payable on Remuneration of the Management Company	6,418,442	294,800
Units in issue 56,616 (30 June 2013: 6,006) - at net asset value	28,475,724	3,017,383
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	539,587	290,029
<b>Atlas Battery Limited (Group Company)</b>		
Units in issue 453,493 (30 June 2013: 487,748) - at net asset value	228,089,074	245,034,949
<b>Atlas Foundation (Trust having common Director/Trustee)</b>		
Units in issue 22,545 (30 June 2013: 22,035) - at net asset value	11,339,294	11,070,155
<b>Atlas Hitec (Private) Limited (Group Company)</b>		
Units in issue 349,767 (30 June 2013: Nil) - at net asset value	175,918,706	-

# Atlas Money Market Fund

	31 March 2014	30 June 2013
	Un-audited	Audited
	----- Rupees -----	

## 11.2 Investments/outstanding balances as at period/year end (Continued...)

<b>Atlas Honda Limited (Group Company)</b>		
Units in issue 4,242,008 (30 June 2013: 700,305) - at net asset value	2,133,560,136	351,819,276
<b>Atlas Insurance Limited (Group Company)</b>		
Units in issue 457,305 (30 June 2013: Nil) - at net asset value	230,006,122	-
<b>Atlas Metals (Private) Limited (Group Company)</b>		
Units in issue 30,546 (30 June 2013: Nil) - at net asset value	15,363,234	-
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Units in issue 1,110 (30 June 2013: 1,175) - at net asset value	558,105	590,106
<b>Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)</b>		
Units in issue 44,354 (30 June 2013: 41,874) - at net asset value	22,308,186	21,036,911
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Units in issue Nil (30 June 2013: 23,705) - at net asset value	-	11,908,755
<b><u>Key Management Personnel of Management Company</u></b>		
Units in issue 110,289 (30 June 2013: 96,702) - at net asset value	55,471,111	48,580,988

11.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.3 million and above, as set by the Board of Directors of the Management Company for FY 2013-14.

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

## 12. GENERAL

12.1 Figures have been rounded off to the nearest Rupee.

12.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2014.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2013-14

## 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**

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A. F. Ferguson & Co.  
Chartered Accountants

#### **Legal Advisers**

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Mohsin Tayebaly & Co.

#### **Bankers**

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

# Atlas Income Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2014

		31 March 2014 Un-audited	30 June 2013 Audited
	Note	----- Rupees -----	----- Rupees -----
<b>ASSETS</b>			
Bank balances and term deposits	4	141,967,107	43,778,182
Investments	5	1,596,207,743	1,492,155,988
Receivable against Margin Trading System		466,390,757	408,467,532
Interest/profit accrued		18,440,790	11,832,012
Deposits and prepayments		597,432	452,055
<b>Total assets</b>		<b>2,223,603,829</b>	<b>1,956,685,769</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	6	8,164,042	3,105,919
Payable to Central Depository Company of Pakistan Limited - Trustee		284,684	255,562
Payable to the Securities and Exchange Commission of Pakistan		1,257,825	1,103,186
Accrued and other liabilities	7	15,053,562	12,222,995
<b>Total liabilities</b>		<b>24,760,113</b>	<b>16,687,662</b>
<b>NET ASSETS</b>		<b>2,198,843,716</b>	<b>1,939,998,107</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,198,843,716</b>	<b>1,939,998,107</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,255,165</b>	<b>3,851,364</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>516.75</b>	<b>503.72</b>

The annexed notes from 1 to 14 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 2013-14

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2014

	Note	For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2014	2013	2014	2013
----- Rupees -----					
<b>INCOME</b>					
Interest/profit income	9	171,012,305	104,216,183	57,641,386	42,900,523
Capital gain on sale/maturity of investments - net		25,462	6,831,107	1,129,052	119,872
Gain on exchange of financial asset		-	3,933,397	-	-
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		13,940,546	687,840	13,178,140	(42,935)
		<b>13,966,008</b>	<b>11,452,344</b>	<b>14,307,192</b>	<b>76,937</b>
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net		2,272,508	12,122,279	(726,369)	1,414,342
		<b>187,250,821</b>	<b>127,790,806</b>	<b>71,222,209</b>	<b>44,391,802</b>
<b>EXPENSES</b>					
Remuneration of Atlas Asset Management Limited - Management Company		25,156,524	14,847,058	8,250,786	6,515,133
Sindh Sales Tax on remuneration of the Management Company	6.1	4,669,051	2,375,529	1,531,346	1,042,421
Federal Excise Duty on remuneration of the Management Company	6.2	4,025,044	-	1,320,126	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,063,619	1,468,091	677,129	578,777
Annual fees - Securities and Exchange Commission of Pakistan		1,257,825	742,353	412,541	325,756
Auditors' remuneration		408,862	390,514	129,571	129,945
Annual rating fee		168,952	160,000	58,952	60,000
Annual listing fee		30,000	30,000	10,000	10,000
Securities transaction cost		4,009,968	561,773	1,390,240	405,527
Printing charges		221,814	150,755	63,750	29,231
Bank charges		26,331	42,766	7,842	17,609
Provision for Workers' Welfare Fund	7.1	2,904,257	2,140,439	1,147,399	705,548
		<b>44,942,247</b>	<b>22,909,278</b>	<b>14,999,682</b>	<b>9,819,947</b>
<b>Net income for the period before taxation</b>		<b>142,308,574</b>	<b>104,881,528</b>	<b>56,222,527</b>	<b>34,571,855</b>
<b>Taxation</b>	10	-	-	-	-
<b>Net income for the period after taxation</b>		<b>142,308,574</b>	<b>104,881,528</b>	<b>56,222,527</b>	<b>34,571,855</b>

The annexed notes from 1 to 14 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 2014

	For the Nine Months ended		For the Quarter ended	
	31 March 2014	2013	31 March 2014	2013
----- Rupees -----				
Net income for the period after taxation	142,308,574	104,881,528	56,222,527	34,571,855
Income that may be re-classified subsequently to Income Statement				
Net unrealised diminution in the value of investment classified as 'available for sale'	(42,360)	(508,316)	(372,160)	(105,899)
<b>Total comprehensive income for the period</b>	<b>142,266,214</b>	<b>104,373,212</b>	<b>55,850,367</b>	<b>34,465,956</b>

The annexed notes from 1 to 14 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 2013-14

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	2014	2013
	----- Rupees -----	
<b>Undistributed income brought forward</b>	<b>8,247,459</b>	<b>8,120,663</b>
Net income for the period after taxation	142,308,574	104,881,528
Interim distribution for the quarter ended 30 September 2013 Rs.9.50 per unit declared on 4 October 2013 (2012: Rs.12.50 per unit declared on 5 October 2012)		
- Bonus units	(43,315,484)	(25,123,989)
- Cash payout against interim distribution	(51,528)	(67,801)
	<b>(43,367,012)</b>	<b>(25,191,790)</b>
Interim distribution for the quarter ended 31 December 2013 Rs.9.50 per unit declared on 7 January 2014 (2013: Rs.12.50 per unit declared on 4 January 2013)		
- Bonus units	(43,009,076)	(39,867,566)
- Cash payout against interim distribution	(51,528)	(67,801)
	<b>(43,060,604)</b>	<b>(39,935,367)</b>
<b>Undistributed income carried forward</b>	<b>64,128,417</b>	<b>47,875,034</b>

The annexed notes from 1 to 14 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 2014

	31 March 2014		31 March 2013	
	Units	Rupees	Units	Rupees
<b>Net assets at the beginning of the period</b> [Rs.503.72 (2012: Rs.502) per unit]	<b>3,851,364</b>	<b>1,939,998,107</b>	<b>1,855,552</b>	<b>931,487,281</b>
Issue of units	1,590,832	809,566,467	2,318,759	1,189,399,377
Redemption of units	(1,358,106)	(690,611,508)	(687,502)	(352,590,739)
	<b>232,726</b>	<b>118,954,959</b>	<b>1,631,257</b>	<b>836,808,638</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(2,272,508)	-	(12,122,279)
Interim distribution @ Rs.9.50 per unit declared on 4 October 2013 (2012: Rs.12.50 per unit declared on 5 October 2012)				
- Issue of bonus units	85,925	-	49,644	-
- Cash payout against interim distribution	-	(51,528)	-	(67,801)
Interim distribution @ Rs.9.50 per unit declared on 7 January 2014 (2013: Rs.12.50 per unit declared on 4 January 2013)				
Issue of bonus units	85,150	-	78,872	-
Cash payout against distribution	-	(51,528)	-	(67,801)
Net unrealised diminution in the value of investment classified as 'available for sale'	-	(42,360)	-	(508,316)
Capital gain on sale/maturity of investments-net	-	25,462	-	6,831,107
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	13,940,546	-	687,840
Other net income for the period	-	128,342,566	-	97,362,581
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>142,266,214</b>	<b>-</b>	<b>104,373,212</b>
<b>Net assets at the end of the period</b> [Rs.516.75 (2012: Rs.514.59) per unit]	<b>4,255,165</b>	<b>2,198,843,716</b>	<b>3,615,325</b>	<b>1,860,411,250</b>

The annexed notes from 1 to 14 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

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## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED 31 MARCH 2014

	2014	2013
Note	----- Rupees -----	----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	142,308,574	104,881,528
<b>Adjustments for:</b>		
Interest/profit income	(171,012,305)	(104,216,183)
Capital gain on sale/maturity of investments - net	(25,462)	(6,831,107)
Gain on exchange of financial asset	-	(3,933,397)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(13,940,546)	(687,840)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(2,272,508)	(12,122,279)
	<b>(187,250,821)</b>	<b>(127,790,806)</b>
<b>(Increase)/decrease in assets</b>		
Receivable against Margin Trading System	(57,923,225)	(170,252,023)
Deposits and prepayments	(145,377)	(484,384)
	<b>(58,068,602)</b>	<b>(170,736,407)</b>
<b>Increase/(decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	5,058,123	1,424,471
Payable to Central Depository Company of Pakistan Limited - Trustee	29,122	96,229
Payable to the Securities and Exchange Commission of Pakistan	154,639	133,277
Accrued and other liabilities	2,830,567	1,997,642
	<b>8,072,451</b>	<b>3,651,619</b>
	<b>(94,938,398)</b>	<b>(189,994,066)</b>
Interest received	164,403,527	107,144,258
Investments made during the period	(7,147,527,194)	(2,661,834,205)
Investment sold/redeemed/matured during the period	7,057,399,087	2,042,272,472
<b>Net cash used in operating activities</b>	<b>(20,662,978)</b>	<b>(702,411,540)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	809,566,467	1,189,399,377
Net payments against redemption of units	(690,611,508)	(352,590,739)
Cash payout against interim distribution	(103,056)	(135,602)
<b>Net cash generated from financing activities</b>	<b>118,851,903</b>	<b>836,673,036</b>
<b>Net increase in cash and cash equivalents</b>	<b>98,188,925</b>	<b>134,261,496</b>
Cash and cash equivalents at the beginning of the period	43,778,182	146,593,329
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>280,854,825</b>
	<b>141,967,107</b>	<b>280,854,825</b>

The annexed notes from 1 to 14 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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2014

### 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, Fifth and Sixth Supplements, dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010 and 14 October 2013 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, transactions on Margin Trading System (MTS), 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. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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.

The 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 2013.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 2014.

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

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

IFRS 7 - Financial Instruments : Disclosures - (Amendment)

- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.

# Third Quarter Report 2013-14

## Improvements to accounting standards issued by IASB

IAS 1 - Presentation of Financial Statements - Clarification of the requirements for comparative information.

IAS 32 - Financial Instruments : Presentation - Tax Effects of Distribution to Holders of Equity Instruments.

IAS 34 - Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities.

The Fund expects that the adoption of the above amendments and improvements of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after 1 July 2013 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these 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 2013.

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 2013.

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 2013.

	Note	31 March 2014 Un-audited	30 June 2013 Audited
		Rupees -----	
<b>4. BANK BALANCES AND TERM DEPOSITS</b>			
<b>In local Currency</b>			
Profit and loss sharing accounts	4.1	41,967,107	43,778,182
Term deposit accounts	4.2	100,000,000	-
		<b>141,967,107</b>	<b>43,778,182</b>

4.1 These carry rate of return ranging between 6.50% and 9.2% (30 June 2013: 6% and 8.75%) per annum.

4.2 The rate of return on term deposits is 10.05% (30 June 2013 : Nil) per annum. The deposits will mature by 3 April 2014 (30 June 2013: Nil).

### 5. INVESTMENTS

<b>Available for sale</b>			
Quoted equity security	5.1	3,461,389	3,503,749
<b>At fair value through profit or loss - held for trading</b>			
Term finance certificates - listed	5.2 & 5.7	54,579,145	215,705,880
Term finance certificates - unlisted	5.3 & 5.7	47,686,900	44,975,000
Sukuk certificates - unlisted	5.4 & 5.7	-	-
Government Securities - Market Treasury Bills	5.5	877,101,471	1,202,026,735
Government Securities - Pakistan Investment Bonds	5.6	613,378,838	25,944,624
		<b>1,592,746,354</b>	<b>1,488,652,239</b>
		<b>1,596,207,743</b>	<b>1,492,155,988</b>

# 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			
	At the beginning of the period	Acquired during the period	Sales during the period	At the end of the period	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
<b>CHEMICAL</b>									
Agritech Limited	302,569	-	-	302,569	3,933,397	3,461,389	0.22	0.16	0.09

**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 was settled as part of this agreement. The balance receivable amounting to Rs.8.135 million (market value Rs.7.871 million) remains fully provided as disclosed in note 5.7.1.

## 5.2 Term finance certificates - listed

Note	Number of Certificates			Rupees		Percentage of		
	At the beginning of the period	Purchases during the period	Disposed/ matured during the period	At the end of the period	Carrying Cost	Market Value	Total Investments	Net assets
<b>BANKS</b>								
Askari Bank Limited - II	6,775	-	6,775	-	-	-	-	-
Bank Al Habib Limited - II	1,192	-	-	1,192	6,009,678	6,011,529	0.38	0.27
Bank Alfalah Limited - V	8,450	-	-	8,450	42,895,031	43,061,967	2.70	1.96
NIB Bank Limited	1,399	-	1,399	-	-	-	-	-
United Bank Limited - III	5,500	-	-	5,500	4,665,865	4,584,728	0.29	0.21
United Bank Limited - IV	8,000	-	8,000	-	-	-	-	-
	31,316	-	16,174	15,142	53,570,574	53,658,224	3.37	2.44

### FINANCIAL SERVICES

Escort Investment Bank Limited	5.7.1	5,000	-	-	5,000	264,846	920,921	0.06	0.04
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### TELECOMMUNICATION

Pakistan Mobile Communications Limited		13,800	-	13,800	-	-	-	-	-
Telecard Limited	5.7.1	4,000	-	-	4,000	-	-	-	-
		17,800	-	13,800	4,000	-	-	-	-

### PERSONAL GOODS

Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-	-	-
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					53,835,420	54,579,145	3.43	2.48
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# Atlas Income Fund

	31 March 2014	30 June 2013
	Un-audited	Audited
Note	----- Rupees -----	

## 5.6 Government Securities

Pakistan Investment Bonds	5.6.1	<b>613,378,838</b>	<b>25,944,624</b>
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### 5.6.1 Pakistan Investment Bonds (PIBs)

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Disposed / Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 Year - PIBs	25,000,000	660,000,000	75,000,000	610,000,000	602,701,214	613,378,838	38.43	27.90
	<b>25,000,000</b>	<b>660,000,000</b>	<b>75,000,000</b>	<b>610,000,000</b>	<b>602,701,214</b>	<b>613,378,838</b>	<b>38.43</b>	<b>27.90</b>

5.6.2 The cost of investments as on 31 March 2014 is Rs.602,156,590 (30 June 2013: Rs.25,400,000).

5.6.3 These Pakistan Investment Bonds carry purchase yield of 11.25% (30 June 2013: 11.25%) per annum and will mature by 18 July 2016.

## 5.7 Particulars of non-compliant investments

5.7.1 The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated 7 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	Note	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
						Net assets	Gross assets
----- Rupees -----							
<b>Listed - Term finance certificates</b>							
Azgard Nine Limited		Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited		Term finance certificate	5,494,140	5,494,140	-	-	-
Escort Investment Bank Limited		Term finance certificate	920,921	-	920,921	0.04%	0.04%
			<b>14,286,572</b>	<b>13,365,651</b>	<b>920,921</b>	<b>0.04%</b>	<b>0.04%</b>
<b>Unlisted - Term finance certificates</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-IV		Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited-V	5.7.3	Term finance certificate	5,375,000	5,375,000	-	-	-
Bunny's Limited		Term finance certificate	1,590,000	1,590,000	-	-	-
			<b>55,450,000</b>	<b>55,450,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unlisted - Sukuk</b>							
Agritech Limited		Sukuk certificate	15,225,000	15,225,000	-	-	-
			<b>84,961,572</b>	<b>84,040,651</b>	<b>920,921</b>	<b>0.04%</b>	<b>0.04%</b>

5.7.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs.84.04 million (30 June 2013: Rs.84.05 million), has been made in accordance with the provisioning requirements of the above mentioned circulars.

5.7.3 During the FY 2012-13, the Fund received zero coupon term finance certificates of Azgard Nine Limited having face value of Rs.5,375,000. These TFCs were received against outstanding markup of Azgard Nine Limited's TFC, payable as of 31 March 2012.



# Atlas Income Fund

7.1 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.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and one of the Pension Funds managed by the AMC. 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, a three member bench of the Sindh High Court in its judgment 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 Acts, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honorable 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 in respect of WWF which amounts to Rs.14,551,253 (30 June 2013: Rs.11,646,996) 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.3.42 (30 June 2013: Rs.3.02) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

8.1 There were no contingencies outstanding as at 31 March 2014 and as at 30 June 2013.

31 March 2014	30 June 2013
Un-audited	Audited
----- Rupees -----	

### 8.2 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 2014

51,899,947

77,127,112

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Note	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2014	2013	2014	2013
	Un-audited	Un-audited	Un-audited	Un-audited

----- Rupees -----

## 9. INTEREST / PROFIT INCOME

### Interest/profit on:

Profit and loss sharing accounts/ term deposits	12,378,121	11,469,414	4,512,036	6,457,842
Income from Margin Trading System	42,314,885	3,578,429	14,569,399	3,572,989
Term finance certificates 9.1	14,376,366	24,686,244	2,887,978	7,478,213
Government Securities - Market Treasury Bills	95,960,399	63,048,877	31,107,247	24,697,986
Government Securities - Pakistan Investment Bonds	5,982,534	1,433,219	4,564,726	693,493
	<b>171,012,305</b>	<b>104,216,183</b>	<b>57,641,386</b>	<b>42,900,523</b>

- 9.1 Mark-up on non performing securities amounting to Rs.29.47 million (2013: Rs.20.50 million) based on outstanding principal has not been recognised in accordance with the requirements specified by the SECP.

## 10. 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 unrealised 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.

## 11. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For the Nine Months ended	
	31 March	31 March
	2014	2013
	Un-audited	Un-audited

----- Rupees -----

### 11.1 Transactions for the period:

#### Atlas Asset Management Limited (Management Company)

Remuneration charged	25,156,524	14,847,058
Remuneration paid	24,821,118	13,619,066
Sindh Sales Tax on remuneration of the Management Company	4,669,051	2,375,529
Federal Excise Duty on remuneration of the Management Company	4,025,044	-
Sale of 167,347 (2013: 99,099) units	85,500,000	50,500,000
Redemption of 202,749 (2013: 26,348) units	103,000,000	13,500,000
Bonus of 6,562 (2013: 3,572) units	3,310,921	1,806,151

#### Central Depository Company of Pakistan Limited (Trustee)

Trustee fee	2,063,619	1,468,091
Trustee fee paid	2,042,287	1,390,360
Settlement charges	503,815	22,998

# Atlas Income Fund

Note	For the Nine Months ended	
	31 March 2014	31 March 2013
	Un-audited	Un-audited

## 11.1 Transactions for the period: (Continued...)

### Atlas Battery Limited (Group Company)

Sale of 9,791 (2013: 508,447) units	5,000,000	259,989,087
Bonus of 23,339 (2013: 11,567) units	11,777,056	5,849,216

### Atlas Foundation (Trust having common Director/Trustee)

Sale of 133,342 (2013: 39,285) units	67,400,000	20,100,000
Redemption of 80,534 (2013: 59,327) units	40,800,000	30,345,000
Bonus of 4,481 (2013: 6,397) units	2,262,155	3,235,347

### Atlas Fund of Funds (Fund under common management)

Redemption of Nil (2013: 22,236) units	-	11,254,351
Bonus of Nil (2013: 536) units	-	271,246

### Atlas Honda Limited (Group company)

Sale of 588,838 (2013: 505,108) units	300,000,000	260,000,000
Redemption of 392,426 (2013: Nil) units	200,000,000	-
Bonus of 64,810 (2013: 47,874) units	32,700,267	24,209,635

### Atlas Insurance Limited (Group company)

Sale of 306,972 (2013: 436,407) units	156,200,000	225,000,000
Redemption of 314,762 (2013: 270,995) units	160,000,000	139,882,364
Bonus of 23,050 (2013: 15,628) units	11,632,993	7,903,492

### Aamir Shirazi Family Trust (Trust having common Director/Trustee)

Sale of 41,758 (2013: Nil) units	21,200,000	-
Bonus of 785 (2013: Nil) units	396,699	-

### Batool Benefit Trust (Trust having common Director/Trustee)

Redemption of 37,285 (2013: 30,966) units	18,850,000	15,815,000
Bonus of 4,185 (2013: 6,781) units	2,111,899	3,429,681

### Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)

Sale of Nil (2013: 375) units	-	190,000
Bonus of 15 (2013: Nil) units	7,480	-

### Shirazi Investments (Private) Limited - Employees

#### Provident Fund (Retirement Benefit Plan of a Group Company)

Sale of Nil (2013: 9,957) units	-	5,070,000
Redemption of Nil (2013: 17,537) units	-	9,014,363
Bonus of Nil (2013: 473) units	-	238,994

### Key Management Personnel of Management Company 11.3

Sale of 56,830 (2013: 50,468) units	28,967,775	25,720,000
Redemption of 11,772 (2013: Nil) units	6,019,474	-
Bonus of 7,831 (2013: 4,514) units	3,951,588	2,283,068

# Third Quarter Report 2013-14

	31 March 2014	30 June 2013
	Un-audited	Audited
Note	----- Rupees -----	-----

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

<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the management company	2,778,878	2,443,472
Sindh Sales Tax payable on remuneration of the Management Company	1,126,076	428,403
Federal Excise Duty payable on remuneration of the Management Company	4,259,088	234,044
Units in issue 76,793 (30 June 2013: 105,634) - at net asset value	39,682,939	53,209,749
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee payable	229,661	208,329
Settlement charges payable	55,023	47,233
<b>Atlas Battery Limited (Group Company)</b>		
Units in issue 642,339 (30 June 2013: 609,209) - at net asset value	331,928,652	306,870,907
<b>Atlas Foundation (Trust having common Director/Trustee)</b>		
Units in issue 181,133 (30 June 2013: 123,844) - at net asset value	93,600,663	62,382,929
<b>Atlas Honda Limited (Group company)</b>		
Units in issue 1,571,767(30 June 2013: 1,310,545) - at net asset value	812,210,543	660,147,568
<b>Atlas Insurance Limited (Group company)</b>		
Units in issue 451,288 (30 June 2013: 436,028) - at net asset value	233,203,031	219,635,727
<b>Aamir Shirazi Family Trust (Trust having common Director/Trustee)</b>		
Units in issue 42,543 (30 June 2013: Nil) - at net asset value	21,984,174	-
<b>Batool Benefit Trust (Trust having common Director/Trustee)</b>		
Units in issue 110,909 (30 June 2013: 144,009) - at net asset value	57,312,354	72,540,103
<b>Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)</b>		
Units in issue 405 (30 June 2013: 390) - at net asset value	209,196	196,455
<b><u>Key Management Personnel of Management Company</u> 11.3</b>		
Units in issue 238,058 (30 June 2013: 185,170) -at net asset value	123,016,555	93,273,855

**11.3** For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2013 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.3 million and above, as set by the Board of Directors of the Management Company for FY 2013-14.

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

# Atlas Income Fund

## 12. 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 4 April 2014, approved an interim distribution of Rs.9.50 per unit (2013: Rs.10.00 per unit) on the face value of Rs.500 each i.e. 1.90% (2013: 2%) amounting to Rs.40,465,692 (2013: Rs.36,163,868), on behalf of the Board of Directors of the Management Company.

## 13. GENERAL

**13.1** Figures have been rounded off to the nearest Rupee.

**13.2** Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2014.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director



# Third Quarter Report 2013-14

## Atlas Stock 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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A. F. Ferguson & Co.  
Chartered Accountants

#### **Legal Advisers**

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Mohsin Tayebaly & Co.

#### **Bankers**

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Bank Alfalah Limited  
Faysal Bank Limited  
Summit Bank Limited

# Atlas Stock Market Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2014

		31 March 2014 Un-audited	30 June 2013 Audited
	Note	----- Rupees -----	----- Rupees -----
<b>ASSETS</b>			
Bank balances	4	186,040,825	59,156,287
Investments	5	963,581,585	994,043,100
Dividend receivable		17,144,500	770,000
Profit receivable on bank balances		1,485,734	675,233
Receivable against sale of securities		5,735,678	32,129,422
Deposits, prepayments and other receivables		2,649,777	2,614,777
<b>Total assets</b>		<b>1,176,638,099</b>	<b>1,089,388,819</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	6	5,477,090	2,297,699
Payable to Central Depository Company of Pakistan Limited - Trustee		197,963	193,906
Payable to the Securities and Exchange Commission of Pakistan		787,512	852,550
Payable against purchase of securities		9,391,886	31,905,187
Accrued and other liabilities	7	22,785,302	18,412,439
<b>Total liabilities</b>		<b>38,639,753</b>	<b>53,661,781</b>
<b>NET ASSETS</b>		<b>1,137,998,346</b>	<b>1,035,727,038</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>1,137,998,346</b>	<b>1,035,727,038</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,323,344</b>	<b>1,981,235</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>489.81</b>	<b>522.77</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 2013-14

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2014

	For the Nine Months ended		For the Quarter ended		
	31 March		31 March		
	2014	2013	2014	2013	
	Note	----- Rupees -----			
<b>INCOME</b>					
Profit on bank balances		15,416,092	2,743,462	5,141,107	896,339
Dividend income		49,512,375	69,557,500	22,169,500	31,675,000
Capital gain on sale of investments - net		129,082,954	127,530,002	43,442,873	63,936,764
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		66,118,465	63,101,972	(7,685,724)	(8,991,882)
		<b>195,201,419</b>	<b>190,631,974</b>	<b>35,757,149</b>	<b>54,944,882</b>
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net		(13,072,357)	(22,669,609)	(7,698,860)	(31,962,580)
		<b>247,057,529</b>	<b>240,263,327</b>	<b>55,368,896</b>	<b>55,553,641</b>
<b>EXPENSES</b>					
Remuneration of Atlas Asset Management Limited - Management Company		16,579,240	12,981,866	5,482,391	4,433,708
Sindh Sales Tax on remuneration of the Management Company	6.1	3,077,107	2,077,099	1,017,532	709,394
Federal Excise Duty on remuneration of the Management Company	6.2	2,652,678	-	877,182	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,579,643	1,298,184	520,696	443,372
Annual fee - Securities and Exchange Commission of Pakistan		787,512	616,643	260,412	210,608
Auditors' remuneration		326,625	295,140	112,688	108,875
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		3,503,571	3,060,366	1,355,259	973,016
Printing charges		221,816	102,817	63,750	29,932
Bank charges		15,476	20,743	4,351	7,523
Provision for Workers' Welfare Fund	7.1	4,364,177	4,394,109	912,792	972,044
		<b>33,212,845</b>	<b>24,951,967</b>	<b>10,642,053</b>	<b>7,923,472</b>
<b>Net income for the period before taxation</b>		<b>213,844,684</b>	<b>215,311,360</b>	<b>44,726,843</b>	<b>47,630,169</b>
Taxation	9	-	-	-	-
<b>Net income for the period after taxation</b>		<b>213,844,684</b>	<b>215,311,360</b>	<b>44,726,843</b>	<b>47,630,169</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

# Atlas Stock Market Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2014

	For the Nine Months ended		For the Quarter ended	
	31 March 2014	2013	31 March 2014	2013
	----- Rupees -----			
Net income for the period after taxation	213,844,684	215,311,360	44,726,843	47,630,169
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>213,844,684</b>	<b>215,311,360</b>	<b>44,726,843</b>	<b>47,630,169</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 2013-14

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	2014	2013
	----- Rupees -----	
<b>Undistributed income/(accumulated losses) brought forward</b>	<b>118,074,859</b>	<b>(119,822,281)</b>
Final distribution for the year ended 30 June 2013 at the rate of Rs.125 per unit declared on 4 July 2013 (2012: Rs.65 per unit declared on 5 July 2012)		
- Issue of bonus units	(245,811,990)	(111,436,354)
- Cash payout against distribution	(1,842,331)	(958,012)
	<b>(247,654,321)</b>	<b>(112,394,366)</b>
Net income for the period after taxation	213,844,684	215,311,360
<b>Undistributed income/(accumulated losses) carried forward</b>	<b>84,265,222</b>	<b>(16,905,287)</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

# Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2014

	31 March 2014		31 March 2013	
	Units	Rupees	Units	Rupees
<b>Net assets at beginning of the period</b> [Rs.522.77 (2012: Rs.410.96) per unit]	1,981,235	1,035,727,038	1,729,144	710,616,673
Issue of units	532,278	248,611,379	1,358,138	550,947,902
Redemption of units	(808,144)	(371,414,781)	(1,519,003)	(629,270,124)
	(275,866)	(122,803,402)	(160,865)	(78,322,222)
Element of income/loss on capital gains/losses included in prices of units issued less those in units redeemed - net	-	13,072,357	-	22,669,609
- Issue of bonus units	617,975	-	322,108	-
- Cash payout against final distribution	-	(1,842,331)	-	(958,012)
Capital gain on sale of investments - net	-	129,082,954	-	127,530,002
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	66,118,465	-	63,101,972
Other net income for the period	-	18,643,265	-	24,679,386
<b>Total comprehensive income for the period</b>	-	213,844,684	-	215,311,360
<b>Net assets at the end of the period</b> [Rs.489.81 (2013: Rs.459.86) per unit]	<u>2,323,344</u>	<u>1,137,998,346</u>	<u>1,890,387</u>	<u>869,317,408</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 2013-14

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED 31 MARCH 2014

	2014	2013
Note	----- Rupees -----	----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	213,844,684	215,311,360
<b>Adjustments:</b>		
Profit on bank balances	(15,416,092)	(2,743,462)
Dividend income	(49,512,375)	(69,557,500)
Capital gain on sale of investments - net	(129,082,954)	(127,530,002)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(66,118,465)	(63,101,972)
Element of income/loss and capital gains/losses included in prices of units issued less those in units redeemed - net	13,072,357	22,669,609
	<b>(247,057,529)</b>	<b>(240,263,327)</b>
	<b>(33,212,845)</b>	<b>(24,951,967)</b>
<b>(Increase)/decrease in assets</b>		
Receivable against sale of securities	26,393,744	4,207,254
Deposits, prepayments and other receivables	(35,000)	(35,000)
	<b>26,358,744</b>	<b>4,172,254</b>
<b>Increase/(decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	3,179,391	381,812
Payable to Central Depository Company of Pakistan Limited - Trustee	4,057	41,956
Payable to the Securities and Exchange Commission of Pakistan	(65,038)	2,469
Payable against purchase of securities	(22,513,301)	-
Accrued and other liabilities	4,372,863	4,309,370
	<b>(15,022,028)</b>	<b>4,735,607</b>
Profit received on bank balances	14,605,591	2,659,992
Dividend received	33,137,875	45,132,500
Investments made during the period	(1,651,154,111)	(1,381,635,241)
Investments sold during the period	1,876,817,045	1,473,727,828
<b>Net cash generated from operating activities</b>	<b>251,530,271</b>	<b>123,840,973</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	248,611,379	550,947,902
Net payments against redemption of units	(371,414,781)	(629,270,124)
Cash payout against distribution	(1,842,331)	(958,012)
<b>Net cash used in from financing activities</b>	<b>(124,645,733)</b>	<b>(79,280,234)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>126,884,538</b>	<b>44,560,739</b>
Cash and cash equivalents at the beginning of the period	59,156,287	11,548,993
<b>Cash and cash equivalents at the end of the period</b> 4	<b>186,040,825</b>	<b>56,109,732</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

# Atlas Stock Market Fund

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2014

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 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. The Offering Document has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 and 14 October 2013 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.
- 1.2 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.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

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.

The 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 2013.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 2014.

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

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

IFRS 7 - Financial Instruments : Disclosures - (Amendment)

- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.



# Third Quarter Report 2013-14

## Improvements to accounting standards issued by IASB

IAS 1 - Presentation of Financial Statements - Clarification of the requirements for comparative information.

IAS 32 - Financial Instruments : Presentation - Tax Effects of Distribution to Holders of Equity Instruments.

IAS 34 - Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities.

The Fund expects that the adoption of the above amendments and improvements of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after 1 July 2013 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these condensed interim financial statements.

## 3. SUMMARY OF 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 2013.

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 2013.

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 2013.

	31 March 2014	30 June 2013
Note	Un-audited	Audited
	----- Rupees -----	

## 4. BANK BALANCES

### In local currency

- Profit and loss sharing accounts	4.1	<u>186,040,825</u>	<u>59,156,287</u>
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4.1 The rate of return on these profit and loss sharing accounts ranges between 6.50% to 9.20% (30 June 2013: 6% to 8.75%) per annum.

## 5. INVESTMENTS

### At fair value through profit or loss

- Listed equity securities - Held for trading	5.1	<u>963,581,585</u>	<u>994,043,100</u>
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# Atlas Stock Market Fund

## 5.1 Listed equity securities

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 2013	Purchases during the period	Bonus shares / Specie Dividend during the period	Sales during the period	As at 31 March 2014	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
<b>Oil and Gas</b>										
Attock Petroleum Limited	-	170,300	-	120,300	50,000	23,899,934	27,046,500	2.81	2.38	0.06
National Refinery Limited	-	60,000	-	60,000	-	-	-	-	-	-
Oil and Gas Development Company Limited	440,000	120,000	-	285,000	275,000	67,076,075	66,310,750	6.88	5.83	0.01
Pakistan Oilfields Limited	195,000	112,700	-	182,700	125,000	60,719,398	68,022,500	7.06	5.98	0.05
Pakistan Petroleum Limited	265,000	405,000	45,000	465,000	250,000	50,441,608	55,940,000	5.81	4.92	0.01
Pakistan State Oil Company Limited	175,000	215,000	-	240,000	150,000	45,807,514	64,006,500	6.64	5.62	0.06
	<b>1,075,000</b>	<b>1,083,000</b>	<b>45,000</b>	<b>1,353,000</b>	<b>850,000</b>	<b>247,944,529</b>	<b>281,326,250</b>	<b>29.20</b>	<b>24.72</b>	

## Chemicals

Biafo Industries Limited	-	50,000	-	-	50,000	4,874,950	4,850,000	0.50	0.43	0.25
Dawood Hercules Corporation Limited	-	245,000	-	245,000	-	-	-	-	-	-
Engro Corporation Limited	500,000	300,000	-	600,000	200,000	36,180,505	37,294,000	3.87	3.28	0.04
Engro Fertilizers Limited (Note 5.3)	-	425,500	11,500	425,500	11,500	664,930	686,550	0.07	0.06	0.001
Fatima Fertilizer Company Limited	1,000,000	1,700,000	-	1,100,000	1,600,000	48,546,360	50,368,000	5.23	4.43	0.08
Fauji Fertilizer Company Limited	600,000	943,800	-	1,343,800	200,000	21,985,343	22,168,000	2.30	1.95	0.02
ICI Pakistan Limited	25,000	3,300	-	28,300	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	500,000	-	-	500,000	3,498,810	3,535,000	0.37	0.30	0.03
	<b>2,125,000</b>	<b>4,167,600</b>	<b>11,500</b>	<b>3,742,600</b>	<b>2,561,500</b>	<b>115,750,898</b>	<b>118,901,550</b>	<b>12.34</b>	<b>10.45</b>	

## Forestry (Paper and Board)

Century Paper and Board Mills Limited	-	175,000	-	175,000	-	-	-	-	-	-
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## Construction and Materials (Cement)

Attock Cement Pakistan Limited	-	196,200	-	131,000	65,200	9,075,460	9,231,668	0.96	0.81	0.06
D G Khan Cement Company Limited	600,000	1,225,000	-	1,425,000	400,000	31,699,319	36,808,000	3.82	3.23	0.09
Fauji Cement Company Limited	-	200,000	-	-	200,000	3,398,825	3,418,000	0.35	0.30	0.02
Kohat Cement Company Limited	100,000	54,000	-	154,000	-	-	-	-	-	-
Lucky Cement Limited	200,000	80,300	-	205,300	75,000	18,225,700	23,771,250	2.47	2.09	0.02
	<b>900,000</b>	<b>1,755,500</b>	<b>-</b>	<b>1,915,300</b>	<b>740,200</b>	<b>62,399,304</b>	<b>73,228,918</b>	<b>7.60</b>	<b>6.43</b>	

## General Industrials

Packages Limited	30,000	-	-	30,000	-	-	-	-	-	-
Thal Limited (Face Value Rs 5/- per share)	-	6,900	-	6,900	-	-	-	-	-	-
Tri-Pack Films Limited	85,700	49,300	-	100,000	35,000	7,079,990	6,934,550	0.72	0.61	0.12
	<b>115,700</b>	<b>56,200</b>	<b>-</b>	<b>136,900</b>	<b>35,000</b>	<b>7,079,990</b>	<b>6,934,550</b>	<b>0.72</b>	<b>0.61</b>	

## Engineering

Millat Tractors Limited	-	10,000	-	10,000	-	-	-	-	-	-
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## Beverages

Shezhan International Limited	-	11,450	-	11,450	-	-	-	-	-	-
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	Number of shares				Rupees		Percentage of		
	As at 01 July 2013	Purchases during the period	Bonus shares / Specie Dividend during the period	Sales during the period	As at 31 March 2014	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets

## 5.1 Listed equity securities (Continued...)

### Food Producers

Engro Foods Limited	125,000	150,000	-	275,000	-	-	-	-	-	-
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### Household Goods

Tariq Glass Industries Limited	509,500	-	-	509,500	-	-	-	-	-	-
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### Personal Goods (Textile)

Nishat (Chunian) Limited	-	1,696,000	30,000	1,726,000	-	-	-	-	-	-
Nishat Mills Limited	700,000	943,000	-	1,293,000	350,000	47,029,759	40,792,500	4.23	3.58	0.10
	<b>700,000</b>	<b>2,639,000</b>	<b>30,000</b>	<b>3,019,000</b>	<b>350,000</b>	<b>47,029,759</b>	<b>40,792,500</b>	<b>4.23</b>	<b>3.58</b>	

### Tobacco

Pakistan Tobacco Company Limited	100,000	-	-	100,000	-	-	-	-	-	-
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### Media

Hum Network Limited	-	1,000	-	1,000	-	-	-	-	-	-
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### Fixed Line Telecommunication

Pakistan Telecommunication Company Limited	-	100,000	-	-	100,000	3,050,000	3,057,000	0.32	0.27	0.003
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### Electricity

Kot Addu Power Company Limited	-	75,500	-	75,500	-	-	-	-	-	-
Lalpir Power Limited	-	800,000	-	200,000	600,000	11,508,595	11,466,000	1.19	1.01	0.16
Nishat Chunian Power Limited	-	300,000	-	-	300,000	10,454,150	10,827,000	1.12	0.95	0.08
Nishat Power Limited	-	250,000	-	250,000	-	-	-	-	-	-
Pakgen Power Limited	400,000	1,565,000	-	905,000	1,060,000	23,706,283	20,426,200	2.12	1.79	0.28
The Hub Power Company Limited	1,625,000	1,150,000	-	1,375,000	1,400,000	86,236,392	74,438,000	7.73	6.55	0.12
	<b>2,025,000</b>	<b>4,140,500</b>	<b>-</b>	<b>2,805,500</b>	<b>3,360,000</b>	<b>131,905,420</b>	<b>117,157,200</b>	<b>12.16</b>	<b>10.30</b>	

### Multiutilities (Gas and water)

Sui Northern Gas Pipelines Limited	700,000	400,000	-	1,100,000	-	-	-	-	-	-
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### Commercial Banks

Allied Bank Limited	-	666,000	-	666,000	-	-	-	-	-	-
Bank Alfalah Limited	4,000,000	2,900,000	-	4,300,000	2,600,000	63,563,083	69,472,000	7.21	6.10	0.19
Bank Al Habib Limited	3,200,000	1,721,869	205,950	2,927,819	2,200,000	64,369,494	81,642,000	8.47	7.17	0.20
Faysal Bank Limited	-	2,070,188	111,312	1,181,500	1,000,000	11,115,323	14,040,000	1.46	1.23	0.10
Habib Metropolitan Bank Limited	-	1,700,000	-	500,000	1,200,000	28,928,580	32,028,000	3.32	2.81	0.11
MCB Bank Limited	-	133,400	-	58,400	75,000	18,230,286	18,842,250	1.96	1.66	0.01
Mezzan Bank Limited	-	2,115,000	-	1,014,000	1,101,000	42,323,453	43,544,550	4.52	3.83	0.11
National Bank of Pakistan	-	450,000	-	450,000	-	-	-	-	-	-
United Bank Limited	100,000	873,900	-	674,000	299,900	40,133,596	48,532,817	5.03	4.27	0.02
	<b>7,300,000</b>	<b>12,630,357</b>	<b>317,262</b>	<b>11,771,719</b>	<b>8,475,900</b>	<b>268,663,815</b>	<b>308,101,617</b>	<b>31.97</b>	<b>27.07</b>	

### Non Life Insurance

Adamjee Insurance Company Limited	-	300,000	-	-	300,000	13,639,405	14,082,000	1.46	1.24	0.09
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Total as at 31 March 2014

**897,463,120** **963,581,585** **100.00** **84.67**

Total as at 30 June 2013

**899,311,666** **994,043,100**

# Atlas Stock Market Fund

5.2 The cost of listed equity securities as at 31 March 2014 is Rs.870,166,070 (30 June 2013 is Rs.895,183,149).

5.3 This represents entitlement to 11,500 shares of Engro Fertilizers Limited issued against specie dividend declared by Engro Corporation Limited for the year ended 31 December 2013, in the ratio of 1:10 (1 share of Engro Fertilizers Limited for every 10 shares held of the Company).

5.4 The above investments include following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades:

	Number of shares		Market value	
	31 March 2014 Un-audited	30 June 2013 Audited	31 March 2014 Un-audited	30 June 2013 Audited
	----- Rupees -----			
Pakistan Oilfields Limited	125,000	110,000	68,022,500	54,710,700
Pakistan Petroleum Limited	147,000	197,000	32,892,720	41,681,260
Fauji Fertilizer Company Limited	-	175,000	-	18,800,250
The Hub Power Company Limited	200,000	200,000	10,634,000	12,330,000
Bank Alfalah Limited	1,500,000	500,000	40,080,000	9,110,000
			<b>151,629,220</b>	<b>136,632,210</b>

Note	31 March 2014 Un-audited	30 June 2013 Audited
	----- Rupees -----	

## 6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company - related party		1,895,113	1,806,937
Sindh Sales Tax payable on remuneration of the Management Company	6.1	755,461	316,924
Federal Excise Duty payable on remuneration of the Management Company	6.2	2,826,516	173,838
		<b>5,477,090</b>	<b>2,297,699</b>

6.1 During the period, an amount of Rs.3,077,107 (31 March 2013: Rs.2,077,099) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs.2,638,570 (2013: Rs.2,024,435) has been paid to the Management Company which acts as a collecting agent.

6.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include asset management companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.1 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management Companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Honorable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

As a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013.

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	31 March 2014	30 June 2013
Note	Un-audited	Audited
	Rupees -----	

## 7. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	211,080	330,286
Printing charges payable	160,750	129,867
NCCPL charges payable	28,708	31,475
Withholding tax payable	39,648	19,172
Zakat payable	11,091	7,226
Payable to unit holders against redemption of units	245,805	170,370
Provision for Workers' Welfare Fund	7.1 22,088,220	17,724,043
	<b>22,785,302</b>	<b>18,412,439</b>

7.1 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 Honourable 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.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and a pension fund managed by the AMC. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honourable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, a three member bench of the Sindh High Court in its judgment 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 Acts, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable 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 in respect of WWF which amounts to Rs.22,088,220 (30 June 2013: Rs.17,724,043). Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.9.51 (30 June 2013: Rs.8.95) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2014 and as at 30 June 2013.

# Atlas Stock Market Fund

## 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 unrealised 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.

In March 2014, the taxation officers, in case of certain funds, have amended the assessment under Section 120 of the Income Tax Ordinance, 2001. These orders have, in form, denied the exemption to the income of the fund under Clause 99 of Part 1 of the Second Schedule to the Ordinance, however the context and the discussion with the Federal Board of Revenue reveal that a different viewpoint, not supported by law, is being adopted for the tax effect and incidence of the 'distribution' made by the fund by way of bonus units. There seems to be an apparent contradiction as tax effect and incidence on bonus unit if any, being an issue related to income of the recipient of distribution does not affect the validity of exemption to the fund. This industry issue has been examined by legal experts and tax advisors and there is unanimity of view that under the present regulations, including the provisions of Clause 99, tax department's contentions are primarily erroneous and not tenable under the law. Appropriate appellate and executive remedies are being adopted to resolve the matter.

No provision has been made in these accounts for the demands raised in the orders as the Management Company is confident that no tax incidence arises to the fund under the present clear regulations on the matter.

For the Nine Months ended	
31 March 2014	31 March 2013
Un-audited	Un-audited
----- Rupees -----	

## 10. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

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

<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	16,579,240	12,981,866
Remuneration paid	16,491,064	12,652,718
Sindh sales tax on remuneration of the Management Company	3,077,107	2,077,099
Federal Excise Duty on remuneration of the Management Company	2,652,678	-
Sales load	245	1,471
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,579,643	1,298,184
Remuneration paid	1,572,493	1,265,270
Settlement charges	141,853	85,364
<b>Atlas Battery Limited (Group company)</b>		
Sale of Nil (2013: 75,697) units	-	29,996,625
Bonus 39,984 (2013: 8,152) units	15,904,349	2,820,120
Redemption of 5,409 (2013: Nil) units	2,500,000	-
<b>Atlas Fund of Funds (Fund under common management)</b>		
Sale of Nil (2013: 347,475) units	-	139,742,770
Bonus Nil (2013: 11,492) units	-	3,975,820
Redemption of Nil (2013: 344,404) units	-	140,066,852
<b>Atlas Insurance Limited (Group Company)</b>		
Sale of 233,070 (2013: 354,813) units	108,500,000	147,000,000
Bonus 74,751 (2013: 42,439) units	29,734,001	14,682,032
Redemption of 248,000 (2013: 358,193) units	114,127,270	148,696,730

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	For the Nine Months ended	
	31 March 2014	31 March 2013
	Un-audited	Un-audited
Note	----- Rupees -----	
<b>10.1 Details of transactions with related parties during the period are as follows: (Continued...)</b>		
<b>Batools Benefit Trust (Trust having common Director/Trustee)</b>		
Sale of Nil (2013: 5,193) units	-	2,000,000
Bonus 8,866 (2013: 3,641) units	3,526,640	1,259,654
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
Sale of Nil (2013: 551) units	-	200,000
Bonus Nil (2013: 3,055) units	-	1,056,945
Redemption of Nil (2013: 19,867) units	-	9,121,347
<b>Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)</b>		
Sale of Nil (2013: 25,746) units	-	9,863,413
Bonus 8,090 (2013: Nil) units	3,218,205	-
<b>Key Management Personnel of Management Company</b> 10.3		
Sale 5,607 (2013: 10,219) units	2,487,024	4,000,000
Bonus 46,604 (2013: 21,088) units	18,537,787	7,295,525
Redemption of 3,541 (2013: 1,479) units	1,570,522	600,000
	<b>31 March 2014</b>	<b>30 June 2013</b>
	<b>Un-audited</b>	<b>Audited</b>
Note	----- Rupees -----	
<b>10.2 Details of balances with related parties as at the period end are as follows:</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the management company	1,895,113	1,806,937
Sindh Sales tax payable on remuneration of the Management Company	755,461	316,924
Federal Excise Duty payable on remuneration of the Management Company	2,826,516	173,838
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee payable	179,688	172,538
Settlement charges payable	18,275	21,368
<b>Atlas Battery Limited (Group Company)</b>		
Outstanding 161,810 (30 June 2013: 127,235) units - at net asset value	79,256,103	66,514,531
<b>Atlas Insurance Limited (Group Company)</b>		
Outstanding 297,694 (30 June 2013: 237,873) units - at net asset value	145,813,529	124,352,348
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 37,079 (30 June 2013: 28,213) units - at net asset value	18,161,738	14,748,973
<b>Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)</b>		
Outstanding 33,836 (30 June 2013: 25,746) units - at net asset value	16,573,339	13,459,049
<b>Key Management Personnel of Management Company</b> 10.3		
Outstanding 196,972 (30 June 2013: 148,302) units - at net asset value	96,479,013	77,527,991

# Atlas Stock Market Fund

**10.3** For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer & Co. Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.3 million and above, as set by the Board of Directors of the Management Company for FY 2013-14.

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

## **11. GENERAL**

**11.1** Figures have been rounded off to the nearest Rupee.

**11.2** Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## **12. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 29 April 2014.

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

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director



# Third Quarter Report 2013-14

## Atlas Gold 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

# Atlas Gold Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2014

	Note	31 March 2014 Un-audited Rupees
<b>ASSETS</b>		
Bank balances	4	74,466,475
Investments	5	128,426,870
Interest accrued		644,640
Deferred formation cost	6	1,017,891
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		25,291,275
Prepayments		27,307
<b>Total assets</b>		<b>229,874,458</b>
<b>LIABILITIES</b>		
Payable to Atlas Asset Management Limited - Management Company	7	1,975,321
Payable to Central Depository Company of Pakistan Limited - trustee	8	33,090
Annual fee payable to the Securities & Exchange Commission of Pakistan		119,113
Financial liabilities at fair value through profit or loss	9	6,577,991
Accrued expenses and other liabilities	10	396,931
<b>Total liabilities</b>		<b>9,102,446</b>
<b>NET ASSETS</b>		<b>220,772,012</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>220,772,012</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,167,023</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>101.88</b>

The annexed notes from 1 to 15 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

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## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE PERIOD FROM 26 JUNE 2013 TO 31 MARCH 2014

		For the period from 26 June 2013 to 31 March 2014	For the quarter ended 31 March 2014
	Note	----- Rupees -----	
<b>Income</b>			
Interest income	12	14,086,089	5,328,688
<b>Net (loss)/ gain on investments and derivates</b>			
Net loss on sale of government securities		(7,695)	-
Realised gain on gold contracts		2,214,713	15,517,515
Net unrealised loss on government securities		(17,400)	(17,400)
Net unrealised loss on future contracts of gold		(6,577,991)	(1,378,261)
		<b>(4,388,373)</b>	<b>14,121,854</b>
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		(855,170)	(396,480)
		<b>8,842,546</b>	<b>19,054,062</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	2,382,132	850,321
Sindh sales tax on remuneration of the Management Company	7.2	442,124	157,820
Federal Excise Duty on remuneration of the Management Company	7.3	381,141	136,051
Remuneration of Central Depository Company of Pakistan Limited - Trustee		269,974	96,370
Annual fee - Securities and Exchange Commission of Pakistan		119,113	42,518
Auditors' remuneration		230,795	80,510
Initial and annual listing fee		77,418	27,006
Printing charges		188,510	65,759
Securities transaction cost		407,384	179,182
Amortisation of formation cost		176,609	61,608
Bank charges		14,595	4,482
Provision for Workers' Welfare Fund	10.1	83,055	83,055
		<b>4,772,850</b>	<b>1,784,682</b>
<b>Net income for the period before taxation</b>		<b>4,069,696</b>	<b>17,269,380</b>
<b>Taxation</b>	3.10	-	-
<b>Net income for the period after taxation</b>		<b>4,069,696</b>	<b>17,269,380</b>

The annexed notes from 1 to 15 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 Gold Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD FROM 26 JUNE 2013 TO 31 MARCH 2014

	For the period from 26 June 2013 to 31 March 2014	For the quarter ended 31 March 2014
	----- Rupees -----	
Net income for the period after taxation	4,069,696	17,269,380
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>4,069,696</b>	<b>17,269,380</b>

The annexed notes from 1 to 15 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 2013-14

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 26 JUNE 2013 TO 31 MARCH 2014

	<b>For the period from 26 June 2013 to 31 March 2014 Rupees</b>
Net income for the period after taxation	4,069,696
<b>Accumulated income carried forward</b>	<u><u>4,069,696</u></u>

The annexed notes from 1 to 15 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 Gold Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE PERIOD FROM 26 JUNE 2013 TO 31 MARCH 2014

	For the period from 26 June 2013 31 March 2014 Un-audited	
	Units	Rupees
Net assets at the beginning of the period	-	-
Issue of units	2,561,625	255,576,036
Redemption of units	(394,602)	(39,728,890)
	<b>2,167,023</b>	<b>215,847,146</b>
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	-	855,170
Net loss on sale of government securities	-	(7,695)
Realised gain on gold contracts	-	2,214,713
Net unrealised loss on government securities	-	(17,400)
Net unrealised loss on future contracts of gold	-	(6,577,991)
Net other income for the period	-	8,458,069
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>4,069,696</b>
<b>Net assets at the end of the period</b>	<b>2,167,023</b>	<b>220,772,012</b>

The annexed notes from 1 to 15 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 2013-14

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE PERIOD FROM 26 JUNE 2013 TO 31 MARCH 2014

For the  
period from  
26 June 2013 to  
31 March  
2014  
Rupees

### Cash flows from operating activities

Net income for the period after taxation

Note

4,069,696

### Adjustments:

Interest income

(14,086,089)

Net loss on sale of government securities

7,695

Realised gain on gold contracts

(2,214,713)

Net unrealised loss on government securities

17,400

Net unrealised loss on future contracts of gold

6,577,991

Amortisation of formation cost

176,609

Element of loss and capital losses included

855,170

in prices of units sold less those in units redeemed - net

(8,665,937)

(4,596,241)

### Increase in assets

Deferred formation cost

(1,194,500)

Margin deposits with Pakistan Mercantile Exchange Limited

(25,291,275)

against future contracts

(27,307)

Prepayments

(26,513,082)

### Increase in liabilities

Payable to Atlas Asset Management Limited - Management Company

1,975,321

Payable to Central Depository Company of Pakistan Limited - trustee

33,090

Annual fee payable to the Securities and Exchange Commission of Pakistan

119,113

Accrued expenses and other liabilities

396,931

2,524,455

Interest received

13,441,449

Investments made during the period

(1,263,409,215)

Investments sold / matured during the period

1,137,171,963

### Net cash used in operating activities

(141,380,671)

### Cash flows from financing activities

Proceeds from issue of units

255,576,036

Payment on redemption of units

(39,728,890)

### Net cash generated from financing activities

215,847,146

### Net increase in cash and cash equivalents during the period

74,466,475

Cash and cash equivalents at the beginning of the period

-

### Cash and cash equivalents at the end of the period

4

74,466,475

The annexed notes from 1 to 15 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 Gold Fund

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM 26 JUNE 2013 TO 31 MARCH 2014

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Gold Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 6 May 2013 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, Shabrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 15 July 2013, 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 investors with capital appreciation through investment in gold or gold futures contracts traded on the Commodity Exchange. The Fund aims to deliver this objective mainly by investing at least 70% of the net assets in gold or gold futures contracts during the year based on quarterly average investments calculated on daily basis. The remaining net assets of the Fund shall be invested in cash and near cash instruments which includes cash in bank accounts (excluding TDR), and treasury bills not exceeding 90 days maturity. At least 10% of the net assets of the Fund shall remain invested in cash and near cash instruments at all times. The investment objectives and policy are more fully defined in the Fund's offering document.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 2014.

#### 2.2 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgements that have a significant effect on the financial statements are in respect of the following:

	<b>Notes</b>
Investments	3.1, 3.3, 5 & 9
Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed - net	3.8



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## 2.3 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except for investments which are carried at fair value.

## 2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are set out below:

### 3.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through income statement or available-for-sale investment, as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through income statement, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment.

#### Investments at fair value through income statement

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement. All derivatives are classified as held-for-trading.

#### Available-for-sale

Investments which are not classified in the preceding categories are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in the statement of comprehensive income is taken to the income statement.

### 3.2 Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gain or loss is recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

### 3.3 Derivatives Financial Instruments

Derivative instruments that are held by the Fund primarily comprise of gold futures contracts in the commodities market. These are measured initially at fair value and revalued at each subsequent measurement date at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures commodities. Derivatives with the positive market values (unrealised gains) are included in assets and derivatives with the negative market value (unrealised losses) are included in liabilities in the Statement of Assets and Liabilities. The resultant gains and losses are included in the income statement.

# Atlas Gold Fund

## 3.4 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the application received by the distribution company/management company during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the distribution company and the management company.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company/management company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

## 3.5 Revenue recognition

Interest income on government securities is recognised using effective interest method at the rate of return implicit in the instrument.

Interest income on bank balances and deposits is recognised on an accrual basis.

Gains or losses on sale of investments are included in the Income Statement in the period in which it arises.

Element of income/loss and capital gains/losses in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.

## 3.6 Expenses

All expenses chargeable to the Fund including remuneration of management company, trustee, and annual fee of the SECP are recognised in the income statement on an accrual basis.

## 3.7 Provisions

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

## 3.8 Element of income/loss and capital gains/losses in prices of units sold less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called "element of income/loss and capital gains/losses in prices of units issued less those in units redeemed" (the element) is created.

Upon sale and redemption of units, the amount representing net income/loss and capital gains/losses accounted for in net asset value and included in the sale/redemption price is taken to the element account.

The element is computed to the extent that it is represented by the increase/decrease in net income/loss and capital gains/losses earned/incurred during the period.

## 3.9 Deferred formation cost

Formation cost refers to all the preliminary and floatation expenses of the Fund incurred upto the initial issue of units, to the extent allowable under the NBFC Regulations. These costs are being amortised over a period of five years commencing from July 2013, in accordance with the requirements of the NBFC Regulations. These expenses were paid off by the management company and are reimbursable to it by the Fund.

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## 3.10 Taxation

The Fund is exempt from taxation under Clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund's unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

## 3.11 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income statement.

## 3.12 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 3.13 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Board of Directors of the management company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the management company.

## 3.14 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

## 3.15 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

	Note	31 March 2014 Un-audited Rupees
<b>4. BANK BALANCES</b>		
In PLS saving accounts	4.1	<u>74,466,475</u>
4.1	The rate of return on the account is 9.20% per annum.	
<b>5. INVESTMENTS - at fair value through income statement</b>		
<b>Government securities</b>		
Market Treasury Bills - held-for-trading	5.1	<u>128,426,870</u>

# Atlas Gold Fund

## 5.1 Market Treasury Bills - held for trading

Treasury bills	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Sold/ Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 Months - T-bills	-	785,000,000	655,000,000	130,000,000	128,444,270	128,426,870	100.00	58.17
12 Months - T-bills	-	480,000,000	480,000,000	-	-	-	-	-
	-	<u>1,265,000,000</u>	<u>1,135,000,000</u>	<u>130,000,000</u>	<u>128,444,270</u>	<u>128,426,870</u>	<u>100.00</u>	<u>58.17</u>

5.2 The cost of investments as on 31 March 2014 is Rs.128,161,410.

5.3 These treasury bills carry purchase yield of 10.07% and will mature on 15 May 2014.

	31 March 2014 Un-audited Rupees
6. DEFERRED FORMATION COST	
Deferred formation cost	1,194,500
Amortisation of deferred formation cost	(176,609)
	<u>1,017,891</u>

## 7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

Management fee	7.1	291,980
Formation cost payable		1,194,500
Sindh Sales Tax payable on remuneration of the Management Company	7.2	107,700
Federal Excise Duty payable on remuneration of the Management Company	7.3	381,141
		<u>1,975,321</u>

7.1 In accordance with the provisions of the NBFC Regulations, the management company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. The management company has charged its remuneration of 1.5% per annum of the average net assets for the period.

7.2 During the period, an amount of Rs.442,124 was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011, out of which Rs.334,424 has already been paid to the Management Company which acts as a collecting agent.

7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund.

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## 8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

### On net assets:

- up to Rs.1,000 million	Rs.0.17% per annum of Net Assets.
- Rs.1,000 million to Rs.5,000 million	Rs.1.7 million plus 0.085% per annum of Net Assets exceeding Rs.1,000 million
- exceeding Rs.5,000 million	Rs.5.1 million plus 0.07% per annum of Net Assets exceeding Rs.5,000 million

31 March  
2014

Un-audited  
Rupees

Note

## 9. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

### Held-for-trading - derivative financial instruments

- Future Gold Contracts	9.1	<u>6,577,991</u>
-------------------------	-----	------------------

9.1 This represents net fair value of gold futures contracts entered into by the Fund at the Pakistan Mercantile Exchange Limited. The details of the outstanding contracts are given in the table below:

Commodity Contracts	Maturity Date	Quantity - ounces	Value of Gold in futures market US \$	Value of Gold in futures market equivalent Pak Rupees	Market Value as a Percentage of net assets
Gold 10 oz - May 2014	25 April 2014	20	25,696	2,531,827	1.15
Gold 10 oz - June 2014	27 May 2014	1,380	1,773,162	174,709,652	79.14
		<u>1,400</u>	<u>1,798,858</u>	<u>177,241,479</u>	<u>80.28</u>
Liabilities against gold futures at contracted rates				183,819,470	
Unrealised loss on future contracts of gold				<u>6,577,991</u>	

31 March  
2014

Un-audited  
Rupees

Note

## 10. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	148,295
Printing charges payable	158,010
Brokerage payable	1,825
Withholding tax payable	5,746
Provision against Workers' Welfare Fund	10.1 83,055
	<u>396,931</u>

# Atlas Gold Fund

10.1 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.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to maintain the provision in respect of WWF which amounts to Rs.83,055. Had the same not been made, the net asset value per unit of the Fund would have been higher by Re.0.04 per unit.

	Note	31 March 2014 Un-audited Rupees
<b>11. CONTINGENCIES AND COMMITMENTS</b>		

11.1 There were no contingencies outstanding as at 31 March 2014.

## 11.2 COMMITMENTS

Purchase of:		
Ounce Gold Contracts US \$ 1,798,858	11.2.1	<u>177,241,479</u>

11.2.1 This represents the investment in future gold contracts with settlement date of 25 April 2014 and 27 May 2014.

	For the period from 26 June 2013 to 31 March 2014 Un-audited	For the quarter ended 31 March 2014 Un-audited
	----- Rupees -----	
<b>12. INTEREST INCOME</b>		

Profit on PLS savings account and deposits	6,481,574	1,780,128
Government Securities - Market Treasury bills	7,604,515	3,548,560
	<u>14,086,089</u>	<u>5,328,688</u>

For the period  
from 26 June  
2013 to  
31 March  
2014  
Un-audited  
Rupees

## 13. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

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

<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company		2,382,132
Remuneration paid		2,090,152
Sindh Sales Tax on Remuneration of the Management Company		442,124
Federal Excise Duty on Remuneration of the Management Company		381,141
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee		269,974
Remuneration paid		236,884

# Third Quarter Report 2013-14

For the period  
from 26 June  
2013 to  
31 March  
2014  
Un-audited  
Rupees

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

<b>Atlas Battery Limited (Group Company)</b> Sale of 500,339 units	50,033,904
<b>Atlas Foundation (Group Company)</b> Sale of 150,102 units	15,010,171
<b>Atlas Honda Limited (Group Company)</b> Sale of 499,800 units	50,000,000
<b>Atlas Insurance Limited (Group Company)</b> Sale of 101,637 units	10,000,000
<b>Batoos Benefit Trust (Trust having common Director / Trustee)</b> Sale of 150,102 units	15,010,171
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b> Sale of 13,895 units	1,395,642
<b><u>Key Management Personnel of Management Company</u></b>  Sale of 53,382 units Redemption of 3,479 units	5,355,199 368,095
	<b>31 March 2014 Un-audited Rupees</b>

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

<b>Atlas Asset Management Limited (Management Company)</b> Remuneration payable to the management company Sindh sales tax payable on remuneration of the Management Company Federal Excise Duty payable on remuneration of the Management Company Formation cost payable	291,980 107,700 381,141 1,194,500
<b>Central Depository Company of Pakistan Limited (Trustee)</b> Trustee fee payable	33,090
<b>Atlas Battery Limited (Group Company)</b> Outstanding 500,339 units - at net asset value	50,974,541
<b>Atlas Foundation (Trust having common Director / Trustee)</b> Outstanding 150,102 units - at net asset value	15,292,362
<b>Atlas Honda Limited (Group Company)</b> Outstanding 499,800 units - at net asset value	50,919,632
<b>Atlas Insurance Limited (Group Company)</b> Outstanding 101,637 units - at net asset value	10,354,766

# Atlas Gold Fund

31 March  
2014  
Un-audited  
Rupees

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

### **Batool Benefit Trust (Trust having common Director/Trustee)**

Outstanding 150,102 units - at net asset value 15,292,362

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

Outstanding 13,895 units - at net asset value 1,415,587

### **Key Management Personnel of Management Company**

Outstanding 49,903 units - at net asset value 5,084,128

13.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer & Co. Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.3 million and above, as set by the Board of Directors of the Management Company for FY 2013-14.

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

## 14. GENERAL

14.1 As allowed by SECP, the first accounting period of Fund has commenced from 26 June 2013. Being the first financial statements of the Fund, there are no comparative figures to report.

14.2 Figures have been rounded off to the nearest Rupee.

## 15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 29 April 2014.

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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