



Atlas Sovereign Liquid Fund

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

Atlas Gold Fund

THIRD QUARTER REPORT

31 March 2017

(UN-AUDITED)

**Atlas
funds**
Nurturing your investments



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

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ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

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

Directors Mr. Tariq Amin
(Independent Director)

Mr. Shamshad Nabi
(Independent Director)

Mr. Frahim Ali Khan
(Non-Executive Director)

Mr. Ali H. Shirazi
(Non-Executive Director)

Mr. Arshad P. Rana
(Non-Executive Director)

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

Company Secretary Ms Qurrat-ul-Ain Jafari

Board Committees

Audit Committee

Chairman Mr. Tariq Amin
Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman Mr. Tariq Amin
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

Investment Committee

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

Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Mr. Abbas Sajjad
Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari

Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood

Secretary Mr. Muhammad Faizan Ghori

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

Ground Floor, Federation House, Sharae Firdousi
Clifton, Karachi - 75600
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Website: www.atlasfunds.com.pk

Atlas Funds

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Sovereign Liquid Fund (ASLF), 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 2017 of the FY 2016-17.

THE ECONOMY

During the period July -March FY 17, total exports stood at US\$ 15.12 billion as compared to US\$ 15.60 billion in the same period last year. The foreign exchange reserves of the country stood at US\$ 21.8 billion as on 24 March 2017 with SBP's share of US\$ 16.7 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-March FY 17 stood at US\$ 14.06 billion, which was a decrease of 2.29% YoY compared to the corresponding period last year. CPI inflation for the period of July-March FY 17 was recorded at 4.0%. The private sector credit increased by Rs.463 billion during July-March FY 17 as compared to an increase of Rs.306 billion in the same period last year. Moreover, LSM sector posted growth of 3.48% during July-January FY 17, while major crops, such as cotton has shown growth of 10% over previous year that has helped economy maintain growth momentum. The SBP in its latest monetary policy statement decided to keep the policy rate unchanged at 5.75%. Previously, accommodative monetary stance of SBP saw cumulative decline in policy rate of 425 bps since November 2014 till May 2016.

FUND OPERATIONS - ASLF

The Net Asset Value per unit of Atlas Sovereign Liquid Fund increased by 3.69% to Rs.103.81 as on 31 March 2017, providing an annualized total return of 4.92%. The ASLF's total exposure in Treasury Bills stood at 33.39% and 66.60% in short term deposits with banks/cash. ASLF 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.653.56 million, with 6.30 million units outstanding as of 31 March 2017.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 4.62% to Rs.524.27 as on 31 March 2017, thus providing an annualized total return of 6.16%. The AMF's total exposure was 99.62% in short term deposits with banks/cash and 0.38% in Treasury bills. 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.6.47 billion, with 12.33 million units outstanding as of 31 March 2017.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 4.05% to Rs.531.97 as on 31 March 2017, this works out to 5.40% on an annualized basis. AIF's current asset allocation is 3.86% in Pakistan Investment Bonds, 7.36% in Treasury bills, 17.59% in TFC/Sukuk, 14.50% in Margin Trading System, 0.97% in spread transactions and remaining 55.72% in short term bank deposits/cash and 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.9.98 billion with 18.75 million units outstanding as of 31 March 2017.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 34.42% to Rs.670.22 as on 31 March 2017. The benchmark KSE-100 index has increased by 27.45% during the same period. The KSE-100 has increased from 37,783.54 points as on 30 June 2016 to 48,155.93 points as on 31 March 2017. The ASMF's equity portfolio exposure was mainly in Commercial Banks, Cement and Oil and Gas Exploration 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.6.08 billion, with 9.07 million units outstanding as of 31 March 2017.

FUND OPERATIONS - AGF

The Net Asset Value per unit of Atlas Gold Fund decreased by 3.35% to Rs.102.23 as on 31 March 2017. The benchmark has decreased by 3.03% during the same period. AGF's current asset allocation is 80.86% in Gold/Gold futures contracts and remaining in bank deposits/others. The Net Assets of the Fund stood at Rs.205.87 million, with 2.01 million units outstanding as of 31 March 2017.

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TAXATION

WORKER'S WELFARE FUND (WWF)

On 10 November 2016 the Honorable Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. The Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance and that all cases pending in the Honorable Sindh High Court (SHC) or lower appellate forums will now be disposed of in light of the judgement of the SCP. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till 30 June 2015 has been reversed on 12 January 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of asset management companies whereby it was contested that mutual funds do not come under the ambit of the SWWF Act as these were not financial institutions or industrial establishments under the applicable laws, but were pass through investment vehicles and did not employ workers. The SRB had held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter.

Although, based on legal opinion, SWWF is not applicable on mutual funds, MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015). Accordingly, the provision for SWWF is being made on a daily basis going forward.

FEDERAL EXCISE DUTY (FED)

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

REOPENING OF ASSESSMENT OF PRIOR YEARS

Commissioner Inland Revenue amended the return of income filed by mutual funds on selective basis under section 120 of the Income Tax Ordinance, 2001 (Ordinance) on the plea that bonus issues declared by the funds should not have been considered as distribution of income while claiming exemption available under clause 99 of Part 1 of the Second Schedule to Ordinance. Consequently the tax demands were raised across the mutual fund industry. In case of funds under management of your company the assessments were revised for Tax Year 2012 and 2013 of Atlas Money Market Fund and for Tax Year 2012 of Atlas Stock Market Fund. The industry, including the funds under management of your company on whom demand was raised went on appeal. The Commissioner Inland Revenue - Appeals decided the matter in favor of the funds. Against this decision the tax assessing officer has filed an appeal in Appellate Tribunal Inland Revenue. The appeal has been heard on 24 November 2016 by Commissioner (Appeals) of Appellate Tribunal Inland Revenue (ATIR) for AMF. On 31 January 2017, the ATIR has passed the order deciding the matter in favor of AMF. However, for ASMF the appeal has been heard on 09 March 2017 by Commissioner (Appeals) of Appellate Tribunal Inland Revenue (ATIR) but the order is pending.

SUPER TAX

A onetime super tax was levied on person whose income is more than Rs.500 Million for the tax year 2015 @ 3% for companies and 4% for banking companies through Finance Act, 2015. The tax has been extended for one more year. During March 2016, notices were issued to twelve mutual funds managed by six Asset Management Companies. This includes Atlas Money Market Fund (AMF) managed by AAML. The AMC have also appealed with Appellate Commissioner (AC). The AC decided the case in favor of the Department. AMC has gone to appeal with the Income Tax Tribunal against the judgement.

The Appellate Tribunal Inland Revenue in its judgment dated 03 February 2017 has deleted the levy of supertax on the income of the Fund as the "super tax" being of the nature of tax cannot be imposed in view of exemption from tax on any income derived by mutual funds under clause (99) of Part I of the Second Schedule.

Atlas Funds

WITHHOLDING TAX

With effect from 1 July 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned commissioner of income tax by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far mutual funds and approved pension funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Supreme Court of Pakistan, on 20 April 2016 and the hearing is still pending.

RATINGS

• Asset Manager Rating

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

• Rating/Ranking - ASLF

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

• Fund Stability Rating - AMF

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

• Fund Stability Rating - AIF

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

FUTURE OUTLOOK

Pakistan economic growth has accelerated in recent periods on the cumulative impact of the government's macroeconomic and structural reforms, lower oil prices, and improved security conditions. Inflation has been lower than expected, while foreign exchange reserves have remained above US\$ 21 billion. Trade reforms and regulatory changes have also helped improve business climate in the country. However, key challenges remain regarding declining exports, widening current account deficit and fiscal slippages that has resulted in widening of fiscal deficit. A major impetus to growth going forward will be the implementation of US\$ 46 billion program of infrastructure spending on roads, railways, pipelines and power projects under CPEC. Overall, improved macro-economic environment has thus opened up opportunity for efficient reforms to ensure improvements in the economy are sustainable.

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

جسے اللہ رکھے اسے کون چکھے

If Allah wills not, no one can Harm

Acknowledgement

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

Karachi: 27 April 2017

Yusuf H. Shirazi
Chairman

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Atlas Sovereign Liquid Fund

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
MCB Bank Limited
United Bank Limited

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2017

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	Rupees	
ASSETS			
Bank balances	4	435,771,715	528,149,900
Investments	5	219,415,389	223,930,475
Profit receivable on bank balances		804,071	229,745
Prepayments and other receivables		552,385	453,482
Deferred formation cost	6	584,822	780,000
Total assets		657,128,382	753,543,602
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	2,087,107	2,290,253
Payable to Central Depository Company of Pakistan Limited - Trustee		90,163	71,212
Payable to the Securities and Exchange Commission of Pakistan		380,846	471,393
Accrued expenses and other liabilities	8	1,013,216	3,750,760
Total liabilities		3,571,332	6,583,618
NET ASSETS		653,557,050	746,959,984
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		653,557,050	746,959,984
CONTINGENCIES AND COMMITMENTS	10		
NUMBER OF UNITS IN ISSUE		6,295,700	7,461,205
NET ASSET VALUE PER UNIT		103.81	100.11

The annexed notes from 1 to 17 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

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

		For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	Note	2017	2016	2017	2016
Rupees					
INCOME					
Interest income	11	30,209,872	31,902,275	8,981,470	10,768,606
Capital (loss)/gain on sale of investments-net		(26,785)	23,786	2,859	(40,314)
Net unrealise (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(7,135)	(507,423)	10,927	(532,312)
		(33,920)	(483,637)	13,786	(572,626)
Element of (loss)/income and capital (losses)/gains included in prices of units sold less those in units redeemed - net		(1,350,875)	2,825,125	1,519,519	2,093,117
Total income		28,825,077	34,243,763	10,514,775	12,289,097
EXPENSES					
Remuneration of Atlas Asset Management Limited Management Company	7.1	2,285,071	2,094,019	678,253	726,671
Sindh Sales Tax on remuneration of Management Company	7.2	297,059	340,069	88,173	118,012
Federal Excise Duty on remuneration of the Management Company		-	335,043	-	116,267
Remuneration of Central Depository Company of Pakistan Limited - Trustee		761,691	698,006	226,085	242,224
Sindh Sales Tax on remuneration of Trustee		99,020	97,722	29,391	33,912
Annual fees to the Securities & Exchange Commission of Pakistan		380,846	349,003	113,043	121,112
Accounting and operational charges	9	507,306	224,105	150,723	161,482
Sindh Sales Tax on accounting and operational charges		40,584	13,446	12,057	9,689
Annual rating fee		188,271	188,443	61,841	70,301
Annual listing fee		41,286	30,025	13,561	9,916
Securities transaction cost		20,915	16,356	5,033	11,620
Auditors' remuneration		196,993	218,450	69,713	69,014
Printing charges		38,370	77,221	5,995	14,379
Amortisation of formation cost		195,178	195,355	64,109	64,644
Legal and professional charges		23,760	64,322	23,760	59,418
Bank charges		20,578	13,173	5,280	3,983
Provision for workers' welfare fund	8.1	(323,547)	-	(323,547)	-
Provision for Sindh workers' welfare fund	8.1	775,890	-	775,890	-
		5,549,271	4,954,758	1,999,360	1,832,644
Net income for the period before taxation		23,275,806	29,289,005	8,515,415	10,456,453
Taxation	13	-	-	-	-
Net income for the period after taxation		23,275,806	29,289,005	8,515,415	10,456,453

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2017	2016	2017	2016
	Rupees			
Net income for the period after taxation	23,275,806	29,289,005	8,515,415	10,456,453
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	23,275,806	29,289,005	8,515,415	10,456,453

The annexed notes from 1 to 17 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

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017 ----- Rupees -----	2016 ----- Rupees -----
Undistributed income brought forward [Includes unrealised gain on investments of Rs. 2,536,130] (2016: unrealised gain on investments of Rs. Nil)	761,307	15,069,001
Final cash dividend declared for the year ended 30 June 2015 at the rate of Rs. 2.50 per unit on 7 July 2015	-	(14,745,949)
Net income for the period after taxation	23,275,806	29,289,005
Other comprehensive income	-	-
Total comprehensive income for the period	23,275,806	29,289,005
Undistributed income carried forward [Includes unrealised gain on investments of Rs.2,363,390] (2016: unrealised loss on investments of Rs.507,423)	24,037,113	29,612,057

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	For the Nine Months Ended 31 March 2017		For the Nine Months Ended 31 March 2016	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.100.11 per unit (2016: 102.55 per unit)]	7,461,205	746,959,984	5,898,379	604,906,951
Issue of units	2,966,481	303,727,154	3,175,633	328,401,490
Redemption of units	(4,131,986)	(421,756,769)	(2,383,388)	(246,312,281)
	(1,165,505)	(118,029,615)	792,245	82,089,209
Element of loss/(income) and capital losses/(gains) included in prices of units sold less those in units redeemed - net	-	1,350,875	-	(2,825,125)
Capital (loss)/gain on sale of investments - net	-	(26,785)	-	23,786
Net unrealise (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(7,135)	-	(507,423)
Other net income for the period	-	23,309,726	-	29,772,642
Total comprehensive income for the period	-	23,275,806	-	29,289,005
Final cash dividend declared for the year ended 30 June 2015 at the rate of Rs. 2.50 per unit on 7 July 2015	-	-	-	(14,745,949)
Net assets at the end of the period [Rs.103.81 per unit (2016: Rs.104.43 per unit)]	6,295,700	653,557,050	6,690,624	698,714,091

The annexed notes from 1 to 17 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

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
Note	Rupees	
Cash flows from operating activities		
Net income for the period after taxation	23,275,806	29,289,005
Adjustments for:		
Interest income	(30,209,872)	(31,902,275)
Capital loss/(gain) on sale of investments - net	26,785	(23,786)
Net unrealize diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	7,135	507,423
Amortization of formation cost	195,178	195,355
Element of loss/(income) and capital losses/(gains) included in prices of units sold less those in units redeemed - net	1,350,875	(2,825,125)
Provision for workers' welfare fund	323,547	-
Provision for Sindh workers' welfare fund	(775,890)	-
	(29,082,242)	(34,048,408)
Increase in Assets		
Prepayments and other receivables	(98,903)	(306,322)
Increase/(Decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(203,146)	(1,776,506)
Payable to Central Depository Company of Pakistan Limited - Trustee	18,951	(134,357)
Payable to the Securities and Exchange Commission of Pakistan	(90,547)	66,001
Accrued expenses and other liabilities	(2,285,201)	(2,465,470)
	(2,559,943)	(4,310,332)
	(8,465,282)	(9,376,057)
Interest received	7,879,880	32,758,421
Investments made during the period	(3,568,528,711)	(2,465,546,678)
Investments sold/matured during the period	3,594,765,543	2,343,316,895
Net cash generated from/(used) in operating activities	25,651,430	(98,847,419)
Cash flows from financing activities		
Net receipt from issuance of units	303,727,154	489,546,463
Net payment against redemption of units	(421,756,769)	(841,755,911)
Cash payout against distribution	-	(14,745,949)
Net cash used in financing activities	(118,029,615)	(366,955,397)
Net decrease in cash and cash equivalents	(92,378,185)	(465,802,816)
Cash and cash equivalents at the beginning of the period	528,149,900	1,041,938,687
Cash and cash equivalents at the end of the period	435,771,715	576,135,871

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Sovereign Liquid Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Liquid Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document has been revised through First Supplement dated 24 March 2015, Second supplement dated 3 August 2015, Third supplement dated 23 June 2016 and Fourth supplement dated 13 October 2016 with the approval of the Securities and Exchange Commission of Pakistan. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is categorized as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund are being offered for public subscription on a continuous basis from 01 December 2014, and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharikas (CoM), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 During the period, the Fund has revised its pricing mechanism regarding the Offer and Redemption of units, from forward pricing to known pricing with effect from 11 July 2016. Under the known pricing system, the Offer and Redemption Prices applicable to any sales and redemptions received during any business day are calculated on the basis of Net Asset Value as at the close of previous business day, plus the provision of sales load, any duties and charges, as applicable in the case of Offer Price, and as reduced by an appropriate provision of duties and charges in the case of Redemption Price. Uptill 10 July 2016, these were calculated on the basis of Net Asset Value of the close of that business day on which the sale and redemption requests are received.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company on 8 June 2016 and has assigned a stability rating of AA(f) to the Fund on 30 December 2016.
- 1.6 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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3.2 The preparation of these condensed interim financial statements in accordance with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The significant estimates, judgments and assumptions made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements of the Fund as at and for the year ended 30 June 2016.

3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements of the Fund for the year ended 30 June 2016.

3.4 The adoption of certain amendments and improvements to accounting standards during the period did not have any significant effect on the condensed interim financial statements of the Fund.

	31 March 2017	30 June 2016
	Un-audited	Audited
Note	Rupees	

4. BANK BALANCES

Balances with bank in:

- saving accounts

4.1	435,771,715	528,149,900
	435,771,715	528,149,900

4.1 The rate of return on these balances range from 5.30% to 6.15% (30 June 2016: 5.00% to 6.40%) per annum. As of 31 March 2017, balances amounting Rs.427,525,326 carry rate of return 6.15% per annum.

5. INVESTMENTS

At fair value through profit or loss - held for trading

Government securities - Market Treasury Bills	5.1	219,415,389	223,930,475
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5.1 Market Treasury Bills

	Face value (Rupees)				Rupees		Percentage of	
	As at 01 July 2016	Acquired during the period	Sold/ Matured during the period	As at 31 March 2017	Amortised cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months T-bills	45,000,000	1,035,240,000	860,240,000	220,000,000	219,422,524	219,415,389	100.00	34.00
6 Months T-bills	115,000,000	1,814,615,000	1,929,615,000	-	-	-	-	-
12 Months T-bills	65,000,000	754,000,000	819,000,000	-	-	-	-	-
	225,000,000	3,603,855,000	3,608,855,000	220,000,000	219,422,524	219,415,389	100.00	34.00

5.2 The cost of investments as on 31 March 2017 is Rs.217,052,000 (30 June 2016: Rs.221,394,345).

5.3 These Market treasury bills carry purchase yields ranging from 5.90% to 5.92% per annum and will mature between 13 April 2017 and 27 April 2017 (30 June 2016: 5.99% to 6.16% per annum and will mature between 21 July 2016 and 18 August 2016).

Atlas Sovereign Liquid Fund

		31 March 2017	30 June 2016
	Note	Un-audited	Audited
		Rupees	
6. DEFERRED FORMATION COST			
Formation cost		780,000	1,040,000
Amortized formation cost		(195,178)	(260,000)
		584,822	780,000

7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - (RELATED PARTY)

Remuneration of the Management Company	7.1	239,369	187,398
Sindh Sales Tax payable on remuneration of the Management Company	7.2	162,397	157,514
Federal Excise Duty payable on remuneration of the Management Company	7.3	905,341	905,341
Formation cost payable		780,000	1,040,000
		2,087,107	2,290,253

7.1 In accordance with the provisions of the NBFC Regulations amended vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets of the fund. Previously, the Management Company was 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. Accordingly the Management Company has charged its remuneration at the rate of 0.45% (2016: 0.45%) per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs. 297,059 (2016: Rs. 340,069) was charged on account of sales tax on remuneration of management company levied through Sindh Sales Tax on Services Act, 2011 and, an amount of Rs. 292,176 (2016: Rs. 543,020) has 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.

Subsequent to the year ended 30 June 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside.

In response to the above judgment, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication. With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.905 million (30 June 2016: Rs 0.905 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2017 would have been higher by Re. 0.14 per unit (30 June 2016: Re. 0.12 per unit).

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		31 March 2017 Un-audited	30 June 2016 Audited
	Note	-----	Rupees -----
8. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		139,838	206,765
Printing charges payable		12,757	90,014
Transaction charges payable		1,228	5,293
Withholding tax payable		10,560	3,069,927
Capital gain tax payable		180	86
Dividend payable		10,985	10,985
Provision for Workers' Welfare Fund	8.1	-	323,547
Provision for Sindh workers' welfare Fund	8.1	775,890	-
Accounting and operational charges payable	9	57,202	41,644
Sindh Sales Tax payable on accounting and operational charges		4,576	2,499
		1,013,216	3,750,760

8.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs)/mutual funds whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On 10 November 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgment on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgment of the SCP.

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

Atlas Sovereign Liquid Fund

In view of the above developments regarding the applicability of WWF and SWWF on CISs/ mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and
- the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, the provision for WWF was reversed on January 12, 2017 and provision for SWWF been made from 21 May 2015 till 12 January 2017 and is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/mutual funds. Accordingly, the Fund has recorded these adjustments in its books on 12 January 2017.

9. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2017 and 30 June 2016.

11. INTEREST INCOME

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2017	2016	2017	2016
	Rupees			
PLS saving and term deposit accounts	8,454,206	6,359,051	2,426,339	845,893
Government Securities - Market Treasury bills	21,755,666	24,177,153	6,555,131	8,556,642
Government Securities - Pakistan Investment Bonds	-	1,366,071	-	1,366,071
	30,209,872	31,902,275	8,981,470	10,768,606

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2017 is 0.82% (annualised rate being 1.07%) which includes 0.19% (annualised rate being 0.23%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

13. TAXATION

The income of the Fund 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 to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these condensed interim financial statements.

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14. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

14.1 Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.

14.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

14.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

14.4 The details of transactions carried out by the Fund with connected persons and balances with them at the period/year end are as follows:

	For the Nine Months ended	
	31 March 2017 Un-audited	31 March 2016 Un-audited
	----- Rupees -----	
<u>Transactions for the period</u>		
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	2,285,071	2,094,019
Remuneration paid	2,233,100	3,742,618
Sindh Sales Tax on remuneration of the Management Company	297,059	340,069
Federal Excise Duty on remuneration of the Management Company	-	335,043
Issue of Nil (2016: 5,737) units	-	574,009
Redemption of 4,975 (2016: 148,714) units	500,000	15,000,000
Cash dividend	-	765,345
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	761,691	698,006
Remuneration paid	744,368	844,350
Sindh Sales Tax on Remuneration of the Trustee	99,020	97,722
Atlas Battery Limited (Group Company)		
Cash dividend	-	1,847,089
Atlas Honda Limited (Group Company)		
Issue of Nil (2016: 1,420,895) units	-	148,369,906
Redemption 1,473,622 (2016: Nil) units	150,000,000	-
Cash dividend	-	5,549,690
Atlas Hitec (Private) Limited (Group Company)		
Redemption Nil (2016: 478,480) units	-	49,395,838
Cash dividend	-	1,196,201
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2016: 27,423) units	-	2,743,635
Cash dividend	-	3,658,180
Key Management Personnel of Management Company		
Issue of 44,135 (2016: 49,275) units	4,500,000	5,042,629
Redemption Nil (2016: 48,849) units	-	5,053,004
Cash dividend	-	47,366

Atlas Sovereign Liquid Fund

31 March 2017 Un-audited	30 June 2016 Audited
----- Rupees -----	

Investments/outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)

Remuneration payable to the management company	239,369	187,398
Sindh Sales Tax payable on remuneration of the Management Company	162,397	157,514
Federal Excise Duty payable on remuneration of the Management Company	905,341	905,341
Formation cost payable	780,000	1,040,000
Outstanding 44,995 (30 June 2016: 49,970) units - at net asset value	4,670,920	5,002,499

Central Depository Company of Pakistan Limited (Trustee)

Remuneration payable to the Trustee	79,790	62,467
Sindh Sales Tax payable on remuneration of the Trustee	10,373	8,745

Cherat Cement Company Limited - Workers Profit Participation Fund (Unit holders with more than 10% holding)

Outstanding 636,487 (30 June 2016: 636,487) units - at net asset value	66,073,672	65,358,214
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Atlas Honda Limited (Group Company)

Outstanding 3,521,882 (30 June 2016: 4,995,504) units - at net asset value	365,606,558	500,099,910
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Shirazi Investments (Private) Limited - (Group Company)

Outstanding 1,554,968 (30 June 2016: 1,554,968) units - at net asset value	161,421,227	155,667,845
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Key Management Personnel of Management Company

Outstanding 60,513 (30 June 2016: 16,377) units - at net asset value	6,281,822	1,639,542
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14.5 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 Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2016-17.

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

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Fair value hierarchy

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

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2017, the Fund has investments in government securities (note 5) which are categorised 'as fair value through profit or loss' and carried at fair values measured using level 2 valuation technique.

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16. GENERAL

16.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

16.2 Figures have been rounded off to the nearest Rupee.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 April 2017.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

Atlas Money Market Fund

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2017

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	Rupees	
Assets			
Cash and bank balances	4	6,454,118,733	2,605,426,781
Investments	5	24,781,697	733,944,796
Profit receivable on bank balances		22,415,492	1,586,995
Prepayment and other receivables	6	4,266,331	3,434,075
Total assets		6,505,582,253	3,344,392,647
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	27,202,464	25,229,038
Payable to the Central Depository Company of Pakistan Limited - Trustee		510,055	302,185
Payable to the Securities and Exchange Commission of Pakistan		2,708,989	3,315,934
Payable against redemption of units		9,545	9,545
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	8	9,767,025	45,658,501
Total liabilities		40,223,230	74,540,355
NET ASSETS		6,465,359,023	3,269,852,292
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		6,465,359,023	3,269,852,292
CONTINGENCIES AND COMMITMENTS	9		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		12,332,112	6,525,388
		----- Rupees -----	
NET ASSET VALUE PER UNIT		524.27	501.10

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

		For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2017	2016	2017	2016
Note		Rupees			
Income					
Profit on savings and term deposits		103,862,941	48,069,041	42,294,250	7,017,428
Income from government securities		116,800,534	184,858,247	45,485,332	64,875,018
Capital (loss)/gain on sale of investments-net		(1,231,631)	1,496,512	(313,415)	(207,320)
Net unrealised diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(1,348)	(4,477,589)	(1,348)	(4,018,180)
		(1,232,979)	(2,981,077)	(314,763)	(4,225,500)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		67,620,980	1,152,764	55,232,872	12,819,012
Total Income		287,051,476	231,098,975	142,697,691	80,485,958
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	16,253,930	15,217,127	6,480,712	4,716,541
Sindh Sales Tax on remuneration of the Management Company	7.2	2,113,011	2,471,261	842,493	765,966
Federal Excise Duty on remuneration of the Management Company	7.3	-	2,434,740	-	754,646
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		3,272,002	3,099,712	1,265,050	972,564
Sindh Sales Tax on remuneration of the Trustee		425,360	433,960	164,456	136,159
Annual fees to the Securities and Exchange Commission of Pakistan		2,708,989	2,536,188	1,080,119	786,090
Accounting and operational charges	10	3,552,113	1,503,348	1,440,158	1,048,120
Sindh Sales Tax on accounting and operational charges		284,169	90,201	115,213	62,887
Annual rating fee		244,753	244,975	80,398	91,642
Annual listing fee		41,287	30,055	13,562	9,946
Securities transaction cost		94,978	261,047	30,515	74,707
Auditors' remuneration		479,427	461,553	156,797	155,409
Printing charges		175,308	1,759	57,791	(68,623)
Legal and professional charges		482,662	147,458	482,662	110,232
Bank charges		48,741	59,156	14,469	14,212
Provision for Workers' Welfare Fund	8.1	(35,840,884)	-	(35,840,884)	-
Provision for Sindh Workers' Welfare Fund	8.1	6,958,290	-	6,958,290	-
Total expenses		1,294,136	28,992,540	(16,658,199)	9,630,498
Net income for the period before taxation		285,757,340	202,106,435	159,355,890	70,855,460
Taxation	12	-	-	-	-
Net income for the period after taxation		285,757,340	202,106,435	159,355,890	70,855,460
Earnings per unit	13				

The annexed notes from 1 to 17 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

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	<u>For the Nine Months ended</u>		<u>For the Quarter ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>----- Rupees -----</u>			
Net income for the period after taxation	285,757,340	202,106,435	159,355,890	70,855,460
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	285,757,340	202,106,435	159,355,890	70,855,460

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
	----- Rupees -----	-----
Undistributed income brought forward	5,471,949	22,395,832
[Includes unrealised gain on investments of Rs.6,171,570]		
(2016: unrealised gain on investments of Rs.10,374,125)		
Net income for the period after taxation	285,757,340	202,106,435
Other comprehensive income	-	-
Total comprehensive income for the period	285,757,340	202,106,435
Undistributed income carried forward	291,229,289	224,502,267
[Includes unrealised gain on investments of Rs.119,197]		
(2016: unrealised loss on investments of Rs.4,477,589)		

The annexed notes from 1 to 17 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

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	31 March 2017		31 March 2016	
	Units	Rupees	Units	Rupees
Number of units/net assets at the beginning of the period [Rs. 501.10 per unit (2016: Rs. 503.69 per unit)]	6,525,388	3,269,852,292	7,345,095	3,699,654,196
Issue of units	12,164,699	6,241,169,894	7,956,520	4,098,094,344
Redemption of units	(6,357,975)	(3,263,799,523)	(6,504,423)	(3,365,535,080)
	5,806,724	2,977,370,371	1,452,097	732,559,264
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	-	(67,620,980)	-	(1,152,764)
Capital (loss)/gain on sale of investments - net	-	(1,231,631)	-	1,496,512
Net unrealised diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	-	(1,348)	-	(4,477,589)
Other income (net of expenses) for the period	-	286,990,319	-	205,087,512
Total comprehensive income for the period	-	285,757,340	-	202,106,435
Number of units/net assets at the end of the period [Rs.524.27 per unit (2016: Rs.526.66 per unit)]	12,332,112	6,465,359,023	8,797,192	4,633,167,131

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
	Note	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	285,757,340	202,106,435
Adjustments for:		
Profit on savings and term deposits	(103,862,941)	(48,069,041)
Income from government securities	(116,800,534)	(12,262,346)
Capital loss/(gain) on sale of investments - net	1,231,631	(1,496,512)
Net unrealised diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	1,348	4,477,589
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(67,620,980)	(1,152,764)
Provision for workers' welfare fund	35,840,884	-
Provision for Sindh Workers' Welfare Fund	(6,958,290)	-
	(258,168,882)	(58,503,074)
Increase in assets		
Prepayment and other receivables	(832,256)	(1,775,586)
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	1,973,426	1,603,561
Payable to the Central Depository Company of Pakistan Limited - Trustee	207,870	92,838
Payable to the Securities and Exchange Commission of Pakistan	(606,945)	(2,136,159)
Accrued expenses and other liabilities	(64,774,070)	(26,565,487)
	(63,199,719)	(27,005,247)
	(36,443,517)	114,822,528
Interest received	83,034,444	40,780,491
Investments made during the period	(22,537,488,365)	(19,491,796,789)
Investments sold/matured during the period	23,362,219,019	18,852,636,114
Net cash generated from/(used in) operating activities	871,321,581	(483,557,656)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	6,241,169,894	4,281,011,919
Net payments against redemption of units	(3,263,799,523)	(3,541,057,791)
Cash payout against distribution	-	(30,977,172)
Net cash generated from financing activities	2,977,370,371	708,976,956
Net increase in cash and cash equivalents	3,848,691,952	225,419,300
Cash and cash equivalents at the beginning of the period	2,605,426,781	3,451,660,808
Cash and cash equivalents at the end of the period	4 6,454,118,733	3,677,080,108

The annexed notes from 1 to 17 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

Tariq Amin
Director

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document of the Fund has been revised through the First, Second and Third Supplements dated 24 March 2015, 3 August 2015 and 30 September 2016 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo, with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company on 8 June 2016 and has maintained the stability rating of the Fund to AA(f) on 9 December 2016.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2017.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 March 2017 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2016, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the nine months ended 31 March 2016.

Atlas Money Market Fund

2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended 30 June 2016.

3.2 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the financial statements of the Fund as at and for the year ended 30 June 2016. The details regarding developments in relation to estimation of provision for Federal Excise Duty and Workers' Welfare Fund are given in notes 7.3 and 8.1 respectively.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2016 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.

3.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2017 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	-----
4. CASH AND BANK BALANCES			
Balances with banks in savings accounts	4.1	6,434,118,733	2,596,235,781
Cheques in hand	4.2	20,000,000	9,191,000
		6,454,118,733	2,605,426,781

4.1 The rate of return on these accounts ranges between 3.75% and 6.50% (30 June 2016: 5.00% and 6.40%) per annum.

4.2 These cheques were received against issue of units which were cleared subsequent to the period end by 03 April 2017.

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	-----
5. INVESTMENTS			

At fair value through profit or loss - held for trading

Investment in government securities - Market Treasury Bills	5.1	24,781,697	733,944,796
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5. At fair value through profit or loss - held for trading

5.1 Market Treasury Bills - held for trading

	Face value (Rupees)			As at 31 March 2017 (Rupees)		Percentage of		
	As at 01 July 2016	Acquired during the period	Sold/ Matured during the period	As at 31 March 2017	Amortised cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months	317,000,000	10,688,100,000	10,980,100,000	25,000,000	24,783,045	24,781,697	100.00	0.38
6 Months	149,000,000	8,868,000,000	9,017,000,000	-	-	-	-	-
12 Months	272,000,000	3,195,000,000	3,467,000,000	-	-	-	-	-
	738,000,000	22,751,100,000	23,464,100,000	25,000,000	24,783,045	24,781,697	100.00	0.38
Total as on 30 June 2016					733,824,703	733,944,796		

5.2 The cost of investments as on 31 March 2017 is Rs.24,662,500 (30 June 2016: Rs.727,773,226).

5.3 These market treasury bills carry purchase yields ranging from 5.9463% (30 June 2016: 5.9% to 6.21%) per annum and will mature on 25 May 2017 (30 June 2016: 21 July 2016 and 18 August 2016).

	Note	31 March 2017	30 June 2016
		Un-audited	Audited
		Rupees	

6. PREPAYMENT AND OTHER RECEIVABLES

Prepaid listing fee		13,713	-
Prepaid rating fee		110,745	-
Prepaid legal and professional charges		707,798	-
Other receivables	6.1	3,434,075	3,434,075
		<u>4,266,331</u>	<u>3,434,075</u>

6.1 As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, during the year ended 30 June 2016, several companies (including banks) deducted withholding tax on profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as other receivables as at 31 March 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Atlas Money Market Fund

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	Rupees	
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	7.1	2,326,066	1,221,596
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,422,552	3,291,186
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable	10	949,393	271,466
Sindh Sales Tax payable on accounting and operational charges		75,951	16,288
		27,202,464	25,229,038

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of money market schemes. Previously, the Management Company was entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and, thereafter, of an amount equal to 2% of such assets. During the nine months ended 31 March 2017, the Management Company has charged its remuneration at the rate of 0.45% (2016: 0.45%) per annum of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs. 2,113,011 (2016: Rs. 2,471,261) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1,981,645 (2016: Rs. 2,298,022) has been paid to the Management Company which acts as a collecting agent.

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

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

During the nine months ended 31 March 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2016: Rs 20.429 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 31 March 2017 would have been higher by Rs. 1.66 (30 June 2016: Rs. 3.13) per unit.

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		31 March 2017 Un-audited	30 June 2016 Audited
Note		Rupees	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		284,315	685,270
Printing charges payable		102,044	90,000
Withholding tax payable		13,167	9,038,072
Capital gain tax payable		2,409,209	1,247
Payable to brokers		-	3,028
Provision for Workers' Welfare Fund	8.1	-	35,840,884
Provision for Sindh Workers' Welfare Fund	8.1	6,958,290	-
		9,767,025	45,658,501

8.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

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

Atlas Money Market Fund

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/mutual funds.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2017 and 30 June 2016.

10. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I)/2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less.

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2017 is 0.03% (annualised rate being 0.23%) which includes -0.48% (annualised rate being -0.45%) representing Government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

12. TAXATION

12.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund during the year ending 30 June 2017 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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

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12.2 During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by the Fund in respect of Tax Years 2012 and 2013 under Section 120 of the Income Tax Ordinance, 2001. The tax assessing officer concluded that bonus issues declared by the Fund should not have been considered as distribution of the accounting income while claiming exemption available under Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, as the Fund had not deducted withholding tax from bonus distributions. Consequently, the tax assessing officer raised demands aggregating to Rs 296.16 million (including Rs.16.31 million relating to Workers' Welfare Fund) on the Fund. Similar amendments were made to returns filed by several mutual funds in the industry.

This industry issue was examined by legal experts and tax advisors and there is unanimity of view that under the present regulations, including the provisions of Clause 99, the tax department's contentions were primarily erroneous and not tenable under the law. This view was further supported by the fact that, subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units was not to be considered towards distribution of 90% of income, and only cash dividend was to be taken into account for the computation of 90% distribution to claim exemption. Introduction of this amendment, applicable on distributions to be made from 01 July 2015, essentially strengthened the stand of the mutual fund industry as it established the principle that previously, issuance of bonus units was valid for the purpose of claiming exemption in case of 90% distribution. Appropriate appellate and executive remedies were adopted to resolve the matter.

During the year ended 30 June 2015, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment orders. However, the tax assessing officer filed an appeal in the Appellate Tribunal Inland Revenue against the order of the CIR - Appeals which was last heard on 24 November 2016 by the ATIR. On 31 January 2017, the ATIR passed an order deciding the matter in favour of the Fund.

12.3 On 16 March 2016, the Assistant Commissioner Inland Revenue (ACIR) issued an order against the Fund for the recovery of super tax amounting to Rs 17.417 million for Tax Year 2015 levied under section 4B(4) of the Income Tax Ordinance, 2001. The Management Company filed an appeal against the impugned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who decided the matter in favour of the ACIR. In response to this the Management Company filed an appeal before the Appellate Tribunal Inland Revenue and at the same time filed a constitutional petition in the High Court of Sindh (SHC) together with other Management Companies on whose Collective Investment Schemes under management similar notices were issued. The SHC passed an order restraining the tax authorities from taking any coercive action against the Fund in respect of recovery proceedings till the date of the next hearing. The latest hearing of the appeal took place on 4 November 2016 in respect of which an order was passed on 2 February 2017 by the ATIR whereby the earlier orders passed by the ACIR and CIR(A) were deleted and the matter was decided in favour of the Fund.

13. EARNINGS PER UNIT

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

14. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Atlas Money Market Fund

The details of transactions carried out by the Fund with connected persons during the period and balances with them at the period/year end are as follows:

	Note	For the Nine Months ended	
		31 March 2017	31 March 2016
		Un-audited	Un-audited
		Rupees	
14.1 Transactions for the period			
Atlas Asset Management Limited (Management Company)			
Remuneration of the Management Company		16,253,930	15,217,127
Remuneration paid		15,149,460	16,221,538
Sindh Sales Tax on Remuneration of the Management Company		2,113,011	2,471,261
Federal Excise Duty on Remuneration of the Management Company		-	2,434,740
Accounting and operational charges		3,552,113	1,503,348
Sindh Sales Tax on accounting and operational charges		284,169	90,201
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration of the Trustee		3,272,002	3,099,712
Sindh Sales Tax on remuneration of the Trustee		425,360	433,960
Remuneration paid		3,085,701	3,055,344
Atlas Foundation (Group Company)			
Issue of Nil (2016: 96,187) units		-	50,000,000
Redemption of Nil (2016: 14,339) units		-	7,500,000
Atlas Fund of Funds (Fund under common management)			
Issue of 32,377 units (2016: 30,508) units		16,254,752	15,494,651
Atlas Hitec (Private) Limited (Group Company)			
Issue of Nil (2016: 116,406) units		-	61,291,190
Redemption of 119,751 (2016: Nil) units		60,420,326	-
Atlas Honda Limited (Group Company)			
Issue of 3,781,164 (2016: 1,733,773) units		1,950,000,000	900,000,000
Redemption of 2,051,514 (2016: 625,620) units		1,050,000,000	325,000,000
Atlas Insurance Limited (Group Company)			
Issue of 174,975 (2016: 540,579) units		90,000,000	280,000,000
Redemption of 173,213 (2016: 371,110) units		90,000,000	193,394,632
Honda Atlas Cars (Pakistan) limited (Group Company)			
Issue of 1,957,238 (2016: 480,699) units		1,000,000,000	250,000,000
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Issue of 110,740 (2016: Nil) units		58,000,000	-
Redemption of 9,538 (2016: Nil) units		5,000,000	-
Dividend paid		-	5,061,263
Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)			
Issue of 5,927 (2016: nil) units		3,000,000	-
Dividend paid		-	469,856
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)			
Dividend paid		-	43,453
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Redemption of 893 (2016: 4,465) units		463,558	2,306,439
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Dividend paid		-	783,807
Colgate-Palmolive (Pakistan) Limited (Unit Holder with more than 10% holding)			
Issue of 397,955 (2016: nil) units		200,000,000	-
Redemption of 197,180 (2016: nil) units		100,000,000	-
Directors and their close family members and key management personnel of the Management Company	14.3		
Issue of 1,936 (2016: 5,139) units		1,000,000	2,666,000
Redemption of 21 (2016: 1,002) units		10,800	510,800

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	Note	31 March 2017 Un-audited	30 June 2016 Audited
		Rupees	
14.2 Balances outstanding as at period/year end			
Atlas Asset Management Limited (Management Company)			
Remuneration payable to the Management Company		2,326,066	1,221,596
Sindh Sales Tax payable on remuneration of the Management Company		3,422,552	3,291,186
Federal Excise Duty payable on remuneration of the Management Company		20,428,502	20,428,502
Accounting and operational charges payable		949,393	271,466
Sindh Sales Tax payable on accounting and operational charges		75,951	16,288
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration payable to the Trustee		451,376	265,075
Sindh Sales Tax payable on remuneration of the Trustee		58,679	37,110
Atlas Fund of Funds (Fund under common management)			
Outstanding 32,377 (30 June 2016: Nil) units - at net asset value		16,974,502	-
Atlas Foundation (Group Company)			
Outstanding 85,894 (30 June 2016: 85,894) units - at net asset value		45,031,532	43,041,373
Atlas Hitec (Private) Limited (Group Company)			
Outstanding nil (30 June 2016: 119,751) units - at net asset value		-	60,007,185
Atlas Honda Limited (Group Company)			
Outstanding 3,525,913 (30 June 2016: 1,796,264) units - at net asset value		1,848,530,624	900,107,776
Atlas Insurance Limited (Group Company)			
Outstanding 1,761 (30 June 2016: Nil) units - at net asset value		923,360	-
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Outstanding 229,649 (30 June 2016: 128,448) units - at net asset value		120,398,238	64,365,095
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)			
Outstanding 17,851 (30 June 2016: 11,924) units - at net asset value		9,358,869	5,975,247
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)			
Outstanding 396 (30 June 2016: 396) units - at net asset value		207,660	198,483
Honda Atlas Cars (Pakistan) Limited (Group Company)			
Outstanding 1,957,238 (30 June 2016: Nil) units - at net asset value		1,026,121,428	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Outstanding nil (30 June 2016: 893) units - at net asset value		-	447,557
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Outstanding 19,892 (30 June 2016: 19,892) units - at net asset value		10,428,731	9,967,835
Colgate-Palmolive (Pakistan) Limited (Unit Holder with more than 10% holding)			
Outstanding 1,598,287 (30 June 2016: 1,397,512) units - at net asset value		837,933,726	700,293,478
Mr. Amin Mohammad Lakhani (Unit Holder with more than 10% holding)			
Outstanding 1,240,567 (30 June 2016: 1,240,567) units - at net asset value		650,392,269	621,648,322
Directors and their close family members and key management personnel of the Management Company	14.3		
Outstanding 96,396 (30 June 2016: 94,481) units - at net asset value		50,537,613	47,344,444

Atlas Money Market Fund

14.3 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 Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor and executives of the Management Company of the Fund whose gross remuneration is Rs 4 million and above, as set by the Board of Directors of the Management Company for FY 2016-17.

15. FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 31 March 2017, the Fund has investments in government securities (note 5) which are categorised 'as fair value through profit or loss' and carried at fair values measured using level 2 valuation technique.

16. GENERAL

16.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

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

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 April 2017.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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Atlas Income Fund

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Alied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2017

		31 March 2017 Un-audited	30 June 2016 Audited
Note		----- Rupees -----	
Assets			
	4	4,915,187,929	3,151,610,471
Cash and bank balances			
	5	3,009,946,534	3,614,270,530
Investments			
Receivable against sale of investments		577,439,410	-
Receivable against issue of units		-	610,369
Receivable against Margin Trading System		1,466,007,750	1,090,153,567
Financial asset at fair value through profit or loss		3,530,910	-
Interest/profit accrued	6	34,888,347	98,642,061
Deposits, prepayments and other receivables	7	100,206,966	8,488,145
Total assets		10,107,207,846	7,963,775,143
Liabilities			
	8	37,634,952	32,512,009
Payable to Atlas Asset Management Limited - Management Company			
Payable to the Central Depository Company of Pakistan Limited - Trustee		1,028,293	881,873
Payable to the Securities and Exchange Commission of Pakistan		5,129,388	5,716,771
Payable against purchase of investments		69,018,785	-
Payable against redemption of units		1,391,590	18,310
Unclaimed dividend		40,464	40,464
Accrued expenses and other liabilities	9	17,903,996	116,278,248
Total liabilities		132,147,468	155,447,675
Net assets		9,975,060,378	7,808,327,468
Unit holders' fund (as per statement attached)		9,975,060,378	7,808,327,468
Contingencies and commitments	10	----- Number of units -----	
Number of units in issue		18,751,070	15,273,112
		----- Rupees -----	
Net asset value per unit		531.97	511.25

The annexed notes from 1 to 20 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

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	Note	For the Nine Months ended		For the Quarter ended	
		31 March	2016	31 March	2016
		2017	2016	2017	2016
Rupees					
Income					
Interest income	11	456,267,662	420,242,468	145,602,097	159,881,405
Gain on spread transactions		13,903,657	-	14,857,968	-
Capital (loss)/gain on sale of investments - net		(27,068,223)	42,292,949	(124,156)	21,684,539
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		9,914,902	(180,673)	(9,423,576)	1,631,205
Net unrealised appreciation on re-measurement of future contracts		3,530,910	-	5,605,412	-
		(13,622,411)	42,112,276	(3,942,320)	23,315,7644
Element of income and capital gains included in prices of units issued less those in units redeemed - net		27,755,740	111,901,053	35,286,258	32,563,686
Total income		484,304,648	574,255,797	191,804,003	215,760,835
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	53,944,081	32,208,413	18,563,016	12,862,602
Sindh Sales Tax on remuneration of the Management Company	8.2	7,012,731	5,230,646	2,413,193	2,088,886
Federal Excise Duty on remuneration of the Management Company	8.3	-	5,153,346	-	2,058,016
Remuneration of Central Depository Company of Pakistan Limited - Trustee		5,988,525	4,959,836	2,018,784	1,898,453
Sindh Sales Tax on remuneration of the Trustee		778,508	694,377	262,442	265,783
Annual fees to the Securities and Exchange Commission of Pakistan		5,129,388	4,026,054	1,740,283	1,607,828
Accounting and operational charges	13	6,614,937	2,964,097	2,320,377	2,143,767
Sindh Sales Tax on accounting and operational charges		529,195	177,846	185,631	128,625
Auditors' remuneration		495,811	481,610	159,691	158,251
Annual rating fee		244,894	245,116	80,439	91,783
Annual listing fee		41,287	30,056	13,561	9,946
Legal and professional charges		23,760	224,368	23,760	176,521
Securities transaction cost		17,766,520	7,996,691	7,879,566	4,046,671
Printing charges		322,556	2,149	87,752	(68,233)
Bank charges		73,596	109,182	23,379	25,146
Provision for workers' welfare fund	9.1	(18,852,977)	-	(18,852,977)	-
Provision for sindh workers' welfare fund	9.1	16,799,408	-	16,799,408	-
Total expenses		96,912,220	64,503,787	33,718,305	27,494,045
Net income for the period before taxation		387,392,428	509,752,010	158,085,698	188,266,790
Taxation	14	-	-	-	-
Net income for the period after taxation		387,392,428	509,752,010	158,085,698	188,266,790
Earnings per unit	15				

The annexed notes from 1 to 20 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

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	<u>For the Nine Months ended</u>		<u>For the Quarter ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>Rupees</u>			
Net income for the period after taxation	387,392,428	509,752,010	158,085,698	188,266,790
Other comprehensive income for the period				
Item that may be reclassified subsequently to Income Statement				
Net unrealised appreciation/(diminution) on remeasurement of investments classified as 'available-for-sale'	1,234,481	296,517	(3,026)	(202,722)
Total comprehensive income for the period	388,626,909	510,048,527	158,082,672	188,064,068

The annexed notes from 1 to 20 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

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
	----- Rupees -----	
Undistributed income brought forward		
[includes unrealised gain on investments of Rs.53,249,277]	103,767,799	88,641,115
[2016: Unrealised loss on investments of Rs.17,336,375]		
Net income for the period after taxation	387,392,428	509,752,010
Undistributed income carried forward		
[includes unrealised gain on investments of Rs.27,306,855]	491,160,227	598,393,125
(2016: Unrealised gain on investments of Rs.249,692,897)		

The annexed notes from 1 to 20 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

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	31 March 2017		31 March 2016	
	Units	Rupees	Units	Rupees
Number of units/net assets at the beginning of the period [Rs.511.25 (2016: Rs.510.24) per unit]	15,273,112	7,808,327,468	10,928,688	5,576,232,439
Issue of units	8,160,259	4,249,201,301	8,469,281	4,481,150,335
Redemption of units	(4,682,301)	(2,443,339,560)	(2,405,578)	(1,275,305,231)
	3,477,958	1,805,861,741	6,063,703	3,205,845,104
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(27,755,740)	-	(111,901,053)
Capital (loss)/gain on sale of investments - net	-	(27,068,223)	-	42,292,949
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	9,914,902	-	(180,673)
Net unrealised appreciation on re-measurement of future contracts	-	3,530,910	-	-
Other income (net of expenses) for the period	-	401,014,839	-	467,639,734
Other comprehensive income for the period	-	1,234,481	-	296,517
Total comprehensive income for the period	-	388,626,909	-	510,048,527
Number of units/net assets at the end of the period [Rs.531.97 (2016: Rs.540.26) per unit]	<u>18,751,070</u>	<u>9,975,060,378</u>	<u>16,992,391</u>	<u>9,180,225,017</u>

The annexed notes from 1 to 20 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

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	Note	2017	2016
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		387,392,428	509,752,010
Adjustments for:			
Interest/profit income		(456,267,662)	(269,241,796)
Gain on spread transactions		(13,903,657)	-
Capital loss/(gain) on sale of investments - net		27,068,223	(42,292,949)
Net unrealised (appreciation)/diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(9,914,902)	180,673
Net unrealised appreciation on re-measurement of future contracts		(3,530,910)	-
Element of income and capital gains included in prices of units issued less those in units redeemed - net		(27,755,740)	(111,901,053)
Provision for workers' welfare fund		18,852,977	-
Provision for sindh workers' welfare fund		(16,799,408)	-
		(482,251,079)	(423,255,125)
(Increase)/decrease in assets			
Receivable against Margin Trading System		(375,854,183)	(960,445,866)
Deposits, prepayments and other receivables		(91,718,821)	(6,900,865)
		(467,573,004)	(967,346,730)
Increase/(decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		5,122,943	5,070,196
Payable to the Central Depository Company of Pakistan Limited - Trustee		146,420	459,374
Payable to the Securities and Exchange Commission of Pakistan		(587,383)	117,573
Unclaimed dividend		-	-
Accrued expenses and other liabilities		(100,427,821)	(48,346,827)
		(95,745,841)	(42,699,684)
		(658,177,496)	(923,549,529)
Interest received		379,232,922	233,781,297
Investments made during the period		(26,914,928,457)	(24,314,842,803)
Investment sold/redeemed/matured during the period		27,893,626,841	20,537,546,054
Net cash generated from/(used in) operating activities		699,753,810	(4,467,064,981)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		4,249,811,670	4,803,204,354
Net payments against redemption of units		(2,441,966,280)	(1,319,440,184)
Dividend paid		-	(58,414,639)
Net cash generated from financing activities		1,807,845,390	3,425,349,532
Net increase/(decrease) in cash and cash equivalents		2,507,599,200	(1,041,715,450)
Cash and cash equivalents at the beginning of the period		3,151,610,471	4,538,006,515
Cash and cash equivalents at the end of the period	18	5,659,209,671	3,496,291,065

The annexed notes from 1 to 20 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

Tariq Amin
Director

Atlas Income Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third and Fourth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010 and 12 November 2010 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016 and 29 September 2016 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs)/sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company on 8 June 2016 and has assigned a rating of AA-(f) to the Fund on 9 December 2016.
- 1.5 The title of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2017.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 March 2017 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2016, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the nine month ended 31 March 2016.

2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended 30 June 2016.

3.2 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the financial statements of the Fund as at and for the year ended 30 June 2016. The details regarding developments in relation to estimation of provision for Federal Excise Duty and Workers' Welfare Fund are given in notes 8.3 and 9.1 respectively.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2016 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.

3.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2017 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

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		31 March 2017 Un-audited	30 June 2016 Audited
Note		Rupees	
4. CASH AND BANK BALANCES			
Balances with banks in:			
- Savings accounts	4.1	4,914,667,929	3,145,614,591
- Current account		5,000	5,000
Cheques in hand	4.2	515,000	5,990,880
		4,915,187,929	3,151,610,471

4.1 The rates of return on these accounts range between 5.30% and 6.15% (30 June 2016: 5.00% and 6.40%) per annum.

4.2 These cheques were received against issue of units which were cleared subsequent to the period end by 04 April 2017.

		31 March 2017 Un-audited	30 June 2016 Audited
Note		Rupees	
5. INVESTMENTS			
Available-for-sale			
Quoted equity security	5.1	3,833,550	2,599,068
At fair value through profit or loss - held for trading			
Equity futures - listed	5.2	94,184,286	-
Term finance certificates - listed	5.3 & 5.8	996,920,982	767,294,778
Term finance certificates - unlisted	5.4 & 5.8	202,912,538	101,938,800
Sukuk certificates - unlisted	5.5 & 5.8	577,944,000	-
Government Securities - Market Treasury Bills	5.6	744,021,742	413,945,275
Government Securities - Pakistan Investment Bonds	5.7	390,129,436	2,328,492,609
		3,006,112,984	3,611,671,462
		3,009,946,534	3,614,270,530

5.1 Quoted equity security

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

	Number of shares				Rupees		Percentage of		
	As at 01 July 2016	Purchased during the period	Sales during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	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
CHEMICAL									
Agritech Limited	302,569	-	-	302,569	2,599,068	3,833,550	0.13	0.04	0.08
					2,329,782	2,599,068			

5.1.1 This represents shares allocated to the Fund as part of the settlement agreement finalised between Azgard Nine Limited and its creditors in FY 2012-13. As a part of the settlement, 302,569 shares of Agritech Limited have been allocated to the Fund against its receivable balance of Rs.10.589 million from Azgard Nine Limited. The Fund's gross receivable against Azgard Nine Limited amounted to Rs.18.724 million out of which Rs.10.589 million has been settled as part of this agreement. The balance receivable amounting to Rs.8.135 million remains fully provided.

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5.2 Equity futures - listed

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

Number of Shares						Rupees		Percentage	
Name of the Investee Company	As at 01 July 2016	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	Market value as a percentage of investments	Market value as a percentage of net assets

At fair value through profit or loss - equity securities

COMMERCIAL BANKS

Askari Bank Limited	-	259,500	-	245,500	14,000	288,666	282,660	0.01	0.00
Bank Alfalah Limited	-	128,500	-	128,500	-	-	-	-	-
Habib Bank Limited	-	10,500	-	6,000	4,500	1,201,545	1,213,245	0.04	0.01
MCB Bank Limited	-	31,000	-	31,000	-	-	-	-	-
National Bank of Pakistan	-	175,000	-	175,000	-	-	-	-	-
The Bank of Punjab	-	11,651,500	-	10,497,500	1,154,000	19,710,958	16,663,760	0.55	0.17
United Bank Limited	-	27,000	-	22,000	5,000	1,115,000	1,138,150	0.04	0.01
						22,316,169	19,297,815	0.64	0.19

INSURANCE

Adamjee Insurance Company Limited	-	36,000	-	36,000	-	-	-	-	-
						-	-	-	-

TEXTILE COMPOSITE

Nishat (Chunian) Limited	-	332,500	-	291,500	41,000	2,717,242	2,483,370	0.08	0.02
Nishat Mills Limited	-	936,000	-	925,000	11,000	1,863,658	1,817,200	0.06	0.02
						4,580,900	4,300,570	0.14	0.04

CEMENT

Cherat Cement Company Limited	-	5,500	-	5,500	-	-	-	-	-
D.G. Khan Cement Company Limited	-	313,000	-	303,000	10,000	2,349,831	2,324,000	0.09	0.02
Fauji Cement Company Limited	-	734,500	-	728,500	6,000	259,184	256,080	0.01	0.00
Maple Leaf Cement Factory Limited	-	48,000	-	45,000	3,000	364,605	372,180	0.01	0.00
Pioneer Cement Limited	-	79,000	-	79,000	-	-	-	-	-
						2,973,620	2,952,260	0.11	0.02

REFINERY

Attock Refinery Limited	-	889,000	-	748,000	141,000	62,969,683	63,282,210	2.10	0.63
						62,969,683	63,282,210	2.10	0.63

POWER GENERATION AND DISTRIBUTION

K-Electric Limited (Face value of Rs. 3.50 per share)	-	5,256,000	-	5,016,500	239,500	2,226,212	1,959,110	0.07	0.02
Kot Addu Power Company Limited	-	225,500	-	225,500	-	-	-	-	-
The Hub Power Company Limited	-	208,500	-	208,500	-	-	-	-	-
						2,226,212	1,959,110	0.07	0.02

OIL AND GAS MARKETING COMPANIES

Pakistan State Oil Company Limited	-	108,500	-	105,500	3,000	1,349,715	1,270,560	0.04	0.01
						1,349,715	1,270,560	0.04	0.01

OIL AND GAS EXPLORATION COMPANIES

Oil and Gas Development Company Limited	-	661,500	-	661,000	500	72,780	74,151	0.00	0.00
Pakistan Oilfields Limited	-	35,000	-	35,000	-	-	-	-	-
Pakistan Petroleum Limited	-	66,500	-	66,500	-	-	-	-	-
						72,780	74,151	0.00	0.00

ENGINEERING

Amreli Steels Limited	-	661,000	-	661,000	-	-	-	-	-
International Steels Limited	-	1,865,500	-	1,862,000	3,500	471,368	451,290	0.01	0.00
						471,368	451,290	0.01	0.00

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5.2 Equity futures - listed (Continued...)

Name of the Investee Company	Number of Shares					Rupees		Percentage	
	As at 01 July 2016	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	Market value as a percentage of investments	Market value as a percentage of net assets
At fair value through profit or loss - equity securities									
CABLES AND ELECTRICAL GOODS									
Pak Elektron Limited	-	1,578,500	-	1,578,500	-	-	-	-	-
						-	-	-	-
TECHNOLOGY AND COMMUNICATIONS									
Pakistan Telecommunication Company Limited	-	559,500	-	556,500	3,000	48,596	48,510	0.00	0.00
						48,596	48,510	0.00	0.00
FERTILIZER									
Engro Corporation Limited	-	221,000	-	220,500	500	183,000	184,010	0.01	0.00
Engro Fertilizers Limited	-	754,000	-	751,500	2,500	162,700	156,600	0.01	0.00
Fatima Fertilizer Company Limited	-	218,000	-	218,000	-	-	-	-	-
Fauji Fertilizer Company Limited	-	461,500	-	459,500	2,000	208,800	207,200	0.01	0.00
						554,500	547,810	0.02	0.01
Total as at 31 March 2017						97,563,543	94,184,286	3.13	0.94
Total as at 30 June 2016						-	-		

5.2.1 The cost of listed equity securities as at 31 March 2017 is Rs.99,717,628 (30 June 2016: Rs Nil).

5.2.2 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day earning income on spread transactions due to difference in ready and future stock prices.

5.3 Term finance certificates - listed

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

Number of Shares						Rupees		Percentage	
Name of the Investee Company	Note	As at 01 July 2016	Purchases during the period	Sales during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	Market value as a percentage of investments	Market value as a percentage of net assets
BANKS									
Bank Alfalah Limited - V		8,450	30,000	38,450	196,544,263	196,807,948	6.54	1.97	3.85
Habib Bank Limited Tier - II (face value of Rs. 100,000 per certificate)		6,750	750	7,500	749,751,230	748,950,300	24.88	7.51	7.50
Soneri Bank Limited		10,000	-	10,000	49,116,362	51,162,734	1.70	0.51	1.67
TELECOMMUNICATION									
Telecard Limited	5.8.1	4,000	-	4,000	-	-	-	-	-
PERSONAL GOODS									
Azgard Nine Limited	5.8.1	5,000	-	5,000	-	-	-	-	-
Total as at 31 March 2017					995,411,855	996,920,982	33.12	9.99	
Total as at 30 June 2016					767,477,581	767,294,778			

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5.3.1 The terms and conditions of listed term finance certificates outstanding as at 31 March 2017 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments/ principal redemptions	Maturity date	Rate of return
BANKS					
Bank Alfalah Limited - V	AA -	8 years	Semi-annually	Feb 2021	6 month KIBOR + 1.25%
Habib Bank Limited Tier - II	AAA	10 years	Semi-annually	Feb 2026	6 month KIBOR + 0.50%
Soneri Bank Limited	A+	8 years	Semi-annually	July 2023	6 month KIBOR + 1.35%
TELECOMMUNICATION					
Telecard Limited	NPA	15 years	Quarterly	Dec 2020	3 month KIBOR
PERSONAL GOODS					
Azgard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%

5.4 Term finance certificates - unlisted

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

		Number of Shares				Rupees		Percentage		
Name of the Investee Company	Note	As at 01 July 2016	Purchases during the period	Disposed/ matured during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	Market value as a percentage of investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
BANKS										
Askari Bank Limited - V		20,000	-	-	20,000	101,898,000	101,798,100	3.38	1.02	2.50
Bank AL Habib Limited		-	20,000	-	20,000	101,084,550	101,114,438	3.36	1.01	2.50
CHEMICALS										
Agritech Limited - I	5.8.1	2,000	-	-	2,000	-	-	-	-	-
Agritech Limited - II	5.8.1	8,000	-	-	8,000	-	-	-	-	-
Agritech Limited- IV	5.8.1	2,203	-	-	2,203	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited-V	5.8.1	1,075	-	-	1,075	-	-	-	-	-
MISCELLANEOUS										
Bunny's Limited	5.8.1	214	-	214	-	-	-	-	-	-
Total as at 31 March 2017						202,982,550	202,912,538	6.74	2.03	
Total as at 30 June 2016						101,139,280	101,938,800			

5.4.1 The terms and conditions of unlisted term finance certificates outstanding as at 31 March 2017 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments/ principal redemptions	Maturity date	Rate of return
BANKS					
Askari Bank Limited - V	AA -	10 years	Semi-annually	Sept 2024	6 month KIBOR + 1.20%
Bank AL Habib Limited	AA	10 years	Semi-annually	Mar 2026	6 month KIBOR + 0.75%
CHEMICALS					
Agritech Limited - I	NPA	7 years	Semi-annually	Nov 2014	6month KIBOR + 1.75%
Agritech Limited - II	NPA	7 years	Semi-annually	Jan 2015	6month KIBOR + 1.75%
Agritech Limited - IV	NPA	3.5 years	Semi-annually	Jan 2015	-
PERSONAL GOODS					
Azgard Nine Limited - V	NPA	5 years	Semi-annually	Mar 2017	Zero Coupon

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5.5 Sukuk certificates - unlisted

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

		Number of Shares				Rupees		Percentage		
Name of the Investee Company	Note	As at 01 July 2016	Purchases during the period	Disposed/ matured during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	Market value as a percentage of investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
CHEMICALS										
Agritech Limited	5.8.1	4,060	-	-	4,060	-	-	-	-	-
BANKS										
Meezan Bank Limited										
Tier - II (face value of Rs.1,000,000 per certificate)		-	552	-	552	552,000,000	577,944,000	19.20	5.79	7.89
Total as at 31 March 2017						552,000,000	577,944,000	19.20	5.79	
Total as at 30 June 2016						-	-			

5.5.1 The terms and conditions of sukuk certificates as at 31 March 2017 are as follows:

Name of the Investee Company	Tenure	Profit payments/ principal redemptions	Maturity date	Rate of return	Rating
CHEMICALS					
Agritech Limited	7 years	Semi -annually	Aug 2015	6 month KIBOR + 2.00%	NPA
Meezan Bank Limited Tier - II	7 years	Semi -annually	Sept 2026	6 month KIBOR + 0.50%	AA -
			31 March 2017		30 June 2016
			Un-audited		Audited
			Note		Rupees

5.6 Government securities

Market Treasury Bills	5.7.1	744,021,742	413,945,275
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5.6.1 Market Treasury Bills

Tenor	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2016	Purchased during the period	Disposed / Matured during the period	As at 31 March 2017	Carrying Value	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
3 months	-	10,769,490,000	10,019,490,000	750,000,000	744,032,731	744,021,742	24.72	7.46
6 months	-	8,000,800,000	8,000,800,000	-	-	-	-	-
12 months	425,000,000	6,285,000,000	6,710,000,000	-	-	-	-	-
	425,000,000	25,055,290,000	24,730,290,000	750,000,000	744,032,731	744,021,742	24.72	7.46
Total as at 30 June 2016					413,580,796	413,945,275		

5.6.2 Market treasury bills carry purchase yields between 5.90% to 5.97% (30 June 2016: 6.17% to 6.21%) per annum and will mature by 22 June 2017 (30 June 2016: 4 August 2016 and 2 March 2017). The cost of these investments as on 31 March 2017 is Rs.739,875,000 (30 June 2016: Rs.406,637,600).

5.6.3 These treasury bills have a face value of Rs. 750,000,000 of which Rs. 250,000,000 and Rs.250,000,000 have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in respect of Margin Trading System (MTS) transactions and spread transactions respectively (30 June 2016: face value of Rs. 150,000,000 pledged in respect of MTS transactions).

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31 March
2017
Un-audited

30 June
2016
Audited

----- Rupees -----

5.7 Government securities

Pakistan Investment Bonds	5.7.1	<u>390,129,436</u>	<u>2,328,492,609</u>
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5.7.1 Pakistan Investment Bonds (PIBs)

Tenor	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2016	Purchased during the period	Disposed / Matured during the period	As at 31 March 2017	Carrying Value	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
3 Years	305,000,000	75,000,000	262,500,000	117,500,000	123,758,611	119,277,484	3.96	1.20
5 Years	1,363,500,000	75,000,000	1,188,500,000	250,000,000	280,448,791	270,851,951	9.00	2.72
10 Years	425,000,000	-	425,000,000	-	-	-	-	-
	<u>2,093,500,000</u>	<u>150,000,000</u>	<u>1,876,000,000</u>	<u>367,500,000</u>	<u>404,207,402</u>	<u>390,129,436</u>	<u>12.96</u>	<u>3.92</u>
Total as at 30 June 2016					<u>2,289,703,803</u>	<u>2,328,492,609</u>		

5.7.2 Pakistan Investment Bonds carry purchase yields ranging between 11.25% and 11.50% (30 June 2016: 7.00% and 12.00%) per annum and will mature on various dates between 17 July 2017 and 17 July 2019 (30 June 2016: 18 August 2016 and 17 July 2024). The cost of these investments as on 31 March 2017 is Rs.397,183,200 (30 June 2016: Rs.2,281,363,876).

5.8 Particulars of non-compliant investments

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

Non-compliant investment	Note	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
						Net assets	Gross assets
----- Rupees -----							
Listed - Term finance certificates							
Azgard Nine Limited		Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited		Term finance certificate	4,668,990	4,668,990	-	-	-
			12,540,501	12,540,501	-	-	-
Unlisted - Term finance certificates							
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	5.8.3	Term finance certificate	5,375,000	5,375,000	-	-	-
			53,860,000	53,860,000	-	-	-
Unlisted - sukuk certificates							
Agritech Limited		Sukuk certificate	15,225,000	15,225,000	-	-	-
Total as at 31 March 2017			81,625,501	81,625,501	-	-	-
Total as at 30 June 2016			82,428,001	82,428,001			

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5.8.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs 81.63 million (30 June 2016: Rs 82.43 million) has been made in accordance with the provisioning requirements specified by the SECP.

5.8.3 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 mark-up of Azgard Nine Limited's TFCs payable as of 31 March 2012.

	31 March 2017	30 June 2016
	Un-audited	Audited
Note	-----	Rupees -----

6. INTEREST/PROFIT ACCRUED

Interest/profit on:

Savings and term deposits	8,268,425	3,652,589
Margin Trading System	6,664,677	5,031,219
Term finance certificates	8,320,048	21,835,922
Sukuk certificates	3,103,601	-
Government securities - Pakistan Investment Bonds	8,531,596	68,122,331
	34,888,347	98,642,061

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	2,750,000	250,000
Margin deposit against futures	89,031,970	-
Prepaid annual listing fee	13,713	-
Prepaid rating fee	110,809	-
Prepaid annual fee to the NCCPL	186,538	124,209
Other receivables	7.1 8,013,936	8,013,936
	100,206,966	8,488,145

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, during the year ended 30 June 2016, withholding tax on profit on bank deposits and debt securities paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on bank deposits and debt securities has been shown as other receivables as at 31 March 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

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		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	-----
8. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	8.1	6,732,624	4,106,082
Sindh Sales Tax payable on remuneration of the Management Company	8.2	4,397,939	4,097,549
Federal Excise Duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable	13	2,705,017	684,346
Sindh Sales Tax payable on accounting and operational charges		216,401	41,061
		37,634,952	32,512,009

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1.50% of the average annual net assets in case of income schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at a rate not exceeding 3% of the average annual net assets of the Fund and, thereafter, at a rate of 2% of such assets. For the period from 01 July 2016 to 18 July 2016, the fee was charged by the Management Company at a rate of 0.60% per annum of the average annual net assets of the Fund and, thereafter, the fee is being charged at the rate of 0.80% (30 June 2016: 0.60%) per annum. The fee is payable to the Management Company monthly in arrears.

8.2 During the nine month ended 31 March 2017, an amount of Rs. 7,012,731 (2016: Rs. 5,230,646) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 6,712,341 (2016: Rs. 4,652,694) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board (as explained in note 8.2 above) which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

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

During the nine months ended 31 March 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23.583 million (30 June 2016: Rs 23.583 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Has the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2017 would have been higher by Rs. 1.26 per unit (30 June 2016: Rs. 1.54 per unit).

Atlas Income Fund

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	Rupees	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		288,838	442,482
NCCPL charges payable		142,667	20,000
Printing charges payable		180,080	90,000
Brokerage payable		140,642	103,128
Sales tax payable		16,947	14,438
Annual rating fee payable		-	-
Withholding tax payable		84,548	95,928,691
Capital gain tax payable		190,870	733,800
Zakat payable		-	32,736
Provision for workers' welfare fund	9.1	-	18,852,977
Provision for sindh workers' welfare fund	9.1	16,799,408	-
Other payables		59,996	59,996
		17,903,996	116,278,248

- 9.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes/ mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On 10 November 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

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

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In view of the above developments regarding the applicability of WWF and SWWF on CISs/ mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/mutual funds.

10. CONTINGENCIES AND COMMITMENTS

10.1 There were no contingencies outstanding as at 31 March 2017 and 30 June 2016.

	31 March 2017 Un-audited	30 June 2016 Audited
	----- Rupees -----	
10.2 Commitments		
Margin Trading System (MTS)		
Margin Trading System (MTS) transactions entered into by the Fund that have not been settled as at 31 March 2017		
- Purchase of securities	124,007,488	281,674,516
Future contracts		
Future sale transaction of equity securities entered into by the Fund that have not been settled as at 31 March 2017	94,814,275	-
Total commitments	218,821,763	-

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2017	2016	2017	2016
Note	----- Rupees -----			

11. INTEREST INCOME

Interest/profit on:				
Savings and term deposits	67,745,742	40,872,133	27,180,307	8,174,693
Margin Trading System	88,757,157	55,276,773	28,675,476	25,747,034
Term finance certificates	52,478,390	19,642,796	20,324,184	13,295,496
Sukuk certificates	19,806,819	-	9,786,734	-
Government securities -				
Market Treasury Bills	140,788,454	151,000,672	49,232,198	66,871,073
Government securities - Pakistan				
Investment Bonds	86,691,100	153,450,094	10,403,198	45,793,109
	456,267,662	420,242,468	145,602,097	159,881,405

11.1 This includes mark-up received on non-performing term finance certificates amounting to Rs 0.388 million. Furthermore, in accordance with the requirements specified by the SECP, mark-up on non-performing securities amounting to Rs.50.50 million (2016: Rs.48.59 million) based on outstanding principal has not been recognised during the period.

Atlas Income Fund

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2017 is 1.06% (annualised rate being 1.42%) which includes 0.13% (annualised rate being 0.18%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

13. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I)/2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less.

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

14. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund during the year ending 30 June 2017 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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

15. EARNINGS PER UNIT

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

16. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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The details of transactions carried out by the Fund with connected persons during the period and balances with them as at the period/year end are as follows:

	For the Nine Months ended	
	31 March 2017 Un-audited	31 March 2016 Un-audited
	----- Rupees -----	
16.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration charged	53,944,081	32,208,413
Remuneration paid	51,317,539	32,869,515
Sindh Sales Tax on remuneration of the Management Company	7,012,731	5,230,646
Federal Excise Duty on remuneration of the Management Company	-	5,153,346
Accounting and operational charges	6,614,937	-
Sindh Sales Tax on accounting and operational charges	529,195	-
Issue of 23,386 (2016: 15,026) units	12,000,000	8,000,000
Redemption of Nil (2016: 118,120) units	-	61,000,000
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	5,988,525	4,959,836
Sindh Sales Tax on remuneration of the Trustee	778,508	694,377
Trustee fee paid	5,873,721	4,702,875
Settlement charges	1,597,572	687,438
Sindh Sales Tax on settlement charges	207,684	96,242
Atlas Battery Limited (Group Company)		
Issue of Nil (2016: 191,802) units	-	100,000,000
Redemption of 1,780,683 (2016: Nil) units	930,406,278	-
Atlas Foundation (Trust having common Director/Trustee)		
Issue of 491,966 (2016: 295,118) units	254,000,000	156,320,000
Redemption of 145,916 (2016: 576) units	76,500,000	300,000
Atlas Honda Limited (Group company)		
Issue of 958,213 (2016: 856,791) units	499,022,538	450,000,000
Redemption of 866,101 (2016: 141,681) units	450,000,000	75,000,000
Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
Issue of Nil (2016: 77,060) units	-	40,000,000
Redemption of Nil (2016: 15,162) units	-	8,000,000
Dividend paid	-	8,327,400
Batool Benefit Trust (Trust having common Director/Trustee)		
Issue of Nil (2016: 15,137) units	-	8,000,000
Redemption of 24,200 (2016: 12,403) units	12,628,000	6,473,535
Cherat Cement Company Limited (Company having common Directorship)		
Redemption of Nil (2016: 353,966) units	-	183,389,901
Dividend paid	-	19,468,142
Cherat Cement Company Limited - Employee Provident Fund		
Redemption of 183 (2016: 4,797) units	96,423	2,500,000
Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
Issue of 38,886 (2016: Nil) units	20,000,000	-
Dividend paid	-	3,740,431

Atlas Income Fund

		For the Nine Months ended	
		31 March 2017	31 March 2016
		Un-audited	Un-audited
		-----	Rupees -----
16.1	Transactions during the period (Continued...)		
	Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
	Issue of 14,239 (2016: 9,208) units	7,500,000	4,900,000
	Redemption of 23,285 (2016: Nil) units	12,200,000	-
	Dividend paid	-	1,966,991
	Atlas Engineering Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
	Redemption of Nil (2016: 19,479) units	-	9,961,950
	Dividend paid	-	1,724,031
	Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
	Issue of 7,748 (2016: Nil) units	4,000,000	-
	Dividend paid	-	1,233,374
	Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)		
	Issue of 19,443 (2016: Nil) units	10,000,000	-
	Dividend paid	-	398,555
	Atlas Power Limited - Staff Provident Fund (Retirement Benefit Plan of a Group Company)		
	Dividend paid	-	44,496
	Shirazi Capital (Private) Limited (Group Company)		
	Issue of Nil (2016: 57,159) units	-	29,840,000
	Redemption of 830,408 (2016: Nil) units	434,411,507	-
	Shirazi Investments (Private) Limited (Group Company)		
	Issue of 830,408 (2016: Nil) units	434,411,507	-
	Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
	Issue of 11,404 (2016: 13,563) units	6,045,000	7,055,000
	Redemption of 20,672 (2016: 290) units	10,758,098	155,000
	Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
	Dividend paid	-	1,201,905
	Honda Atlas Cars (Pakistan) Limited		
	Issue of 1,944,390 (2016: Nil) units	1,000,000,000	-
	Atlas Metals (Private) Limited		
	Redemption of 24,563 (2016: 297,220) units	13,057,155	-
	Atlas Insurance Limited (Group company)		
	Issue of 124,034 (2016: 311,005) units	65,875,860	167,700,000
	Redemption of Nil (2016: 297,220) units	-	160,326,306
	Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit Plan of a Group Company)		
	Redemption of Nil (2016: 7,228) units	-	3,823,479
	Directors and their close family members and key management personnel of the Management Company		
	16.3		
	Issue of 95,935 (2016: 17,373) units	49,199,834	9,100,000
	Redemption of 14,853 (2016: 59,677) units	7,794,834	30,500,000

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31 March 2017 Un-audited	30 June 2016 Audited
----- Rupees -----	

16.2 Balances as at period/year end

Atlas Asset Management Limited (Management Company)

Remuneration payable to the Management Company	6,732,624	4,106,082
Sindh Sales Tax payable on remuneration of the Management Company	4,397,939	4,097,549
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	2,705,017	684,346
Sindh Sales Tax payable on accounting and operational charges	216,401	41,061
Outstanding 111,442 (30 June 2016: 88,056) units at net asset value	59,283,839	45,018,492

Central Depository Company of Pakistan Limited (Trustee)

Remuneration payable to the Trustee	724,994	610,190
Sindh Sales Tax payable on remuneration of the Trustee	94,249	85,427
Settlement charges payable	185,000	163,382
Sindh Sales Tax payable on settlement charges	24,050	22,874
Security deposit	100,000	100,000

Atlas Battery Limited (Group Company)

Outstanding nil (30 June 2016: 1,780,683) units - at net asset value	-	910,373,943
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Atlas Foundation (Trust having common Director/Trustee)

Outstanding 1,011,330 (30 June 2016: 665,280) units - at net asset value	537,997,413	340,124,612
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Atlas Honda Limited (Group Company)

Outstanding 5,329,964 (30 June 2016: 5,237,851) units - at net asset value	2,835,380,780	2,677,851,548
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Atlas Metals (Private) Limited (Group Company)

Outstanding Nil (30 June 2016: 24,563) units - at net asset value	-	12,557,790
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Batool Benefit Trust (Trust having common Director/Trustee)

Outstanding 133,799 (30 June 2016: 157,999) units - at net asset value	71,177,139	80,776,868
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Cherat Cement Company Limited - Employee Provident Fund

Outstanding Nil (30 June 2016: 183) units - at net asset value	-	93,486
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Shirazi Capital (Private) Limited (Group Company)

Outstanding nil (30 June 2016: 830,408) units - at net asset value	-	424,546,256
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Shirazi Investments (Private) Limited (Group company)

Outstanding 3,627,769 (30 June 2016: 2,797,361) units - at net asset value	1,929,864,527	1,430,150,888
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Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)

Outstanding 9,820 (30 June 2016: 19,089) units - at net asset value	5,224,124	9,759,131
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Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)

Outstanding 230,008 (30 June 2016: 230,008) units - at net asset value	122,357,584	117,591,809
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Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)

Outstanding 112,154 (30 June 2016: 73,269) units - at net asset value	59,662,792	37,458,720
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Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)

Outstanding 18,090 (30 June 2016: 27,137) units - at net asset value	9,623,499	13,873,566
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Atlas Income Fund

16.2 Balances as at period/year end (Continued...)	Note	31 March 2017 Un-audited	30 June 2016 Audited
		Rupees	
Atlas Engineering Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)			
Outstanding 12,796 (30 June 2016: 12,796) units - at net asset value		6,807,254	6,542,115
Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)			
Outstanding 27,702 (30 June 2016: 19,954) units - at net asset value		14,736,611	10,201,675
Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)			
Outstanding 27,250 (30 June 2016: 7,807) units - at net asset value		14,496,080	3,991,348
Atlas Power Limited - Staff Provident Fund (Retirement Benefit Plan of a Group Company)			
Outstanding 275 (30 June 2016: 275) units - at net asset value		146,480	140,774
Honda Atlas Cars (Pakistan) Limited (Group Company)			
Outstanding 3,411,986 (30 June 2016: 1,467,595) units - at net asset value		1,815,074,153	750,308,195
Atlas Insurance Limited (Group company)			
Outstanding 124,034 (30 June 2016: Nil) units - at net asset value		65,982,529	-
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)			
Outstanding 23,564 (30 June 2016: 23,564) units - at net asset value		12,535,389	12,047,141
Directors and their close family members and key management personnel of the Management Company	16.3		
Outstanding 428,362 (30 June 2016: 347,280) units - at net asset value		227,875,945	177,545,739

16.3 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 Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor and executives of the Management Company of the Fund whose gross remuneration is Rs. 4 million and above as set by the Board of Directors of the Management Company for FY 2016-17.

17. FAIR VALUE MEASUREMENT

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

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

The investments of the Fund in debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The investments of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan. The investment of the Fund in equity securities is valued on the basis of rates quoted on Stock Exchange. The estimated fair values of all other financial assets and liabilities are considered not to be significantly different from carrying values.

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Fair value hierarchy

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

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

As at 31 March 2017 and 30 June 2016, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	----- Rupees -----		
As at 31 March 2017			
Available-for-sale financial assets	3,833,550	-	-
Financial assets at fair value through profit or loss	97,715,196	2,911,928,698	-
Financial liabilities at fair value through profit or loss	-	-	-
As at 30 June 2016			
Available-for-sale financial assets	2,599,068	-	-
Financial assets at fair value through profit or loss	-	3,611,671,462	-

	For the Nine Months ended	
	31 March	31 March
	2017	2016
	Un-audited	Un-audited
Note	----- Rupees -----	----- Rupees -----

18. CASH AND CASH EQUIVALENTS

Cash and bank balances	4	4,915,187,929	3,347,681,265
Treasury bills (with original maturity of three months)	5.6	744,021,742	148,609,800
		5,659,209,671	3,496,291,065

Atlas Income Fund

19. GENERAL

19.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

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

20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 April 2017.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2016-17

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2017

		31 March 2017 Un-audited	30 June 2016 Audited
Note		Rupees	
Assets			
	4	612,507,451	87,995,286
Cash and bank balances			
	5	5,467,060,101	3,951,512,733
Investments			
Dividend receivable		43,667,341	7,625,450
Profit receivable on bank balances		2,541,469	505,983
Receivable against sale of investments		15,673,485	46,155,287
Receivable against issue of units		15,000,000	-
Advances, deposits, prepayments and other receivables	6	13,523,909	12,641,445
Total assets		6,169,973,756	4,106,436,184
Liabilities			
	7	36,324,758	31,090,868
Payable to Atlas Asset Management Limited - Management Company			
Payable to the Central Depository Company of Pakistan Limited - Trustee		741,927	511,785
Payable to the Securities and Exchange Commission of Pakistan		3,673,479	3,361,379
Payable against purchase of investments		-	16,516,818
Payable against redemption of units		3,798,738	884,179
Unclaimed dividend		401,732	618,890
Accrued expenses and other liabilities	8	46,219,425	36,264,331
Total liabilities		91,160,059	89,248,250
Net assets		6,078,813,697	4,017,187,934
Unit holders' funds (as per statement attached)		6,078,813,697	4,017,187,934
Contingencies and commitments	9		
Number of units			
Number of units in issue		9,069,935	7,979,640
Rupees			
Net asset value per unit		670.22	503.43

The annexed notes from 1 to 17 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

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	Note	For the Nine Months ended		For the Quarter ended	
		31 March	2016	31 March	2016
		2017	2016	2017	2016
Rupees -----					
Income					
Profit on bank balances		13,798,739	7,868,708	6,208,532	4,305,047
Dividend income		189,064,640	134,134,055	62,307,340	44,981,300
Capital gain/(loss) on sale of investments - net		775,547,379	(40,143,717)	374,827,782	(25,951,834)
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		584,442,474	(180,887,175)	(383,057,170)	46,278,461
		1,359,989,853	(221,030,892)	(8,229,388)	20,326,627
Element of income/(loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed - net		116,551,056	(6,509,256)	76,812,490	(5,260,070)
Total income		1,679,404,288	(85,537,385)	137,098,974	64,352,904
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	77,336,388	51,543,641	29,941,245	17,366,323
Sindh sales tax on remuneration of the Management Company	7.2	10,053,730	8,370,687	3,892,361	2,820,291
Federal Excise Duty on remuneration of the Management Company	7.3	-	8,246,983	-	2,778,612
Remuneration of Central Depository Company of Pakistan Limited - Trustee		4,617,505	3,328,997	1,743,638	1,116,950
Sindh sales tax on remuneration of the trustee		600,276	466,060	226,673	156,373
Annual fee to the Securities and Exchange Commission of Pakistan		3,673,479	2,448,323	1,422,209	824,900
Accounting and operational charges	10	3,799,097	1,216,987	1,497,062	868,316
Sindh sales tax on accounting and operational charges		303,928	73,019	119,765	52,099
Auditors' remuneration		450,433	436,648	136,153	134,940
Annual listing fee		41,287	30,055	13,562	9,946
Annual ranking fee		-	105,462	-	34,898
Securities transaction cost		12,078,564	7,164,401	4,248,790	1,995,174
Printing charges		187,348	1,759	60,270	(68,623)
Legal and professional charges		23,760	143,248	23,760	101,761
Provision for Workers' Welfare Fund	8.1	(34,031,289)	-	(34,031,289)	-
Provision for Sindh Workers' Welfare Fund	8.1	42,146,332	-	42,146,332	-
Bank charges		35,239	25,476	10,621	7,311
Total expenses		121,316,077	83,601,746	51,451,152	28,199,271
Net income/(loss) for the period before taxation		1,558,088,211	(169,139,131)	85,647,822	36,153,633
Taxation	12	-	-	-	-
Net income/(loss) for the period after taxation		1,558,088,211	(169,139,131)	85,647,822	36,153,633
Earnings per unit	13				

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	<u>For the Nine Months ended</u>		<u>For the Quarter ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>----- Rupees -----</u>			
Net income/(loss) for the period after taxation	1,558,088,211	(169,139,131)	85,647,822	36,153,633
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the period	<u>1,558,088,211</u>	<u>(169,139,131)</u>	<u>85,647,822</u>	<u>36,153,633</u>

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
	----- Rupees -----	
Undistributed income brought forward [Includes unrealised gain on investments of Rs.202,102,807] (2016: unrealised gain on investments of Rs.77,101,829)	398,629,142	509,325,429
Cash dividend declared for the year ended 30 June 2016 at the rate of Rs. 5 per unit declared on 11 July 2016 (2015: Rs. 50 per unit declared on 7 July 2015)	(39,898,200)	(312,886,890)
Net income/(loss) for the period after taxation	1,558,088,211	(169,139,131)
Undistributed income carried forward [Includes unrealised gain on investments of Rs.672,455,393] (2016: unrealised loss on investments of Rs.180,886,777)	<u>1,916,819,153</u>	<u>27,299,408</u>

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	31 March 2017		31 March 2016	
	Units	Rupees	Units	Rupees
Number of units/net assets at beginning of the period [Rs.503.43 (2016: Rs.528.09) per unit]	7,979,640	4,017,187,934	6,257,738	3,304,661,688
Issue of units	3,095,460	1,901,204,263	2,026,496	955,594,752
Redemption of units	(2,005,165)	(1,241,217,455)	(396,817)	(182,972,309)
	1,090,295	659,986,808	1,629,679	772,622,443
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	-	(116,551,056)	-	6,509,256
Cash dividend declared for the year ended 30 June 2016 at the rate of Rs. 5 per unit declared on 11 July 2016 (2015: Rs. 50 per unit declared on 7 July 2015)	-	(39,898,200)	-	(312,886,890)
Capital gain/(loss) on sale of investments - net	-	775,547,379	-	(40,143,717)
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	584,442,474	-	(180,887,175)
Other income (net of expense) for the period	-	198,098,358	-	51,891,761
Total comprehensive income/(loss) for the period	-	1,558,088,211	-	(169,139,131)
Number of units/net assets at end of the period [Rs.670.22 (2016: Rs.456.65) per unit]	9,069,935	6,078,813,697	7,887,417	3,601,767,366

The annexed notes from 1 to 17 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

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED 31 MARCH 2017

	Note	2017	2016
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income/(loss) for the period before taxation		1,558,088,211	(169,139,131)
Adjustment for:			
Profit on bank balances		(13,798,739)	(7,868,708)
Dividend income		(189,064,640)	(134,134,055)
Capital (gain)/loss on sale of investments - net		(775,547,379)	40,143,717
Net unrealised (appreciation)/diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(584,442,474)	180,887,175
Element of (income)/loss and capital losses/(gains) included in prices of units issued less those in units redeemed - net		(116,551,056)	6,509,256
Provision for workers' welfare fund		34,031,289	-
Provision for sindh workers' welfare fund		(42,146,332)	-
		(1,687,519,331)	85,537,385
Decrease/(increase) in assets			
Receivable against sale of investments		30,481,802	(20,134,320)
Advances, deposits, prepayment and other receivables		(882,464)	(3,534,536)
		29,599,338	(23,668,856)
Increase/(decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		5,233,890	11,356,903
Payable to the Central Depository Company of Pakistan Limited - Trustee		230,142	105,495
Payable to the Securities and Exchange Commission of Pakistan		312,100	880,171
Payable against purchase of investments		(16,516,818)	(136,755,877)
Accrued expenses and other liabilities		18,070,137	(1,302,049)
		7,329,451	(125,715,357)
Profit received on bank balances		11,763,253	7,311,167
Dividend received		153,022,749	100,165,294
Investments made during the period		(6,156,772,218)	(3,967,111,170)
Investments sold during the period		6,001,214,703	3,472,011,342
Net cash used in operating activities		(83,273,844)	(620,609,326)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		1,886,204,263	967,963,221
Net payments against redemption of units		(1,238,302,896)	(186,983,981)
Cash payout against distribution		(40,115,358)	(312,886,890)
Net cash generated from financing activities		607,786,009	468,092,350
Net increase/(decrease) in cash and cash equivalents		524,512,165	(152,516,976)
Cash and cash equivalents at the beginning of the period		87,995,286	406,778,750
Cash and cash equivalents at the end of the period	4	612,507,451	254,261,774

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Stock Market Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, and Fifth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 and respectively, with the approval of the SECP. The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009, 14 October, 2013, 24 March 2015, 03 August 2015 and 29 September 2016 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2" for the Management Company on 8 June 2016.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS FOR PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2017.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 March 2017 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2016, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the nine months ended 31 March 2016.

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2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended 30 June 2016.

3.2 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the financial statements of the Fund as at and for the year ended 30 June 2016. The details regarding developments in relation to estimation of provision for Federal Excise Duty and Workers' Welfare Fund are given in notes 7.3 and 8.1 respectively.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2016 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.

3.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective in the current period

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2017 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

Note	31 March 2017	30 June 2016
	Un-audited	Audited
	Rupees	

4. CASH AND BANK BALANCES

Balances with banks			
- in savings accounts	4.1	609,485,472	87,990,286
- in current account		5,000	5,000
Cheques in hand	4.2	3,016,979	-
		612,507,451	87,995,286

4.1 The rate of return on these accounts ranges between 3.75% to 5.3% (30 June 2016: 5.00% to 6.40%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 03 April 2017.

5. INVESTMENTS

At fair value through profit or loss - held for trading

- Investment in listed equity securities	5.1	5,467,060,101	3,951,512,733
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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		
Name of Investee Company	Note	As at 01 July 2016	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	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
MODARABA											
First Equity Modaraba		-	500,000	-	500,000	-	-	-	-	-	-
							-	-	-	-	
INVESTMENT COMPANIES											
Arif Habib Limited		-	961,500	-	251,500	710,000	70,919,041	66,676,100	1.22	1.10	1.29
Jahangir Siddiqui & Company Limited		-	1,100,000	-	1,100,000	-	-	-	-	-	-
							70,919,041	66,676,100	1.22	1.10	
COMMERCIAL BANKS											
Allied Bank Limited		50,000	209,400	-	50,000	209,400	20,083,600	19,683,600	0.36	0.32	0.02
Askari Bank Limited		-	1,948,000	-	1,948,000	-	-	-	-	-	-
Bank AL Habib Limited	5.3	4,570,000	805,000	-	4,375,000	1,000,000	43,360,850	53,550,000	0.98	0.88	0.09
Bank Alfalah Limited		2,950,000	7,115,000	-	2,863,000	7,202,000	231,499,717	260,280,280	4.76	4.28	0.45
Faysal Bank Limited		-	6,504,000	-	6,504,000	-	-	-	-	-	-
Habib Bank Limited		1,250,000	689,800	-	765,400	1,174,400	253,974,622	316,629,984	5.79	5.21	0.08
Habib Metropolitan Bank Limited		-	5,950,000	-	4,050,000	1,900,000	69,285,186	60,002,000	1.10	0.99	0.18
MCB Bank Limited		384,300	807,100	-	541,400	650,000	154,109,170	147,810,000	2.70	2.43	0.06
Meezan Bank Limited		-	1,004,000	-	1,004,000	-	-	-	-	-	-
National Bank Of Pakistan		-	2,325,000	-	1,300,000	1,025,000	78,345,540	76,536,750	1.40	1.26	0.05
Summit Bank Limited		-	5,000,000	-	5,000,000	-	-	-	-	-	-
The Bank Of Punjab		-	3,000,000	-	3,000,000	-	-	-	-	-	-
United Bank Limited	5.3	1,200,000	645,000	-	445,000	1,400,000	279,443,904	318,682,000	5.83	5.24	0.11
							1,130,102,589	1,253,174,614	22.92	20.61	
INSURANCE											
Adamjee Insurance Company Limited		-	2,445,000	-	795,000	1,650,000	93,880,094	124,789,500	2.28	2.05	0.47
Century Insurance Company Limited		-	-	-	-	-	-	-	-	-	-
EFU General Insurance Limited		-	150,000	-	-	150,000	23,077,075	25,981,500	0.48	0.43	0.08
EFU Life Assurance Limited		-	121,000	-	-	121,000	24,950,000	31,510,820	0.58	0.52	0.12
IGI Insurance Limited		-	-	-	-	-	-	-	-	-	-
Pakistan Reinsurance Company Limited		-	700,000	-	700,000	-	-	-	-	-	-
							141,907,169	182,281,820	3.34	3.00	
TEXTILE SPINNING											
Gadoon Textile Mills Limited		-	42,000	-	42,000	-	-	-	-	-	-
							-	-	-	-	
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited		1,000,000	2,600,000	-	2,000,000	1,600,000	83,831,555	67,200,000	1.23	1.11	0.54
Gul Ahmed Textile Mills Limited - Letter of Right		-	-	320,000	-	320,000	-	5,440,000	0.10	0.09	0.11
Nishat (Chunian) Limited		-	3,605,500	-	1,855,500	1,750,000	116,750,701	105,997,500	1.94	1.74	0.73
Nishat Mills Limited		1,450,000	100,000	-	600,000	950,000	106,404,450	156,940,000	2.87	2.58	0.27
The Crescent Textile Mills Limited		-	505,500	-	505,500	-	-	-	-	-	-
							306,986,706	335,577,500	6.14	5.52	
Sugar & Allied Industries											
Habib Sugar Mills Limited		-	400,000	-	400,000	-	-	-	-	-	-
							-	-	-	-	

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Number of shares						Rupees		Percentage of			
Name of Investee Company	Note	As at 01 July 2016	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	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

5.1 Listed equity securities (Continued...)

CEMENT

Cherat Cement Company Limited		308,500	372,000	-	380,500	300,000	52,432,642	57,363,000	1.05	0.94	0.17
D.G. Khan Cement Company Limited		1,200,000	430,000	-	1,045,000	585,000	110,136,868	135,954,000	2.49	2.24	0.13
Dewan Cement Limited		-	2,000,000	-	2,000,000	-	-	-	-	-	-
Fauji Cement Company Limited		2,500,000	2,100,000	-	1,100,000	3,500,000	132,570,620	149,380,000	2.73	2.46	0.25
Kohat Cement Company Limited		200,000	363,000	-	25,000	538,000	144,311,174	141,703,820	2.59	2.33	0.35
Lucky Cement Limited		235,000	107,500	-	107,500	235,000	178,120,407	196,786,650	3.60	3.24	0.07
Pioneer Cement Limited		700,000	317,800	-	570,200	447,600	47,667,767	64,006,800	1.17	1.05	0.20
Thatta Cement Company Limited		-	700,000	-	700,000	-	-	-	-	-	-
							665,239,478	745,194,270	13.63	12.26	

REFINERY

Attock Refinery Limited		-	100,000	-	100,000	-	-	-	-	-	-
National Refinery Limited		139,300	80,550	-	144,300	75,550	56,218,353	53,863,373	0.99	0.89	0.09
Pakistan Refinery Limited		-	400,000	-	350,000	50,000	2,708,820	3,985,000	0.07	0.07	0.02
							58,927,173	57,848,373	1.06	0.96	

POWER GENERATION & DISTRIBUTION

Engro Powergen Qadirpur Limited		-	585,000	-	585,000	-	-	-	-	-	-
K-Electric Limited (Face value Rs 3.5 per share)		7,000,000	3,805,500	-	4,250,000	6,555,500	56,158,835	53,623,990	0.98	0.88	0.02
Nishat Chunian Power Limited		836,500	216,500	-	23,000	1,030,000	54,658,686	49,440,000	0.90	0.81	0.28
Nishat Power Limited		-	2,310,500	-	2,282,000	28,500	1,461,050	1,454,925	0.03	0.02	0.01
Saif Power Limited		-	32,500	-	32,500	-	-	-	-	-	-
The Hub Power Company Limited		300,000	2,410,700	-	903,900	1,806,800	222,749,476	236,799,208	4.33	3.90	0.16
							335,028,047	341,318,123	6.24	5.61	

OIL AND GAS MARKETING COMPANIES

Attock Petroleum Limited		-	95,000	-	-	95,000	63,223,902	60,305,050	1.10	0.99	0.11
Hi-Tech Lubricants Limited		650,000	420,000	-	1,070,000	-	-	-	-	-	-
Pakistan State Oil Company Limited		650,000	216,100	-	447,000	419,100	164,976,642	177,497,232	3.25	2.92	0.15
Sui Northern Gas Pipelines Limited		-	3,225,000	-	1,525,000	1,700,000	111,182,328	242,709,000	4.44	3.99	0.27
Sui Southern Gas Company Limited		-	1,200,000	-	1,200,000	-	-	-	-	-	-
							339,382,872	480,511,282	8.79	7.90	

OIL AND GAS EXPLORATION COMPANIES

Mari Petroleum Company Limited		285,000	148,500	-	275,850	157,650	151,789,198	239,702,096	4.38	3.94	0.14
Oil & Gas Development Company Limited		1,550,000	1,075,800	-	1,675,800	950,000	136,826,339	140,894,500	2.58	2.32	0.02
Pakistan Oilfields Limited		568,000	460,900	-	618,900	410,000	171,457,938	182,470,500	3.34	3.00	0.17
Pakistan Petroleum Limited	5.3	1,100,000	495,400	-	996,200	599,200	95,684,083	92,822,072	1.70	1.53	0.03
							555,757,558	655,889,168	12.00	10.79	

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Name of Investee Company	Number of shares				Rupees			Percentage of		
	As at 01 July 2016	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	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

5.1 Listed equity securities (Continued...)

ENGINEERING

Aisha Steel Mills Limited	-	2,500,000	-	2,500,000	-	-	-	-	-	-
Amreli Steels Limited	730,000	570,000	-	1,300,000	-	-	-	-	-	-
International Industries Limited	1,280,500	568,000	-	1,441,000	407,500	75,799,827	98,814,673	1.81	1.63	0.34
International Steels Limited	-	400,000	-	400,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	502,225	423,000	-	920,000	5,225	487,580	736,882	0.01	0.01	-
						76,287,407	99,551,555	1.82	1.64	

AUTOMOBILE ASSEMBLER

Indus Motor Company Limited	58,050	47,200	-	55,250	50,000	71,680,588	79,578,000	1.46	1.31	0.06
Millat Tractors Limited	48,000	30,000	-	58,000	20,000	12,188,489	26,328,200	0.48	0.43	0.05
Pak Suzuki Motor Company Limited	-	80,000	-	10,000	70,000	50,673,314	43,397,900	0.79	0.71	0.09
						134,542,391	149,304,100	2.73	2.45	

AUTOMOBILE PARTS AND ACCESSORIES

Agriauto Industries Limited (Face value Rs 5 per share)	75,000	-	-	75,000	-	-	-	-	-	-
Thal Limited (Face value Rs 5 per share)	-	50,000	-	-	50,000	25,091,371	26,500,000	0.48	0.44	0.06
						25,091,371	26,500,000	0.48	0.44	

CABLES AND ELECTRICAL GOODS

Pak Elektron Limited	-	1,785,500	-	1,225,000	560,500	44,627,170	51,622,050	0.94	0.85	0.11
						44,627,170	51,622,050	0.94	0.85	

TRANSPORT

Pakistan International Bulk Terminal Limited	1,000,000	1,000,000	-	2,000,000	-	-	-	-	-	-
Pakistan National Shipping Corporation	-	341,000	-	341,000	-	-	-	-	-	-
						-	-	-	-	

TECHNOLOGY AND COMMUNICATIONS

Hum Network Limited (Face value Re 1 per share)	-	9,877,500	-	150,000	9,727,500	130,169,090	120,621,000	2.21	1.98	1.03
Netsol Technologies Limited	-	134,500	-	134,500	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	2,500,000	2,500,000	-	5,000,000	-	-	-	-	-	-
						130,169,090	120,621,000	2.21	1.98	

FERTILIZER

Dawood Hercules Corporation Limited	-	150,000	-	-	150,000	20,044,739	19,876,500	0.36	0.33	0.03
Engro Corporation Limited	600,000	625,000	-	575,000	650,000	208,707,361	239,213,000	4.38	3.94	0.12
Engro Fertilizers Limited	2,937,000	3,363,500	-	800,500	5,500,000	365,783,880	344,630,000	6.30	5.67	0.41
Fauji Fertilizer Bin Qasim Limited	700,000	-	-	700,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	600,000	500,000	-	1,100,000	-	-	-	-	-	-
						594,535,980	603,719,500	11.04	9.94	

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Name of Investee Company	Number of shares				Rupees		Percentage of			
	As at 01 July 2016	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2017	Carrying value as at 31 March 2017	Market value as at 31 March 2017	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

5.1 Listed equity securities (Continued...)

PHARMACEUTICALS

Abbott Laboratories (Pakistan) Limited	19,300	41,700	-	-	61,000	49,679,786	57,311,940	1.05	0.94	0.06
Ferozsons Laboratories Limited	-	60,000	-	60,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	190,000	-	190,000	-	-	-	-	-	-
The Searle Company Limited	-	45,000	4,500	-	49,500	30,402,311	31,280,040	0.57	0.51	0.03
						80,082,097	88,591,980	1.62	1.45	

CHEMICALS

Akzo Nobel Pakistan Limited	-	188,100	-	188,100	-	-	-	-	-	-
Archroma Pakistan Limited	-	30,000	-	-	30,000	20,997,000	22,800,000	0.42	0.38	0.09
Engro Polymer & Chemicals Limited	-	2,500,000	-	2,500,000	-	-	-	-	-	-
ICI Pakistan Limited	-	30,000	-	30,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	49,350	-	-	49,350	26,158,420	27,389,250	0.50	0.45	0.23
						47,155,420	50,189,250	0.92	0.83	

FOODS AND PERSONAL CARE PRODUCTS

Al Shaheer Corporation Limited	656,250	576,500	162,187	1,378,000	16,937	849,094	792,652	0.01	0.01	0.01
Engro Foods Limited	100,000	100,000	-	-	200,000	31,057,792	32,488,000	0.59	0.53	0.03
Fauji Foods Limited	-	1,800	-	1,800	-	-	-	-	-	-
Murree Brewery Company Limited	-	26,600	-	-	26,600	20,641,718	20,482,000	0.37	0.34	0.12
Nestle Pakistan Limited	5,500	220	-	-	5,720	42,003,900	52,023,400	0.96	0.86	0.01
Rafhan Maize Products Company Limited	-	6,400	-	-	6,400	45,740,229	47,360,000	0.87	0.78	0.07
Treet Corporation Limited	-	400,000	-	400,000	-	-	-	-	-	-
						140,292,733	153,146,052	2.80	2.52	

GLASS AND CERAMICS

Tariq Glass Industries Limited	-	150,000	-	150,000	-	-	-	-	-	-
						-	-	-	-	

MISCELLANEOUS

Pakistan Services Limited	-	150	-	150	-	-	-	-	-	-
Shifa International Hospitals Limited	130,000	-	-	130,000	-	-	-	-	-	-
Tri-Pack Films Limited	-	21,100	-	-	21,100	5,583,335	5,343,364	0.10	0.09	0.05
						5,583,335	5,343,364	0.10	0.09	
Total as at 31 March 2017						4,882,617,627	5,467,060,101	100.00	89.94	
Total as at 30 June 2016						3,749,410,221	3,951,512,733			

5.2 The cost of listed equity securities as at 31 March 2017 is Rs.4,794,604,708 (30 June 2016: Rs.3,749,409,926).

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

Name of Investee Company	Number of shares		Market value	
	31 March 2017 Un-audited	30 June 2016 Audited	31 March 2017 Un-audited	30 June 2016 Audited
			----- Rupees -----	
Pakistan Petroleum limited	297,000	297,000	46,008,270	46,049,850
Bank Al Habib Limited	425,000	425,000	22,758,750	18,326,000
United Bank Limited	100,000	100,000	22,763,000	17,692,000
			91,530,020	82,067,850
			31 March 2017 Un-audited	30 June 2016 Audited
			----- Rupees -----	

6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits with:

- National Clearing Company of Pakistan Limited (NCCPL)
- Central Depository Company of Pakistan Limited (CDC)

Prepayments

Advances and other receivables

6.1

2,500,000	2,500,000
100,000	100,000
13,714	-
10,910,195	10,041,445
13,523,909	12,641,445

6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 150 and 151. However, several companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The amount of tax withheld during the year on dividend and profit on bank deposits aggregates to Rs.10.269 million (30 June 2016: Rs.9.40 million) and Rs.0.641 million (30 June 2016: Rs.0.641 million) respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend and profit received on bank deposits by the Fund has been shown as other receivables as at 31 March 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

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		31 March 2017 Un-audited	30 June 2016 Audited
	Note	-----	Rupees -----
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	7.1	10,432,793	6,554,764
Sindh Sales Tax payable on remuneration of the Management Company	7.2	4,325,309	3,886,712
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges reimbursable by the Fund	10	1,170,989	327,738
Sindh Sales Tax payable on accounting and operational charges		93,679	19,666
		36,324,758	31,090,868

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160 (1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at a rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at a rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at a rate of 2% (2015: 2%) per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs.10,053,730 (2016: Rs.8,370,687) 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.9,615,133 (2016: Rs.7,013,317) has been paid to the Management Company which acts as a collecting agent.

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

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

During the nine months ended 31 March 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs.20.302 million (30 June 2016: Rs.20.302 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2017 would have been higher by Rs.2.24 (30 June 2016: Rs.2.54) per unit.

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	31 March 2017 Un-audited	30 June 2016 Audited
Note	----- Rupees -----	-----

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	258,235	389,094
Printing charges payable	107,471	90,000
NCCPL charges payable	77,142	58,487
Withholding and capital gain tax payable	1,646,125	49,081
Transaction charges payable	1,984,120	1,646,380
Provision for Workers' Welfare Fund	8.1 -	34,031,289
Provision for Sindh Workers' Welfare Fund	8.1 42,146,332	-
	46,219,425	36,264,331

8.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs)/mutual funds whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs/mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

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

In view of the above developments regarding the applicability of WWF and SWWF on CISs/mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

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- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/mutual funds.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2017 and 30 June 2016.

10. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I)/2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less.

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2017 is 2.35% (annualised rate being 3.08%) which includes 0.49% (annualised rate being 0.61%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

12. TAXATION

12.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund during the year ending 30 June 2017 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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

12.2 During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by the Fund in respect of Tax Years 2012 under Section 120 of the Income Tax Ordinance, 2001. The tax assessing officer concluded that bonus issues declared by the Fund should not have been considered as distribution of the accounting income while claiming exemption available under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, as the Fund had not deducted withholding tax from bonus distributions. Consequently, the tax assessing officer raised demands aggregating to Rs. 48.146 million (including Rs. 2.653 million relating to Workers' Welfare Fund) on the Fund. Similar amendments were made to returns filed by several mutual funds in the industry.

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This industry issue was examined by legal experts and tax advisors and there was unanimity of view that under the provisions of Clause 99 applicable upto 30 June 2014, the tax department's contentions were primarily erroneous and not tenable under the law. Subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units would not be considered towards distribution of 90% of income, and only cash dividend would be taken into consideration for computation of 90% distribution to claim exemption. Appropriate appellate and executive remedies were adopted to resolve the matter.

During the year ended 30 June 2015, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment order but maintained the levy of WWF. The Fund has filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR - Appeals with respect to the maintenance of levy of WWF, which is pending. The tax assessing officer has also filed an appeal in the ATIR against the order of annulment of assessment order passed by the CIR - Appeals which is pending.

13. EARNINGS PER UNIT

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

14. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

The details of transactions carried out by the Fund with connected persons during the period and balances with them at the period/year end are as follows:

For the Nine Months ended		
	31 March 2017	31 March 2016
	Un-audited	Un-audited
	----- Rupees -----	

14.1 Transactions during the period

Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	77,336,388	51,543,641
Remuneration paid	73,458,359	49,791,090
Sindh Sales Tax on remuneration of the Management Company	10,053,730	8,370,687
Federal Excise Duty on remuneration of the Management Company	-	8,246,983
Accounting and operational charges	3,799,097	1,216,987
Sindh Sales Tax on accounting and operational charges	303,928	73,019
Issue of 1,514 (2016: 70,176) units	754,525	34,225,101
Redemption of 25,540 (2016: Nil) units	17,500,000	-
Cash dividend declared	-	4,874,800

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	4,617,505	3,328,997
Sindh Sales Tax on remuneration of the Trustee	600,276	466,060
Remuneration paid	4,420,638	3,238,861
Settlement charges	498,528	286,465
Sindh Sales Tax on settlement charges	64,809	40,105

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For the Nine Months ended	
31 March 2017	31 March 2016
Un-audited	Un-audited
----- Rupees -----	

14.1 Transactions during the period (Continued...)

Atlas Battery Limited (Group Company)

Issue of 182,652 (2016: Nil) units	102,163,165	-
Redemption of 744,132 (2016: Nil) units	450,594,691	-
Cash dividend declared	-	24,419,543
Dividend paid	-	24,419,543

Atlas Foundation (Group Company)

Issue of 261,129 (2016: 327,221) units	139,810,975	150,873,104
Cash dividend declared	-	14,506,400

Atlas Insurance Limited (Group Company)

Issue of 697,877 (2016: 301,666) units	415,751,342	140,206,903
Redemption of 566,013 (2016: 205,061) units	343,583,170	95,006,812
Cash dividend declared	-	28,807,889

Atlas Metals (Private) Limited (Group Company)

Issue of 114 (2016: 1,031) units	56,911	508,189
Redemption of 12,761 (2016: Nil) units	8,519,273	-
Cash dividend declared	-	580,788
Dividend paid	-	580,788

Atlas Honda Limited (Group Company)

Issue of 1,977 (2016: 218,972) units	985,375	99,679,865
Cash dividend declared	-	-

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

Issue of 55,455 (2016: 54,247) units	30,691,061	25,400,000
Cash dividend declared	-	3,630,611
Dividend paid	-	3,630,611

Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)

Issue of 260 (2016: 2,453) units	129,560	1,172,932
Cash dividend declared	-	1,172,932

Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)

Issue of 161 (2016: Nil) units	80,046	-
Cash dividend declared	-	800,459
Dividend paid	-	800,459

Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)

Issue of 18,585 (2016: Nil) units	10,060,513	-
Cash dividend declared	-	605,134
Dividend paid	-	605,134

Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)

Issue of 226 (2016: Nil) units	112,715	-
Redemption of 1,468 (2016: Nil) units	1,000,000	-
Cash dividend declared	-	1,127,149
Dividend paid	-	1,127,149

Atlas Stock Market Fund

		For the Nine Months ended	
		31 March 2017	31 March 2016
		Un-audited	Un-audited
Note		----- Rupees -----	----- Rupees -----
14.1 Transactions during the period (Continued...)			
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)			
	Issue of 22,987 (2016: Nil) units	15,403,249	-
	Cash dividend declared	-	4,032,485
	Dividend paid	-	4,032,485
Shirazi Capital (Private) Limited (Group Company)			
	Issue of 5,457 (2016: 44,308) units	2,719,838	21,183,222
	Redemption of 609,865 (2016: Nil) units	371,413,952	-
	Cash dividend declared	-	24,209,397
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)			
	Issue of 1,126 (2016: 17,256) units	633,172	8,150,285
	Redemption of 5,125 (2016: Nil) units	3,544,520	-
	Cash dividend declared	-	762,285
Shirazi Investments (Private) Limited (Group Company)			
	Issue of 632,369 (2016: 483,400) units	382,630,608	237,902,058
	Cash dividend declared	-	100,459,495
Batool Benefit Trust (Trust having common Director/Trustee)			
	Issue of 1,686 (2016: 37,365) units	840,362	17,484,529
	Cash dividend declared	-	5,582,319
Directors and their close family members and key management personnel of the Management Company			
		14.3	
	Issue 27,967 (2016: 96,782) units	14,900,129	46,604,942
	Redemption of Nil (2016: 1,206) units	-	543,687
	Cash dividend declared	-	14,510,167
	Dividend paid	-	305,269
		31 March 2017	30 June 2016
		Un-audited	Audited
		----- Rupees -----	----- Rupees -----

14.2 Balances as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	10,432,793	6,554,764
Sindh Sales tax payable on remuneration of the Management Company	4,325,309	3,886,712
Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
Accounting and operational charges reimbursable by the Fund	1,170,989	327,738
Sindh Sales Tax payable on accounting and operational charges	93,679	19,666
Outstanding 143,646 (30 June 2016: 167,672) units - at net asset value	96,274,242	84,411,260
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	606,573	409,706
Sindh Sales Tax payable on remuneration of the Trustee	78,854	57,359
Settlement charges payable	50,000	39,228
Sindh Sales Tax payable on settlement charges	6,500	5,492
Security Deposit	100,000	100,000

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14.2 Balances as at period/year end (Continued...)

	31 March 2017 Un-audited	30 June 2016 Audited
	----- Rupees -----	
Atlas Battery Limited (Group Company)		
Outstanding Nil (30 June 2016: 561,480) units - at net asset value	-	282,665,672
Atlas Foundation (Group Company)		
Outstanding 885,790 (30 June 2016: 624,661) units - at net asset value	593,674,148	314,473,082
Atlas Insurance Limited (Group Company)		
Outstanding 738,238 (30 June 2016: 606,374) units - at net asset value	494,781,958	305,266,948
Atlas Metals (Private) Limited (Group Company)		
Outstanding Nil (30 June 2016: 12,647) units - at net asset value	-	6,366,907
Atlas Honda Limited (Group Company)		
Outstanding 220,949 (30 June 2016: 218,972) units - at net asset value	148,084,543	110,237,174
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 193,667 (30 June 2016: 138,212) units - at net asset value	129,799,710	69,580,156
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)		
Outstanding 26,172 (30 June 2016: 25,912) units - at net asset value	17,540,967	13,044,887
Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 16,170 (30 June 2016: 16,009) units - at net asset value	10,837,311	8,059,504
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 30,688 (30 June 2016: 12,103) units - at net asset value	20,567,640	6,092,849
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 21,301 (30 June 2016: 22,543) units - at net asset value	14,276,321	11,348,811
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 103,637 (30 June 2016: 80,650) units - at net asset value	69,459,422	40,601,478
Shirazi Capital (Private) Limited (Group Company)		
Outstanding Nil (30 June 2016: 604,408) units - at net asset value	-	304,277,272
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 3,124,959 (30 June 2016: 2,492,590) units - at net asset value	2,094,410,235	1,254,844,701

Atlas Stock Market Fund

		31 March 2017 Un-audited	30 June 2016 Audited
14.2 Balances as at period/year end (Continued...)	Note	----- Rupees -----	
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)			
Outstanding 28,635 (30 June 2016: 32,635) units - at net asset value		19,191,995	16,429,159
Batool Benefit Trust (Trust having common Director/Trustee)			
Outstanding 188,433 (30 June 2016: 186,747) units - at net asset value		126,291,561	94,014,030
Atlas Islamic Income Fund (Collective Investment Scheme managed by the Management Company)			
Amount receivable against issue of units		15,000,000	-
Directors and their close family members and key management personnel of the Management Company	14.3		
Outstanding 772,263 (30 June 2016: 744,296) units - at net asset value		517,585,913	365,036,590

14.3 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 Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for the FY 2016-17.

15. FAIR VALUE MEASUREMENT

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

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

The fair values of listed equity securities quoted on the stock exchange are valued at the closing prices determined by such exchange. The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short-term maturities of these instruments.

Fair value hierarchy

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

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

As at 31 March 2017 and 30 June 2016, the Fund had financial assets at fair value through profit or loss measured using the level 1 valuation technique.

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16. GENERAL

16.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

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

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 April 2017.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Gold Fund

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2017

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	179,175,098	193,747,341
Investments in government securities	5	-	-
Financial assets at fair value through profit or loss		-	9,854,024
Interest accrued		541,731	446,064
Deferred formation cost		297,797	477,135
Prepayment and other receivables		1,343,366	332,396
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		29,385,243	32,435,953
Total assets		210,743,235	237,292,913
LIABILITIES			
Financial liabilities at fair value through profit or loss	6	1,778,300	-
Payable to Atlas Asset Management Limited - Management Company	7	2,192,914	2,450,059
Payable to Central Depository Company of Pakistan Limited - Trustee		33,210	36,309
Annual fee payable to the Securities & Exchange Commission of Pakistan		135,904	151,492
Accrued expenses and other liabilities	8	731,354	556,597
Unclaimed dividend		2,192	2,192
Total liabilities		4,873,874	3,196,649
NET ASSETS		205,869,361	234,096,264
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		205,869,361	234,096,264
CONTINGENCIES AND COMMITMENTS	10		
----- Number of units -----			
NUMBER OF UNITS IN ISSUE		2,013,725	2,113,174
----- Rupees -----			
NET ASSET VALUE PER UNIT		102.23	110.78

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Gold Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

		For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2017	2016	2017	2016
	Note	Rupees			
INCOME					
Interest income	11	9,776,212	8,713,120	2,688,656	2,719,245
Net loss on investments and derivatives					
Net gain/(loss) on sale of government securities		707	(20,770)	-	(860)
Realised (loss)/gain on gold future contracts		(14,841,813)	3,908,376	7,166,674	16,911,494
Net unrealised (loss)/gain on gold future contracts	6.1	(1,778,300)	1,937,403	5,151,238	3,975,792
		(16,619,406)	5,825,009	12,317,912	20,886,426
Element of income and capital gains included in prices of units sold less those in units redeemed - net					
		3,950,724	1,799,464	222,401	1,379,910
		(2,892,470)	16,337,593	15,228,969	24,985,581
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	1,812,153	1,460,356	498,922	499,713
Sindh Sales Tax on remuneration of the Management Company	7.2	235,580	237,162	64,860	81,154
Federal Excise Duty on remuneration of the Management Company	7.3	-	233,657	-	79,954
Remuneration of Central Depository Company of Pakistan Limited-Trustee		308,051	248,261	84,816	84,952
Sindh Sales Tax on remuneration of the Trustee		40,047	34,756	11,026	11,893
Annual fee - Securities and Exchange Commission of Pakistan		135,904	109,526	37,416	37,478
Accounting and operational charges	9	181,236	68,284	49,892	49,972
Sindh Sales Tax on accounting and operational charges		14,499	4,097	3,991	2,998
Auditors' remuneration		250,616	252,148	82,319	81,536
Annual listing fee		33,030	22,543	10,849	7,461
Fund ranking fee		-	103,645	-	38,290
Printing charges		23,586	1,761	999	(68,622)
Legal and professional charges		23,760	54,564	23,760	52,964
Securities transaction cost		652,171	517,135	213,946	206,740
Amortisation of formation cost		179,339	179,505	58,907	59,402
Bank charges		10,918	5,934	2,048	3,873
Provision for Workers' Welfare Fund	8.1	(194,578)	-	(194,578)	-
Provision for Sindh Workers' Welfare Fund	8.1	542,573	-	542,573	-
		4,248,885	3,533,334	1,491,746	1,229,758
Net (loss)/income for the period before taxation		(7,141,355)	12,804,259	13,737,223	23,755,823
Taxation		-	-	-	-
Net (loss)/income for the period after taxation	13	(7,141,355)	12,804,259	13,737,223	23,755,823

The annexed notes from 1 to 17 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

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2017	2016	2017	2016
	Rupees			
Net (loss)/income for the period after taxation	(7,141,355)	12,804,259	13,737,223	23,755,823
Other comprehensive (loss)/income	-	-	-	-
Total comprehensive (loss)/income for the period	(7,141,355)	12,804,259	13,737,223	23,755,823

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Gold Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
	----- Rupees -----	-----
Undistributed income/(loss) brought forward [Includes unrealized gain on future contracts of gold Rs.9,854,024] (2016: Includes unrealized loss on future contracts of gold Rs.3,689,544)	21,756,978	(5,371,683)
Cash dividend for the year ended 30 June 2016 at the rate of Rs.5.00 per unit declared on 11 July 2016 (2015: Nil)	(10,565,869)	-
Net (loss)/income for the period before taxation	(7,141,355)	12,804,259
Undistributed income carried forward [Includes unrealized loss on future contracts of gold Rs.1,778,300] (2016: Includes unrealized gain on future contracts of gold Rs. 1,937,403)	<u>4,049,754</u>	<u>7,432,576</u>

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	31 March 2017		31 March 2016	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.110.78 (2016: Rs. 97.94) per unit]	2,113,174	234,096,264	2,049,681	200,749,138
Issue of units	882,831	93,836,799	206,480	21,597,653
Redemption of units	(982,280)	(100,405,754)	(138,916)	(13,181,003)
	(99,449)	(6,568,955)	67,564	8,416,650
Element of income and capital gain included in prices of units issued less those in units redeemed - net	-	(3,950,724)	-	(1,799,464)
Cash dividend for the year ended 30 June 2016 at the rate of Rs.5.00 per unit declared on 11 July 2016 (2015: Nil)	-	(10,565,869)	-	-
Net gain/(loss) on sale of government securities	-	707	-	(20,770)
Realised (loss)/gain on gold future contracts	-	(14,841,813)	-	3,908,376
Net unrealised (loss)/gain on gold future contracts	-	(1,778,300)	-	1,937,403
Net other income for the period	-	9,478,051	-	6,979,250
Total comprehensive loss for the period	-	(7,141,355)	-	12,804,259
Net assets at the end of the period [Rs.102.23 (2016: Rs. 103.99) per unit]	2,013,725	205,869,361	2,117,245	220,170,583

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Gold Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
Note	----- Rupees -----	
Cash flows from operating activities		
Net (loss)/gain for the period after taxation	(7,141,355)	12,804,259
Adjustments:		
Interest income	(9,776,212)	(8,713,120)
Net (gain)/loss on sale of government securities	(707)	20,770
Realised loss/(gain) on gold future contracts	14,841,813	(3,908,376)
Net unrealised loss/(gain) on gold future contracts	1,778,300	(1,937,403)
Amortization of formation cost	179,339	179,505
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(3,950,724)	(1,799,464)
Provision for workers' welfare fund	(194,578)	-
Provision for Sindh workers' welfare fund	542,573	-
	3,419,804	(16,158,088)
	(3,721,551)	(3,353,829)
Decrease/(increase) in assets		
Prepayment and other receivables	(1,010,970)	(175,273)
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	3,050,710	(5,510,485)
	2,039,740	(5,685,758)
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(257,145)	(47,080)
Payable to Central Depository Company of Pakistan Limited - Trustee	(3,099)	7,772
Annual fee payable to the Securities & Exchange Commission of Pakistan	(15,588)	(42,317)
Accrued expenses and other liabilities	(173,238)	(295,796)
	(449,070)	(377,421)
Interest received	5,862,009	7,980,582
Investments made during the period	(634,900,598)	(629,165,069)
Investments sold/matured during the period	633,732,051	779,135,133
Net cash generated from operating activities	2,562,581	148,533,638
Cash flows from financing activities		
Proceeds from issue of units	93,836,799	21,447,653
Payment on redemption of units	(100,405,754)	(13,181,003)
Dividend paid	(10,565,869)	-
Net cash (used in)/generated from financing activities	(17,134,824)	8,266,650
Net (Decrease)/Increase in cash and cash equivalents during the period	(14,572,243)	156,800,288
Cash and cash equivalents at the beginning of the period	193,747,341	36,783,124
Cash and cash equivalents at the end of the period	4 179,175,098	193,583,412

The annexed notes from 1 to 17 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

Tariq Amin
Director

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

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 Trust Deed has been amended through the First Supplemental Trust deed dated 13 May 2014, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document of the Fund has been amended through the First, Second, Third and Fourth Supplements dated 13 May 2014, 24 March 2015, August 2015 and 30 September 2016 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 15 July 2013, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated).
- 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.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company on 8 June 2016.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. 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 2016.

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 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended 30 June 2016.
- 3.2 The preparation of these condensed interim financial statements in accordance with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The significant estimates, judgments and assumptions made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements of the Fund as at and for the year ended 30 June 2016.

Atlas Gold Fund

3.3 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 2016.

3.4 The adoption of the certain amendments and improvements to accounting standards during the period have did not have any significant effect on the condensed interim financial statements of the Fund.

	31 March 2017	30 June 2016
	Un-audited	Audited
Note	----- Rupees -----	

4. BANK BALANCES

Profit and loss sharing account	4.1	<u>179,175,098</u>	<u>193,747,341</u>
---------------------------------	-----	--------------------	--------------------

4.1 The rate of return on these accounts ranges between 5.3% and 6.15% (30 June 2016: 5.00% and 6.40%) per annum.

5. INVESTMENTS - at fair value through income statement

Government securities

Market Treasury Bills - Held for trading	5.1	<u>-</u>	<u>-</u>
--	-----	----------	----------

5.1 Market Treasury Bills - held-for-trading

Treasury Bills	Face value (Rupees)				Rupees		Percentage of	
	As at 01 July 2016	Acquired during the period	Sold/ Matured during the period	As at 31 March 2017	Amortised cost	Market Value	Total Investments	Net Assets
3 Months - T-bills	-	144,000,000	144,000,000	-	-	-	-	-
6 Months - T-bills	-	230,000,000	230,000,000	-	-	-	-	-
12 Months - T-bills	-	265,000,000	265,000,000	-	-	-	-	-
	<u>-</u>	<u>639,000,000</u>	<u>639,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.2 The cost of investment as on 31 March 2017 is Rs. Nil (30 June 2016: Rs. Nil).

5.3 These Market treasury bills carry purchase yields: Nil (30 June 2016: Nil) per annum.

	31 March 2017	30 June 2016
	Un-audited	Audited
Note	----- Rupees -----	

6. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT AND LOSS Held for trading - derivative financial instruments

Future Gold Contracts

Financial liability at fair value through profit and loss	6.1	<u>1,778,300</u>	<u>-</u>
Financial asset at fair value through profit and loss		<u>-</u>	<u>9,854,024</u>

6.1 This represents net fair value of gold futures contracts entered into by the Fund at the Pakistan Mercantile Exchange. 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-JUNE 2017	26 May 2017	1,300	1,625,260	170,408,511	82.78
Liabilities against gold futures at contracted rates			USD\$ 1,642,220	172,186,811	
Unrealised loss on future contracts of gold				<u>1,778,300</u>	

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		31 March 2017 Un-audited	30 June 2016 Audited
	Note	Rupees	
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED-MANAGEMENT COMPANY (RELATED PARTY)			
Management fee	7.1	172,870	187,355
Formation cost payable		477,800	716,700
Sindh Sales Tax payable on remuneration of the Management Company	7.2	222,333	226,093
Federal Excise Duty payable on remuneration of the Management Company	7.3	1,319,911	1,319,911
		2,192,914	2,450,059

- 7.1** In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I)/2015 dated 25 November, 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets of the Fund. The Management Company has charged its remuneration at the rate of 1% (30 June 2016: 1%) per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.
- 7.2** During the period, an amount of Rs.235,580 (2016: Rs.237,162) 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 Rs.239,340 (2016: Rs.215,787) has 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.

During the nine months ended 31 March 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs.1.319 million (30 June 2016: Rs.1.319 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2017 would have been higher by Re.0.66 per unit (30 June 2016: Re.0.62 per unit).

Atlas Gold Fund

		31 March 2017 Un-audited	30 June 2016 Audited
Note		Rupees	
8. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		154,564	243,686
Printing charges payable		4,330	90,000
Transaction charges payable		-	1,027
Withholding tax payable		11,195	7,446
Accounting and operational charges	9	17,307	18,736
Sindh Sales Tax payable on accounting and operational charges		1,385	1,124
Provision for Workers' Welfare Fund	8.1	-	194,578
Provision for Sindh Workers' Welfare Fund	8.1	542,573	-
		731,354	556,597

8.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes/ Mutual Funds (CISs) whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs/mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgment on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgment of the SCP.

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

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In view of the above developments regarding the applicability of WWF and SWWF on CISs/ mutual funds. MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and
- the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, the provision for WWF was reversed on January 12, 2017 and provision for SWWF been made from 21 May 2015 till 12 January 2017 and is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/mutual funds. Accordingly, the Fund has recorded these adjustments in its books on 12 January 2017.

9. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I)/2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.

10. CONTINGENCIES AND COMMITMENTS

10.1 There were no contingencies outstanding as at 31 March 2017 and 30 June 2016.

	31 March 2017	30 June 2016
	Un-audited	Audited
Note	----- Rupees -----	----- Rupees -----

10.2 COMMITMENTS

Purchase of:

10 Ounce Gold Contracts US \$ 1,625,260

(30 June 2016: US \$ 1,706,958)

170,408,511

178,769,733

10.2.1 This represents the investment in future gold contracts with settlement date of 26 May 2017 (30 June 2016: 26 July 2016).

For the Nine Months Ended		For the Quarter Ended	
31 March		31 March	
2017	2016	2017	2016
Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----			

11. INTEREST INCOME

Profit on PLS savings account and deposits	5,957,676	5,080,202	1,566,608	1,616,306
Government Securities-Market Treasury bills	3,818,536	3,632,918	1,122,048	1,102,939
	9,776,212	8,713,120	2,688,656	2,719,245

Atlas Gold Fund

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2017 is 1.76% (annualised rate being 2.30%) which includes 0.33% (annualised rate being 0.39%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Commodity scheme.

13. 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 as cash dividend amongst the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

14. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

The details of transactions carried out by the Fund with connected persons and balances with them at the period/year end are as follows:

	For the Nine Months ended	
	31 March 2017 Un-audited	31 March 2016 Un-audited
	----- Rupees -----	
14.1 Transactions for the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	1,812,153	1,460,356
Remuneration paid	1,826,638	1,523,569
Sindh Sales Tax on remuneration of the Management Company	235,580	237,162
Federal Excise Duty on remuneration of the Management Company	-	233,657
Formation cost paid	238,900	238,900
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	308,051	248,261
Sindh Sales Tax on remuneration of the Trustee	40,047	34,756
Remuneration paid	310,512	244,904
Atlas Battery Limited (Group Company)		
Issue of 18,255 (2016: Nil) units	1,927,825	-
Cash dividend	-	-
Atlas Foundation (Group Company)		
Issue of 5,467 (2016: Nil) units	578,348	-
Cash dividend	-	-

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For the Nine Months ended

31 March 2017 31 March 2016

Un-audited Un-audited

----- Rupees -----

14.1 Transactions for the period (Continued...)

Atlas Honda Limited (Group Company)

Issue of 17,248 (2016: Nil) units

1,824,459 -

Cash dividend

- -

Atlas Insurance Limited (Group Company)

Issue of 3,702 (2016: Nil) units

391,611 -

Cash dividend

- -

Batools Benefit Trust (Trust having common Director/Trustee)

Issue of 5,467 (2016: Nil) units

578,348 -

Cash dividend

- -

Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)

Issue of 15,543 (2016: Nil) units

1,644,181 -

Cash dividend

- -

Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)

Issue of 1,084 (2016: Nil) units

114,622 -

Cash dividend

- -

Atlas Honda Limited - Employee Provident Fund

Issue of 2,174 (2016: Nil) units

229,929 -

Redemption of Nil (2016: 53,844) units

- 5,000,000

Cash dividend

- -

Key Management Personnel of Management Company

Issue of 2,193 (2016: Nil) units

231,969 -

Cash dividend

- -

31 March 2017 30 June 2016

Un-audited Audited

----- Rupees -----

14.2 Investments/outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)

Remuneration payable to the management company

172,870 187,355

Formation cost payable

477,800 716,700

Sindh sales tax payable on remuneration of the Management Company

222,333 226,093

Federal Excise Duty payable on remuneration of the Management company

1,319,911 1,319,911

Central Depository Company of Pakistan Limited (Trustee)

Trustee fee payable

29,389 31,850

Sindh sales tax payable on remuneration of the Trustee

3,821 4,459

Atlas Gold Fund

31 March 2017 Un-audited	30 June 2016 Audited
----- Rupees -----	

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

Atlas Battery Limited (Group Company)

Outstanding 532,311 (30 June 2016: 514,086) units - at net asset value

54,418,203 56,950,517

Atlas Foundation (Group Company)

Outstanding 159,693 (30 June 2016: 154,225) units - at net asset value

16,325,461 17,085,155

Atlas Honda Limited (Group Company)

Outstanding 503,770 (30 June 2016: 486,522) units - at net asset value

51,500,409 53,896,945

Atlas Insurance Limited (Group Company)

Outstanding 108,132 (30 June 2016: 104,429) units - at net asset value

11,054,298 11,568,702

Batools Benefit Trust (Trust having common Director/Trustee)

Outstanding 159,693 (30 June 2016: 154,225) units - at net asset value

16,325,461 17,085,155

Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)

Outstanding 344,380 (30 June 2016: 328,836) units - at net asset value

35,205,932 36,428,480

Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)

Outstanding 24,008 (30 June 2016: 22,924) units - at net asset value

2,454,331 2,539,559

Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)

Outstanding 48,159 (30 June 2016: 45,986) units - at net asset value

4,923,340 5,094,306

Key Management Personnel of Management Company

Outstanding 53,741 (30 June 2016: 51,548) units - at net asset value

5,493,987 5,710,543

14.3 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 Operating Officer, Chief Financial Officer & Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2016-17.

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

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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Fair value hierarchy

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

Level 1: Quoted prices in active markets for identical assets.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2017, the Fund has Financial Liabilities at Fair Value through Profit and Loss using level 1 valuation technique.

16. GENERAL

16.1 Corresponding figures have been re-classified and re-arranged in these 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.

16.2 Figures have been rounded off to the nearest Rupee.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 27 April 2017.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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