



Atlas Money Market Fund

Atlas Liquid Fund

Atlas Sovereign Fund

Atlas Income Fund

Atlas Stock Market Fund

HALF YEARLY REPORT

31 DECEMBER 2021

(UN-AUDITED)

**Atlas
funds**
Nurturing your investments



Managed By

Atlas Asset Management

**Rated AM2+ by PACRA
(as of December 24, 2021)**



Vision

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

Mission

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

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Atlas Funds

ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

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

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

Company Secretary Ms Zainab Kazim

Board Committees

Audit Committee

Chairman	Mr. Tariq Amin
Members	Mr. Frahim Ali Khan Mr. M. Habib-ur-Rahman
Secretary	Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

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

Investment Committee

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

Management Committee

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

Risk Management Committee

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

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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Website: www.atlasfunds.com.pk

Half Yearly Report 2021-22

CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited Financial Statements of Atlas Money Market Fund (AMF), Atlas Liquid Fund (ALF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the half year period ended December 31, 2021 of FY22.

THE ECONOMY

Recovery in domestic demand stemming from expansionary monetary and fiscal policy, coupled with high international commodity prices due to revival of economic activities around the world amid supply constraints, has led to sharp increase in inflation and trade deficit. The Jul-Dec current account balance stood at US \$9.01 billion deficit compared to US \$1.25 billion surplus in same period last year largely on back of 66.23% YoY increase in Jul-Dec FY22 imports of US \$40.65 billion compared to US \$24.45 billion in same period last year. The Jul-Dec FY22 exports increased by 24.91% YoY to stand at US \$15.13 billion while Jul-Dec FY22 worker's remittances increased by 11.30% YoY to stand at US \$15.81 billion. Total liquid foreign exchange reserves increased by 18.33% YoY to US \$24.27 billion as of Dec 24, 2021 (SBP's share stood at US \$17.86 billion) primarily due to IMF's new SDR allocation of US \$2.80 billion, growth in worker's remittances, inflows from multilateral and bilateral lenders and extension of debt suspension as part of G20 debt relief deal. Average CPI inflation for first half FY22 remained at 9.81%. The State Bank's Monetary Policy Committee increased policy rate by 275bps to 9.75% during Jul-Dec FY22 in order to counter inflationary pressure and ensure economic growth remains sustainable.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 4.52% to Rs. 507.48 as on December 31, 2021, providing an annualized total return of 8.97%. The AMF total exposure in Bank Balances and Others stood at 99.78% and 0.22%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 23.25 billion, with 45.82 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AMF amounting to Rs. 95.99 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AMF by 0.81%. This is one-off event and is not likely to be repeated in the future.

FUND OPERATIONS - ALF

The Atlas Liquid Fund was launched on November 23, 2021 via initial offer at Rs. 500 per unit. The ALF provided 1.02% return on absolute basis (9.83% annualized) as on December 31, 2021. The ALF total exposure in Bank Balances and Others stood at 99.88% and 0.12%, respectively. ALF presents a good investment opportunity for investors to earn competitive returns (with a periodic payout) while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 2.02 billion, with 4.05 million units outstanding as of December 31, 2021.

FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 2.78% to Rs. 103.93 as on December 31, 2021, providing an annualized total return of 5.51%. The ASF total exposure in Pakistan Investment Bonds, Bank Balances, Commercial Paper, TFC/Sukuk and Other/Receivables stood at 57.96%, 35.81%, 2.93%, 1.98% and 1.32%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 2.01 billion, with 19.36 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASF amounting to Rs. 13.07 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASF by 1.04%. This is one-off event and is not likely to be repeated in the future.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 3.83% to Rs. 542.56 as on December 31, 2021, providing

Atlas Funds

an annualized total return of 7.59%. AIF total exposure in Pakistan Investment Bonds, Bank Balances, Term Finance Certificates/Sukuk, Commercial Paper and Others stood at 44.01%, 32.16%, 11.39%, 10.10% and 2.34%, respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 3.93 billion with 7.23 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AIF amounting to Rs. 45.73 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AIF by 1.65%. This is one-off event and is not likely to be repeated in the future.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund decreased by 3.13% to Rs. 666.54 as on December 31, 2021. The benchmark KSE-100 index decreased by 5.83% during the same period. The KSE-100 index decreased from 47,356.02 points as on June 30, 2021 to 44,596.07 points as on December 31, 2021. The ASMF equity portfolio exposure stood at 98.43% that mainly comprised of Commercial Banks, Cement, Oil & Gas Exploration and Fertilizer sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects of earnings growth. The Net Assets of your Fund stood at Rs. 10.00 billion, with 15.00 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASMF amounting to Rs. 107.31 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASMF by 1.05%. This is one-off event and is not likely to be repeated in the future.

MUTUAL FUND TAXATION

SINDH WORKER'S WELFARE FUND (SWWF)

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

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

FEDERAL EXCISE DUTY (FED)

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

WITHHOLDING TAX

After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual Funds and approved Pension Funds were

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automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan (SCP) on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). However, in assessment for TY 2018, the said exemption has been denied by The Additional Commissioner Audit (AC) in case of Atlas Income Fund & other Funds of various AMC's, on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income and commented that the distribution by the Fund fell short of 90% threshold. The issue was taken to Commissioner Appeal's office, which upheld the AC decision. Thereafter, subject matter was taken to Tribunal, which in its judgment decided the case in favor of Fund and vacated the previous orders issued by FBR & Appeal office. Later, FBR issued assessment order of AIF for TY: 2015 and the said exemption was denied again citing the charge that the distribution fell short of 90%. The issue was taken to Commissioner Appeals Office, which decided the case in favor of Fund and annulled the previous order issued by FBR. Recently, FBR issued assessment orders for TY: 2016 & 2017 in AIF, on the same issue of distribution of income while withdrawing exemption. Appeal has been filed in Commissioner Appeals office which is pending adjudication, meanwhile stay order has also been obtained from Commissioner Appeals. Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open-ended mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.

RATINGS

- **Asset Manager Rating**

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

- **Fund Stability Rating - AMF**

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

- **Fund Stability Rating - ALF**

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 - ASF**

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

- **Fund Stability Rating - AIF**

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

Atlas Funds

FUTURE OUTLOOK

The leading indicators of domestic demand suggest strong economic growth in FY22 wherein State Bank of Pakistan expects economic growth to remain in 4% to 5% range. The increase in import figures, stemming primarily from upsurge in global commodity prices, is likely to moderate going forward on back of expected normalization in global commodity prices due to easing supply disruptions and monetary tightening by major central banks around the world. In contrast to sharp rise in imports, the recent policy rate hikes, proposed fiscal measures in finance supplementary bill and market-based flexible exchange rate system will help curb imports, while growth in worker's remittances and encouraging pickup in exports will likely help contain CAD under 4% of GDP. Inflation is expected to remain in 9% to 11% range in FY22, which is higher than previous estimates due to PKR devaluation, high commodity prices and demand side pressures, whereas recent monetary tightening will help curtail inflation outlook. Going forward, government's focus towards widening tax base to ease fiscal pressure, and measures to increase exports as well as encourage import substitution to ease external pressure will be instrumental in sustaining economic activity, financial stability, safeguarding jobs and addressing social needs.

دے ولولہ شوق جسے لذت پرواز
کر سکتا ہے وہ ذرہ مہر کو تاراج

A mote endowed with strong desire for flight
Can reach the Sun and Moon with effort slight.

ACKNOWLEDGEMENT

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

Karachi: 21 February 2022

Iftikhar H. Shirazi
Chairman

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

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

Atlas Money Market Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Money Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 28 February 2022

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Money Market Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (herein-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2021.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	-----Rupees-----	
Assets			
Cash and bank balances	4	23,261,559,620	24,359,094,276
Investments	5	-	-
Profit receivable on bank balances		33,687,010	54,608,057
Prepayment and other receivables	6	18,625,672	3,685,722
Total assets		23,313,872,302	24,417,388,055
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	26,345,123	30,378,679
Payable to Central Depository Company of Pakistan Limited - Trustee	8	961,378	1,443,603
Payable to the Securities and Exchange Commission of Pakistan	9	2,248,223	3,602,024
Payable against redemption of units	14	3,094,745	31,822,945
Accrued expenses and other liabilities	10	26,782,451	121,315,452
Total liabilities		59,431,920	188,562,703
NET ASSETS		23,254,440,382	24,228,825,352
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		23,254,440,382	24,228,825,352
CONTINGENCIES AND COMMITMENTS	11		
		-----Number of units-----	
NUMBER OF UNITS IN ISSUE		45,823,766	47,894,700
		-----Rupees-----	
NET ASSET VALUE PER UNIT		507.4755	505.8769

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended		For the Quarter Ended		
		31 December		31 December		
		2021	2020	2021	2020	
Note		Rupees-----				
Income						
	Profit on savings account and term deposits	576,206,795	174,787,861	327,380,531	108,652,171	
	Income from government securities	342,438,018	409,953,595	129,033,562	199,337,545	
	Capital (loss) / gain on sale of investments - net	(1,964,172)	950,065	(3,109,836)	4,850,250	
	Net unrealised appreciation on					
	remeasurement of investments classified as financial assets					
	at fair value through profit or loss'	-	-	674,725	2,070,187	
		(1,964,172)	950,065	(2,435,111)	6,920,437	
Total Income		916,680,641	585,691,521	453,978,982	314,910,153	
Expenses						
	Remuneration of Atlas Asset Management Limited - the Management Company	7.1	12,169,540	27,615,880	6,128,457	13,708,773
	Sindh Sales Tax on remuneration of the Management Company	7.2	1,582,040	3,590,064	796,699	1,782,140
	Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1	6,786,791	5,381,889	2,860,087	2,799,140
	Sindh Sales Tax on remuneration of the Trustee	8.2	882,283	699,646	371,811	363,889
	Annual fees to the Securities and Exchange Commission of Pakistan	9.1	2,248,248	1,655,966	1,040,031	861,274
	Accounting and operational charges		-	9,135,100	-	4,366,949
	Annual rating fee		262,717	238,937	131,359	119,468
	Annual listing fee		13,863	13,863	6,931	7,007
	Securities transaction cost		180,332	77,350	131,845	42,445
	Auditors' remuneration		367,768	258,148	183,884	74,264
	Printing charges		43,930	46,777	43,930	46,777
	Legal and professional charges		42,900	65,780	10,500	35,000
	Bank charges		54,974	73,257	20,700	53,739
	(Reversal) / Provision for Sindh Workers' Welfare Fund	10.1	(91,874,642)	10,736,777	11,405	5,812,985
			(67,239,256)	59,589,434	11,737,639	30,073,850
Net income for the period before taxation			983,919,897	526,102,087	442,241,343	284,836,303
Taxation		13	-	-	-	-
Net income for the period after taxation			983,919,897	526,102,087	442,241,343	284,836,303
Allocation of net income for the period:						
	Net income for the period		983,919,897	526,102,087	442,241,343	284,836,303
	Income already paid on units redeemed		(67,411,661)	(30,686,026)	(41,799,318)	(18,163,242)
			916,508,236	495,416,061	400,442,025	266,673,061
Accounting income available for distribution:						
	- Relating to capital gains		-	950,065	-	6,920,437
	- Excluding capital gains		916,508,236	494,465,996	400,442,025	259,752,624
			916,508,236	495,416,061	400,442,025	266,673,061

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Ifitikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2021	2020	2021	2020
	----- Rupees -----			
Net income for the period after taxation	983,919,897	526,102,087	442,241,343	284,836,303
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	983,919,897	526,102,087	442,241,343	284,836,303

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	24,121,020,637	-	24,121,020,637
Undistributed income brought forward			
- Realised income	-	107,804,715	107,804,715
- Unrealised income	-	-	-
Net assets at the beginning of the period (Units outstanding: 47,894,699) (Rs. 505.8769 per unit)	24,121,020,637	107,804,715	24,228,825,352
Issue of 32,900,009 units	16,735,015,581	-	16,735,015,581
Redemption of 34,970,943 units	(17,712,938,032)	(67,411,661)	(17,780,349,693)
Total comprehensive income for the period	-	983,919,897	983,919,897
Refund of capital	(83,149,481)	-	(83,149,481)
First interim distribution of Rs. 2.85 per unit declared on 30 July 2021	-	(117,249,323)	(117,249,323)
Second interim distribution of Rs. 4.85 per unit declared on 27 August 2021	-	(218,841,446)	(218,841,446)
Third interim distribution of Rs. 2.75 per unit declared on 24 September 2021	-	(127,890,777)	(127,890,777)
Fourth interim distribution of Rs. 2.95 per unit declared on 22 October 2021	-	(128,784,806)	(128,784,806)
Fifth interim distribution of Rs. 2.95 per unit declared on 19 November 2021	-	(98,110,627)	(98,110,627)
Sixth interim distribution of Rs. 4.50 per unit declared on 24 December 2021	-	(138,944,295)	(138,944,295)
	-	(829,821,274)	(829,821,274)
Net assets at end of the period (Units outstanding: 23,254,440,382) (Rs. 507.4755 per unit)	23,059,948,705	194,491,677	23,254,440,382
Undistributed income carried forward			
- Realised income	-	194,491,677	-
- Unrealised gain	-	-	-
	-	194,491,677	-
	31 December 2020		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	9,951,851,809	-	9,951,851,809
Undistributed income brought forward			
- Realised income	-	21,477,608	21,477,608
- Unrealised income	-	58,150,798	58,150,798
Net assets at the beginning of the period (Units outstanding: 19,854,239) (Rs. 505.26 per unit)	9,951,851,809	79,628,406	10,031,480,215
Issue of 32,314,806 units	16,374,982,000	-	16,374,982,000
Redemption of 19,367,056 units	(9,789,476,556)	(30,686,026)	(9,820,162,582)
Total comprehensive income for the period	-	526,102,087	526,102,087
Refund of capital	(42,192,301)	-	(42,192,301)
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020	-	(49,826,179)	(49,826,179)
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020	-	(73,589,308)	(73,589,308)
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020	-	(85,292,026)	(85,292,026)
Fourth interim distribution of Rs. 2.60 per unit declared on 23 October 2020	-	(82,163,478)	(82,163,478)
Fifth interim distribution of Rs. 3.10 per unit declared on 27 November 2020	-	(98,682,874)	(98,682,874)
Sixth interim distribution of Rs. 2.50 per unit declared on 24 December 2020	-	(79,162,119)	(79,162,119)
	-	(468,715,984)	(468,715,984)
Net assets at end of the period (Units outstanding: 32,801,989) (Rs. 506.1124 per unit)	16,495,164,952	106,328,483	16,601,493,435
Undistributed income carried forward			
- Realised income	-	106,328,483	-
- Unrealised income	-	-	-
	-	106,328,483	-

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Ifitikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		For the Half Year Ended 31 December	
		2021	2020
Note	----- Rupees -----		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		983,919,897	526,102,087
Adjustments for:			
Profit on savings account and term deposits		(576,206,795)	(174,787,861)
Income from government securities		(342,438,018)	(409,953,595)
Capital loss / (gain) on sale of investments - net		1,964,172	(950,065)
(Reversal) / provision for Sindh Workers' Welfare Fund		(91,874,642)	10,736,777
		(1,008,555,283)	(574,954,744)
Increase in assets			
Prepayment and other receivables		(14,939,950)	-
Decrease in liabilities			
Payable to Atlas Asset Management Limited - Management Company		(4,033,556)	266,904
Payable to Central Depository Company of Pakistan Limited - Trustee		(482,225)	433,333
Payable to the Securities and Exchange Commission of Pakistan		(1,353,801)	(639,711)
Accrued expenses and other liabilities		(3,628,758)	(622,095)
		(9,498,340)	(561,569)
		(49,073,676)	(49,414,226)
Interest received		939,565,860	159,719,888
Investments made during the period		(79,132,802,290)	(49,154,283,618)
Investments sold / matured during the period		79,130,838,118	52,182,754,686
Net cash generated from operating activities		888,528,012	3,138,776,730
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		16,735,015,581	16,374,982,000
Net payments against redemption of units	14	(17,809,077,893)	(9,815,877,503)
Refund of capital		(83,149,481)	(42,192,301)
Cash distribution made during the period	14	(828,850,875)	(468,715,984)
Net cash (used in) / generated from financing activities		(1,986,062,668)	6,048,196,212
Net (decrease) / increase in cash and cash equivalents		(1,097,534,656)	9,186,972,942
Cash and cash equivalents at the beginning of the period		24,359,094,276	7,522,447,993
Cash and cash equivalents at the end of the period	4	23,261,559,620	16,709,420,935

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplement dated 23 May 2017. The offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019, 30 October 2019, 1 April 2020 and 21 December 2020 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 24 December 2021 and maintained the Fund rating to AA(f) on 15 October 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
 - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
 - Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed

Atlas Money Market Fund

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

- 2.1.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2021.
- 2.1.3** The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.
- 2.1.4** 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 December 2021.

2.1.5 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

2.3 Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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"The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements."

"Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan."

Standards

IASB Effective date (annual periods beginning on or after)

IFRS 1 - First-time Adoption of International Financial Reporting Standards

01 July 2009

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements 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 results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 10.1 and 6.1 respectively.

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.6 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2021.

3.2 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 2021.

		31 December 2021 Un-audited	30 June 2021 Audited
4 CASH AND BANK BALANCES	Note	----- Rupees -----	
Balances with banks in savings accounts	4.1	23,261,369,620	24,356,653,257
Cheques in hand	4.2	190,000	2,441,019
		<u>23,261,559,620</u>	<u>24,359,094,276</u>

4.1 The rate of return on these accounts ranges between 5.00% and 12.45% (30 June 2021: 5.50% and 7.95%).

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 05 January 2022 (3 January 2022: 10 July 2021).

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		31 December 2021	30 June 2021
		Un-audited	Audited
5 INVESTMENTS	Note	----- Rupees -----	-----
At fair value through profit or loss			
Investment in government securities			
- Market Treasury Bills	5.1	-	-

5.1 Market Treasury Bills

Particulars	As at 01 July 2021	Purchased during the year	Sold / matured during the year	As at 31 December 2021	Carrying Cost as at December 31, 2021	Market value as at December 31, 2021
----- Face value -----				----- (Rupees) -----		
3 Months	-	39,268,000,000	39,268,000,000	-	-	-
6 Months	-	38,868,810,000	38,868,810,000	-	-	-
12 Months	-	2,000,000,000	2,000,000,000	-	-	-
31 December 2021	-	80,136,810,000	80,136,810,000	-	-	-
30 June 2021					-	-

		31 December 2021	30 June 2021
		Un-audited	Audited
6 PREPAYMENT AND OTHER RECEIVABLES	Note	Rupees	
Prepaid legal and professional charges		263,199	-
Other receivables	6.1	18,362,473	3,685,722
		18,625,672	3,685,722

- 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, 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 tax recoverable as at 31 December 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

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7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2021 Un-audited	30 June 2021 Audited
		Rupees	Rupees
Remuneration of the Management Company	7.1	2,474,742	4,913,531
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,441,879	3,758,922
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable		-	1,277,724
		26,345,123	30,378,679

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company is entitled to a remuneration equal to an amount not exceeding 2.5% of the average annual net assets in case of money market schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.10% from 01 July 2021 to 30 November 2021 and 0.16% from 01 December 2021 to 31 December 2021 (30 June 2021: 0.35% from 01 July 2020 to 02 December 2020 and 0.25% from 03 December 2021 to 30 June 2021) 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. 1,582,040 (2020: Rs. 3,590,064) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1,899,083 (2020: Rs. 3,498,885) 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 was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 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 2020: 20.429 million) is being retained in these 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 December 2021 would have been higher by Re. 0.45 (30 June 2021: Re. 0.43) per unit.

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	31 December 2021 Un-audited	30 June 2021 Audited
		Rupees	Rupees
Remuneration Payable to Trustee	8.1	850,778	1,277,526
Sindh Sales Tax Payable on Trustee Fee	8.2	110,600	166,077
		961,378	1,443,603

8.1 The trustee is entitled to monthly remuneration for services rendered to the fund. The trustee charged 0.065%

Atlas Money Market Fund

p.a of Net assets from 01 July 2021 to 30 September 2021 and 0.055% p.a of net assets from 01 October 2021 to 31 December 2021 based on the letter no. CDC/CEO/L-259/01/2021 dated October 11, 2021.

- 8.2 During the period ended, an amount of Rs. 882,283 (2020: Rs 699,646) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 937,760 (2020: Rs 619,793) was paid to the Trustee which acts as a collecting agent.

		31 December 2021	30 June 2021
		Un-audited	Audited
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees -----	-----

Annual fees payable	9.1	2,248,223	3,602,024
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- 9.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs.

		31 December 2021	30 June 2021
		Un-audited	Audited
10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- Rupees -----	-----

Auditors' remuneration payable		383,158	491,697
Printing charges payable		59,929	59,929
Annual rating fee payable		262,716	-
Withholding tax payable		20,346,951	23,790,606
Annual listing fee payable		13,863	-
Capital gain tax withheld		2,073,027	2,610,406
Provision for Sindh Workers' Welfare Fund	10.1	-	91,874,642
Zakat payable		21,361	12,533
Transaction charges payable		175,408	-
Dividend payable		3,446,038	2,475,639
		26,782,451	121,315,452

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

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 91.89 million for

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the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2021 and 30 June 2021.

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 0.22% (30 June 2021: 0.65%) which includes 0.04% (30 June 2021: 0.20%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio net of government levies 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 under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The 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. The Fund has not recorded tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised).

14 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audit 30-Jun-21	Cashflows Outflows	Non-Cash Changes		Un-audited 31-Dec-21
			Redemption of Unit	Dividend Distribution	
	----- Rupees -----				
Dividend payable	2,475,639	(828,850,875)	-	829,821,274	3,446,038
Payable against redemption of units	31,822,945	(17,809,077,893)	17,780,349,693	-	3,094,745
Total	34,298,584	(18,637,928,768)	17,780,349,693	829,821,274	6,540,783

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 of Pakistan 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. It also includes staff retirement benefit funds of the above connected person / related parties.

Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, sales load and 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.

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:

Atlas Money Market Fund

		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	
16.1	Transactions for the period (Cont....)		
	Atlas Asset Management Limited (Management Company)		
	Remuneration of the Management Company	12,169,540	27,615,880
	Remuneration paid	14,608,329	26,914,504
	Sindh Sales Tax on Remuneration of the Management Company	1,582,040	3,590,064
	Issue of 50,059 (2020: 280,833) units	25,500,671	142,207,547
	Redemption of 298,251 (2020: 122,450) units	151,446,302	62,000,000
	Dividend declared	220,814	3,456,073
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration of the Trustee	6,786,791	5,381,889
	Sindh Sales Tax on remuneration of the Trustee	882,283	699,646
	Remuneration paid	7,213,539	4,998,409
	Atlas Battery Limited (Group Company)		
	Issue of 853 (2020: 1,009,197) units	431,742	510,688,710
	Redemption of 853 (2020: 1,009,197) units	433,990	511,616,721
	Dividend declared	4,105	11,648,152
	Batool Benefit Trust		
	Issue of 3,619 (2020: 81,716) units	1,831,448	41,432,300
	Redemption of 30,926 (2020: 8,064) units	15,700,000	4,091,961
	Dividend declared	2,136,431	1,515,089
	Atlas Fund of Funds (Fund under common management)		
	Issue of 276,939 (2020: 303,156) units	140,300,000	153,405,000
	Redemption of 274,966 (2020: 259,175) units	140,084,422	131,631,005
	Atlas Foundation (Group Company)		
	Issue of 5,101 (2020: 49,027) units	2,581,608	24,807,866
	Redemption of 70,785 (2020: 9,847) units	36,000,000	5,000,000
	Dividend declared	3,037,099	4,437,198
	Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)		
	Issue of 408,296 (2020: 2,714,884) units	206,634,127	1,376,205,466
	Dividend declared	243,091,664	84,374,632
	Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
	Issue of Nil (2020: 113) units	-	56,968
	Redemption of Nil (2020: 5,876) units	-	2,982,267
	Dividend declared	-	56,894
	Atlas Insurance Limited (Group Company)		
	Issue of nil (2020: 261,289) units	-	132,371,693
	Redemption of nil (2020: 479,618) units	-	242,710,940
	Dividend declared	-	2,374,310

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		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	
16.1	Transactions for the period (Cont....)		
	Atlas Metals (Private) Limited		
	Issue of 41,266 (2020: 90,019) units	20,959,120	45,607,169
	Redemption of 82,779 (2020: nil) units	42,100,000	-
	Dividend declared	2,302,692	568,542
	Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund		
	Issue of 4,890 (2020: 148,689) units	2,474,460	75,369,891
	Redemption of 154,318 (2020: Nil) units	78,621,649	-
	Dividend declared	2,474,460	-
	Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund		
	Issue of 4,300 (2020: 99,126) units	2,176,365	50,246,594
	Dividend declared	2,176,365	-
	Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
	Issue of 675 (2020: 466) units	341,441	235,502
	Dividend declared	341,441	235,283
	Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
	Issue of 445,998 (2020: 90,385) units	226,559,886	45,761,490
	Redemption of 666,710 (2020: 14,841) units	338,114,236	7,500,000
	Dividend declared	1,559,886	2,613,733
	Atlas Die Casting (Private) Limited (Group Company)		
	Issue of 2 (2020: 1) units	828	703
	Dividend declared	1,183	827
	Shirazi Investments (Private) Limited (Group Company)		
	Issue of 17,153 (2020: nil) units	8,678,342	-
	Redemption of 1,066,275 (2020: nil) units	541,183,647	-
	Dividend declared	8,161,418	22,237,341
	Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)		
	Issue of 15,073,813 (2020: 10,704,277) units	7,670,944,903	5,422,128,652
	Redemption of 16,144,974 (2020: 1,027,031) units	8,215,632,103	520,000,000
	Dividend declared	171,574,792	112,392,092
	Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
	Issue of nil (2020: 9,935) units	-	5,021,222
	Shirazi Investment (Private) Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
	Issue of nil (2020: 2,745) units	-	1,391,889
	Redemption of nil (2020: 30,610) units	-	15,491,157
	Dividend declared	-	386,783

Atlas Money Market Fund

		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
16.1	Transactions for the period (Cont....)	Note -----	Rupees -----
	Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
	Issue of 4,259 (2020: 4,853) units	2,155,390	2,452,376
	Redemption of 9,868 (2020: Nil) units	5,000,000	-
	Dividend declared	2,155,390	2,452,376
	Directors and their close family members and key management personnel of the Management Company	16.4	
	Issue of 77,689 (2020: 195,160) units	39,391,468	98,708,948
	Redemption of 337,052 (2020: 257,377) units	170,908,770	130,324,719
	Dividend declared	22,232,692	10,917,228
		31 December 2021	30 June 2021
		Un-audited	Audited
16.2	Balances outstanding as at period / year end	-----	Rupees -----
	Atlas Asset Management Limited (Management Company)		
	Remuneration payable to the Management Company	2,474,742	4,913,531
	Sindh Sales Tax payable on Remuneration of the Management Company	3,441,879	3,758,922
	Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
	Accounting and operational charges payable	-	1,277,724
	Outstanding 29,764 (30 June 2021: 277,956) units - at net asset value	15,104,501	140,611,520
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	850,778	1,277,526
	Sindh Sales Tax payable on Remuneration of the trustee	110,600	166,077
	Atlas Fund of Funds (Fund under common management)		
	Outstanding 1,973 (2021: Nil) units	1,001,249	-
	Atlas Metals (Private) Limited		
	Outstanding 111,436 (2021:152,948) units	56,551,040	77,372,860
	Atlas Foundation (Group Company)		
	Outstanding 122,260 (2021: 187,943) units - at net asset value	62,043,955	95,076,605
	Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)		
	Outstanding 11,900,441 (2021: 11,492,146) units - at net asset value	6,039,182,247	5,813,611,193
	Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund		
	Outstanding Nil (2021: 149,428) units	-	75,592,173
	Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund		
	Outstanding 106,926 (2021: 102,626) units	54,262,325	51,916,133
	Atlas Die Casting (Private) Limited (Group Company)		
	Outstanding 58 (2021: 56) - at net asset value	29,434	28,329

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	31 December 2021 Un-audited	30 June 2021 Audited
	----- Rupees -----	
16.2 Balances outstanding as at period / year end (Cont....)		
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 100,900 (2021: 106,509) units - at net asset value	51,204,278	53,880,443
Shirazi Investments (Private) Limited (Group Company)		
Outstanding nil (2021: 1,049,122) units - at net asset value	-	530,726,585
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 50,183 (2021: 117,461) units - at net asset value	25,466,643	137,039,523
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 16,775 (2021: 16,101) units - at net asset value	8,512,902	8,145,124
Batool's Benefit Trust (Trust having common Director / Trustee)		
Outstanding 85,766 (2021: 113,073) units - at net asset value	43,524,164	57,201,019
Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)		
Outstanding 10,075,527 (2021: 11,146,688) units - at net asset value	5,113,083,046	5,638,851,971
Directors and their close family members and key management personnel of the Management Company		
Outstanding 904,909 (2021: 1,324,489) units - at net asset value	459,219,383	670,028,547
Atlas Autos Limited		
Outstanding nil (2021:818,385) units	-	414,002,196
Atlas Energy Limited		
Outstanding nil (2021: 16,090) units	-	8,139,747
Atlas Engineering Limited		
Outstanding nil (2021:767,785) units	-	388,404,793

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

16.4 Other balances due to / from related parties / connected persons included in the respective notes to the condensed interim financial statements.

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 government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

The Fund did not hold any financial instruments carried at par value as at 31 December 2021. The fair values of all

Atlas Money Market Fund

other financial assets and liabilities of the Fund, approximate their carrying amounts due to short-term maturities of these instruments.

18 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

19 GENERAL

19.1 This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

19.3 Number of units have been rounded off to the nearest decimal place.

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 21 February 2022.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas 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

Bank Alfalah Limited

Atlas Liquid Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Liquid Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 28 February 2022

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Liquid Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Atlas Liquid Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		31 December 2021
	Note	----- Rupees -----
Assets		
Bank balances	4	2,023,851,694
Investments	5	-
Deferred formation cost	6	590,023
Prepaid and other receivables	7	1,797,145
Total assets		2,026,238,862
Liabilities		
Payable to Atlas Asset Management Limited - Management Company	8	944,113
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	113,968
Payable to the Securities and Exchange Commission of Pakistan	10	43,584
Payable against redemption of units	15	101,064
Accrued expenses and other liabilities	11	1,371,506
Total liabilities		2,574,235
NET ASSETS		2,023,664,627
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,023,664,627
CONTINGENCIES AND COMMITMENTS	12	Number of units
NUMBER OF UNITS IN ISSUE		4,047,329
		----- Rupees -----
NET ASSET VALUE PER UNIT		500.0000

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

		From 23 November 2021 To 31 December 2021	Note ----- Rupees -----
Income			
Profit on deposits with banks		11,236,159	
Capital gain on sale of investments at fair value through income statement - net		11,245,118	
Total income		22,481,277	
Expenses			
Remuneration of Atlas Asset Management Company - Management Company	8.1	348,673	
Sindh Sales Tax on remuneration of the Management Company	8.2	45,328	
Remuneration to the Central Depository Company of Pakistan Limited	9.1	119,856	
Sindh Sales Tax on remuneration of the Trustee	9.2	15,582	
Annual fee - Securities and Exchange Commission of Pakistan	10.1	43,584	
Auditor's remuneration		56,219	
Transaction Charges		565	
Amortization of preliminary expenses and floatation costs	6	12,546	
Annual Listing fee		18,653	
Legal and professional charges		10,500	
Bank charges		7,302	
Total expenses		678,808	
Net income for the period before taxation		21,802,469	
Taxation	14	-	
Net income for the period after taxation		21,802,469	
Allocation of net income for the period:			
Net income for the period after taxation		21,802,469	
Income already paid on units redeemed		-	
		21,802,469	
Accounting income available for distribution:			
- Relating to capital gains		11,245,118	
- Excluding capital gains		10,557,351	
		21,802,469	

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Liquid Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

	From 23 November 2021 To 31 December 2021 ----- Rupees -----
Net income for the period after taxation	21,802,469
Other comprehensive income for the period	-
Total comprehensive income for the period	21,802,469

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

	From 23 November 2021 To 31 December 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Issue of 4,922,246 units	2,461,123,000	-	2,461,123,000
Redemption of 874,917 units	(437,458,373)	-	(437,458,373)
Dividend Distributions	-	(21,802,469)	(21,802,469)
Total comprehensive income for the period	-	21,802,469	21,802,469
Net assets at end of the period (Units outstanding: 4,047,329) (Rs. 500.00 per unit)	2,023,664,627	-	2,023,664,627
Undistributed income carried forward			
- Realised income	-	-	-
- Unrealised income	-	-	-
	-	-	-

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Liquid Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

		From 23 November 2021 To 31 December 2021
	Note	-----Rupees-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation		21,802,469
Adjustments for:		
Interest income		(11,236,159)
Capital gain on sale of investments at fair value through income statement - net		(11,245,118)
Amortization of preliminary expenses and floatation costs		12,546
		(22,468,731)
Increase in assets		
Prepaid and other receivables		(1,797,145)
		(1,797,145)
Increase in liabilities		
Payable to Atlas Asset Management Company - Management Company		341,544
Payable to Central Depository Company of Pakistan Limited - Trustee		113,968
Payable to the Securities and Exchange Commission of Pakistan		43,584
Accrued expenses and other liabilities		1,371,506
		1,870,602
Interest received		11,236,159
Investments - net		11,245,118
Net cash generated from operating activities		21,888,472
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units		2,461,123,000
Cash Dividend Distribution		(21,802,469)
Payments against redemption of units	15	(437,357,309)
Net cash generated from financing activities		2,001,963,222
Net increase in cash and cash equivalents		2,023,851,694
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	2,023,851,694

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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

FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Liquid Fund (the Fund) is an open-ended Fund constituted under a trust deed registered dated 30 July 2021 under the Sindh Trust Act, 2020 entered into between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi. The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of the Fund and registered as a notified entity on 06 September 2021. SECP has approved this Offering Document on 07 September 2021.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. 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 since 23 November 2021, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 The objective of Atlas Liquid Fund (ALF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consist of money market instruments.
- 1.4 The management company may decide to distribute all net profit (after deducting all expenses of the Fund) on a periodic basis (that is Daily, Weekly, Monthly, Quarterly and Yearly) as dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management has distributed as dividend all the income earned by the Fund during the period to the unit holders on daily basis.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Management Company rating of AM2+ (stable outlook) on December 24, 2021 and Fund rating to AA(f) on 29 December 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
 - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
 - Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.
- 2.1.2 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 December 2021.

Atlas Liquid Fund

2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements 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 results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period

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in which the estimate is revised if the revision affects only that period, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the condensed interim financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as taxes recoverable as disclosed in notes 5.1 respectively.

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

b) Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Business model assessment

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

c) Subsequent Measurement

Debt instruments at fair value through profit or loss

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Given the objectives of the Fund, all investments have been classified as FVTPL.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Debt instruments at fair value through profit or loss

Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost. Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio.

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss. The Fund has not used this classification for its investment portfolio.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

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d) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

e) **Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

f) **Impairment of financial assets**

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

g) **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 **Cash and cash equivalents**

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

3.3 **Provisions**

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

3.4 **Issue and redemption of units**

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

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

3.5 **Distributions to unit holders**

Distribution to unit holders is recognised upon declaring and approval by the Distribution Committee of the

Atlas Liquid Fund

Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

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

3.6 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period.

3.7 Revenue recognition

- Interest income on bank balances, placements and deposits is recognised on effective yield basis.
- Gains or losses on sale of investments are included in the Income Statement in the period in which it arises.
- Unrealised appreciation / (loss) in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

3.8 Expenses

All expenses chargeable to the Fund including remuneration of Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.9 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 period 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 the fund's accounting income available for distribution by the period end, as cash dividend, to the unitholders.

3.10 Net asset value per unit

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

3.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

3.12 Preliminary expenses and floatation costs

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from November 23, 2021 in accordance with the Trust Deed and the NBFC Regulations.

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31 December
2021

Un-audited

----- Rupees -----

4 BANK BALANCES

In local currency

- Profit and loss sharing accounts

2,023,851,694

4.1 The rate of return on these profit and loss sharing accounts ranges between 8.60% to 11.1% per annum.

5 INVESTMENTS

5.1 Government securities - Market Treasury Bills

Instrument	As at 23 November 2021	Acquired during the period	Sold / matured during the period	As at 31 December 2021	Carrying value	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets
		----- Face value (Rupees) -----		----- (Rupees) -----		----- Percentage -----		
03 Months - T-bills	-	12,639,000,000	12,639,000,000	-	-	-	-	-
06 Months - T-bills	-	18,398,900,000	18,398,900,000	-	-	-	-	-
December 31, 2021	-	31,037,900,000	31,037,900,000	-	-	-	-	-

31 December
2021

Un-audited

----- Rupees -----

6 DEFERRED FORMATION COST

Opening balance

Formation cost

Less: Amortisation for the period

-

602,569

(12,546)

590,023

6.1 Formation cost represents expenditure incurred in connection with the establishment and registration of the Fund. These are being amortised over a period of five years commencing the date of initial offering in accordance with the Trust Deed of the Fund and the NBFC Regulations.

31 December
2021

Un-audited

----- Rupees -----

7 PREPAID AND OTHER RECEIVABLES

Prepaid listing fee

Prepaid legal and professional charges

Other receivables

Note

7.1

88,847

22,786

1,685,512

1,797,145

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 sections 151. However, several 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 withholders.

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

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Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor 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 cumulative amount of withholding tax deducted from profit on bank deposits by the banks has been shown as other receivable as at 31 December 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		31 December 2021 Un-audited
8 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED	Note	----- Rupees -----
- Management Company		
Remuneration of the Management Company	8.1	293,401
Sindh Sales Tax on remuneration of the Management Company	8.2	38,143
Initial deposit against account opening		10,000
Preliminary Expenses and Flotation Cost	6.1	602,569
		944,113

8.1 As per the section 61 of the NBFC Regulations, 2008, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio limit. The Management Company has charged management fee at the rate of 0.16% per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.

8.2 During the period, an amount of Rs. 45,328 was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 7,185 has been paid to the Management Company which acts as the collecting agent.

		31 December 2021 Un-audited
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY	Note	----- Rupees -----
Payable To Trustee	9.1	100,856
Sindh Sales Tax payable on trustee fee	9.2	13,112
		113,968

9.1 The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.055% p.a. of Net Assets based on the letter no. CCDC/CEO/L-259/01/2021 dated October 11, 2021 issued by CDC.

9.2 During the period, an amount of Rs. 15,582 was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2,470 was paid to the Trustee which acts as a collecting agent.

		31 December 2021 Un-audited
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees -----
Annual fees payable	10.1	43,584

10.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee equal to 0.02% of the average annual net assets of the Fund to the Securities and Exchange Commission of Pakistan (SECP).

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31 December
2021

Un-audited

----- Rupees -----

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable
Withholding tax payable

56,219
1,315,287
1,371,506

12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 December 2021.

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 0.32% which includes 0.05% representing government levies on the Fund such as provision for 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.

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 net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. 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. Since the management has distributed the income earned by the Fund during the period to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these condensed interim financial statements.

15 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audit 30-Jun-21	Cashflows Outflows	Non-Cash Changes		Un-audited 31-Dec-21
			Redemption of Unit	Dividend Distribution	
	----- Rupees -----				
Payable against redemption of units	-	(437,357,309)	437,458,373	-	101,064

16 EARNINGS PER UNIT

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

17 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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.

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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 as at the period are as follows:

	From 23 November 2021 To 31 December 2021 Un-audited ----- Rupees -----
17.1 Transactions during the period	
Atlas Asset Management Limited (Management Company)*	
Remuneration for the period	348,673
Sindh sales tax on remuneration of the Management Company	45,328
Remuneration paid	55,272
Formation cost	602,569
Central Depository Company of Pakistan Limited	
Remuneration of the Trustee	119,856
Sindh Sales Tax on remuneration of the Trustee	15,582
Remuneration paid	19,000
Atlas Group of Companies - Management Staff Gratuity Fund	
Issue of 200,166 units	100,083,003
Redemption of 200,166 units	100,083,003
Dividend Entitlement	83,003
Atlas Honda Limited	
Issue of 4,034,808 units	2,017,403,891
Dividend Entitlement	17,403,891
	31 December 2021 Un-audited ----- Rupees -----
17.2 Details of balances with related parties as at the period end are as follows:	
Atlas Asset Management Limited (Management Company)	
Remuneration payable to the management company	293,401
Sindh Sales tax payable on remuneration of the Management Company	38,143
Preliminary Expenses and Flotation Cost	590,023
Central Depository Company of Pakistan Limited (Trustee)	
Trustee fee payable	100,856
Sindh Sales tax payable on remuneration of trustee	13,112
Atlas Honda Limited	
Outstanding 4,034,808 units	2,017,403,996

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

18.1 Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest a majority of its assets in short-term instruments in order to maintain liquidity.

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As at the reporting date, Atlas Honda Limited - a related party held 4,033,745 units in issue which constitute 99.66% of the unitholders' Fund. This expose liquidity risk to redemption of major unitholder.

19. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

As disclosed in note 18, in case of redemption from major unitholder the Fund size will fall below the minimum limit of one hundred million rupees as per the requirement of NBFC Regulation.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The investments of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

The Fund did not hold any financial instruments carried at par value as at 31 December 2021. The fair values of all other financial assets and liabilities of the Fund, approximate their carrying amounts due to short-term maturities of these instruments.

21. IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

"During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation. "

22. GENERAL

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

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

22.3 This is the first year of operations of the Fund, hence there is no comparative information to report in these condensed interim financial statements.

23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 21 February 2022.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Corporate Information

Trustee

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

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

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

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TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Sovereign Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 28 February 2022

Atlas Sovereign Fund

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Sovereign Fund (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year then ended December 31, 2021. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Karachi: 28 February 2022

A.F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		December 31 2021 (Un-audited)	June 30 2021 (Audited)
	Note	----- (Rupees) -----	
Assets			
Bank balances	4	721,709,467	1,054,508,016
Receivable against sale of units		26,001	-
Investments	5	1,267,243,808	1,187,198,151
Mark-up receivable	6	23,485,598	19,723,378
Deposits, prepayments and other receivables	7	3,120,260	3,197,602
Total assets		2,015,585,134	2,264,627,147
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	2,535,299	2,767,104
Payable to Central Depository Company of Pakistan Limited - Trustee	9	105,577	135,046
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	223,684	431,255
Payable against redemption of units		-	1,611,019
Accrued expenses and other liabilities	11	802,143	34,369,690
Total liabilities		3,666,703	39,314,114
Net assets		2,011,918,431	2,225,313,033
Unit holders' fund (as per statement attached)		2,011,918,431	2,225,313,033
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		19,358,544	22,006,687
		----- (Rupees) -----	
Net asset value per unit		103.9292	101.1199

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended December 31,		For the Quarter Ended December 31,	
		2021	2020	2021	2020
Note		(Rupees)		(Rupees)	
Income					
	Interest income	94,374,104	84,302,973	46,194,499	41,848,927
	Capital (Loss) / gain on sale of investments - net	(2,251,653)	(2,384,555)	(3,769,328)	97,751
	Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	(30,899,188)	(9,052,932)	(21,746,829)	1,316,308
	Total income	61,223,263	72,865,486	20,678,342	43,262,986
Expenses					
	Remuneration of Atlas Asset Management Limited - Management Company	8.1	4,822,740	7,121,692	2,432,523
	Sindh sales tax on remuneration of the Management Company	8.2	626,958	925,820	316,230
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	676,165	691,287	287,755
	Sindh sales tax on remuneration of the Trustee	9.2	87,900	89,867	37,404
	Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		224,149	212,700	104,638
	Accounting and operational charges	8.4	1,840,138	1,807,989	1,046,384
	Annual rating fee		202,971	184,623	101,485
	Annual listing fee		13,863	13,863	6,931
	Securities transaction cost		107,585	-	107,585
	Auditors' remuneration		184,021	184,020	92,011
	Printing and stationery charges		41,862	9,716	41,862
	Legal and professional charges		42,900	65,780	10,500
	Bank and settlement charges		5,059	28,745	2,052
	Total operating expenses		8,876,311	11,336,102	4,587,360
	Net income from operating activities		52,346,952	61,529,384	16,090,982
	Reversal of provision for / (provision for) Sindh Workers' Welfare Fund	11.1	12,565,416	(1,230,587)	-
	Net income for the period before taxation		64,912,368	60,298,797	16,090,982
	Taxation	15	-	-	-
	Net income for the period after taxation		64,912,368	60,298,797	16,090,982
Allocation of net income for the period					
	Net income for the period after taxation		64,912,368	60,298,797	16,090,982
	Income already paid on units redeemed		(11,241,219)	(2,698,403)	(3,735,919)
			53,671,149	57,600,394	12,355,063
Accounting income available for distribution					
	- Relating to capital gains		-	-	-
	- Excluding capital gains		53,671,149	57,600,394	12,355,063
			53,671,149	57,600,394	12,355,063

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Ifitikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended December 31,		For the Quarter Ended December 31,	
	2021	2020	2021	2020
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	64,912,368	60,298,797	16,090,982	37,081,017
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	64,912,368	60,298,797	16,090,982	37,081,017

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021			31 December 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period (audited)	2,212,324,575	12,988,458	2,225,313,033	2,073,891,942	9,579,631	2,083,471,573
Issuance of 2,975,308 units (2020: 5,947,950 units)						
- Capital value	300,862,895	-	300,862,895	600,505,032	-	600,505,032
- Element of income	2,534,793	-	2,534,793	10,999,134	-	10,999,134
	303,397,688	-	303,397,688	611,504,166	-	611,504,166
Redemption of 5,623,451 units (2020: 3,495,060 units)						
- Capital value	(568,642,773)	-	(568,642,773)	(352,861,258)	-	(352,861,258)
- Element of loss	(1,820,666)	(11,241,219)	(13,061,885)	(495,904)	(2,698,403)	(3,194,307)
	(570,463,439)	(11,241,219)	(581,704,658)	(353,357,162)	(2,698,403)	(356,055,565)
Total comprehensive income for the period	-	64,912,368	64,912,368	-	60,298,797	60,298,797
	-	64,912,368	64,912,368	-	60,298,797	60,298,797
Net assets at the end of the period (un-audited)	1,945,258,824	66,659,607	2,011,918,431	2,332,038,946	67,180,025	2,399,218,971
Undistributed income brought forward comprising of :	--- (Rupees) ---			--- (Rupees) ---		
- Realised income		4,528,613			-	
- Unrealised income		8,459,845			9,579,631	
		12,988,458			9,579,631	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		53,671,149			57,600,394	
		53,671,149			57,600,394	
Undistributed income carried forward		66,659,607			67,180,025	
Undistributed income carried forward comprising of :						
- Realised income		99,144,359			39,710,489	
- Unrealised (loss) / income		(32,484,752)			27,469,536	
		66,659,607			67,180,025	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		101.1199			100.9600	
Net assets value per unit at end of the period		103.9292			103.9139	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the Half Year Ended December 31,	
	2021	2020
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	64,912,368	60,298,797
Adjustments for:		
Interest income	(94,374,104)	(84,302,973)
Loss on sale of investments - net	2,251,653	2,384,555
Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'	30,899,188	9,052,932
(Reversal of provision for) / provision for Sindh Workers' Welfare Fund	(12,565,416)	1,230,587
	(73,788,679)	(71,634,899)
(Increase) / decrease in assets		
Investments	(113,196,498)	647,774,067
Deposits, prepayments and other receivables	77,342	(180,629)
	(113,119,156)	647,593,438
Decrease in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(231,805)	(944,384)
Payable to Central Depository Company of Pakistan Limited - Trustee	(29,469)	(5,638)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(207,571)	(282,492)
Accrued expenses and other liabilities	(21,002,131)	(85,773,851)
	(21,470,976)	(87,006,365)
Mark-up received	90,611,884	45,664,324
Net cash (used in) / generated from operating activities	(52,854,559)	594,915,295
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received from issuance of units	303,371,687	412,672,830
Amount paid on redemption of units	(583,315,677)	(356,055,565)
Net cash (used in) / generated from financing activities	(279,943,990)	56,617,265
Net (decrease) / increase in cash and cash equivalents	(332,798,549)	651,532,560
Cash and cash equivalents at the beginning of the period	1,054,508,016	301,477,720
Cash and cash equivalents at the end of the period	721,709,467	953,010,280

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (the Fund) is an open-ended fund constituted by a trust deed entered into on August 19, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated May 23, 2017 and September 3, 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated March 24, 2015, August 3, 2015, June 23, 2016, October 13, 2016, June 2, 2017, April 18, 2018, August 20, 2018, October 8, 2019, October 30, 2019 and April 1, 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahra e Firdousi, Clifton, Karachi.
- 1.2 During the current period, the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The Fund was launched as "Money Market Scheme". Effective from January 2, 2019 the Funds' category was changed to "Income Scheme" with approval of the SECP. The Fund is listed on Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis from December 1, 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the Fund is to provide unit holders competitive returns by investing in low risk, liquid securities including investments in Government securities, bank deposits including TDRs, money market placements, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo transactions. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Management Company rating of AM2+ (stable outlook) on December 24, 2021 and the Fund rating of AA-(f) on October 15, 2021 (stable outlook).
- 1.6 The title to the assets of the Fund is 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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- Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard (IAS) 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 June 30, 2021.

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

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

- 3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting 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 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 periods 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 of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2021.

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 June 30, 2021.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

- 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

Atlas Sovereign Fund

		December 31 2021 (Un-audited)	June 30 2021 (Audited)
4 BANK BALANCES	Note	----- (Rupees) -----	-----
In saving accounts	4.1	<u>721,709,467</u>	<u>1,054,508,016</u>

4.1 The rate of return on these balances range from 9.60% to 11.10% (June 30, 2021: 5.5% to 8.25%) per annum.

		December 31 2021 (Un-audited)	June 30 2021 (Audited)
5 INVESTMENTS	Note	----- (Rupees) -----	-----
Financial assets 'at fair value through profit or loss'			
Market Treasury Bills	5.1	-	-
Pakistan Investment Bonds	5.2	1,168,229,738	1,162,799,909
Sukuk certificates - unlisted	5.2	40,000,000	-
Commerical papers	5.3	59,014,070	24,398,242
		<u>1,267,243,808</u>	<u>1,187,198,151</u>

5.1 Market Treasury Bills - at fair value through profit or loss

Particulars	Issue date	As at July 1, 2021	Acquired during the period	Sold / matured during the period	As at December 31, 2021	Amortised Cost as at December 31, 2021	Market Value as at December 31, 2021	Unrealised appreciation as at December 31, 2021	Market value as a percentage of	
									total Investments	Net assets
----- (Face value) -----						----- (Rupees) -----			----- age % -----	
3 Months T-bills		-	1,611,000,000	1,611,000,000	-	-	-	-	-	-
6 Months T-bills		-	2,187,000,000	2,187,000,000	-	-	-	-	-	-
12 Months T-bills		-	107,000,000	107,000,000	-	-	-	-	-	-
		-	3,905,000,000	3,905,000,000	-	-	-	-	-	-
June 30, 2021						-	-	-	-	-

5.2 Pakistan Investment Bonds - 'at fair value through profit or loss'

Particulars	Issue date	As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at December 31, 2021	Balance as at December 31, 2021			Market value as a percentage of	
						Carrying value	Market value	Unrealised (diminution) / appreciation	total investments	net assets
----- Face value -----						----- (Rupees) -----			----- age % -----	
3 Years PIB-fixed rate	September 19, 2019	195,500,000	495,500,000	341,000,000	350,000,000	350,920,447	344,436,065	(6,484,382)	27.18	17.12
3 Years PIB-floating rate	June 18, 2020	175,000,000	-	-	175,000,000	175,210,000	174,912,500	(297,500)	13.80	8.69
5 Years PIB-fixed rate	September 19, 2019	510,000,000	-	80,000,000	430,000,000	435,072,229	411,229,924	(23,842,305)	32.45	20.44
5 Years PIB-floating rate	June 18, 2020	162,500,000	-	-	162,500,000	162,678,750	162,516,250	(162,500)	12.82	8.08
10 Years PIB-fixed rate	December 10, 2020	50,000,000	-	50,000,000	-	-	-	-	-	-
10 Years PIB-floating rate	June 18, 2020	75,000,000	-	-	75,000,000	75,247,500	75,135,000	(112,500)	5.93	3.73
Total as at December 31, 2021						1,199,128,926	1,168,229,738	(30,899,187)	92.19	58.07
Total as at June 30, 2021						1,167,748,164	1,162,799,909	59,717,972		

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5.3 Sukuk certificates - unlisted - 'at fair value through profit or loss'

Name of Investee Company	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Balance as at December 31, 2021		Market value as a percentage of	
					Carrying value	Market value	total investments	net assets
----- Face value -----					----- (Rupees) -----		----- age % -----	
OBS AGP (PRIVATE) LIMITED - SUKUK CERTIFICATE	-	40,000,000	-	40,000,000	40,000,000	40,000,000	3.16	1.99
Total as at December 31, 2021					40,000,000	40,000,000	3.16	1.99
Total as at June 30, 2021					-	-	-	-

5.4 Commercial papers - 'at fair value through profit or loss'

Name of the security	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Balance as at December 31, 2021		Market value as a percentage of	
					Carrying value	Market value	total investments	net assets
----- Face value -----					----- (Rupees) -----		----- age % -----	
K-Electric Limited - ICP	25,000,000	-	25,000,000	-	-	-	-	-
Mughal Iron & Steel Industries Limited - ICP	-	62,000,000	-	62,000,000	59,014,070	59,014,070	4.66	2.93
Total as at December 31, 2021					59,014,070	59,014,070	4.66	2.93
Total as at June 30, 2021					24,398,242	24,398,242	-	-

5.5 Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'

	December 31 2021 (Un-audited)	June 30 2021 (Audited)
Market value of investments	1,267,243,808	1,187,198,151
Less: carrying value of investments	1,298,142,996	1,192,146,406
	(30,899,188)	(4,948,255)

6 MARK-UP RECEIVABLE

Mark-up receivable on:

- banks balances	51,023	538,566
- sukuk certificates - unlisted	814,737	-
- Pakistan investment bonds	22,619,838	19,184,812
	23,485,598	19,723,378

7 DEPOSITS AND OTHER RECEIVABLES

Advance tax	494,777	594,777
Deposit with Central Depository Company of Pakistan Limited (CDCPL)	102,825	102,825
Deposit with National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
Prepaid legal charges	22,658	-
	3,120,260	3,197,602

Atlas Sovereign Fund

8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	December 31 2021 (Un-audited)	June 30 2021 (Audited)
			----- (Rupees) -----	-----
	Remuneration payable to the Management Company	8.1	1,018,921	1,248,121
	Sindh sales tax payable on remuneration of the Management Company	8.2	271,294	297,284
	Federal excise duty payable on remuneration of the Management Company	8.3	905,341	905,341
	Accounting and operational charges payable	8.4	339,743	316,358
			2,535,299	2,767,104

8.1 During the current period, the Management Company has charged remuneration at the following rates:

From July 1, 2021 to November 30, 2021	0.40%
From December 01, 2021 to December 31, 2021	0.60%

Previously, the management fee was charged at the rate of 0.4% of average daily net assets of the Fund.

8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.905 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.05 (June 30, 2021: Re 0.04) per unit.

8.4 In accordance with Regulation 60 of NBFC regulations, the management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a collective investment scheme (CIS).

During the current period, the Management Company has charged expenses at the rate 0.4% of the average annual net assets of the Fund from July 1, 2021 to November 30, 2021 and 0.6% of the average annual net assets of the Fund from December 1, 2021 to December 31, 2021 for the current period. Previously, the Management Company has charged expenses at the rate 0.17% of the average annual net assets of the Fund.

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9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31 2021 (Un-audited)	June 30 2021 (Audited)
		(Rupees)	
		-----	-----
Remuneration payable to the Trustee	9.1	93,432	119,509
Sindh sales tax payable on remuneration of the Trustee	9.2	12,145	15,537
		105,577	135,046

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.065% from July 1, 2021 to September 30, 2021 and 0.055% from October 1, 2021 to December 31, 2021 (December 31, 2020: 0.065%) of average daily net assets of the Fund during the period.

9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	December 31 2021 (Un-audited)	June 30 2021 (Audited)
		(Rupees)	
		-----	-----
Annual fee payable	10.1	223,684	431,255

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the SRO No. 685(I)/2019 dated June 28, 2019 issued by SECP, the Fund has charged SECP fee at the rate of 0.02% (December 31, 2020: 0.02%) of average daily net assets of the Fund during the period.

11 ACCRUED AND OTHER LIABILITIES	Note	December 31 2021 (Un-audited)	June 30 2021 (Audited)
		(Rupees)	
		-----	-----
Auditors' remuneration payable		443,760	259,740
Annual rating fee payable		204,041	-
Withholding tax payable		129,242	16,760,259
Annual listing fee payable		12,530	-
Other payables		10,985	10,984
Settlement charges payable		1,217	1,204
CGT payable		368	1,830
Printing and stationery charges payable		-	2,071
Dividend payable		-	4,768,186
Provision for Sindh Workers' Welfare Fund	11.1	-	12,565,416
		802,143	34,369,690

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management

Atlas Sovereign Fund

companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

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

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

13 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2021 based on the current period results is 0.79% (December 31, 2020: 1.21%) which includes 0.08% (December 31, 2020: 0.12%) on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. The prescribed limit for the ratio is of 2% (December 31, 2020: 2%) under the NBFC Regulations for a collective investment scheme categorised as an "income scheme".

	Note	December 31 2021	December 31 2020
		Un-audited (Rupees)	
14 CASH AND CASH EQUIVALENTS			
Bank balances	4	721,709,467	1,704,809,989

15 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 available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute atleast 90% of the income to be earned by the Fund in cash during the year ending June 30, 2021 to the unit holders in the manner as explained above. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

16 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

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17 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

- 17.1** Connected persons / related parties include Atlas Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, 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.
- 17.2** Transactions with connected persons are executed on an arm's length basis and 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.
- 17.3** Remuneration of the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.4** Remuneration of the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.5** Details of transactions with connected persons / related parties during the period are as follows:

	For the Half Year Ended December 31,	
	2021 Un-audited ----- (Rupees) -----	2020 Un-audited -----
Atlas Asset Management Limited - Management Company		
Management remuneration	4,822,740	7,121,692
Remuneration paid	5,051,940	7,952,557
Sindh sales tax on remuneration of the Management Company	626,958	925,820
Accounting and operational charges payable	1,840,138	1,807,989
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Trustee	676,165	691,287
Remuneration paid	702,242	696,276
Sindh sales tax on remuneration of the Trustee	87,900	89,867
Atlas Foundation (Group Company)		
Issue of Nil (2020: 108,423) units	-	25,000,000
Atlas Honda Limited (Group Company)		
Issue of Nil (2020:49,072) units	-	5,005,257
Atlas Metals (Private) Limited (Group Company)		
Issue of 86,889 (2020:389,227) units	9,000,000	40,000,000
Redemption of 272,645 (2020: Nil) units	28,200,000	-
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 242,407 (2020: 187,565) units	25,000,000	19,000,000
Redemption of 281,384 (2020:343,763) units	29,000,000	35,000,000
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2020: 50,535) units	-	5,154,393
Redemption of 966,883 (2020: Nil) units	100,000,000	-

Atlas Sovereign Fund

	For the Half Year Ended December 31,	
	2021	2020
	Un-audited	Un-audited
	----- (Rupees) -----	
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issuance of nil (2020: 13,400) units	-	1,360,000
Redemption of nil (2020:102,284) units	-	10,552,020
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)		
Issuance of nil (2020:723,875) units	-	75,000,000
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)		
Issuance of nil (2020:1,171,461) units	-	120,000,000
Atlas Insurance (Group Company)		
Issuance of nil (2020: 986,539) units	-	100,000,000
Redemption of nil (2020: 1,813,662) units	-	184,784,214
Batools Benefit Trust		
Issuance of nil (2020: 181,492) units	-	18,500,000
Directors, their close family members and key management personnel of the Management Company		
Issuance of 36,931 (2021: 11,362) units	3,979,880	1,158,869
Redemption of 45,632 (2020: Nil) units	4,909,326	-

17.6 Details of balances outstanding at the period / year end with connected persons / related parties are as follows:

	December 31	June 30
	2021	2021
	(Un-audited)	(Audited)
	----- Rupees -----	
Atlas Asset Management Limited - Management Company		
Remuneration payable to the Management Company	1,018,921	1,248,121
Sindh sales tax payable on remuneration of the Management Company	271,294	297,284
Federal Excise Duty payable on remuneration of the Management Company	905,341	905,341
Accounting and operational charges payable	339,743	316,358
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	93,431	119,510
Sales tax	12,146	15,536
Atlas Foundation (Group Company)		
Outstanding units 937,187 (2021: 937,187) units-net asset value	97,400,991	94,768,256
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding units 585,755 (2021: 585,755) units	60,877,049	59,231,487
Atlas Honda Limited (Group Company)		
Outstanding units 10,751,988 (2021: 10,751,988) units	1,117,445,511	1,087,239,951

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	December 31 2021 (Un-audited) ----- Rupees -----	June 30 2021 (Audited) ----- Rupees -----
Shirazi Investments (Private) Limited (Group Company)		
Outstanding units 1,993,012 (2021: 2,959,895) units	207,132,143	299,304,286
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding units 858,598 (2021: 897,575) units - at net asset value	89,233,403	90,762,694
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)		
Outstanding units 1,988,000 (2021: 1,988,000) units - at net asset value	206,611,250	201,026,361
Atlas Metals (Private) Limited (Group Company)		
Outstanding units 323,287 (2021: 509,042) units - at net asset value	33,598,959	51,474,276
Batools Benefit Trust (Group Company)		
Outstanding units 190,986 (2021: 190,986) units - at net asset value	19,849,022	19,312,485
Directors, their close family members and key management Personnel and executive of the Management Company		
Outstanding units 757,926 (2021: 814,723) units at - net asset value	78,770,643	82,384,708

*This reflects position of related parties as at December 31, 2021.

18 FAIR VALUE MEASUREMENT

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

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

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

18.1 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Atlas Sovereign Fund

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2021 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Pakistan Investment Bonds	-	1,168,229,738	-	1,168,229,738
Sukuk certificates - unlisted	-	40,000,000	-	40,000,000
Commerical papers*	-	59,014,070	-	59,014,070
	-	1,267,243,808	-	1,267,243,808
	As at June 30, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Pakistan Investment Bonds	-	1,162,799,909	-	1,162,799,909
Sukuk certificates - unlisted	-	-	-	-
Commerical papers*	-	24,398,242	-	24,398,242
	-	1,187,198,151	-	1,187,198,151

* The valuation of commercial paper has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 as the residual maturity of this investment is upto six months and are placed with counterparties which have high credit rating.

19 GENERAL

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

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

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 21 February 2022 by the Board of Directors of the Management Company.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Ifitikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

Atlas Income Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Income Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 28 February 2022

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Income Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2021.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
Assets			
Bank balances	4	1,276,590,996	2,146,464,962
Investments	5	2,599,906,282	2,383,532,812
Receivable against Margin Trading System		-	527,223,489
Interest / profit accrued	6	49,910,921	45,277,174
Deposits, prepayment and other receivables	7	43,182,341	56,721,155
Total assets		3,969,590,540	5,159,219,592
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	30,583,394	32,526,165
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	316,682	353,377
Payable to the Securities and Exchange Commission of Pakistan	10	522,843	853,312
Payable against redemption of units	17	1,669,781	1,374,017
Payable against purchase of investment		-	18,957,296
Dividend payable		69,123	32,852,713
Accrued expenses and other liabilities	11	11,129,797	83,871,854
Total liabilities		44,291,621	170,788,734
NET ASSETS		3,925,298,919	4,988,430,858
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,925,298,919	4,988,430,858
CONTINGENCIES AND COMMITMENTS	12		
		-----Number of units-----	
NUMBER OF UNITS IN ISSUE		7,234,794	9,546,130
		-----Rupees-----	
NET ASSET VALUE PER UNIT		542.5585	522.5605

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2021	2020	2021	2020
	Note	Rupees			
Income					
Interest income	14	215,019,891	173,933,231	109,530,968	69,777,705
Capital (loss) / gain on sale of investments - net		(1,873,879)	1,996,839	(10,424,765)	(374,239)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(33,541,651)	(4,157,397)	(28,964,349)	7,145,246
		(35,415,530)	(2,160,558)	(39,389,114)	6,771,007
Total income		179,604,361	171,772,673	70,141,854	76,548,712
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	13,631,174	19,622,336	6,988,442	10,347,997
Sindh Sales Tax on remuneration of the Management Company	8.2	1,772,053	2,550,904	908,498	1,345,240
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,960,660	1,471,674	964,250	776,099
Sindh Sales Tax on remuneration of the Trustee	9.2	254,886	191,318	125,353	100,893
Annual fees to the Securities and Exchange Commission of Pakistan		522,842	392,446	257,133	206,959
Accounting and operational charges	13	4,344,613	3,335,794	2,571,334	1,759,157
Auditors' remuneration		368,476	289,620	184,229	105,382
Annual rating fee		263,673	239,806	131,837	129,987
Annual listing fee		13,938	13,863	7,007	6,932
Securities transaction cost		2,333,240	1,814,587	982,261	1,223,143
Printing and postage charges		43,930	17,325	43,930	17,325
Legal and professional charges		487,557	155,760	287,190	105,000
Bank charges		13,467	36,162	3,566	26,108
(Reversal) / Provision for Sindh Workers' Welfare Fund	11.1	(44,638,021)	2,832,822	-	1,207,970
Total expenses		(18,627,511)	32,964,417	13,455,031	17,358,192
Net income for the period before taxation		198,231,872	138,808,256	56,686,823	59,190,520
Taxation	16	-	-	-	-
Net income for the period after taxation		198,231,872	138,808,256	56,686,823	59,190,520
Allocation of net income for the period:					
- Net income for the period		198,231,872	138,808,256	56,686,823	59,190,520
- Income already paid on units redeemed		(82,086,027)	(2,896,476)	(56,686,823)	(686,218)
		116,145,845	135,911,780	-	58,504,302
Accounting income available for distribution:					
- Relating to capital (loss) / gains		-	-	-	6,771,007
- Excluding capital gains		116,145,845	135,911,780	-	51,733,295
		116,145,845	135,911,780	-	58,504,302

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2021	2020	2021	2020
	----- Rupees -----			
Net income for the period after taxation	198,231,872	138,808,256	56,686,823	59,190,520
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	198,231,872	138,808,256	56,686,823	59,190,520

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021		
	Capital value	Undistributed income	Net assets
	----- Rupees -----		
Capital value	4,773,825,599	-	4,773,825,599
Undistributed income brought forward			
- Realised income	-	185,109,189	185,109,189
- Unrealised gain	-	29,496,070	29,496,070
Net assets at the beginning of the period (Units outstanding: 9,546,130) (Rs. 522.5605 per unit)	4,773,825,599	214,605,259	4,988,430,858
Issue of 3,514,347 units	1,873,830,307	-	1,873,830,307
Redemption of 5,825,681 units	(3,053,108,091)	(82,086,027)	(3,135,194,118)
Total comprehensive income for the period	-	198,231,872	198,231,872
Net assets at end of the period (Units outstanding: 7,234,794) (Rs. 542.5585 per unit)	3,594,547,815	330,751,104	3,925,298,919
Undistributed income carried forward			
- Realised income	-	359,429,553	-
- Unrealised loss	-	(28,678,449)	-
	-	330,751,104	-

	31 December 2020		
	Capital value	Undistributed income	Net assets
	----- Rupees -----		
Capital value	3,527,040,520	-	3,527,040,520
Undistributed income brought forward			
- Realised income	-	104,252,481	104,252,481
- Unrealised loss	-	84,161,042	84,161,042
Net assets at the beginning of the period (Units outstanding: 7,151,571) (Rs. 519.53 per unit)	3,527,040,520	188,413,523	3,715,454,043
Issue of 4,394,113 units	2,325,110,204	-	2,325,110,204
Redemption of 3,819,953 units	(2,013,688,757)	(2,896,476)	(2,016,585,233)
Total comprehensive income for the period	-	138,808,256	138,808,256
Net assets at end of the period (Units outstanding: 7,725,731) (Rs. 538.8212 per unit)	3,838,461,967	324,325,303	4,162,787,270
Undistributed income carried forward			
- Realised income	-	335,984,082	-
- Unrealised income	-	(11,658,779)	-
	-	324,325,303	-

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		For the Half Year Ended	
		31 December	
		2021	2020
Note		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Net income for the period before taxation	198,231,872	138,808,256
	Adjustments for:		
	Interest income	(215,019,891)	(173,933,231)
	Capital loss / (gain) on sale of investments - net	1,873,879	(1,996,839)
	Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	33,541,651	4,157,397
	(Reversal) / Provision for Sindh Workers' Welfare Fund	(44,638,021)	2,832,822
		(224,242,382)	(168,939,851)
	Decrease / (increase) in assets		
	Receivable against Margin Trading System	527,223,489	(485,814,200)
	Deposits, prepayment and other receivables	13,538,814	101,582
		540,762,303	(485,712,618)
	Decrease in liabilities		
	Payable to Atlas Asset Management Limited - Management Company	(1,942,771)	559,865
	Payable to the Central Depository Company of Pakistan Limited - Trustee	(36,694)	80,568
	Payable to the Securities and Exchange Commission of Pakistan	(330,469)	(273,318)
	Payable against purchase of investment	(18,957,296)	-
	Dividend payable	(32,783,589)	(291,471,122)
	Accrued expenses and other liabilities	(28,104,036)	(63,076,109)
		(82,154,855)	(354,180,116)
		432,596,938	(870,024,329)
	Interest received	210,386,144	132,181,029
	Investments made during the period	(8,736,288,457)	(5,673,567,784)
	Investment sold / redeemed / matured during the period	8,484,499,457	4,811,255,272
	Net cash (used in) from operating activities	(41,402,856)	(1,600,155,812)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Net receipts from issuance of units	1,873,830,307	2,325,110,204
	Net payments against redemption of units	(3,134,898,355)	(2,016,415,460)
	Net cash (used in) / generated from financing activities	(1,261,068,048)	308,694,744
	Net decrease in cash and cash equivalents	(869,873,966)	(1,291,461,068)
	Cash and cash equivalents at the beginning of the period	2,146,464,962	1,318,246,149
	Cash and cash equivalents at the end of the period	4 1,276,590,996	26,785,081

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelveth, Thirteenth and Fourteen Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016, 29 September 2016, 2 June 2017, 2 October 2019, 30 October 2019 and 01 April 2020 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2021 and maintained stability rating of the Fund to AA-(f) on 15 October 2021.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
 - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Atlas Income Fund

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed; and
- Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.

2.1.4 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 December 2021.

2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023

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Standards, interpretations and amendments	Effective date
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements 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 results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 11.1 and 7.1 respectively.

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

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3.2 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 2021.

		31 December 2021 Un-audited	30 June 2021 Audited
4	Bank Balances	Note	Rupees
	In local currency		
	- Profit and loss sharing accounts	4.1	1,276,352,796
	- Current account		5,000
	- Cheques in hand	4.2	233,200
			1,276,590,996
			2,145,467,153
			5,000
			992,808
			2,146,464,962

4.1 The rate of return on these accounts ranges between 5.5% and 11.1% (30 June 2021: 5.50% and 7.95%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 11 January 2022 (30 June 2021: 28 July 2021).

		31 December 2021 Un-audited	30 June 2021 Audited
5	Investments	Note	Rupees
	At fair value through profit or loss		
	Term finance certificates - listed	5.1	37,842,085
	Term finance certificates - unlisted	5.2	304,250,177
	Sukuk certificates	5.3	110,000,000
	Government securities - Market Treasury Bills	5.4	-
	Government securities - Pakistan Investment Bonds	5.5	1,746,935,114
	Commercial papers	5.6	400,878,905
	Investment in ordinary shares	5.8	-
	Investment in Future contracts		-
			2,599,906,282
			2,383,532,812

5.1 Term finance certificates - listed

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

Name of the Investee Company	Note	As at 01 July 2021	Purchased during the period	Disposed / matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of Total Investment	Market value as a percentage of net assets	Investments as a percentage of total issue size
BANKS										
			Number of certificates			Rupees		age %		
Soneri Bank Limited (face value of Rs. 4,990 per certificate)		7,428	-	-	7,428	37,050,864	37,842,085	1.46	0.96	1.24
TELECOMMUNICATION										
Telecard Limited	5.7.1	4,000	-	-	4,000	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-	-	-	-
Total as at 31 December 2021						37,050,864	37,842,085	1.46	0.96	1.24
Total as at 30 June 2021						36,825,928	37,058,292	1.55	0.74	1.24

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5.1.1 The terms and conditions of listed term finance certificates outstanding as at 31 December 2021 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
BANKS					
Soneri Bank Limited	A+	8 years	Semi-annually	July 2023	6 month KIBOR + 1.35%
TELECOMMUNICATION					
Telecard Limited	NPA	15 years	Semi-annually	Dec 2020	3 month KIBOR
PERSONAL GOODS					
Azgard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%

5.2 Term finance certificates - unlisted

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

Name of the Investee Company	Note	As at 01 July 2021	Issued during the period	Disposed/ matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
		----- Number of certificates -----				----- Rupees -----		----- age % -----		
BANKS										
The Bank of Punjab Limited - TFC (Face Value Rs. 99,820)		527	-	-	527	53,120,555	54,777,276	2.11	1.40	2.11
Askari Bank Limited - TFC VII (Face Value Rs. 1,000,000)		150	-	-	150	150,671,100	151,500,000	5.83	3.86	2.50
Samba Bank Limited TFC (Face Value Rs. 99,980)		950	-	-	950	94,981,000	97,972,902	3.77	2.50	1.90
CHEMICALS										
Agri-tech Limited- I	5.7.1	2,000	-	-	2,000	-	-	-	-	-
Agri-tech Limited - II	5.7.1	8,000	-	-	8,000	-	-	-	-	-
Agri-tech Limited- IV	5.7.1	2,203	-	-	2,203	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited-VI (Face Value Rs. 5,000)	5.7.1	-	1,208	-	1,208	-	-	-	-	-
Azgard Nine Limited-VII (Face Value Rs. 5,000)	5.7.1	-	2,770	-	2,770	-	-	-	-	-
Total as at 31 December 2021						298,772,655	304,250,177	11.71	-	6.51
Total as at 30 June 2021						295,049,779	298,812,248	12.54	5.99	4.80

5.2.1 The terms and conditions of unlisted term finance certificates outstanding as at 31 December 2021 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
BANKS					
The Bank of Punjab Limited	AA	10 years	Semi-annually	Dec 2026	6 month KIBOR + 1.00%
Askari Bank Limited - VII	AA	10 years	Quarterly	Mar 2030	3 month KIBOR + 1.20%
Samba Bank Limited TFC	AA-	10 years	Semi-annually	Mar 2031	6 month KIBOR +1.35%
CHEMICALS					
Agri-tech Limited - I	NPA	7 years	Semi-annually	Nov 2014	6month KIBOR + 1.75%
Agri-tech Limited - II	NPA	7 years	Semi-annually	Jan 2015	6month KIBOR + 1.75%
Agri-tech Limited - IV	NPA	3.5 years	Semi-annually	Jan 2015	-
PERSONAL GOODS					
Azgard Nine Limited - VI	NPA	7 years	Annually / Quarterly with 2 year grace period	April 2028	5%
Azgard Nine Limited - VII	NPA	10 years	At maturity	Mar 2031	Zero Coupon

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5.3 Sukuk certificates

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

Name of the Investee Company	As at 01 July 2021	Purchased during the period	Disposed/ matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
----- Number of certificates ----- Rupees ----- age % -----									
Unlisted									
FERTILIZERS									
Agritech Limited (note 5.6.1)	4,060	-	-	4,060	-	-	-	-	-
BANKS									
Meezan Bank Limited Tier - II - Unlisted (Face value of Rs. 1,000,000 per certificate)	47	-	47	-	-	-	-	-	-
Pharmaceutical									
OBS AGP Private Limited Sukuk Certificates (note 5.3.2) (Face Value Rs. 100,000)	-	1,100	-	1,100	110,000,000	110,000,000	4%	3%	-
Listed									
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited (face value of Rs. 100,000 per certificate)	1,500	-	1,500	-	-	-	-	-	-
Total as at 31 December 2021					110,000,000	110,000,000	-	-	-
Total as at 30 June 2021					201,392,200	201,665,984			

5.3.1 The terms and conditions of sukuk certificates as at 31 December 2021 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return	Rating
OBS AGP Private Limited	NPA	7 years	Semi-annually	Aug 2015	6 month KIBOR + 2.00%	NPA

5.3.2 OBS AGP Private Limited Sukuk have been measured at their initial investment value, as their market values are not available at MUFAP.

5.4 Government securities - Market Treasury Bills

Tenor	As at 01 July 2021	Purchased during the period	Disposed/ matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
----- Face Value (Rupees) ----- Rupees ----- age % -----								
3 months	400,000,000	4,778,250,000	5,178,250,000	-	-	-	-	-
6 months	-	1,723,000,000	1,723,000,000	-	-	-	-	-
12 months	-	355,000,000	355,000,000	-	-	-	-	-
Total as at 31 December 2021	400,000,000	6,856,250,000	7,256,250,000	-	-	-	-	-
Total as at 30 June 2021					396,954,566	396,979,395		

5.4.1 Market treasury bills carry nil average purchase yield (30 June 2021: 7.33% to 7.34%) per annum. The cost of these investments as on 31 December 2021 is nil (30 June 2021: Rs. 393,356,100) and were issued between 15-July-2021 and 30-December-2021.

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5.5 Government securities - Pakistan Investment Bonds

Tenor	As at 01 July 2021	Purchased during the period	Disposed / matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	Face Value (Rupees)				Rupees		age %	
3 Years - Fixed	439,000,000	1,485,000,000	674,000,000	1,250,000,000	1,252,730,290	1,230,128,802	47.31	31.34
3 Years - Floating	50,000,000	-	-	50,000,000	50,060,000	49,975,000	1.92	1.27
5 Years - Fixed	540,000,000	-	235,000,000	305,000,000	308,597,715	291,686,312	11.22	7.43
5 Years - Floating	100,000,000	-	-	100,000,000	100,110,000	100,010,000	3.85	2.55
10 Years - Fixed	100,000,000	-	100,000,000	-	-	-	-	-
10 Years - Floating	75,000,000	-	-	75,000,000	75,247,500	75,135,000	2.89	1.91
Total as at 31 December 2021	1,304,000,000	1,485,000,000	1,009,000,000	1,780,000,000	1,786,745,505	1,746,935,114	67.19	44.50
Total as at 30 June 2021					1,282,786,465	1,277,512,883		

5.5.1 Pakistan Investment Bonds carry purchase yield ranging from 8.12% to 9.68% (30 June 2021: 7.83% to 9.78%) per annum, were issued between 19 September 2019 and 18 June 2020 and will mature between 19 September 2022 and 18 June 2030 (30 June 2021: 10 December, 2030). The cost of these investments as on 31 December 2021 is Rs. 1,786,137,680 (30 June 2021: Rs. 1,259,749,272).

5.6 Commercial Papers

(Certificates having a face value of Rs. 100,000 each unless stated otherwise)

Name of investee company	As at 01 July 2021	Purchased during the year	Disposed / matured during the year	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	Number of Certificates				Rupees		age %	
K-Electric Islamic commercial paper (ICP-18)	-	25	-	25	-	-	-	-
K-Electric Islamic commercial paper (ICP-21)	-	150	-	150	147,353,022	147,353,022	5.67	3.75
Lucky Electric Power Company Limited - ICP	-	200	-	200	193,559,973	193,559,973	7.44	4.93
Mughal Iron & Steel Industries Limited - CP	-	63	-	63	59,965,910	59,965,910	2.31	1.53
Total as at 31 December 2021	-	438	-	438	400,878,905	400,878,905	15.42	10.21

5.6.1 The nominal value of these commercial papers is Rs. 1,000,000 per certificate with 8.08% to 9.62% expected profit rate. These commercial papers will mature between 25 March 2022 and 21 July 2022.

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

5.7 Particulars of non-compliant investments

5.7.1 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

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minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The following are the details of non-compliant investments:

Non-compliant investment	Type of investment	Principal Value	Valuation Loss	Value of Investment before Provision	Provision held	Value of Investment after provision	Percentage of		Suspended Mark up	Payments after declared NPA/ Financial Structuring	Payment after June 30, 2021
							Net assets	Gross assets			
<div>-----Rupees-----</div> <div>%</div> <div>%</div> <div>-----Rupees-----</div>											
Listed											
Azgard Nine Limited *	TFC	1,939,735	-	1,939,735	1,939,735	-	-	-	65,632	1,920,683	-
Telecard Limited	TFC	6,225,320	1,556,330	4,668,990	4,668,990	-	-	-	2,280,156	769,931	-
		8,165,055	1,556,330	6,608,725	6,608,725	-	-	-	2,345,788	2,690,614	-
Agritech Limited-I	TFC	9,992,000	2,498,000	7,494,000	7,494,000	-	-	-	11,503,758	2,154,995	-
Agritech Limited-II	TFC	39,968,000	9,992,000	29,976,000	29,976,000	-	-	-	44,837,424	5,915,011	-
Agritech Limited-IV	TFC	11,015,000	-	11,015,000	11,015,000	-	-	-	-	-	-
Azgard Nine Limited-VI	TFC	6,040,000	-	6,040,000	6,040,000	-	-	-	204,366	-	-
Azgard Nine Limited-VII	TFC	13,850,000	-	13,850,000	13,850,000	-	-	-	-	-	-
		80,865,000	12,490,000	68,375,000	68,375,000	-	-	-	56,545,548	8,070,006	-
Unlisted											
Agritech Limited	Sukuk	20,300,000	5,075,000	15,225,000	15,225,000	-	-	-	23,481,623	4,543,391	-
As at 31 December 2021 (Un-audited)		109,330,055	19,121,330	90,208,725	90,208,725	-	-	-	82,372,959	15,304,011	-
As at 30 June 2021				81,888,584	81,888,584						

- 5.7.2

The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs. 90.21 million (30 June 2021: Rs 81.89 million), has been made in accordance with the provisioning requirements specified by the SECP.
- 5.7.3

During the FY 2012-13, the Fund received zero coupon term finance certificates of Azgard Nine Limited having face value of Rs. 5,375,000. These TFCs were received against outstanding mark-up of Azgard Nine Limited's TFCs payable as of 31 March 2012.
- 5.7.4

Atlas Income Fund (AIF) has opted for Option C (of Creditors' Scheme of Arrangement as approved by Lahore High Court (LHC) was implemented from April 29, 2021), which is no waiver of principal or mark-up amount amongst other options available i.e. Option A (waiver of principal and mark-up amount) and Option B (no waiver of principal and but waiver of mark-up amount). AIF hold TFC of Rs.13,509,594 (fully provided for) at face value out of which TFC valuing Rs. 5,375,000 are Zero Coupon TFCs received through conversion of overdue mark-up up till March 31, 2012. Furthermore, accrued mark-up as at April 29, 2021 stands at Rs. 8,479,650.

Settlement of Accrued Markup and Zero Coupon PPTFC: During the period, total accrued mark-up till April 29, 2021 of Rs. 13,850,000 is converted into zero coupon secured PPTFC (2,770 certificates having face value of Rs. 5,000) having one time bullet payment on 10th anniversary of the issuance date (i.e. April 28, 2031) as per the arrangement. Following are the details of the option selected by AIF:

Description	Amount
	----- Rupees -----
Outstanding Markup	8,479,650
Zero Coupon PPTFC	5,375,000
Payment received	(4,650)
New Zero Coupon PPTFC	13,850,000

Settlement of Principal Amount: During the period, Principal portion is converted into Sub PPTFC (1,208 certificates having face value of Rs. 5,000) with repayment period of 7 years having 2 years of Grace period while remaining amount of Rs. 1,939,375 will be paid against the sale of Muzaffargah Unit, both accruing annual markup at 5% p.a.

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Description

Amount

----- Rupees -----

Outstanding Principal

8,134,594

Payment Received by AIF post settlement of Markup for option A & B creditors and Principal amount for option A creditors from cash proceeds of right issue and sale of Ferozepur property.

(154,858)

Payment against sale of Muzaffargah Unit (within 2 years) *

(1,735,255)

Payment to be made by ANL on future date from internal sources *

(204,480)

(1,939,735)

Issuance of Sub PPTFC

6,040,000

The instrument will continue to remain non-performing as per the provisioning policy for non-performing exposure of collective investment scheme dated February 12, 2013 which states that "The terms and conditions of rescheduled/restructured debt security are fully met for a period of at least one year"

5.8 Listed equity securities - Spread Transactions

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

Name of Investee Company	As at 01 July 2021	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 31 December 2021	Carrying Cost	Market Value	Market Value as a Percentage of total investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
----- Number of shares -----						----- Rupees -----		----- age % -----		
Cement										
D.G. Khan Cement Company Limited	332,500	787,500	-	1,120,000	-	-	-	-	-	-
Fauji Cement Company Limited	127,000	-	-	127,000	-	-	-	-	-	-
Lucky Cement Limited	-	29,000	-	29,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	1,427,000	3,466,000	-	4,893,000	-	-	-	-	-	-
						-	-	-	-	-
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	-	5,000	-	5,000	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	117,000	-	-	117,000	-	-	-	-	-	-
						-	-	-	-	-
Oil and Gas Exploration Companies										
Oil and Gas Development Company Limited	-	400,000	-	400,000	-	-	-	-	-	-
Pakistan Petroleum Limited	7,500	-	-	7,500	-	-	-	-	-	-
						-	-	-	-	-
Engineering										
International Steels Limited	-	1,000,000	-	1,000,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	90,000	90,000	-	180,000	-	-	-	-	-	-
						-	-	-	-	-
Transport										
Pakistan International Bulk Terminal Limited	738,500	50,000	-	788,500	-	-	-	-	-	-
						-	-	-	-	-
Technology and Communications										
Pakistan Telecommunication Company Limited	200,000	-	-	200,000	-	-	-	-	-	-
						-	-	-	-	-
Fertilizer										
Engro Fertilizers Limited	100,000	-	-	100,000	-	-	-	-	-	-
						-	-	-	-	-
Chemicals										
Lotte Chemical Pakistan Limited	32,500	44,500	-	77,000	-	-	-	-	-	-
						-	-	-	-	-
Foods and Personal Care Products										
Unity Foods Limited	-	1,918,001	-	1,918,001	-	-	-	-	-	-
						-	-	-	-	-
Total as at 31 December 2021						-	-	-	-	-
Total as at 30 June 2021						144,061,078	143,201,863	6.01	2.87	

5.8 The cost of listed equity securities as at 31 December 2021 is nil (30 June 2021: 144,061,078).

Atlas Income Fund

		31 December 2021 Un-audited	30 June 2021 Audited
6 INTEREST / PROFIT ACCRUED	Note	----- Rupees -----	-----
Interest / profit on:			
Savings and term deposits		662,500	11,784,176
Margin Trading System		-	1,445,307
Term finance certificates		5,339,333	4,998,463
Pakistan Investment Bonds		41,650,425	24,182,681
Sukuk certificates		2,258,664	2,866,548
		49,910,921	45,277,174

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	2,750,000
Margin Deposit - Futures		32,661,957	47,681,770
Prepaid legal and professional charges		1,480,999	-
Other receivables	7.1	6,189,385	6,189,385
		43,182,341	56,721,155

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, 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 December 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		31 December 2021 Un-audited	30 June 2021 Audited
8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	----- Rupees -----	-----
Remuneration of the Management Company	8.1	2,427,130	4,169,613
Sindh Sales Tax payable on remuneration of the Management Company	8.2	3,838,225	4,064,748
Federal Excise Duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable	13	735,068	708,833
		30,583,394	32,526,165

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- 8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 1.00% of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.
- 8.2 During the period, an amount of Rs. 1,772,053 (2020: Rs. 2,550,904) 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. 1,998,575 (2021: Rs. 2,494,919) 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 year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 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 2021: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Has the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 31 December 2021 would have been higher by Rs. 3.26 per unit (30 June 2021: Rs 2.47 per unit).

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY	Note	31 December 2021 Un-audited	30 June 2021 Audited
		----- Rupees -----	----- Rupees -----
Trustee fee payable	9.1	280,053	312,722
Sindh sales tax payable on trustee fee		36,629	40,654
		316,682	353,377

- 9.1 The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% (2021: 0.075%) per annum of the average annual net Net Assets of the Fund based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC.
- 9.2 During the period, an amount of Rs. 254,886 (2020: Rs. 191,318) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 258,911 (2020: Rs 187,120) was paid to trustee which acts as collecting agent.

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		31 December 2021 Un-audited	30 June 2021 Audited
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees -----	-----

Annual fees payable	10.1	522,843	853,312
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10.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% of net assets per annum.

		31 December 2021 Un-audited	30 June 2021 Audited
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- Rupees -----	-----

Auditors' remuneration payable		371,236	488,258
NCCPL charges payable		385,329	147,733
Printing charges payable		4,263	4,263
Brokerage payable		56,558	3,631,447
Zakat payable		5,167	5,167
Withholding tax payable		127,539	34,002,269
Capital gain tax payable		9,567,768	220,353
Provision for Sindh Workers' Welfare Fund	11.1	-	44,638,021
Fund rating fee payable		265,089	-
Annual listing fee		12,506	-
Legal and professional charges payable		-	400,000
Other payable		334,343	334,343
		11,129,797	83,871,854

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

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 44.64 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

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12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 December 2021 and on 30 June 2021.

13 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management company has charged expense at the rate of 0.12% from July 01, 2021 to September 14, 2021 and 0.2 % from September 15, 2021 to 31 December 2021 of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

	Note	For the Half Year Ended		For the Quarter Ended	
		31 December		31 December	
		2021	2020	2021	2020
		Un-audited		Un-audited	
		Rupees		Rupees	
14 INTEREST INCOME					
Interest on:					
Saving and term deposits		64,376,895	13,324,754	30,091,274	2,985,318
Margin Trading System		14,253,209	24,210,011	2,575,314	8,712,508
Term finance certificates	14.1	15,098,850	31,249,947	7,671,326	12,843,877
Sukuk certificates		7,462,283	15,725,800	3,298,476	7,258,097
Government Securities		104,933,732	89,422,719	56,999,656	37,977,905
Commercial Papers		8,894,921	-	8,894,921	-
		215,019,891	173,933,231	109,530,968	69,777,705

14.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. nil (31 December 2020: Rs.Nil million). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 80.45 million (31 December 2020: Rs. 80.45 million) based on outstanding principal has not been recognised during the period.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 1.00% (30 June 2021: 1.79%) which includes 0.10% (30 June 2021: 0.29%) representing government levies on the Fund such as provision for sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

16 TAXATION

16.1 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% net accounting income other than capital gains to the unit holders. 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. The Fund has not recorded tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised).

16.2 On December 21, 2018, an income tax order was issued through which a tax demand including penalty and

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default surcharge of Rs. 15,863,027 was raised by the Deputy Commissioner Inland Revenue (ACIR) under section 161 of the Income Tax Ordinance, 2001 in respect of monitoring of withholding taxes paid/deducted under various sections of the Income Tax Ordinance, 2001 for tax year 2017 along with reconciliation under rule 44(4) of the Income Tax Rules, 2002.

An appeal was filed before the Commissioner Inland Revenue (CIR-A) against the said order (Appeals). The CIR has passed appellate order dated April 24, 2019 and upheld the action of Deputy Commissioner Inland Revenue (DCIR) in computing default of withholding tax on amounts inclusive of accruals yet to be paid instead of actual payment as required under section 158 of the Ordinance. He, however, has accepted the Fund's contention that the DCIR had worked out the default by applying incorrect withholding rates. Therefore, he has directed the DCIR to rework the alleged default. The CIR-A has further acknowledged the tax advisor's argument that default was erroneously computed without excluding dividends which were exempted from withholding tax. The DCIR has been directed to rework the default, if any, in respect of payment of dividend.

Furthermore, the CIR-A has not given specific findings on non-consideration of reconciliation of expenses furnished under rule 44(4) and non-application of withholding provisions on reimbursement of certain expenses to the Management Company. However, he remanded back the matter of non-deduction of tax on payments of securities transaction cost which were subject to separate withholding of tax under section 233A by Pakistan Stock Exchange Limited. He has also set aside the default surcharge and penalty for re-adjudication by the tax officer. The effect to the appellate order of the CIR-A is pending.

An appeal has been filed before the Appellate Tribunal against the appellate order of the Commissioner (Appeals) which is pending for hearing. Based on consultation with the tax advisor, the Management Company of the fund is confident that the matter will be decided favorably and hence, no provision is considered necessary in the condensed interim financial statements.

16.3 Tax cases related to income tax exemption under clause (99), Part I of the Second Schedule to the Income Tax Ordinance, 2001

16.3.1 On December 2, 2020, an income tax order was passed through which a tax demand of Rs. 138,242,375 was raised by the concerned Additional Commissioner Inland Revenue (ACIR) of Federal Board of Revenue (FBR) by rejecting the Fund's claim for income tax exemption under clause (99) contained in Part I of the Second Schedule to the Income Tax Ordinance, 2001 for tax year 2018. The order was passed by misconstruing that the Fund allegedly distributed less than 90% of its income to its unitholders which is the sole criterion for income tax exemption claim under clause (99). Whilst reaching this conclusion, the ACIR disregarded the distributions made during the year to outgoing unitholders on redemption of units. The order was maintained by CIR-A though order dated December 08, 2020 upheld Assessment Order passed by CIR.

An appeal was filed against the order of CIR-A before the Appellate Tribunal Inland Revenue (ATIR).

The ATIR decided the matter in favor of the Fund and has remanded back the matter for re-adjudication in light of the FBR Chairman's order vide Appellate Order dated August 31, 2021.

16.3.2 On June 28, 2021, ACIR passed order in which a tax demand of Rs. 186,101,310 has been raised by rejecting the Fund's claim for income tax exemption under clause (99) contained in Part I of the Second Schedule to the Income Tax Ordinance, 2001 on alleged failure to distribute at least 90% of income to its unitholders. The order has been passed by the ACIR by misconstruing 'element of loss' of Rs. 395,794,812 appearing in the audited financial statements to be 'element of income'. Based on this, the ACIR has held that this amount should have been added whilst determining the distribution required for purposes of clause (99). The Fund obtained stay from the CIR-A against recovery of impugned tax demand.

The Fund filed appeal against order with the Commissioner Inland Revenue - Appeals. Based on the facts of

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the case, the matter was decided in favour of the Fund and remanded back for re-adjudication through Appellate Order dated October 28, 2021. The Fund is also directed to furnish relevant details / evidence to the ACIR, in order to get verified the claim of 'element of loss' unit holder wise, on the date of transaction.

16.3.3 During the period, the ACIR passed orders dated December 1, 2021 through which tax demands of Rs. 177,181,627 and 150,148,048 against tax year 2016 and 2017 were raised, respectively, by rejecting the Fund's claim for income tax exemption under clause (99) contained in Part I of the Second Schedule to the Income Tax Ordinance, 2001 on alleged failure to distribute at least 90% of income to its unitholders. The orders were passed by the ACIR by misconstruing 'element of loss' of Rs. 134,064,111 and 271,103,485 in the tax year 2016 and 2017 respectively appearing in the annual financial statements to be 'element of income'. Based on this, the ACIR has held that these amount should have been added whilst determining the distribution required for purposes of clause. The Fund has already obtained stay from the CIR-A against recovery of impugned tax demands with whom the matter is presently pending in appeal. Based on consultation with the tax advisor, the Management Company of the fund is confident that the matter will be decided in favor of the Fund and hence, no provision is considered necessary in the financial statements.

It is worth mentioning here that subsequent to passing of the impugned order, the Chairman of FBR was approached for intervention and order dated February 25, 2021 was passed from his office under section 7 of the FBR Act, 2007 holding that redemption payments are to be construed as 'distribution' for purposes of clause (99).

17 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited 30-Jun-21	Cash Outflows	Non-Cash Changes Redemption of Unit	Un-audited 31-Dec-21
			Rupees	
Payable against redemption of units	1,374,017	(3,134,898,355)	3,135,194,118	1,669,781

18 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.

19 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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 Half Year Ended 31 December	
	2021	2020
	----- Rupees -----	
19.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	13,631,174	19,622,336
Remuneration paid	15,373,658	19,191,667
Sindh Sales Tax on remuneration of the Management Company	1,772,053	2,550,904
Accounting and operational charges	4,344,613	3,335,794
Redemption of 100,335 (2020: Nil) units	52,975,675	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	1,960,660	1,471,674
Sindh Sales Tax on remuneration of the Trustee	254,886	191,318
Trustee fee paid	1,993,329	1,439,374
Settlement charges	-	265,876
Sindh Sales Tax on settlement charges	-	34,564
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 70,168 (2020: 63,320) units	37,000,000	33,000,000
Redemption of nil (2020: 9,282) units	-	5,000,000
Atlas Honda Limited (Group Company)		
Issue of 1,676,344 (2020: Nil) units	900,000,000	-
Atlas Honda Limited - Employees Provident Fund		
Redemption 9,324 (2020: Nil) units	5,000,000	-
Atlas Honda Limited - Non Management Staff Gratuity Fund		
Redemption 1,865 (2020: Nil) units	1,000,000	-
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of Nil (2020: 56,853) units	-	30,041,703
Redemption of Nil (2020: 5,814) units	-	3,036,000
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Issue of 206,469 (2020: 48,470) units	108,500,000	25,500,000
Redemption of 72,987 (2020: Nil) units	39,149,942	-
Atlas Metals (Private) Limited		
Issue of 18,447 (2020: 37,963) units	10,000,000	20,000,000
Redemption 52,577 (2020: Nil) units	28,200,000	-
Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Issue of Nil (2020: 225,117) units	-	120,000,000
Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund		
Redemption of 162,038 (2020: Nil) units	87,913,196	-

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		For the Half Year Ended	
		31 December	
		2021	2020
		----- Rupees -----	
19.1	Transactions during the period (Cont....)		
	Shirazi Investments (Private) Limited (Group Company)		
	Issue of Nil (2020: 3,868) units	-	2,015,774
	Redemption of 1,672,330 (2020: Nil) units	900,000,000	-
	M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund		
	Issue of 5,729 (2020: nil) units	3,000,000	-
	Redemption of 5,729 (2020: nil) units	3,073,090	-
	Directors and their close family members and personnel of the Management Company		
	Issue of 17,067 (2020: 20,291) units	9,000,000	10,751,301
	Redemption of nil (2020: 48,440) units	-	25,943,742
		31 December	30 June
		2021	2021
		Un-audited	Audited
		----- Rupees -----	
19.2	Balances as at period / year end		
	Atlas Asset Management Limited (Management Company)		
	Remuneration payable to the Management Company	2,427,130	4,169,613
	Sindh Sales Tax payable on remuneration of the Management Company	3,838,225	4,064,748
	Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
	Accounting and operational charges payable	735,068	708,833
	Outstanding Nil (30 June 2021: 100,335) units - at net asset value	-	52,430,926
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	280,053	312,722
	Sindh Sales Tax payable on remuneration of the trustee	36,629	40,654
	Settlement charges payable	-	-
	Sindh Sales Tax payable on settlement charges	-	-
	Atlas Foundation (Trust having common Director / Trustee)		
	Outstanding 606,740 (30 June 2021 : 536,572) units - at net asset value	329,191,930	280,391,373
	Atlas Honda Limited (Group Company)		
	Outstanding 2,270,870 (30 June 2021: 594,525) units - at net asset value	1,232,079,703	310,675,541
	Atlas Insurance Limited (Group Company)		
	Outstanding 103,900 (30 June 2021: 103,900) units - at net asset value	56,371,854	54,294,061
	Atlas Metals (Private) Limited		
	Outstanding 64,312 (30 June 2021: 98,441) units - at net asset value	34,892,940	51,441,626
	Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
	Outstanding 185,040 (30 June 2021: 51,558) units - at net asset value	100,394,922	26,941,964
	Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
	Outstanding 31,028 (30 June 2021: 32,894) units - at net asset value	16,834,704	17,188,871
	Atlas Honda Limited - Employess Provident Fund (Retirement benefit plan of group company)		
	Outstanding 17,942 (30 June 2021: 162,038) units - at net asset value	9,734,466	84,674,812

Atlas Income Fund

	31 December 2021 Un-audited	30 June 2021 Audited
19.2 Balances as at period / year end (Cont....)	----- Rupees -----	
Batool Benefit Trust (Trust having common Director / Trustee)		
Outstanding 71,241 (30 June 2021: 71,241) units - at net asset value	38,652,605	37,227,920
Atlas Autos Private Limited		
Outstanding Nil (30 June 2021: 1,569,589) units - at net asset value	-	820,205,472
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 278,826 (30 June 2021: 278,826) units - at net asset value	151,279,274	145,703,317
Atlas Energy Limited		
Outstanding Nil (30 June 2021: 10,695) units - at net asset value	-	5,588,874
Shirazi Investments (Private) Limited (Group company)		
Outstanding 2,253,312 (30 June 2021: 3,925,643) units - at net asset value	1,222,553,744	2,051,385,734
Key Management Personnel of Management Company		
Outstanding 150,770 (30 June 2021: 488,479) units -at net asset value	81,801,425	255,259,992

20 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 valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

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As at December 31, 2021, the Fund held the following instruments measured at fair values:

	Fair value			
	Level 1	Level 2	Level 3	Total
December 31, 2021 (Un-audited)	(Rupees)			
Financial assets measured at fair value				
Term finance certificates - listed	37,842,085	-	-	37,842,085
Term finance certificates - unlisted	-	304,250,177	-	304,250,177
Government securities - Pakistan				
-Investment Bonds	-	1,746,935,114	-	1,746,935,114
	37,842,085	2,051,185,291	-	2,089,027,377
	Fair value			
	Level 1	Level 2	Level 3	Total
June 30, 2021 (Audited)	(Rupees)			
Financial assets measured at fair value				-
Term finance certificates - listed	37,058,292	-	-	37,058,292
Term finance certificates - unlisted	-	298,812,248	-	298,812,248
Sukuk certificates	-	201,665,984	-	201,665,984
Government securities - Market Treasury Bills	-	396,979,395	-	396,979,395
Government securities - Pakistan				
- Investment Bonds	-	1,277,512,883	-	1,277,512,883
Investment in ordinary shares	-	143,201,863	-	143,201,863
Investment in Future contracts	-	3,903,900	-	3,903,900
	37,058,292	2,322,076,274	-	2,359,134,566

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

The fair values of all other financial assets and liabilities of the Fund approximate their carrying amounts due to short-term maturities of these instruments.

21 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

"During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation. "

22 GENERAL

22.1 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

22.3 Units have been rounded off to the nearest decimal places.

Atlas Income Fund

23 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 21 February 2022.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited

Atlas Stock Market Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Stock Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 28 February 2022

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Stock Market Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (herein-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2021.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Atlas Stock Market Fund

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

AS AT 31 DECEMBER 2021

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
Assets			
Cash and Bank balances	4	144,908,353	311,116,752
Investments	5	9,924,890,850	9,840,526,442
Profit receivable on bank balances		-	914,389
Receivable against sale of investments		-	98,787,808
Advances, deposits, prepayments and other receivables	6	13,640,948	13,529,987
Total assets		10,083,440,151	10,264,875,378
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	50,988,521	48,685,188
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	1,034,225	1,046,330
Payable to the Securities and Exchange Commission of Pakistan	9	1,024,554	1,804,473
Payable against redemption of units		1,182,947	114,849
Payable against purchase of investments		24,159,155	-
Unclaimed dividend		401,733	401,732
Accrued expenses and other liabilities	10	9,126,369	350,353,228
Total liabilities		87,917,504	402,405,800
NET ASSETS		9,995,522,647	9,862,469,578
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,995,522,647	9,862,469,578
CONTINGENCIES AND COMMITMENTS	11		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		14,996,138	14,333,327
		----- Rupees -----	
NET ASSET VALUE PER UNIT		666.5398	688.0795

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended		For the Quarter Ended	
		31 December		31 December	
		2021	2020	2021	2020
Note		Rupees -----			
Income					
Profit on bank balances		4,334,453	4,093,739	1,616,702	1,791,186
Dividend income		384,849,378	176,631,533	218,381,127	141,294,329
Capital gain on sale of investments - net		72,036,056	711,717,019	41,973,613	560,641,183
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(723,134,203)	1,502,527,817	(115,804,712)	157,982,826
		(651,098,147)	2,214,244,836	(73,831,099)	718,624,009
Total (loss) / income		(261,914,316)	2,394,970,108	146,166,730	861,709,524
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	125,488,331	103,502,261	63,470,346	53,562,401
Sindh sales tax on remuneration of the Management Company	7.2	16,313,483	13,455,294	8,251,145	6,963,112
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	5,627,006	4,816,703	2,790,869	2,483,821
Sindh sales tax on remuneration of the trustee	8.2	731,510	626,171	362,812	322,896
Annual fee to the Securities and Exchange Commission of Pakistan	9	1,024,579	862,519	507,762	446,354
Accounting and operational charges	12	23,474,773	8,285,773	12,694,069	4,748,366
Auditors' remuneration		339,635	207,640	169,817	37,823
Annual listing fee		13,863	13,852	6,932	7,424
Securities transaction cost		6,044,710	8,218,249	3,249,997	4,932,537
Printing charges		35,195	31,903	35,194	31,903
Legal and professional charges		42,900	100,780	10,500	70,000
(Reversal) / Provision for Sindh Workers' Welfare Fund	10.1	(105,137,220)	45,094,910	-	15,760,153
Bank charges		15,666	103,444	7,951	95,200
Total expenses		74,014,431	185,319,499	91,557,395	89,461,990
Net (loss) / income for the period before taxation		(335,928,747)	2,209,650,609	54,609,335	772,247,534
Taxation	14	-	-	-	-
Net (loss) / income for the period after taxation		(335,928,747)	2,209,650,609	54,609,335	772,247,534
Earnings per unit	13				
Allocation of net income for the period					
Net income for the period		-	2,209,650,609	54,609,336	772,247,534
Income already paid on units redeemed		-	(168,668,885)	-	(114,555,884)
		-	2,040,981,724	54,609,336	657,691,650
Accounting income available for distribution:					
- Relating to capital gains		-	2,214,244,836	-	718,624,009
- Excluding capital gains		-	(173,263,112)	54,609,336	(60,932,359)
		-	2,040,981,724	54,609,336	657,691,650

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2021	2020	2021	2020
	-----Rupees-----			
Net (loss) / income for the period after taxation	(335,928,747)	2,209,650,609	54,609,335	772,247,534
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(335,928,747)</u>	<u>2,209,650,609</u>	<u>54,609,335</u>	<u>772,247,534</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	7,557,133,362	-	7,557,133,362
Undistributed income brought forward			
- Realised income	-	1,331,130,189	1,331,130,189
- Unrealised Income	-	974,206,027	974,206,027
Net assets at the beginning of the period (Units outstanding: 14,333,327) (Rs.688.0795 per unit)	7,557,133,362	2,305,336,216	9,862,469,578
Issue of 1,789,185 units	1,232,818,323	-	1,232,818,323
Redemption of 1,126,375 units	(763,836,507)	-	(763,836,507)
Total comprehensive loss for the period	-	(335,928,747)	(335,928,747)
Net assets at end of the period (Units outstanding: 14,996,138) (Rs. 666.5398 per unit)	8,026,115,178	1,969,407,469	9,995,522,647
Undistributed income carried forward			
- Realised income	-	2,168,243,937	-
- Unrealised loss	-	(198,836,467)	-
	-	1,969,407,469	-
	31 December 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	6,499,701,211	-	6,499,701,211
Undistributed income brought forward			
- Realised income	-	909,302,970	909,302,970
- Unrealised loss	-	(567,334,642)	(567,334,642)
Net assets at the beginning of the period (Units outstanding: 13,240,837) (Rs. 516.7100 per unit)	6,499,701,211	341,968,328	6,841,669,539
Issue of 4,515,430 units	2,815,459,028	-	2,815,459,028
Redemption of 4,238,102 units	(2,526,793,188)	(168,668,885)	(2,695,462,073)
Total comprehensive income for the period	-	2,209,650,609	2,209,650,609
Net assets at end of the period (Units outstanding: 13,518,165) (Rs. 678.4439 per unit)	6,788,367,051	2,382,950,052	9,171,317,103
Undistributed income carried forward			
- Realised income	-	1,474,155,715	-
- Unrealised gain	-	908,794,337	-
	-	2,382,950,052	-

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Ifitikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		For the Half Year Ended 31 December	
		2021	2020
Note		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the period after taxation		(335,928,746)	2,209,650,609
Adjustment for:			
Profit on bank balances		(4,334,453)	(4,093,739)
Dividend income		(384,849,378)	(176,631,533)
Capital gain on sale of investments - net		(72,036,056)	(711,717,019)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		723,134,203	(1,502,527,817)
(Reversal) / Provision for Sindh Workers' Welfare Fund		(105,137,220)	45,094,910
		156,777,096	(2,349,875,198)
Decrease / (increase) in assets			
Receivable against sale of investments		-	(268,723,704)
Advances, deposits, prepayment and other receivables		(110,961)	-
		(110,961)	(268,723,704)
Increase in liabilities			
Payable to Atlas Asset Management Limited - Management Company		2,303,333	7,188,200
Payable to the Central Depository Company of Pakistan Limited - Trustee		(12,105)	312,181
Payable to the Securities and Exchange Commission of Pakistan		(779,919)	(382,928)
Payable against purchase of investments		24,159,155	47,300,691
Accrued expenses and other liabilities		(236,089,639)	(12,361,803)
		(210,419,174)	42,056,341
Profit received on bank balances		5,248,842	4,495,326
Dividend received		384,849,378	168,631,333
Investments made during the period		(2,844,890,595)	(3,823,950,931)
Investments sold during the period		2,109,428,040	3,875,897,420
Net cash (used in) / generated from operating activities		(735,046,121)	(141,818,804)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		1,331,606,131	2,815,459,028
Net payments against redemption of units		(762,768,410)	(2,628,660,815)
Net cash generated from financing activities		568,837,721	186,798,213
Net (decrease) / increase in cash and cash equivalents		(166,208,400)	44,979,409
Cash and cash equivalents at the beginning of the period		311,116,752	75,706,293
Cash and cash equivalents at the end of the period		144,908,353	120,685,702

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 and 23 May 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteen and Fourteen 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, 29 September 2016, 2 June 2017, 5 September 2019, 25 November 2019 and 1 April 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio 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 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the period, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two plus)] on 24 December 2021.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

Atlas Stock Market Fund

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

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

2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.

2.1.4 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 December 2021.

2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022

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Standards, interpretations and amendments	Effective date
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements 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 results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to

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classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 10.1 and 6.1 respectively.

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2021.

3.2 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 2021.

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
4 CASH AND BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	142,414,074	278,461,795
- Current account		5,000	5,000
- Cheque in hand	4.2	2,489,279	32,649,957
		144,908,353	311,116,752

4.1 This rate of return on these accounts ranges between 5.5% and 11.10% (30 June 2021: 5.5% and 7.80%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by January 03, 2022 (30 June 2021: 06 July 2020).

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
5 INVESTMENTS			
At fair value through profit or loss			
- Investment in listed equity securities	5.1	9,924,890,850	9,840,526,442

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5.1 Listed equity securities

At fair value through profit or loss - equity securities

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

Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
<div>----- Number of Shares -----</div> <div>----- Rupees -----</div> <div>----- age % -----</div>										
COMMERCIAL BANKS										
Bank Alfalah Limited	-	9,225,001	-	70,000	9,155,001	301,629,032	316,763,035	3.19	3.17	0.52
Bank Al Habib Limited	3,306,292	2,265,246	-	70,100	5,501,438	388,735,366	379,654,236	3.83	3.80	0.49
Faysal Bank Limited	994,943	300,000	-	1,294,943	-	-	-	-	-	-
Habib Bank Limited (Note 5.3)	4,705,400	2,229,120	-	90,000	6,844,520	832,126,324	798,207,922	8.04	7.99	0.47
Habib Metropolitan Bank Limited	5,713,500	100,000	-	5,813,000	500	20,324	21,415	0.00	0.00	-
MCB Bank Limited	785,915	909,911	-	55,000	1,640,826	260,843,012	251,620,667	2.54	2.52	0.14
Meezan Bank Limited	3,577,898	75,000	547,934	2,384,341	1,816,491	183,127,182	243,609,608	2.45	2.44	0.11
United Bank Limited (Note 5.3)	4,958,463	916,627	-	65,000	5,810,090	717,860,475	793,542,092	8.00	7.94	0.47
	24,042,411	16,020,905	547,934	9,842,384	30,768,866	2,684,341,715	2,783,418,975	28.05	27.85	
INSURANCE										
Adamjee Insurance Company Limited	670,000	-	-	-	670,000	27,784,900	26,800,000	0.27	0.27	0.19
IGI Holdings Limited (face value Rs. 5 per share)	263,900	15,000	-	-	278,900	53,690,485	42,847,407	0.43	0.43	0.20
Jubilee Life Insurance Company Limited	95,200	-	-	-	95,200	31,868,200	20,563,200	0.21	0.21	0.11
Pakistan Reinsurance Company Limited	1,178,500	-	-	-	1,178,500	28,672,905	26,398,400	0.27	0.26	0.39
	2,207,600	15,000	-	-	2,222,600	142,016,490	116,609,007	1.18	1.17	
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	1,218,000	958,000	-	40,000	2,136,000	110,955,036	100,520,160	1.01	1.01	0.42
Interloop Limited	1,117,500	661,000	43,455	20,000	1,801,955	125,063,088	130,984,109	1.32	1.31	0.20
Kohinoor Textile Mills Limited	1,306,000	462,500	-	5,000	1,763,500	133,564,498	122,422,170	1.23	1.22	0.59
Nishat (Chunian) Limited	-	1,250,000	-	-	1,250,000	62,888,570	56,937,500	0.57	0.57	0.52
Nishat Mills Limited	1,971,500	1,020,700	-	56,200	2,936,000	272,795,898	233,646,880	2.35	2.34	0.84
	5,613,000	4,352,200	43,455	121,200	9,887,455	705,267,090	644,510,819	6.48	6.45	
CEMENT										
Attock Cement Pakistan Limited	431,100	-	-	346,200	84,900	15,266,718	11,797,704	0.12	0.12	0.06
Cherat Cement Company Limited	597,900	220,000	-	105,000	712,900	120,057,732	105,730,199	1.07	1.06	0.37
D.G. Khan Cement Company Limited	1,665,000	425,000	-	55,000	2,035,000	234,029,004	168,782,900	1.70	1.69	0.46
Fauji Cement Company Limited	7,914,000	2,500,000	-	750,000	9,664,000	212,957,390	177,527,680	1.79	1.78	0.70
Kohat Cement Company Limited	683,000	115,700	-	7,000	791,700	163,919,487	149,314,620	1.50	1.49	0.39
Lucky Cement Limited	737,000	181,000	-	64,000	854,000	716,544,717	580,105,120	5.84	5.80	0.26
Maple Leaf Cement Factory Limited	1,090,000	1,250,000	-	765,000	1,575,000	67,238,190	56,621,250	0.57	0.57	0.14
Pioneer Cement Limited	190,000	555,000	-	5,000	740,000	72,270,882	65,675,000	0.66	0.66	0.33
	13,308,000	5,246,700	-	2,097,200	16,457,500	1,602,284,120	1,315,554,473	13.25	13.17	
POWER GENERATION & DISTRIBUTION										
The Hub Power Company Limited	6,223,808	755,000	-	725,000	6,253,808	496,728,441	446,146,663	4.50	4.46	0.48
Kot Addu Power Company Limited	1,335,000	-	-	-	1,335,000	59,207,250	43,187,250	0.44	0.43	0.15
K-Electric Limited (face value Rs. 3.5 per share)	9,500,000	-	-	-	9,500,000	39,710,000	32,680,000	0.33	0.33	0.03
Lalpur Power Limited	7,464,000	-	-	-	7,464,000	133,307,040	105,317,040	1.06	1.05	1.97
Pakgen Power Limited	3,248,000	-	-	-	3,248,000	80,095,680	77,952,000	0.79	0.78	0.87
	27,770,808	755,000	-	725,000	27,800,808	809,048,411	705,282,953	7.12	7.05	
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	1,433,177	137,500	-	70,000	1,500,677	336,190,843	272,958,140	2.75	2.73	0.32
Sui Northern Gas Pipelines Limited	2,074,098	700,000	-	75,000	2,699,098	131,655,401	90,284,828	0.91	0.90	0.43
	3,507,275	837,500	-	145,000	4,199,775	467,846,244	363,242,968	3.66	3.63	
OIL & GAS EXPLORATION COMPANIES										
Mani Petroleum Company Limited	265,049	15,000	-	13,000	267,049	410,578,399	441,760,467	4.45	4.42	0.20
Oil & Gas Development Company Limited (Note 5.3)	4,918,100	350,000	-	215,000	5,053,100	477,669,426	435,577,220	4.39	4.36	0.12
Pakistan Oilfields Limited	256,020	-	-	-	256,020	100,836,037	91,557,872	0.92	0.92	0.09
Pakistan Petroleum Limited (Note 5.3)	2,767,602	100,000	-	60,000	2,807,602	243,051,284	221,912,862	2.24	2.22	0.10
	8,206,771	465,000	-	288,000	8,383,771	1,232,135,146	1,190,808,422	12.00	11.92	

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Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
----- Number of Shares -----				----- Rupees -----		----- age % -----				
ENGINEERING										
Aisha Steel Mills Limited	-	2,000,000	-	-	2,000,000	49,714,720	30,120,000	0.30	0.30	0.26
Amreli Steels Limited	-	854,500	-	-	854,500	40,774,794	38,247,420	0.39	0.38	0.29
Crescent Steel & Allied Products Limited	405,000	-	-	-	405,000	34,011,900	20,808,900	0.21	0.21	0.52
International Industries Limited	469,000	50,000	-	223,800	295,200	61,037,664	40,976,712	0.41	0.41	0.22
International Steels Limited	494,000	100,000	-	593,616	384	35,836	25,390	0.00	0.00	0.00
Intefaq Iron Industries Limited	-	727,000	-	51,500	675,500	12,556,872	8,085,735	0.08	0.08	0.47
Mughal Iron And Steel Industries Limited	591,213	370,000	103,681	40,000	1,024,894	96,748,217	106,701,714	1.08	1.07	0.31
	1,959,213	4,101,500	103,681	908,916	5,255,478	294,880,002	244,965,871	2.47	2.45	
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	56,200	54,640	-	-	110,840	142,205,248	136,222,360	1.37	1.36	0.14
Millat Tractors Limited	90,000	-	1,052	90,000	1,052	946,458	907,076	0.01	0.01	0.00
Pak Suzuki Motor Company Limited	215,000	128,500	-	203,000	140,500	49,985,959	32,773,030	0.33	0.33	0.17
	361,200	183,140	1,052	293,000	252,392	193,137,665	169,902,466	1.72	1.70	
AUTOMOBILE PARTS & ACCESSORIES										
Panther Tyres Limited	1,025,363	-	205,072	-	1,230,435	70,883,344	51,382,966	0.52	0.51	0.73
Thal Limited (face value Rs. 5 per share)	395,700	37,200	-	-	432,900	182,380,846	165,666,501	1.67	1.66	0.53
	1,421,063	37,200	205,072	-	1,663,335	253,264,190	217,049,467	2.19	2.17	
TRANSPORT										
Pakistan International Bulk Terminal Limited	7,400,000	-	-	-	7,400,000	84,212,000	54,464,000	0.55	0.54	0.41
	7,400,000	-	-	-	7,400,000	84,212,000	54,464,000	0.55	0.54	
TECHNOLOGY & COMMUNICATIONS										
Air Link Communication Limited	-	786,525	58,989	656,500	189,014	12,571,606	10,974,153	0.11	0.11	0.05
Hum Network Limited (face value Rs. 5 per share)	-	1,317,000	-	1,300,000	17,000	121,015	109,820	0.00	0.00	0.02
Octopus Digital Limited	-	74,336	-	74,000	336	13,642	26,127	0.00	0.00	0.00
Pakistan Telecommunication Company Limited	5,226,000	-	-	-	5,226,000	61,875,840	45,466,200	0.46	0.45	0.14
Systems Limited	451,700	-	-	336,100	115,600	64,761,432	87,837,504	0.89	0.88	0.08
TRG Pakistan Limited	865,000	500,000	-	418,608	946,392	117,196,064	111,579,617	1.12	1.12	0.17
	6,542,700	2,677,861	58,989	2,785,208	6,494,342	256,539,599	255,993,421	2.58	2.56	
FERTILIZER										
Engro Fertilizers Limited (Note 5.3)	3,153,500	110,000	-	40,000	3,223,500	227,239,615	245,276,115	2.47	2.45	0.24
Engro Corporation Limited	1,544,701	135,000	-	95,500	1,584,201	466,662,008	431,568,036	4.35	4.32	0.27
Fauji Fertilizer Bin Qasim Limited	1,700,000	650,000	-	-	2,350,000	61,004,135	58,233,000	0.59	0.58	0.18
Fauji Fertilizer Company Limited	955,000	2,118,891	-	136,801	2,937,090	300,216,824	294,472,643	2.97	2.95	0.23
	7,353,201	3,013,891	-	272,301	10,094,791	1,055,122,582	1,029,549,794	10.38	10.30	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	113,500	81,000	-	-	194,500	152,447,910	139,555,695	1.41	1.40	0.20
Ferozsons Laboratories Limited	15,700	-	-	15,700	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	210,800	-	-	-	210,800	34,923,236	28,776,308	0.29	0.29	0.07
Hightnoon Laboratories Limited	259,542	-	-	-	259,542	155,725,200	162,953,445	1.64	1.63	0.68
The Searle Company Limited	201,572	-	18,471	200,000	20,043	3,740,667	2,880,580	0.03	0.03	0.01
	801,114	81,000	18,471	215,700	684,885	346,837,013	334,166,028	3.37	3.35	
CHEMICALS										
Engro Polymer & Chemicals Limited	2,428,500	2,829,500	-	1,996,000	3,262,000	166,412,788	176,833,020	1.78	1.77	0.36
ICI Pakistan Limited	40,000	-	-	40,000	-	-	-	-	-	-
	2,468,500	2,829,500	-	2,036,000	3,262,000	166,412,788	176,833,020	1.78	1.77	
PAPER & BOARD										
Packages Limited	208,000	-	-	-	208,000	113,401,600	103,432,160	1.04	1.03	0.23
	208,000	-	-	-	208,000	113,401,600	103,432,160	1.04	1.03	
LEATHER & TANNERIES										
Bata Pakistan Limited	35,440	-	-	35,360	80	137,152	173,692	0.00	0.00	0.00
Service Global Footwear Limited	915,837	125,000	-	-	1,040,837	60,434,739	48,253,203	0.49	0.48	0.51
Service Industries Limited	120,836	-	-	120,800	36	21,155	16,867	0.00	0.00	0.00
	1,072,113	125,000	-	156,160	1,040,953	60,593,046	48,443,762	0.49	0.48	
FOODS & PERSONAL CARE PRODUCTS										
At-Tahur Limited	3,933,750	50,000	478,050	745,000	3,716,800	77,497,733	85,523,568	0.86	0.86	1.87
Shezan International Limited	76,000	-	7,600	-	83,600	25,183,360	18,532,448	0.19	0.19	0.87
Treet Corporation Limited	1,156,500	-	-	1,156,500	-	-	-	-	-	-
Unity Foods Limited	831,800	-	-	831,800	-	-	-	-	-	-
	5,998,050	50,000	485,650	2,733,300	3,800,400	102,681,093	104,056,016	1.05	1.05	

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Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
	Number of Shares				Rupees		age %			
GLASS & CERAMICS										
Shabbir Tiles & Ceramics Limited (face value Rs. 5 per share)	1,157,000	191,500	-	1,348,500	-	-	-	-	-	-
Tariq Glass Industries Limited	-	487,900	-	-	487,900	52,891,140	52,946,908	0.53	0.53	0.35
	1,157,000	679,400	-	1,348,500	487,900	52,891,140	52,946,908	0.53	0.53	
REFINERY										
Attock Refinery Limited	285,500	-	-	285,500	-	-	-	-	-	-
National Refinery Limited	48,000	-	-	-	48,000	25,113,120	13,660,320	0.14	0.14	0.06
	333,500	-	-	285,500	48,000	25,113,120	13,660,320	0.14	0.14	
Total as at 31 December 2021						10,648,025,053	9,924,890,850	100.00	99.31	
Total as at 30 June 2021						8,373,929,774	9,840,526,442			

5.2 The cost of listed equity securities as at 31 December 2021 is Rs. 10,123,727,318 (30 June 2021: Rs. 8,866,320,415).

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 in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP:

	Number of shares		Market value (Rupees)	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Un-audited	Audited	Un-audited	Audited
Pakistan Petroleum Limited	297,000	297,000	23,474,880	25,788,510
Habib Bank Limited	60,000	60,000	6,997,200	7,342,200
Engro Fertilizers Limited	425,000	425,000	32,338,250	29,864,750
United Bank Limited	170,000	170,000	23,218,600	20,774,000
Oil & Gas Development Company Limited	100,000	100,000	8,620,000	9,503,000
	1,052,000	1,052,000	94,648,930	93,272,460

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	31 December 2021	30 June 2021
		Un-audited	Audited
Deposits with CDC		100,000	100,000
Prepaid legal and professional charges		110,961	-
Deposits with NCCPL		2,500,000	2,500,000
Other receivables	6.1	10,929,987	10,929,987
		13,640,948	13,529,987

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 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

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(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 December 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	Un-audited 31 December 2021	Audited 30 June 2021
		Rupees	
Remuneration of the Management Company	7.1	20,840,121	20,250,329
Sindh Sales Tax payable on remuneration of the Management Company	7.2	5,678,261	5,601,589
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges payable	12	4,168,151	2,531,282
		50,988,521	48,685,188

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 2.4% from 01 July 2021 to 30 September 2021 and 2.5% from 01 October 2021 to 31 December 2021 (30 June 2021: 2.4%) 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. 16,313,483 (2020: Rs. 13,455,294) 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. 16,236,810 (2020: Rs. 12,780,430) 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 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, 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 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 previous year, 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

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provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2020: 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 December 2021 would have been higher by Rs.1.35 (30 June 2021: Rs. 1.42) per unit.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	31 December 2021 Un-audited	30 June 2021 Audited
		Rupees	
Remuneration Payable to Trustee	8.1	918,533	925,955
Sindh Sales tax payable on trustee fee	8.2	115,692	120,375
		1,034,225	1,046,330

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

On net assets:	Tariff per annum
-up to Rs 1,000 million	Rs. 0.7 million or 0.20% per annum of Net Assets, whichever is higher
-exceeding Rs 1,000 million	Rs. 2.0 million plus 0.10% per annum of Net Assets amount exceeding Rs 1,000 million

8.2 During the year, an amount of Rs. 731,510 (2020: Rs. 626,172) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 736,193 (2020: Rs. 597,666) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	31 December 2021 Un-audited	30 June 2021 Audited
	Rupees	
Annual fees payable	1,024,554	1,804,473

In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP) an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2021 Un-audited	30 June 2021 Audited
		Rupees	
Auditors' remuneration payable		363,395	457,002
Printing charges payable		-	8,736
NCCPL charges payable		25,000	25,000
Annual listing fee payable		13,599	-
Transaction charges payable		7,186,903	10,051,896
Withholding and capital gain tax payable		884,814	50,110,148
Zakat payable		83,816	83,816
Sale Load Payable		57,920	68,090
Other payable		111,938	66,820
Dividend payable		398,983	184,344,500
Provision for Sindh Workers' Welfare Fund	10.1	-	105,137,220
		9,126,369	350,353,228

Atlas Stock Market Fund

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

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 105 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2021 and 30 June 2021.

12 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.4% of the average annual net assets of the Fund upto 14 September 2021 and charged expenses at the rate of 0.5% of the average annual net assets afterwards.

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 3.50% (30 June 2021: 3.96%) which includes 0.38% (30 June 2021: 1.05%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

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 net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. 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. Based on the above, no provision in respect of taxation have been made in these condensed interim financial statements, as the Fund does not have income during the period.

15 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited			Un-audited
	30-Jun-21	Cash Outflows	Non-Cash Changes	31-Dec-21
			Redemption of Unit	
	Rupees			
Payable against redemption of units	114,849	(762,768,410)	763,836,507	1,182,947

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16 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.

17 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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 Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	
17.1 Transactions during the period			
Atlas Asset Management Limited (Management Company)			
Remuneration of the Management Company		125,488,331	103,502,261
Sindh Sales Tax on remuneration of the Management Company		16,313,483	13,455,294
Remuneration paid		124,898,539	98,311,002
Accounting and operational charges		23,474,773	8,285,773
Issue of 2,234 (2020:28,121) units		1,542,322	14,984,586
Redemption of Nil (2020:136,928) units		-	88,000,000
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration of the Trustee		5,627,006	4,816,703
Sindh Sales Tax on remuneration of the Trustee		731,510	626,171
Remuneration paid		5,357,451	4,597,438
Settlement charges		323,256	298,718
Sindh Sales Tax on settlement charges		32,491	38,833
Atlas Foundation			
Issue Nil of (2020:23,822) units		-	14,000,000
Atlas Insurance Limited (Group Company)			
Issue 317,221 of (2020:162,581) units		207,412,432	100,000,000
Redemption of 287,031 (2020: 22,157) units		187,412,432	15,000,000
Atlas Metals (Private) Limited			
Issue of 3,778 (2020: 30,727) units		2,500,000	20,000,000
Redemption of 32,394 (2020: Nil) units		22,150,000	-
Honda Atlas Cars (Pakistan) Limited- Employees Gratuity Fund (Retirement Benefit plan of a Group Company)			
Issue of Nil (2020: 92,485) units		-	60,000,000
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)			
Issue of 13,687 (2020: 2,013) units		9,000,000	1,250,000
Redemption of 4,315 (2020: 12,990) units		3,000,000	8,000,000

Atlas Stock Market Fund

		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	----- Rupees -----
17.1	Transactions during the period (Cont.....)		
	Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
	Redemption of 3,462 (2020: 11,310) units	2,400,936	7,246,299
	Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)		
	Redemption of Nill (2020: 619,931) units	-	400,000,000
	CDC-Trustee Punjab Pension Fund Trust		
	Issue of 214,280 (2020: 557,374) units	150,000,000	350,000,000
	Directors and their close family members and key management personnel of the Management Company		
	Issue of 6,495 (2020: 21,450) units	3,459,053	13,354,363
	Redemption of 28,802 (2020: 1,988) units	20,300,000	1,275,000
		31 December 2021	30 June 2021
		Un-audited	Audited
		----- Rupees -----	----- Rupees -----
17.2	Details of balances with related parties as at the period / year end are as follows:		
	Atlas Asset Management Limited (Management Company)		
	Remuneration payable to the management company	20,840,121	20,250,329
	Sindh Sales tax payable on remuneration of the Management Company	5,678,261	5,601,589
	Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
	Accounting and operational charges payable	4,168,151	2,531,282
	Outstanding 93,768 (30 June 2021: 91,534) units - at net asset value	62,500,104	62,982,893
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	918,533	925,955
	Sindh Sales tax payable on remuneration of trustee	115,692	120,375
	Atlas Honda Limited (Group Company)		
	Outstanding 29,783 (30 June 2021: 29,783) units - at net asset value	19,851,800	20,493,072
	Atlas Foundation (Group Company)		
	Outstanding 894,455 (30 June 2021:894,455) units - at net asset value	596,189,964	615,456,149
	Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
	Outstanding 141,596 (30 June 2021:132,224) units - at net asset value	94,379,044	90,980,624
	Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
	Outstanding 90,998 (30 June 2021: 90,998) units - at net asset value	60,653,769	62,613,838
	Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
	Outstanding 20,726 (30 June 2021: 20,725) units - at net asset value	13,814,623	14,261,052
	Atlas Insurance Limited (Group Company)		
	Outstanding 317,221 (30 June 2021: 287,031) units - at net asset value	211,440,421	197,499,863

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	31 December 2021 Un-audited	30 June 2021 Audited
	----- Rupees -----	
17.2 Details of balances with related parties as at the period / year end are as follows: (Cont.....)		
Atlas Metals (Private) Limited		
Outstanding 33,281 (30 June 2021: 61,896) units - at net asset value	22,183,386	42,589,708
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 225,620 (30 June 2021: 225,620) units - at net asset value	150,384,972	155,244,767
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 132,660 (30 June 2021: 132,660) units - at net asset value	88,423,198	91,280,656
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding Nil (30 June 2021: 3,462) units - at net asset value	-	2,382,131
Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)		
Outstanding 3,829,218 (30 June 2021: 3,829,218) units - at net asset value	2,552,326,460	2,634,806,675
Sindh Province Pension Fund (Unit Holder with more than 10% holding)		
Outstanding 1,547,293 (30 June 2021: Nil) units - at net asset value	1,031,332,141	-
CDC-Trustee Punjab Pension Fund Trust (Unit Holder with more than 10% holding)		
Outstanding 1,562,207 (30 June 2021: Nil) units - at net asset value	1,041,273,463	-
Directors and their close family members and key management personnel of the Management Company		
Outstanding 1,841,109 (30 June 2021: 2,117,293) units - at net asset value	1,227,172,447	1,456,866,235

18 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 Pakistan Stock Exchange Limited.

Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value of the following 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: Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Atlas Stock Market Fund

Financial assets 'at fair value through profit or loss'

- Listed equity securities

As at December 31, 2021 (Unaudited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

9,924,890,850	-	-	9,924,890,850
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Financial assets 'at fair value through profit or loss'

- Listed equity securities

As at June 30, 2021 (Audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

9,840,526,442	-	-	9,840,526,442
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There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

The fair values of all other financial assets and liabilities of the Fund approximate their carrying amounts due to short-term maturities of these instruments.

19 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation. "

20 GENERAL

20.1 This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subject to limited scope review by the statutory auditors of the Fund.

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

20.3 Number of units have been rounded off to the nearest decimal places.

21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 21 February 2022.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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