



**Atlas Sovereign Fund**

---

**Atlas Money Market Fund**

---

**Atlas Income Fund**

---

**Atlas Stock Market Fund**

---

**THIRD QUARTER REPORT**

---

**31 MARCH 2019**

---

**(UN-AUDITED)**

**Atlas**  
**funds**  
*Nurturing your investments*



**Management Company**

**Atlas Asset Management**

**Rated AM2+ by PACRA**



#### **Vision**

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

#### **Mission Statement**

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

## **CONTENTS**

ORGANISATION	2
CHAIRMAN'S REVIEW	3
<b>ATLAS SOVEREIGN FUND</b>	
CORPORATE INFORMATION	6
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	7
CONDENSED INTERIM INCOME STATEMENT	8
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	9
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	10
CONDENSED INTERIM CASH FLOW STATEMENT	11
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT	12
<b>ATLAS MONEY MARKET FUND</b>	
CORPORATE INFORMATION	21
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	22
CONDENSED INTERIM INCOME STATEMENT	23
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	24
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	25
CONDENSED INTERIM CASH FLOW STATEMENT	26
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT	27
<b>ATLAS INCOME FUND</b>	
CORPORATE INFORMATION	36
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	37
CONDENSED INTERIM INCOME STATEMENT	38
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	39
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	40
CONDENSED INTERIM CASH FLOW STATEMENT	41
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	42
<b>ATLAS STOCK MARKET FUND</b>	
CORPORATE INFORMATION	56
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	57
CONDENSED INTERIM INCOME STATEMENT	58
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	59
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	60
CONDENSED INTERIM CASH FLOW STATEMENT	61
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	62

# Atlas Funds

## ORGANISATION

### Management Company

Atlas Asset Management Limited

### Board of Directors of the Management Company

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

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

Company Secretary Ms Zainab Kazim

### Board Committees

#### Audit Committee

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

#### Human Resource & Remuneration Committee

Chairman	Mr. Frahim Ali Khan
Members	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
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

Ground Floor, Federation House Sharae Firdousi,  
Clifton, Karachi - 75600  
Tel: (92-21) 111-MUTUAL (6-888-25)  
(92-21) 35379501-04  
Fax: (92-21) 35379280  
Email: info@atlasfunds.com.pk  
Website: www.atlasfunds.com.pk

The Above information is as at 22 April 2019

# Third Quarter Report 2018-19

## CHAIRMAN'S REVIEWS

It is my pleasure to present to you the un-audited financial statements of Atlas Sovereign Fund (ASF), Atlas Money Market Fund (AMF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the nine months period ended March 31, 2019 of the FY 2018-19.

## THE ECONOMY

During the period Jul - Feb FY19, current account deficit was recorded at US\$ 8.84 billion as compared to US\$ 11.42 billion in the same period last year. The decline in current account deficit was mainly due to decline in imports. During the period Jul -Mar FY19, total imports stood at US\$ 40.76 billion as compared to US\$ 44.28 billion in corresponding period of the previous year. Whereas, total exports stood at US\$ 17.08 billion as compared to US\$ 17.06 billion reported in the same period last year. The foreign exchange reserves of the country stood at US\$ 17.40 billion as on March 29, 2019 with SBP's share of US\$ 10.49 billion in the total liquid foreign exchange reserves. Workers' remittances for the period July-Mar FY19 stood at US\$ 16.10 billion, which was an increase of 8.74% YoY compared to the corresponding period last year. The CPI inflation for the month of March'19 was recorded at 9.4%. The SBP in its latest monetary policy statement dated March 29, 2019 has decided to increase the policy rate by 50 bps to 10.75 percent. This is a cumulative 500 bps increase in interest rates since January, 2018.

## FUND OPERATIONS - ASF

The Net Asset Value per unit of ASF increased by 6.03% to Rs. 102.22 as on March 31, 2019, providing an annualized total return of 8.03%. The ASF's total exposure in Treasury Bills stood at 34.19%, 32.15% in PIBs and 32.75% in short term deposits with banks/ cash. ASF presents a good investment opportunity for investors to earn attractive returns with medium term investment horizon. The Net Assets of the Fund stood at Rs. 419.22 million, with 4.10 million units outstanding as of March 31, 2019.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited on January 18, 2019 has approved an interim distribution of Rs. 4.00 per unit (4.00% on the face value of Rs. 100 per unit) for the period from July 01, 2018 to January 17, 2019.

## FUND OPERATIONS - AMF

The Net Asset Value per unit of AMF increased by 6.20% to Rs. 504.85 as on March 31, 2019, thus providing an annualized total return of 8.26%. The AMF's total exposure was 99.14% in short term deposits with banks/cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs. 13.73 billion, with 27.19 million units outstanding as of March 31, 2019.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim distribution of Rs. 32.15 per unit (6.43% on the face value of Rs. 500 per unit) for the period from July 01, 2018 to April 12, 2019.

## FUND OPERATIONS - AIF

The Net Asset Value per unit of AIF increased by 5.63% to Rs. 523.50 as on March 31, 2019, this works out to 7.50% on an annualized basis. AIF's current asset allocation is 6.60% in Treasury bills, 26.24% in Term Finance Certificates /Sukuk, 1.49% in Margin Trading System, 12.78% in PIBs and 51.85% in short term deposits with banks / cash. AIF presents a good investment opportunity for investors to earn attractive returns with medium term investment horizon. The Net Assets of the Fund stood at Rs. 3.66 billion with 7.00 million units outstanding as of March 31, 2019.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited on January 18, 2019 has approved an interim distribution of Rs.18.00 per unit (3.60% on the face value of Rs. 500 per unit) for the period from July 01, 2018 to January 17, 2019.

# Atlas Funds

## FUND OPERATIONS - ASMF

The Net Asset Value per unit of ASMF decreased by 6.48% to Rs. 580.62 as on March 31, 2019. The benchmark KSE-100 index decreased by 7.78% during the same period. The KSE-100 decreased from 41,910.90 points as on June 30, 2018 to 38,649.34 points as on March 31, 2019. ASMF's equity portfolio exposure was mainly in Commercial Banks, Oil & Gas Exploration, Fertilizers and Cement sectors. ASMF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. The Net Assets of the Fund stood at Rs. 5.70 billion, with 9.82 million units outstanding as of March 31, 2019.

## MUTUAL FUND TAXATION

### WORKER'S WELFARE FUND (WWF)

Against the decision of the Honorable Supreme Court of Pakistan (SCP) that declared the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills, the Federal Board of Revenue (FBR) has filed a review petition in the SCP, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till June 30, 2015 were reversed on January 12, 2017.

### SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May, 2015 the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions.

The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter.

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

### FEDERAL EXCISE DUTY (FED)

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

### WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far Mutual Funds and approved pension funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Supreme Court of Pakistan, on April 20, 2016 and the hearing is still pending. In the meanwhile mutual funds are obtaining exemption certificates from Commissioner of Income Tax. However, any tax withheld is refundable.

# Third Quarter Report 2018-19

## RATINGS

### • ASSET MANAGER RATING

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

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

### • FUND STABILITY RATING - AMF

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

## FUTURE OUTLOOK

The recent policy measures that mainly includes monetary tightening, exchange rate adjustments and incentives to increase exports would help in overcoming economic challenges. The significant decrease in the current account deficit driven by lower imports and gradual rise in exports on the back of export-friendly policies bode well in easing pressure on external account. Financial assistance package given by UAE and Saudi Arabia has supported foreign exchange reserves buildup. Moreover, Saudi Arabia has also pledged US\$ 20 billion worth of investments over medium term mainly in energy sector. On the fiscal side, policy measures to enhance revenue collections, reduce public sector development programme (PSDP) expenditure, curtailment of circular debt and rationalization of energy prices are imperative. To further improve external position sustainable foreign inflows from both private and official sources including CPEC are required.

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

ع تجھ کو اگر کچھ نہیں کہنا ہے مجھ کو ہی کچھ کہنے دو

## ACKNOWLEDGEMENT

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

Karachi: 29 April 2019

**Yusuf H. Shirazi**  
Chairman

# ATLAS SOVEREIGN FUND

## Corporate Information

---

### **Trustee**

---

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

### **Auditors**

---

EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

---

Bawaney & Partners

### **Bankers**

---

Allied Bank Limited  
Bank Alfalah Limited  
Habib Bank Limited  
Faysal Bank Limited  
MCB Bank Limited  
Zarai Taraqiati Bank Limited

# Third Quarter Report 2018-19

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

AS AT 31 MARCH 2019

		31 March 2019	30 June 2018
		Un-audited	Audited
	Note	-----Rupees-----	
<b>ASSETS</b>			
Bank balances	4	146,813,984	267,945,874
Investments	5	297,408,809	92,878,298
Profit receivable		3,555,449	232,155
Prepayment and other receivables		470,211	453,482
Deferred formation cost		64,821	260,000
<b>Total assets</b>		<b>448,313,274</b>	<b>361,769,809</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	6	1,548,099	1,735,345
Payable to the Central Depository Company of Pakistan Limited - Trustee		68,096	49,789
Payable to the Securities and Exchange Commission of Pakistan		205,906	224,555
Payable against redemption of units		25,438,885	-
Accrued expenses and other liabilities	7	1,828,307	1,563,353
<b>Total liabilities</b>		<b>29,089,293</b>	<b>3,573,042</b>
<b>NET ASSETS</b>		<b>419,223,981</b>	<b>358,196,767</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>419,223,981</b>	<b>358,196,767</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,101,152</b>	<b>3,411,400</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>102.22</b>	<b>105.00</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# ATLAS SOVEREIGN FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	Note	For the Nine Month Ended 31 March		For the Quarter Ended 31 March	
		2019	2018	2019	2018
-----Rupees-----					
<b>INCOME</b>					
Interest income	10	23,862,347	12,981,826	9,355,652	5,290,922
Capital (loss) / gain on sale of investments - net		(233,266)	(128,239)	107,389	(114,879)
Net unrealise appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		1,081,609	(1,218)	1,081,119	4,903
		848,343	(129,457)	1,188,508	(109,976)
<b>Total income</b>		<b>24,710,690</b>	<b>12,852,369</b>	<b>10,544,160</b>	<b>5,180,946</b>
<b>EXPENSES</b>					
Remuneration of Atlas Asset Management Limited Management Company	6.1	1,293,049	947,978	485,596	385,132
Sindh Sales Tax on remuneration of Management Company	6.2	168,096	123,237	63,127	50,067
Remuneration of Central Depository Company of Pakistan Limited - Trustee		430,689	315,987	161,538	128,372
Sindh Sales Tax on remuneration of Trustee		55,990	41,078	21,000	16,688
Annual fees to the Securities & Exchange Commission of Pakistan		205,906	157,993	71,331	64,186
Accounting and operational charges	8	271,176	112,723	91,742	85,586
Annual rating fee		236,002	205,282	67,428	67,552
Annual listing fee		19,143	19,143	6,287	6,147
Securities transaction cost		519	11,123	519	9,709
Auditors' remuneration		83,286	194,362	61,491	69,713
Printing charges		(1,757)	14,689	(2,893)	2,579
Legal and professional charges		84,254	102,920	28,080	41,669
Amortisation of formation cost		195,178	195,178	64,110	64,109
Bank charges		13,297	7,634	6,460	1,202
Provision for Sindh Workers' Welfare Fund	7.1	433,117	208,061	188,367	83,765
		<b>3,487,945</b>	<b>2,657,388</b>	<b>1,314,183</b>	<b>1,076,476</b>
<b>Net income for the period before taxation</b>		<b>21,222,745</b>	<b>10,194,981</b>	<b>9,229,977</b>	<b>4,104,470</b>
<b>Taxation</b>	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>21,222,745</b>	<b>10,194,981</b>	<b>9,229,977</b>	<b>4,104,470</b>
<b>Earning per unit</b>	13				
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		21,222,745	10,194,981	9,229,977	4,104,470
Income already paid on units redeemed		(4,217,829)	(75,928)	(1,032,955)	(53,840)
		<b>17,004,916</b>	<b>10,119,053</b>	<b>8,197,022</b>	<b>4,050,630</b>
<b>Accounting income available for distribution:</b>					
-Relating to capital gains		1,081,609	-	1,081,119	-
-Excluding capital gains		15,923,307	10,119,053	7,115,903	4,050,630
		<b>17,004,916</b>	<b>10,119,053</b>	<b>8,197,022</b>	<b>4,050,630</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2019	2018	2019	2018
	-----Rupees-----			
Net income for the period after taxation	21,222,745	10,194,981	9,229,977	4,104,470
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>21,222,745</b>	<b>10,194,981</b>	<b>9,229,977</b>	<b>4,104,470</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Third Quarter Report 2018-19

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

	For the Nine Months Ended	
	31 March	
	2019	2018
Note	-----Rupees-----	
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	21,222,745	10,194,981
<b>Adjustments for:</b>		
Interest income	(23,862,347)	(12,981,826)
Capital loss on sale of investments - net	233,266	128,239
Net unrealize (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,081,609)	1,218
Amortization of formation cost	195,178	195,178
Provision for Sindh Workers' Welfare Fund	433,117	208,061
	<b>(24,082,395)</b>	<b>(12,449,130)</b>
<b>Increase in assets</b>		
Prepayment and other receivables	<b>(16,728)</b>	<b>(8,357)</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(187,246)	(1,537,820)
Payable to the Central Depository Company of Pakistan Limited - Trustee	18,307	(197,295)
Payable to the Securities and Exchange Commission of Pakistan	(18,649)	(479,617)
Accrued expenses and other liabilities	(168,163)	(4,514,991)
	<b>(355,751)</b>	<b>(6,729,723)</b>
	<b>(3,232,129)</b>	<b>(8,992,229)</b>
Interest received	2,306,767	4,765,709
Investments made during the period	(2,012,137,040)	(2,067,017,656)
Investments sold / matured during the period	1,826,687,158	1,978,308,693
<b>Net cash used in from operating activities</b>	<b>(186,375,244)</b>	<b>(92,935,483)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Net receipt from issuance of units	308,325,171	118,679,892
Net payment against redemption of units	(216,785,989)	(12,622,635)
Refund of capital	(2,376,565)	(12,622,635)
Cash payout against distribution	(23,919,263)	(21,732,748)
<b>Net cash generated from financing activities</b>	<b>65,243,354</b>	<b>71,701,874</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(121,131,890)</b>	<b>(21,233,609)</b>
Cash and cash equivalents at the beginning of the period	267,945,874	265,276,299
<b>Cash and cash equivalents at the end of the period</b>	<b>146,813,984</b>	<b>244,042,690</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# ATLAS SOVEREIGN FUND

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated 23 May 2017 and 3 September 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements dated 24 March 2015, 3 August 2015, 23 June 2016, 13 October 2016, 2 June 2017, 18 April 2018 and 20 August 2018 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is categorised as an 'Income Scheme' effective from January 2, 2019 previously it was "money market scheme" by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund are being offered for public subscription on a continuous basis from 01 December 2014 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the amended Trust Deed, the objective of the Fund is to generate competitive returns by investing in Government Securities and Debt Instruments. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two plus)] on 28 December 2018.
- Moreover, PACRA maintained the stability rating of the Fund at "AA (f)" [2018: "AA (f)"] on 17 April 2019.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 2019.

### 2 BASIS OF PREPARATION

#### 2.1.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act 2017, provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the requirements of the Trust Deed and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). 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 2018.

# Third Quarter Report 2018-19

## 2.2 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 AND CHANGES THEREIN

Except for change in note 3.2, 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 as at and for the year ended June 30, 2018.

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

3.1 The financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements of the Fund for the year ended 30 June 2018.

### 3.2 Change in accounting policy

#### 3.2.1 IFRS 9 Financial Instruments

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the fund's business model was made as at the date of initial application i.e. 01 July 2018.

As a result of the above assessment, the management has concluded that all the investments in debt securities will continue to be classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the fund.

While the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than debt securities i.e. Bank balances and concluded that impact is not material to the condensed interim financial statements.

# ATLAS SOVEREIGN FUND

## 3.2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### Standard or Interpretation

IFRS 9	- Financial Instruments
IFRS 15	- Revenue from contracts with customers (Amendments)
IFRS 2	- Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 4	- Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
IFRIC 22	- Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements other than IFRS 9, the impact of which has been disclosed in Note 3.2.1.

	Note	31 March 2019 Un-audited	30 June 2018 Audited
		-----Rupees-----	
<b>4 BANK BALANCES</b>			
Cheques in hands	4.1	35,000,000	-
Balances with bank in: - saving accounts	4.2	111,813,984	267,945,874
		<b>146,813,984</b>	<b>267,945,874</b>

4.1 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequently on 01 April 2019 .

4.2 The rate of return on these balances range from 5.00% to 10.75% (30 June 2018: 4.00% to 7.35%) per annum.

	Note	31 March 2019 Un-audited	30 June 2018 Audited
		-----Rupees-----	
<b>5 INVESTMENTS</b>			
<b>Government securities - at fair value through profit or loss</b>			
Market Treasury Bills	5.1	153,283,531	92,878,298
Pakistan Investment Bonds	5.2	144,125,278	-
		<b>297,408,809</b>	<b>92,878,298</b>

### 5.1 Market Treasury Bills

Treasury bills	Face Value (Rupees)				Rupees		Percentage of	
	As at 01 July 2018	Acquired during the period	Sold / Matured during the period	As at 31 March 2019	Amortised Cost	Market Value	Total Investments	Net Assets
3 Months T-bills	93,000,000	1,881,000,000	1,819,000,000	155,000,000	153,341,228	153,283,531	51.54	37.00
	<b>93,000,000</b>	<b>1,881,000,000</b>	<b>1,819,000,000</b>	<b>155,000,000</b>	<b>153,341,228</b>	<b>153,283,531</b>	<b>51.54</b>	<b>37.00</b>

5.1.1 The cost of investments as on 31 March 2019 is Rs. 151,333,240 (30 June 2018: Rs.91,682,341).

5.1.2 These Market Treasury Bills carry purchase yields 10.55% (30 June 2018: 6.21% to 6.72%) per annum and will mature on 09 May 2019 (30 June 2018: 05 July 2018 and 30 August 2018).

# Third Quarter Report 2018-19

## 5.2 Pakistan Investment Bonds

Pakistan Investment Bonds	Face Value (Rupees)			Rupees			Percentage of	
	As at 01 July 2018	Acquired during the period	Sold / Matured	As at 31 March 2019	Amortised Cost	Market Value	Total Investments	Net Assets
			during the period					
3 Years PIB	-	150,500,000	15,000,000	135,500,000	121,713,671	122,779,319	41.28	29.00
5 Years PIB	-	25,000,000	-	25,000,000	21,272,300	21,345,959	7.18	5.00
	-	175,500,000	15,000,000	160,500,000	142,985,971	144,125,278	48.46	34.00

5.2.1 The cost of investments as on 31 March 2019 is Rs. 142,985,972 (30 June 2018: Rs.Nil).

5.2.2 These Pakistan Investment Bonds carry purchase yields ranging from 11.8000% to 12.4500% per annum and 3 Years PIB will mature on 12 July 2021 and 5 Years PIB will mature on 12 July 2023.

	31 March 2019	30 June 2018
	Un-audited	Audited
Note	-----Rupees-----	

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

Remuneration of the Management Company	6.1	194,305	132,163
Sindh Sales Tax payable on remuneration of the Management Company	6.2	156,540	148,464
Federal Excise Duty payable on remuneration of the Management Company	6.3	905,341	905,341
Formation cost payable		260,000	520,000
Accounting and operational charges payable	8	31,913	29,377
		<b>1,548,099</b>	<b>735,345</b>

6.1 In accordance with the provisions of the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets in case of money market schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 0.45% (2018: 0.45%) per annum of the average net assets for the period. The fee is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 168,096 (2018: Rs. 123,237) was charged on account of sales tax on remuneration of Management Company management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 160,020 (2018: Rs. 244,410) has been paid to the Management Company which acts as a collecting agent.

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

On 4 September 2013, a Constitutional Petition was filed in the 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 year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

# ATLAS SOVEREIGN FUND

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.905 million (30 June 2018: Rs 0.905 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained in the condensed interim financial statements, the net asset value of the Fund as at 31 March 2019 would have been higher by Re. 0.22 per unit (30 June 2018: Re. 0.27 per unit).

7 ACCRUED AND OTHER LIABILITIES		31 March	30 June
		2019	2018
		Un-audited	Audited
-----Rupees -----			
Auditors' remuneration payable		114,306	231,925
Printing charges payable		1,348	6,224
Transaction charges payable		1,204	1,204
Withholding tax payable		10,358	1,664
CGT payable		12,635	193
Annual rating fee payable		206,656	273,460
Dividend payable		10,985	10,985
Provision for Sindh Workers' Welfare Fund	7.1	1,470,815	1,037,698
		<b>1,828,307</b>	<b>1,563,353</b>

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. 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, the MUFAP 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).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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

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

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

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Re. 0.36 per unit (30 June 2018: Re. 0.30 per unit).

# Third Quarter Report 2018-19

## 8 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund.

## 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2019 and 30 June 2018.

## 10 INTEREST INCOME

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2019	2018	2019	2018
	-----Rupees-----			
PLS saving and term deposit accounts	3,347,558	2,906,390	1,986,419	761,508
Market Treasury Bills	18,232,286	10,075,436	5,086,730	4,529,414
Pakistan Investment Bonds	2,282,503	-	2,282,503	-
	<b>23,862,347</b>	<b>12,981,826</b>	<b>9,355,652</b>	<b>5,290,922</b>

## 11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2019 is 1.27% (30 June 2018: 1.25%) which includes 0.32% (30 June 2018: 0.26%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

## 12 TAXATION

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

## 13 EARNING PER UNIT

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

## 14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

# ATLAS SOVEREIGN FUND

For the Nine Months Ended  
31 March

## 14.1 Transactions for the period

### Atlas Asset Management Limited (Management Company)

	2019 Un-audited	2018 Un-audited
Remuneration of the Management Company	1,293,049	947,978
Remuneration paid	1,230,907	1,880,084
Sindh Sales Tax on remuneration of the Management Company	168,096	123,237
Issue of 700,555 (2018: 3,206) units	70,356,195	320,588
Cash dividend	429,522	427,451

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

Remuneration of the Trustee	430,689	315,987
Remuneration paid	414,487	490,585
Sindh Sales Tax on Remuneration of the Trustee	55,990	41,078

### Cherat Cement Company Limited - Workers Profit Participation Fund

Issue of 45,342 (2018: 45,350) units	4,547,240	4,534,967
Cash dividend	6,062,987	6,046,623

### Atlas Honda Limited (Group Company)

Issue of 8 (2018: 105) units	832	10,748
cash dividend	938	-

### Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)

Issue of 99,552 (2018: 105) units	10,000,000	-
-----------------------------------	------------	---

### Atlas Foundation (Group Company)

Issue of 342,566 (2018: 105) units	35,000,000	-
------------------------------------	------------	---

### Atlas Insurance Limited (Group Company)

Issue of 247,746 (2018: Nil) units	25,000,000	-
Redemption 247,746 (2018: Nil) units	25,312,159	-

### Shirazi Investments (Private) Limited (Group Company)

Issue of 125,810 (2018: 110,791) units	12,617,182	11,079,147
Cash dividend	14,843,744	14,772,196

### Shirazi Investments (Private) Limited - Employees Provident Fund

Issue of 621,205 (2018: Nil) units	62,400,000	-
Redemption 510,248 (2018: Nil) units	51,780,000	-

### Directors and their close family members and key management personnel of the Management Company

Issue of 16,003 (2018: 14,775) units	1,619,046	1,504,319
Redemption 2,702 (2018: 20,372) units	275,000	2,103,694
Cash dividend	105,217	171,466

# Third Quarter Report 2018-19

	Un-audited 31 March 2019	Audited 30 June 2018
	-----Rupees-----	
<b>14.2 Investments / outstanding balances as at period / year end</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	194,305	132,163
Sindh Sales Tax payable on Remuneration of the Management Company	156,540	148,464
Federal Excise Duty payable on Remuneration of the Management Company	905,341	905,341
Accounting and operation charges payable	31,913	29,377
Formation cost payable	260,000	520,000
Outstanding 748,756 (30 June 2018: 48,201) units - at net asset value	76,537,791	5,061,082
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	60,263	44,061
Sindh Sales Tax payable on remuneration of the trustee	7,833	5,728
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 113 (30 June 2018: 105) units - at net asset value	11,587	11,031
<b>Atlas Foundation (Group Company)</b>		
Outstanding 342,566 (30 June 2018: Nil) units - at net asset value	35,017,128	-
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 1,791,570 (30 June 2018: 1,665,759) units - at net asset value	183,134,262	174,904,743
<b>Shirazi Investments (Private) Limited - Employees Provident Fund</b>		
Outstanding 110,956 (30 June 2018: Nil) units - at net asset value	11,341,948	-
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 99,552 (30 June 2018: Nil) units - at net asset value	10,176,207	-
<b>Cherat Cement Company Limited - Workers Profit Participation Fund (Unit Holder with more than 10% holding)</b>		
Outstanding 727,178 (30 June 2018 : 681,836) units - at net asset value	74,332,176	71,592,806
<b>Directors and their close family members and key management Personnel and executive of the Management Company</b>		
Outstanding 25,752 (30 June 2018: 12,452) units - at net asset value	2,632,381	1,307,460
<b>14.3 Other balances due to / from related parties / connected persons included in the respective notes to the condensed interim financial statements</b>		

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

### Fair value hierarchy

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

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

# ATLAS SOVEREIGN FUND

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

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

As at 31 March 2019 and 30 June 2018, the Fund held the following instruments measured at fair values:

## 16 GENERAL

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

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

**16.3** Units have been rounded off to the nearest decimal place.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf 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**

---

Bawany & Partners

### **Bankers**

---

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

# Atlas Money Market Fund

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

AS AT 31 MARCH 2019

		31 March 2019 Un-audited	30 June 2018 Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Cash and bank balances	4	14,006,190,870	13,224,116,066
Investments	5	-	-
Profit receivable on bank balances		117,849,481	5,027,146
Prepayment and other receivables		3,609,425	3,586,604
<b>Total assets</b>		<b>14,127,649,776</b>	<b>13,232,729,816</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	6	31,292,246	30,963,521
Payable to Central Depository Company of Pakistan Limited - Trustee		1,078,739	1,035,151
Payable to the Securities and Exchange Commission of Pakistan		8,504,242	7,692,651
Payable against redemption of units		303,840,619	309,512
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	7	53,836,047	31,820,642
<b>Total liabilities</b>		<b>398,577,045</b>	<b>71,846,629</b>
<b>NET ASSETS</b>		<b>13,729,072,731</b>	<b>13,160,883,187</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>13,729,072,731</b>	<b>13,160,883,187</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>27,194,287</b>	<b>24,859,132</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>504.85</b>	<b>529.42</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	Note	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
		2019	2018	2019	2018
<b>Note -----Rupees-----</b>					
<b>Income</b>					
Profit on savings and term deposits		442,731,453	219,685,521	193,053,015	62,568,621
Income from government securities		585,516,389	193,462,666	170,115,104	113,748,737
Capital (loss) / gain on sale of investments - net		(15,210,539)	(590,244)	4,919,476	(625,357)
Net unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss'		-	(3,200)	-	(3,200)
		(15,210,539)	(593,444)	4,919,476	(628,557)
<b>Total Income</b>		<b>1,013,037,303</b>	<b>412,554,743</b>	<b>368,087,595</b>	<b>175,688,801</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	6.1	51,025,453	29,726,909	15,800,532	12,722,676
Sindh Sales Tax on remuneration of the Management Company	6.2	6,633,309	3,864,498	2,054,069	1,653,948
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		8,492,435	5,459,589	2,661,532	2,251,110
Sindh Sales Tax on remuneration of the Trustee		1,104,017	709,747	346,000	292,645
Annual fees to the Securities and Exchange Commission of Pakistan		8,504,242	4,954,485	2,633,421	2,120,446
Accounting and operational charges	9	11,338,990	6,480,289	3,511,230	2,789,997
Annual rating fee		303,220	266,868	87,658	87,658
Annual listing fee		16,907	19,142	4,052	6,287
Securities transaction cost		113,615	18,078	17,282	(49,841)
Auditors' remuneration		365,550	469,198	169,014	156,797
Printing charges		(54,745)	278,354	(129,647)	89,069
Legal and professional charges		83,433	102,920	28,080	51,460
Bank charges		126,784	73,280	49,133	26,056
Provision for Sindh Workers' Welfare Fund	7.1	18,499,682	7,202,628	6,817,105	3,069,810
		<b>106,552,892</b>	<b>59,625,985</b>	<b>34,049,461</b>	<b>25,268,118</b>
<b>Net income for the period before taxation</b>		<b>906,484,411</b>	<b>352,928,758</b>	<b>334,038,134</b>	<b>150,420,683</b>
<b>Taxation</b>	11	-	-	-	-
<b>Net income for the period after taxation</b>		<b>906,484,411</b>	<b>352,928,758</b>	<b>334,038,134</b>	<b>150,420,683</b>
<b>Earning per unit</b>	12				
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		906,484,411	352,928,758	334,038,134	150,420,683
Income already paid on units redeemed		(273,153,160)	(48,492,696)	(78,298,039)	(7,288,832)
		<b>633,331,251</b>	<b>304,436,062</b>	<b>255,740,095</b>	<b>143,131,851</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	-	-	(35,113)
- Excluding capital gains		633,331,251	304,436,062	255,740,095	143,166,964
		<b>633,331,251</b>	<b>304,436,062</b>	<b>255,740,095</b>	<b>143,131,851</b>

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

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Money Market Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2019	2018	2019	2018
	-----Rupees-----			
Net income for the period after taxation	906,484,411	352,928,758	334,038,134	150,420,683
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>906,484,411</b>	<b>352,928,758</b>	<b>334,038,134</b>	<b>150,420,683</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2019

	31 March 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	12,754,057,197	-	12,754,057,197
<b>Undistributed income brought forward</b>			
- Realised income	-	406,825,990	406,825,990
- Unrealised income	-	-	-
<b>Net assets at the beginning of the period (Units outstanding: 24,859,132) (Rs. 529.42 per unit)</b>	<b>12,754,057,197</b>	<b>406,825,990</b>	<b>13,160,883,187</b>
Issue of 38,847,074 units	19,814,781,709	-	19,814,781,709
Redemption of 36,511,919 units	(18,488,416,693)	(273,153,160)	(18,488,416,693)
Total comprehensive income for the period	-	906,484,411	906,484,411
Refund of capital	(435,274,321)	-	(435,274,321)
Final Cash distribution for year the ended 30 June 2018 of Rs. 27 per unit for full year declared on 06 July 2018	-	(386,348,605)	(386,348,605)
First interim distribution of Rs. 20 per unit declared on 18 January 2019	-	(359,028,549)	(359,028,549)
Second interim distribution of Rs. 4.50 per unit declared on 15 February 2019	-	(106,637,844)	(106,637,844)
Third interim distribution of Rs. 3.75 per unit declared on 15 March 2019	-	(104,217,404)	(104,217,404)
<b>Net assets at end of the period (Units outstanding: 27,194,287) (Rs. 504.85 per unit)</b>	<b>13,645,147,892</b>	<b>83,924,839</b>	<b>13,729,072,731</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	83,924,839	-
- Unrealised income	-	-	-
	-	<b>83,924,839</b>	-
	31 March 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,617,006,642	12,475,784	4,629,482,426
<b>Undistributed income brought forward</b>			
- Realised income	-	-	-
- Unrealised income	-	-	-
<b>Net assets at the beginning of the period (Units outstanding: 9,224,702) (Rs. 501.86 per unit)</b>	<b>4,617,006,642</b>	<b>12,475,784</b>	<b>4,629,482,426</b>
Issue of 24,157,500 units	12,387,499,465	-	12,387,499,465
Redemption of 7,241,537 units	(3,667,190,650)	(48,492,696)	(3,715,683,346)
Total comprehensive income for the period	-	352,928,758	352,928,758
<b>Net assets at end of the period (Units outstanding: 26,140,663) (Rs. 522.34 per unit)</b>	<b>13,337,315,457</b>	<b>316,911,846</b>	<b>13,654,227,303</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	316,783,846	-
- Unrealised income	-	128,000	-
	-	<b>316,911,846</b>	-

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

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Money Market Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March	
	2019	2018
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	633,331,251	352,928,758
<b>Adjustments for:</b>		
Profit on savings and term deposits	(442,731,453)	(219,685,521)
Income from government securities	(585,516,389)	(193,462,666)
Capital loss on sale of investments - net	15,210,539	590,244
Net unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss <sup>1</sup>	-	3,200
Provision for Sindh Workers' Welfare Fund	18,499,682	7,202,628
	<b>(994,537,621)</b>	<b>(405,352,115)</b>
<b>(Increase) / decrease in assets</b>		
Prepayment and other receivables	<b>(22,821)</b>	<b>2,437,992</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	328,725	5,340,044
Payable to Central Depository Company of Pakistan Limited - Trustee	43,588	505,531
Payable to the Securities and Exchange Commission of Pakistan	811,591	1,075,736
Accrued expenses and other liabilities	3,515,723	(41,198,555)
	<b>4,699,627</b>	<b>(34,277,244)</b>
	<b>(356,529,564)</b>	<b>(84,262,609)</b>
Interest received	329,909,118	189,340,728
Investments made during the period	(90,746,780,747)	(35,653,120,318)
Investments sold / matured during the period	91,317,086,597	35,446,714,340
<b>Net cash generated from / (used in) operating activities</b>	<b>543,685,404</b>	<b>(101,327,859)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	19,814,781,709	12,492,319,737
Net payments against redemption of units	(18,184,885,586)	(3,718,200,484)
Refund of capital	(435,274,321)	-
Cash distribution made during the period	(956,232,402)	-
<b>Net cash generated from financing activities</b>	<b>238,389,400</b>	<b>8,774,119,253</b>
<b>Net increase in cash and cash equivalents</b>	<b>782,074,804</b>	<b>8,672,791,394</b>
Cash and cash equivalents at the beginning of the period	13,224,116,066	4,591,434,541
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b> <b>14,006,190,870</b>	<b>13,264,225,935</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document of the Fund has been revised through the First, Second, Third and Fourth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016 and 2 June 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 28 December 2018.
- Moreover, PACRA maintained the stability rating of the Fund at "AA (f)" [2018: "AA (f)"] on 17 April 2019.
- 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.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These 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 Accounting Standards (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 Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
- 2.2 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, 2018.
- 2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at March 31, 2019.

#### 2.4 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.

# Atlas Money Market Fund

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

3.1 The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended 30 June 2018 except for changes in accounting policies as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on "expected credit losses" (ECL) approach rather than "incurred credit losses" approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income ("FVOCI") or (c) at fair value through profit or loss (FVTPL) based on the business model of the entity. However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. Accordingly, the portfolio of investments previously held under held for trading category was reclassified to fair value through profit or loss (FV&PL).

There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement.

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

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the financial statements of the Fund as at and for the year ended 30 June 2018.

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 2018.

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations, except for IFRS 9 "Financial Instruments" disclosed in note 3.2, and are, therefore, not detailed in these condensed interim financial statements

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

There are certain amended other standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

# Third Quarter Report 2018-19

4 CASH AND BANK BALANCES	Note	31 March 2019	30 June 2018
		Un-audited	Audited
		-----Rupees -----	
Balances with banks in savings accounts	4.1	13,996,397,370	13,200,471,066
Cheques in hand	4.2	9,793,500	23,645,000
		<b>14,006,190,870</b>	<b>13,224,116,066</b>

4.1 The rates of return on these accounts range between 5.00% and 10.95% (30 June 2018: 4.00% and 7.35%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequently on 02 April 2019 (30 June 2018: 04 July 2018).

5 INVESTMENTS	Note	31 March 2019	30 June 2018
		Un-audited	Audited
		-----Rupees -----	
<b>At fair value through profit or loss - held for trading</b>			
Investment in government securities - Market Treasury Bills	5.1	-	-

## 5.1 Market Treasury Bills - held-for-trading

Treasury Bills	Face Value (Rupees)			As at 31 March 2019 (Rupees)			Percentage of	
	As at 01 July 2018	Purchased during the period	Sold / Matured during the period	As at 31 March 2019	Amortised Cost	Market Value	Total Investments	Net Assets
3 Months	-	92,109,700,000	92,109,700,000	-	-	-	-	-
	-	<b>92,109,700,000</b>	<b>92,109,700,000</b>	-	-	-	-	-
Total as on 30 June 2018				-	-	-	-	-

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 March 2019	30 June 2018
		Un-audited	Audited
		-----Rupees -----	
Remuneration of the Management Company	6.1	5,726,560	5,483,460
Sindh Sales Tax payable on remuneration of the Management Company	6.2	3,864,615	3,833,012
Federal Excise Duty payable on remuneration of the Management Company	6.3	20,428,502	20,428,502
Accounting and operational charges reimbursable by the Fund	9	1,272,569	1,218,547
		<b>31,292,246</b>	<b>30,963,521</b>

6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of money market schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.45% (2018: 0.45%) per annum of the average net assets of the Fund during the nine months ended 31 March 2019. The fee is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 6,633,309 (2018: Rs. 3,864,498) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 and , an amount of Rs. 6,601,706 (2018: Rs. 3,493,483) has been paid to the Management Company which acts as a collecting agent.

# Atlas Money Market Fund

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED 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 2018: 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 March 2019 would have been higher by Re. 0.75 (30 June 2018: Re. 0.82) per unit.

7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 March	30 June
		2019	2018
		Un-audited	Audited
		-----Rupees -----	
Auditors' remuneration payable		461,146	461,455
Printing charges payable		47,635	226,417
Annual rating fee payable		266,869	355,499
Withholding tax payable		14,640,427	30,775
Capital gain tax payable		5,877,206	16,823,435
Other Payable		120,021	-
Provision for Sindh Workers' Welfare Fund	7.1	32,422,743	13,923,061
		<b>53,836,047</b>	<b>31,820,642</b>

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

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

# Third Quarter Report 2018-19

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Rs. 1.19 per unit (30 June 2018: Re 0.56 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2019 and 30 June 2018.

## 9 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund.

## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2019 is 0.94% (30 June 2018: 0.65%) which includes 0.31% (30 June 2018: 0.25%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

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

## 12 EARNING PER UNIT

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

## 13 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.

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.

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

# Atlas Money Market Fund

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

13.1 Transactions for the period	For the Nine Months Ended	
	31 March	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	51,025,453	29,726,909
Remuneration paid	50,782,353	26,872,953
Sindh Sales Tax on Remuneration of the Management Company	6,633,309	3,864,498
Accounting and operational charges	11,338,990	6,480,289
Issue of 346,196 (2018: Nil) units	175,806,205	-
Redemption of 126,979 (2018: Nil) units	64,000,000	-
Dividend declared	6,524,724	-
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	8,492,435	5,459,589
Sindh Sales Tax on remuneration of the Trustee	1,104,017	709,747
Remuneration paid	8,453,862	5,012,217
<b>Atlas Battery Limited (Group Company)</b>		
Issue of 27,494 (2018: 1,750,090) units	13,813,617	895,968,814
Redemption of 560,022 (2018: 1,369,520) units	283,372,212	702,297,156
Dividend declared	14,378,242	-
<b>Batool Benefit Trust</b>		
Issue of 1,068 (2018: 10,706) units	537,107	5,500,000
Dividend declared	609,811	-
<b>Atlas Fund of Funds (Fund under common management)</b>		
Issue of 146,906 (2018: 34,016) units	73,950,000	17,100,000
Redemption of 109,542 (2018: Nil) units	56,093,477	-
<b>Atlas Foundation (Group Company)</b>		
Issue of 9,715 (2018: 10,906) units	4,884,847	5,600,000
Dividend declared	5,724,245	-
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 1,431,310 (2018: 10,571,154) units	722,772,212	5,389,780,725
Redemption of 2,767,340 (2018: 985,571) units	1,400,000,000	500,000,000
Dividend declared	485,321,053	-
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 1,456,994 (2018: 314,490) units	746,845,493	162,000,000
Redemption of 1,456,994 (2018: Nil) units	745,317,462	-
Dividend declared	14,613,894	-
<b>Honda Atlas Cars (Pakistan) limited (Group Company)</b>		
Issue of 733,603 (2018: 964,581) units	373,967,042	500,000,000
Redemption of 3,687,488 (2018: Nil) units	1,900,000,000	-
Dividend declared	129,205,254	-
<b>Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 2,150 (2018: Nil) units	1,081,175	-
Dividend declared	1,081,175	-
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 10,233 (2018: 74,325) units	5,144,681	38,209,000
Redemption of 38,152 (2018: 6,766) units	19,300,000	3,500,000
Dividend declared	5,144,681	-

# Third Quarter Report 2018-19

		For the Nine Months Ended	
		31 March	
		2019	2018
		Un-audited	Un-audited
		-----Rupees-----	
<b>13.1</b>	<b>Transactions for the period</b>		
	<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
	Issue of 778,638 (2018: Nil) units	393,963,672	-
	Redemption of 625,190 (2018: 117,151) units	320,000,000	60,000,000
	Dividend declared	4,239,792	-
	<b>Shirazi Investments (Private) Limited (Group Company)</b>		
	Issue of 157,957 (2018: 347,202) units	79,417,402	180,000,000
	Redemption of 664,654 (2018: Nil) units	340,000,000	-
	Dividend declared	86,147,481	-
	<b>Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)</b>		
	Issue of 15,171,418 (2017: Nil) units	7,722,466,525	-
	Redemption of 10,016,928 (2017: Nil) units	5,186,932,117	-
	Dividend declared	40,993,134	-
	<b>Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
	Issue of 2,281 (2018: Nil) units	1,146,846	-
	Redemption of 14,065 (2018: Nil) units	7,082,102	-
	Dividend declared	1,152,026	-
	<b>Shirazi Investment (Private) Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
	Issue of 6,229 (2018: 57,409) units	3,132,126	29,567,000
	Dividend declared	3,132,126	-
	<b>Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
	Issue of 27,661 (2017: Nil) units	13,908,895	-
	Dividend declared	13,908,895	-
	<b>Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)</b>		
	Redemption of Nil (2018: 420) units	-	211,646
	<b>Directors and their close family members and key management personnel of the Management Company</b>	13.3	
	Issue of 172,723 (2018: 81,006) units	87,676,486	41,728,201
	Redemption of 454,313 (2018: 397,714) units	233,277,606	206,161,598
	Dividend declared	31,528,312	-
		<b>31 March 2019</b>	<b>30 June 2018</b>
		<b>Un-audited</b>	<b>Audited</b>
		-----Rupees-----	
<b>13.2</b>	<b>Balances outstanding as at period / year end</b>		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	5,726,560	5,483,460
	Sindh Sales Tax payable on Remuneration of the Management Company	3,864,615	3,833,012
	Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
	Accounting and operational charges payable	1,272,569	1,218,547
	Outstanding 219,217 (30 June 2018: Nil) units - at net asset value	110,671,780	-
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	954,636	916,063
	Sindh Sales Tax payable on Remuneration of the trustee	124,103	119,088

# Atlas Money Market Fund

13.2 Balances outstanding as at period / year end	31 March 2019	30 June 2018
	Un-audited	Audited
	-----Rupees-----	
<b>Atlas Fund of Funds (Fund under common management)</b>		
Outstanding 37,364 (30 June 2018: Nil) units - at net asset value	18,863,145	-
<b>Atlas Foundation (Group Company)</b>		
Outstanding 110,364 (30 June 2018: 100,649) units - at net asset value	55,717,268	53,285,796
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 8,249,552 (30 June 2018: 9,585,583) units - at net asset value	4,164,786,469	5,074,799,245
<b>Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 271,035 (30 June 2018: 243,374) units - at net asset value	136,832,028	128,847,159
<b>Atlas Battery Limited (Group Company)</b>		
Outstanding Nil (30 June 2018: 532,527) units - at net asset value	-	281,930,697
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 23,961 (30 June 2018: 57,409) units - at net asset value	12,096,698	30,393,222
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 1,162,931 (30 June 2018: 1,669,629) units - at net asset value	587,105,613	883,934,770
<b>Honda Atlas Cars (Pakistan) Limited (Group Company)</b>		
Outstanding 563,565 (30 June 2018: 3,517,450) units - at net asset value	284,515,632	1,862,208,294
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 81,202 (30 June 2018: 109,121) units - at net asset value	40,995,055	57,770,882
<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
Outstanding 153,448 (30 June 2018: Nil) units - at net asset value	77,468,386	-
<b>Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 21,068 (30 June 2018: 18,918) units - at net asset value	10,636,311	10,015,626
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 11,774 (30 June 2018: 10,706) units - at net asset value	5,943,994	5,667,756
<b>Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 9,296 (30 June 2018: 21,081) units - at net asset value	4,693,317	11,160,565
<b>Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)</b>		
Outstanding 5,154,489 (30 June 2018: Nil) units - at net asset value	2,602,243,927	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 389,115 (30 June 2018: 670,704) units - at net asset value	196,444,466	355,084,285

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

## 14 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or 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 government securities are determined by reference to the quotation obtained from the brokers on the Reuters page. 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.

# Third Quarter Report 2018-19

## Fair value hierarchy

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

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

As at 31 March 2019 and 30 June 2018, the Fund held the financial assets at fair value through profit or loss measured using the level 2 valuation technique.

## 15 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Management Company authorised the Investment Committee to consider and approve the interim distribution of the Fund. The Investment Committee in the meeting held on 15 April 2019 approved an interim cash dividend of Rs.3.90 per unit on the face value of Rs. 500 each (i.e. 0.78%) amounting to Rs.102,633,744. The financial statement of the fund for the nine month ended 31 March 2019 do not include the effect of this distribution which will be accounted for in the financial statements of the fund for the year ending 30 June 2019.

## 16 GENERAL

- 16.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.
- 16.2 Figures have been rounded off to the nearest Rupee unless stated otherwise.
- 16.3 Units have been rounded off to the nearest decimal place.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf 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  
Faysal Bank Limited  
Habib Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Zarai Taraqiati Bank Limited

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2019

		Un-audited 31 March 2019	Audited 30 June 2018
	Note	-----Rupees-----	
<b>Assets</b>			
Cash and Bank balances	4	1,942,214,301	4,566,844,339
Investments	5	1,708,821,964	1,720,155,737
Receivable against Margin Trading System		55,645,506	156,652,992
Interest / profit accrued	6	27,734,760	49,472,429
Deposits, prepayment and other receivables	7	11,768,551	11,140,036
<b>Total assets</b>		<b>3,746,185,082</b>	<b>6,504,265,533</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	30,285,107	33,860,303
Payable to the Central Depository Company of Pakistan Limited - Trustee		419,643	686,415
Payable to the Securities and Exchange Commission of Pakistan		2,564,854	7,365,523
Payable against redemption of units		21,439,600	41,457,746
Unclaimed dividend		40,464	40,464
Accrued expenses and other liabilities	9	28,626,380	41,827,392
<b>Total liabilities</b>		<b>83,376,048</b>	<b>125,237,843</b>
<b>NET ASSETS</b>		<b>3,662,809,034</b>	<b>6,379,027,690</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,662,809,034</b>	<b>6,736,307,690</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>6,996,715</b>	<b>12,545,428</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>523.50</b>	<b>508.47</b>

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	Note	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
		2019	2018	2019	2018
Rupees					
<b>Income</b>					
Interest income	11	303,629,783	488,799,739	98,379,727	139,453,898
Gain on spread transactions		-	317,530	-	-
Capital loss on sale of investments - net		(21,671,069)	(2,888,448)	(5,607,125)	(2,485,536)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through loss or profit'		6,821,627	(22,584,702)	5,523,663	(8,874,732)
		<b>(14,849,442)</b>	<b>(25,473,150)</b>	<b>(83,462)</b>	<b>(11,360,268)</b>
<b>Total income</b>		<b>288,780,341</b>	<b>463,644,119</b>	<b>98,296,265</b>	<b>128,093,630</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	27,358,446	62,063,461	7,387,625	17,564,841
Sindh Sales Tax on remuneration of the Management Company	8.2	3,556,598	8,068,250	960,391	2,283,429
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,509,620	6,631,649	994,525	1,931,444
Sindh Sales Tax on remuneration of the Trustee		456,251	862,114	129,289	251,087
Annual fees to the Securities and Exchange Commission of Pakistan		2,564,854	5,818,450	692,589	1,646,704
Accounting and operational charges	13	3,419,808	5,770,600	923,455	455,237
Auditors' remuneration		352,045	477,991	149,336	159,693
Annual rating fee		332,797	267,021	96,972	87,707
Annual listing fee		20,644	19,142	6,781	6,287
Securities transaction cost		3,495,973	2,896,406	349,524	1,036,301
Printing charges		(151,980)	381,854	(44,145)	65,907
Legal and professional charges		237,661	194,930	93,966	12,042
Bank charges		26,147	60,618	(27,320)	9,409
Provision for Sindh Workers' Welfare Fund		4,872,030	7,402,633	1,731,666	2,045,321
<b>Total expenses</b>		<b>50,050,894</b>	<b>100,915,119</b>	<b>13,444,654</b>	<b>27,555,409</b>
<b>Net income for the period before taxation</b>		<b>238,729,447</b>	<b>362,729,000</b>	<b>84,851,611</b>	<b>100,538,221</b>
<b>Taxation</b>	14	-	-	-	-
<b>Net income for the period after taxation</b>		<b>238,729,447</b>	<b>362,729,000</b>	<b>84,851,611</b>	<b>100,538,221</b>
<b>Earnings per unit</b>	15				
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		238,729,447	362,729,000	84,851,611	100,538,221
Income already paid on units redeemed		(39,829,316)	(83,323,337)	(6,129,815)	(23,844,145)
		<b>198,900,131</b>	<b>279,405,663</b>	<b>78,721,796</b>	<b>76,694,076</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		198,900,131	279,405,663	78,721,796	76,694,076
		<b>198,900,131</b>	<b>279,405,663</b>	<b>78,721,796</b>	<b>76,694,076</b>

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2019	2018	2019	2018
	-----Rupees-----			
<b>Net income for the period after taxation</b>	238,729,447	362,729,000	84,851,611	100,538,221
Other comprehensive income for the period	-	-	-	-
<b>Item that reclassified to Income Statement</b>				
Net unrealised appreciation / (diminution) in the value of investment classified as 'available for sale'	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>238,729,447</b>	<b>362,729,000</b>	<b>84,851,611</b>	<b>100,538,221</b>

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2019

31 March 2019				
Capital value	Undistributed income	Unrealise diminution on remeasurement of investments classify as 'AFS'	Net assets	
-----Rupees-----				
Capital value	6,307,067,372	-	-	6,307,067,372
<b>Undistributed income brought forward</b>				
- Realised income	-	457,388,456	-	457,388,456
- Unrealised income	-	(28,148,138)	-	(28,148,138)
<b>Net assets at the beginning of the period (Units outstanding: 12,545,428) (Rs. 536.95 per unit)</b>	<b>6,307,067,372</b>	<b>429,240,318</b>	<b>-</b>	<b>6,736,307,690</b>
Issue of 1,256,823 units	648,349,214	-	-	648,349,214
Redemption of 6,805,536 units	(3,492,803,873)	(39,829,316)	-	(3,532,633,189)
Total comprehensive income for the period	-	238,729,447	-	238,729,447
Refund of capital	(10,045,973)	-	-	(10,045,973)
Cash distribution for year the ended 30 June 2018 at Rs. 24.00 per unit declared on 06 July 2018	-	(292,161,630)	-	(292,161,630)
First interim distribution of Rs. 18 per unit declared on 18 January 2019	-	(125,736,525)	-	(125,736,525)
<b>Net assets at end of the period (Units outstanding: 6,996,715) (Rs. 523.50 per unit)</b>	<b>3,452,566,740</b>	<b>210,242,294</b>	<b>-</b>	<b>3,662,809,034</b>
<b>Undistributed income carried forward</b>				
- Realised income	-	199,347,923	-	-
- Unrealised income	-	10,894,371	-	-
	-	<b>210,242,294</b>	-	-

31 March 2018				
Capital value	Undistributed income	Unrealise diminution on remeasurement of investments classify as 'AFS'	Net assets	
-----Rupees-----				
Capital value	12,424,066,564	-	(1,216,327)	12,422,850,237
<b>Undistributed income brought forward</b>				
- Realised income	-	99,100,360	-	99,100,360
- Unrealised income	-	28,976,066	-	28,976,066
<b>Net assets at the beginning of the period (Units outstanding: 24,501,811) (Rs. 512.24 per unit)</b>	<b>12,424,066,564</b>	<b>128,076,426</b>	<b>(1,216,327)</b>	<b>12,550,926,663</b>
Issue of 1,579,480 units	820,408,225	-	-	820,408,225
Redemption of 10,429,055 units	(5,345,174,346)	(83,323,337)	-	(5,428,497,683)
Total comprehensive income for the period	-	362,729,000	-	362,729,000
Net unrealised appreciation in the value of investment classified as 'available for sale'	-	-	1,216,327	1,216,327
<b>Net assets at end of the period (Units outstanding: 15,652,236) [Rs. 524.61 per unit]</b>	<b>7,899,300,443</b>	<b>407,482,089</b>	<b>-</b>	<b>8,306,782,532</b>
<b>Undistributed income carried forward</b>				
- Realised income	-	397,163,243	-	-
- Unrealised income	-	10,318,846	-	-
	-	<b>407,482,089</b>	-	-

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

	For the Nine Months Ended	
	31 March	
	2019	2018
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	238,729,447	362,729,000
<b>Adjustments for:</b>		
Interest income	(303,629,783)	(488,799,739)
Capital loss on sale of investments - net	21,671,069	2,570,918
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(6,821,627)	22,584,702
Provision for Sindh Workers' Welfare Fund	4,872,030	7,402,633
	<b>(283,908,311)</b>	<b>(456,241,486)</b>
<b>Decrease in assets</b>		
Receivable against Margin Trading System	101,007,486	(18,500,367)
Deposits, prepayment and other receivables	(628,515)	71,391,002
	<b>100,378,971</b>	<b>52,890,635</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(3,575,196)	1,166,645
Payable to the Central Depository Company of Pakistan Limited - Trustee	(266,772)	(140,280)
Payable to the Securities and Exchange Commission of Pakistan	(4,800,669)	(1,092,834)
Accrued expenses and other liabilities	(18,073,042)	(91,297,492)
	<b>(26,715,679)</b>	<b>(91,363,961)</b>
	<b>28,484,428</b>	<b>(131,985,812)</b>
Interest received	190,446,136	343,165,274
Investments made during the period	(18,040,799,319)	(29,559,407,433)
Investment sold / redeemed / matured during the period	18,529,184,586	30,171,389,203
<b>Net cash generated from operating activities</b>	<b>707,315,832</b>	<b>823,161,232</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	648,349,214	863,759,572
Net payments against redemption of units	(3,552,350,956)	(5,384,798,022)
Refund of capital	(10,045,973)	-
Cash distribution for the year ended 30 June 2018 at Rs. 24.00 per unit declared on 06 July 2018	(292,161,630)	-
First interim distribution of Rs. 18 per unit declared on 18 January 2019	(125,736,525)	-
<b>Net cash used in financing activities</b>	<b>(3,331,945,870)</b>	<b>(4,521,038,450)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,624,630,038)</b>	<b>(3,697,877,218)</b>
Cash and cash equivalents at the beginning of the period	4,566,844,339	9,679,898,539
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>4</b>
	<b>1,942,214,301</b>	<b>5,982,021,321</b>

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2019

### 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 and Eleventh 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 and 02 June 2017 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) / sukus, 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) [2017: AM2+ (AM Two plus)] on 28 December 2018.
- Furthermore, PACRA maintained the stability rating of "AA - (f)" (Double A minus) to the Fund [2017: "AA - (f)" (Double A minus)] on 17 April 2019.
- 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 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2019.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act 2017, provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the requirements of the Trust Deed and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). 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 2018.

#### 2.2 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.

# Third Quarter Report 2018-19

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

Except for change in note 3.2, 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 as at and for the year ended June 30, 2018.

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

3.1 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 2018.

### 3.2 Change in accounting policy

#### 3.2.1 IFRS 9 Financial Instruments

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the fund's business model was made as at the date of initial application i.e. 01 July 2018.

As a result of the above assessment, the management has concluded that all the investments in debt securities will continue to be classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the fund."

While the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than debt securities i.e. bank balances and security deposits concluded that impact is not material to the condensed interim financial statements.

#### 3.2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

##### Standard or Interpretation

- IFRS 9 - Financial Instruments
- IFRS 15 - Revenue from contracts with customers (Amendments)
- IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)
- IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
- IAS 40 - Investment Property: Transfers of Investment Property (Amendments)
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration

# Atlas Income Fund

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements other than IFRS 9, the impact of which has been disclosed in Note 3.2.1.

4 CASH AND BANK BALANCES	Note	31 March 2019 Un-audited	30 June 2018 Audited
		-----Rupees-----	
Balances with banks in:			
- Savings accounts	4.1	1,942,150,727	4,566,839,339
- Current account		5,000	5,000
Cheques in hand	4.2	58,574	-
		<b>1,942,214,301</b>	<b>4,566,844,339</b>

4.1 The rate of return on these accounts ranges between 5.00% and 10.95% (30 June 2018: 4.00% and 7.35%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequently on 01 April 2019.

5 INVESTMENTS	Note	31 March 2019 Un-audited	30 June 2018 Audited
		-----Rupees-----	
<b>At fair value through profit or loss - held for trading</b>			
Term finance certificates - listed		527,300,253	1,091,496,304
Term finance certificates - unlisted	5.1 & 5.8	208,650,574	200,852,450
Sukuk certificates - listed	5.2 & 5.8	200,000,000	200,129,200
Sukuk certificates - unlisted	5.3 & 5.8	46,999,530	-
Government Securities - Market Treasury Bills	5.4 & 5.8	247,231,500	148,365,900
Government Securities - Pakistan Investment Bonds	5.5	478,640,106	-
Commercial Papers	5.6	-	79,311,883
	5.7		
		<b>1,708,821,964</b>	<b>1,720,155,737</b>

#### 5.1 Term finance certificates - Listed

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

Name of the Investee Company	Number of certificates			Rupees			Market value as a Percentage of		
	As at 01 July 2018	Purchased during the period	Disposed / matured during the period	As at 31 March 2019	Carrying value 31 March 2019	Market value 31 March 2019	Total Investments	Net Assets	Total Issue Size
<b>BANKS</b>									
Bank Alfalah Limited - V	59,903	-	21,440	38,463	192,932,874	191,475,491	11.21	5.23	3.85
Habib Bank Limited Tier - II (face value of Rs. 100,000 per certificate)	7,500	-	4,555	2,945	290,469,693	289,506,484	16.94	7.90	2.95
Soneri Bank Limited	10,000	-	572	9,428	47,937,407	46,318,278	2.71	1.26	1.57
	77,403	-	26,567	50,836	531,339,974	527,300,253			
<b>TELECOMMUNICATION</b>									
Telecard Limited	5.8.1	4,000	-	4,000	-	-	-	-	-
<b>PERSONAL GOODS</b>									
Azgard Nine Limited	5.8.1	5,000	-	5,000	-	-	-	-	-
Total as at 31 March 2019					<b>531,339,974</b>	<b>527,300,253</b>	<b>30.86</b>	<b>14.40</b>	
Total as at 30 June 2018					<b>1,107,599,166</b>	<b>1,091,496,304</b>			

# Third Quarter Report 2018-19

5.1.1 The terms and conditions of listed term finance certificates outstanding as at 31 March 2019 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
<b>BANKS</b>					
Bank Alfalah Limited - V	AA	8 years	Semi-annually	Feb 2021	6 month KIBOR + 1.25%
Habib Bank Limited Tier - II	AAA	10 years	Semi-annually	Feb 2026	6 month KIBOR + 0.50%
Soneri Bank Limited	A+	8 years	Semi-annually	July 2023	6 month KIBOR + 1.35%
<b>TELECOMMUNICATION</b>					
Telecard Limited	NPA	15 years	Quarterly	Dec 2020	3 month KIBOR
<b>PERSONAL GOODS</b>					
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	Number of certificates				Rupees		Market value as a Percentage of		
	As at 01 July 2018	Purchased during the period	Disposed/ matured during the period	As at 31 March 2019	Carrying value 31 March 2019	Market value 31 March 2019	Total Investments	Net Assets	Total Issue Size
<b>BANKS</b>									
Askari Bank Limited - V	20,000	-	-	20,000	100,138,934	97,589,906	5.71	2.66	2.50
Bank AL Habib Limited	20,000	-	-	20,000	100,633,112	111,060,668	6.50	3.03	2.50
<b>CHEMICALS</b>									
Agriotech Limited- I	2,000	-	-	2,000	-	-	-	-	-
Agriotech Limited - II	8,000	-	-	8,000	-	-	-	-	-
Agriotech Limited- IV	2,203	-	-	2,203	-	-	-	-	-
	12,203	-	-	12,203	-	-	-	-	-
<b>PERSONAL GOODS</b>									
Azgard Nine Limited-V	1,075	-	-	1,075	-	-	-	-	-
<b>Total as at 31 March 2019</b>					<b>200,772,046</b>	<b>208,650,574</b>	<b>12.21</b>	<b>5.70</b>	
<b>Total as at 30 June 2018</b>					<b>203,317,970</b>	<b>200,852,450</b>			

5.2.1 The terms and conditions of unlisted term finance certificates outstanding as at 31 March 2019 are as follows:

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

## 5.3 Sukuk certificates - listed

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

Name of the Investee Company	Number of certificates				Rupees		Market value as a Percentage of		
	As at 01 July 2018	Purchased during the period	Disposed/ matured during the period	As at 31 March 2019	Carrying value 31 March 2019	Market value 31 March 2019	Total Investments	Net Assets	Total Issue Size
<b>FERTILIZERS</b>									
Dawood Hercules Corporation Limited Sukuk 2	2,000	-	-	2,000	200,129,200	200,000,000	11.70	5.46	3.33
<b>Total as at 31 March 2019</b>					<b>200,129,200</b>	<b>200,000,000</b>	<b>11.70</b>	<b>5.46</b>	
<b>Total as at 30 June 2018</b>					<b>200,000,000</b>	<b>200,129,200</b>			

5.3.1 The terms and conditions of sukuk certificates as at 31 March 2019 are as follows:

Name of the Investee Company	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return	Rating
<b>CHEMICALS</b>					
Dawood Hercules Sukuk Tier - II	5 years	Quarterly	March 2023	3 month KIBOR + 1.00%	AA

# Atlas Income Fund

## 5.4 Sukuk certificates - unlisted

(Certificates having a face value of Rs. 1,000,000 each unless stated otherwise)

Name of the Investee Company	Number of certificates				Rupees		Market value as a Percentage of		
	As at 01 July 2018	Purchased during the period	Disposed/ matured during the period	As at 31 March 2019	Carrying value as at 31 March 2019	Market value as at 31 March 2019	Total Investments	Net Assets	Total Issue Size
<b>CHEMICALS</b>									
Agritech Limited - Unlisted 5.7.1	4,060	-	-	4,060	-	-	-	-	-
<b>BANKS</b>									
Meezan Bank Limited Tier - II	352	-	300	52	47,705,000	46,999,530	2.75	1.28	0.74
<b>Total as at 31 March 2019</b>					<b>47,705,000</b>	<b>46,999,530</b>	<b>2.75</b>	<b>1.28</b>	
<b>Total as at 30 June 2018</b>					<b>366,993,070</b>	<b>357,280,000</b>			

5.4.1 The terms and conditions of sukuk certificates as at 31 March 2019 are as follows:

Name of the Investee Company	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return	Rating
<b>CHEMICALS</b>					
Agritech Limited	7 years	Semi-annually	Aug 2015	6 month KIBOR + 2.00%	NPA
Meezan Bank Limited Tier - II	10 years	Semi-annually	Sept 2026	6 month KIBOR + 0.50%	AA-

## 5.5 Government Securities - Market Treasury Bills

Tenor	Face Value (Rupees)				Rupees		Market value as a Percentage of					
	As at 01 July 2018	Purchased during the period	Disposed/ matured during the period	As at 31 March 2019	Carrying value as at 31 March 2019	Market value as at 31 March 2019	Total Investments	Net Assets				
3 months	150,000,000	17,804,000,000	17,704,000,000	250,000,000	247,324,748	247,231,500	14.47	6.75				
<b>Total as at 31 March 2019</b>					<b>150,000,000</b>	<b>17,804,000,000</b>	<b>17,704,000,000</b>	<b>250,000,000</b>	<b>247,324,748</b>	<b>247,231,500</b>	<b>14.47</b>	<b>6.75</b>
<b>Total as at 30 June 2018</b>									<b>148,361,785</b>	<b>148,365,900</b>		

5.5.1 Market treasury bills carry purchase yield of 10.55% (30 June 2018: 6.75%) per annum and will mature to 09 May 2019 (30 June 2018: 30 August 2018). The cost of these investments as on 31 March 2019 is Rs. 244,086,250 (30 June 2018: Rs. 147,706,500).

5.5.2 These treasury bills amounting to Rs. 97,634,500 (face value: Rs. 100,000,000) [2018: Rs. 148,361,785 (face value: Rs. 150,000,000)] which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in respect of Margin Trading System (MTS) transactions and spread transactions respectively due to mature on 09 May 2019 (2018: 30 August 2018).

## 5.6 Government Securities - Pakistan Investment Bonds

Tenor	Face Value (Rupees)				Rupees		Market value as a Percentage of					
	As at 01 July 2018	Purchased during the period	Disposed/ matured during the period	As at 31 March 2019	Carrying value as at 31 March 2019	Market value as at 31 March 2019	Total Investments	Net Assets				
3 Years	-	434,000,000	-	434,000,000	389,636,923	393,256,269	23.01	10.74				
5 Years	-	100,000,000	-	100,000,000	85,092,400	85,383,838	5.00	2.33				
<b>Total as at 31 March 2019</b>					<b>-</b>	<b>534,000,000</b>	<b>-</b>	<b>534,000,000</b>	<b>474,729,323</b>	<b>478,640,106</b>	<b>28.01</b>	<b>13.07</b>
<b>Total as at 30 June 2018</b>												

5.6.1 Pakistan Investment Bonds carry purchase yield of 11.80% to 12.45% (30 June 2018: Nil%) per annum and will mature on 12 Jul 2023. The cost of these investments as on 31 March 2019 is Rs. 474,729,323 (30 June 2018: Rs. Nil).

# Third Quarter Report 2018-19

## 5.7 Commercial Papers

Name of the Investee Company	Number of Certificates (Rs.100,000 each)				Rupees		Market value as a Percentage of	
	As at 01 July 2018	Purchased during the period	Disposed/ matured during the period	As at 31 March 2019	Carrying value as at 31 March 2019	Market value as at 31 March 2019	Total Investments	Net Assets
	Crescent Steel & Allied Products Limited	800	-	800	-	-	-	-
<b>Total as at 31 March 2019</b>	<b>800</b>	<b>-</b>	<b>800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
<b>Total as at 30 June 2018</b>							<b>80,000,000</b>	<b>79,311,883</b>

## 5.8 Particulars of non-compliant investments

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

Non-compliant investment	Note	Type of investment	Value before provision	Provision held	Net carrying value	Percentage of	
						Net assets	Gross assets
-----Rupees-----							
<b>Listed</b>							
Azgard Nine Limited		Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited		Term finance certificate	4,668,990	4,668,990	-	-	-
			<b>12,540,501</b>	<b>12,540,501</b>	-	-	-
<b>Unlisted</b>							
Agritech Limited-I		Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited-II		Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited-IV		Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited-V		Term finance certificate	5,375,000	5,375,000	-	-	-
			<b>53,860,000</b>	<b>53,860,000</b>	-	-	-
<b>Unlisted</b>							
Agritech Limited		Sukuk certificate	15,225,000	15,225,000	-	-	-
<b>Total as at 31 March 2019</b>			<b>81,625,501</b>	<b>81,625,501</b>	-	-	-
<b>Total as at 30 June 2018</b>			<b>81,625,501</b>	<b>81,625,501</b>	-	-	-

5.8.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs. 81.63 million (30 June 2018: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

## 6 INTEREST / PROFIT ACCRUED

Interest / profit on:

Savings and term deposits  
Margin Trading System  
Term finance certificates  
Pakistan Investment Bond  
Sukuk certificates

	31 March 2019	30 June 2018
	Un-audited	Audited
	-----Rupees-----	
	7,922,487	5,796,216
	635,709	1,228,195
	8,103,861	32,879,055
	8,612,528	-
	2,460,175	9,568,963
	<b>27,734,760</b>	<b>49,472,429</b>

## 7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Central Depository Company of Pakistan Limited (CDC)  
National Clearing Company of Pakistan Limited (NCCPL)  
Prepaid annual listing fee  
Prepaid annual fee to the NCCPL  
Annual Fee Subscription (MTS)  
Prepaid Legal & Professional Fees  
Other receivables

	100,000	100,000
	2,750,000	2,750,000
	6,856	-
	-	124,209
	187,630	-
	337,037	-
	8,387,028	8,165,827
	<b>11,768,551</b>	<b>11,140,036</b>

# Atlas Income Fund

	Note	31 March	30 June
		2019	2018
		Un-audited	Audited
		-----Rupees-----	
<b>8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)</b>			
Remuneration of the Management Company	8.1	2,533,391	5,382,172
Sindh Sales Tax payable on remuneration of the Management Company	8.2	3,852,039	4,222,380
Federal Excise Duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable reimbursable by the Fund	13	316,706	672,780
		<b>30,285,107</b>	<b>33,860,303</b>

**8.1** In accordance with the provisions of the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1.50% of the average annual net assets in case of income schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and, thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 0.80% (2018: 0.80% per annum 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. 3,556,598 (2018: Rs. 8,068,250) 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. 3,926,939 (2018: Rs. 8,013,997) 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 2017: Rs 23.583 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Re. 3.37 per unit (30 June 2018: Re 1.88 per unit).

# Third Quarter Report 2018-19

		31 March 2019	30 June 2018
	Note	Un-audited	Audited
		-----Rupees-----	
<b>9 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		264,565	480,360
NCCPL charges payable		30,000	430,000
Printing charges payable		15,151	221,363
Brokerage payable		22,223	-
Annual rating fee payable		295,226	355,704
Withholding tax payable		32,259	40,288
Capital gain tax payable		34,246	17,315,711
Zakat payable		465	-
Other payables		410,592	334,343
Provision for Sindh Workers' Welfare Fund	9.1	27,521,653	22,649,623
		<b>28,626,380</b>	<b>41,827,392</b>

**9.1** 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 MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. 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, the MUFAP 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).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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

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

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

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Re 3.93 per unit (30 June 2018: Rs 1.81 per unit).

# Atlas Income Fund

## 10 CONTINGENCIES AND COMMITMENTS

10.1 There were no contingencies outstanding as at 31 March 2019 and 30 June 2018.

10.2 Commitments	31 March		30 June	
	2019		2018	
	Un-audited		Audited	
	-----Rupees-----			
<b>Margin Trading System (MTS)</b>				
Margin Trading System (MTS) transactions entered into by the Fund that have not been settled as at 31 March 2019				
Purchase of securities	-		41,442,656	
<b>Total commitments</b>	<b>-</b>		<b>41,442,656</b>	

## 11 INTEREST INCOME

Note	For the nine months ended			For the three months ended		
	31 March			31 March		
	2019	2018	2018	2019	2018	2018
	Un-audited			Un-audited		
	-----Rupees-----					
Interest on:						
Saving and term deposits	50,540,918	220,749,542		17,927,281	47,092,900	
Margin Trading System	23,325,113	11,088,294		5,629,509	5,891,042	
Term finance certificates	63,182,867	63,550,454	11.1	18,863,217	22,003,814	
Sukuk certificates	24,376,337	29,009,489		6,577,922	10,532,310	
Government Securities - Market Treasury Bills	134,233,199	160,900,209		42,098,566	52,557,599	
Government Securities - Pakistan Investment Bond	7,283,232	-		7,283,232	-	
Commercial Papers	688,117	3,501,751		-	1,376,233	
	<b>303,629,783</b>	<b>488,799,739</b>		<b>98,379,727</b>	<b>139,453,898</b>	

11.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. 0.040 (2018: Rs. 0.194 million). Furthermore in accordance with the requirements specified by the SECP, mark-up on non-performing securities amounting to Rs. 65.11 million (2018: Rs. 56.90 million) based on outstanding principal has not been recognised during the period.

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2019 is 1.47% (30 June 2018: 1.34%) which includes 0.34% (30 June 2018: 0.29%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

## 13 ACCOUNTING AND OPERATIONAL CHARGES

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

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

# Third Quarter Report 2018-19

14.1 On October 26, 2018, a show cause notice under section 161 (1A) of the Income Tax Ordinance, 2001 was issued to the taxpayer vide bar code No.100000039261279 in respect of monitoring of withholding taxes paid/deducted under various sections of the Income Tax Ordinance, 2001 for tax year 2017. The Management Company provided all the relevant details and documents alongwith reconciliation under rule 44(4) of the Income Tax Rules, 2002 on November 1, 2018 and further appeared and discussed the case with the relevant officer on November 20, 2018.

Despite fulfilling all requirements of notice by the Management Company, FBR passed an order unilaterally and created tax demand amounting to Rs. 15,863,027. An Appeal through A.F Ferguson & Co. has been filed in Commissioner Inland Revenue - Appeals (CIR - Appeals). Arguments have already been presented in Appeals office and stay order has been granted against retrieval of tax demand while decision of appeal is awaited.

## 15 EARNINGS PER UNIT

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

## 16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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:

	31 March	
	For the Nine Months Ended	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
<b>16.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	27,358,446	62,063,461
Remuneration paid	30,207,227	61,646,132
Sindh Sales Tax on remuneration of the Management Company	3,556,598	8,068,250
Accounting and operational charges	3,419,808	5,770,600
Issue of 8,196 (2018: Nil) units	4,206,392	-
Redemption of 31,123 (2018: Nil) units	16,000,000	-
Cash Dividend	4,948,696	-
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee	3,509,620	6,631,649
Sindh Sales Tax on remuneration of the Trustee	456,251	862,114
Trustee fee paid	3,770,702	6,588,790
Settlement charges	422,801	121,035
Sindh Sales Tax on settlement charges	54,964	15,735

# Atlas Income Fund

	For the Nine Months Ended	
	31 March	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
<b>Atlas Battery Limited (Group Company)</b>		
Redemption of Nil (2018: 1,797,819) units	-	935,697,170
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Issue of 43,560 (2018: Nil) units	22,357,606	-
Redemption of 32,857 (2018: 204,661) unit	17,000,000	106,000,000
Cash Dividend	26,231,171	-
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 46,808 (2018: 137) units	24,013,211	71,618
Redemption of 971,836 (2018: 5,782,929) units	500,000,000	3,000,000,000
Cash Dividend	28,250,561	-
<b>Atlas Insurance Limited</b>		
Issue of 122,225 (2018: 38,692) units	63,696,101	20,000,000
Redemption of 122,225 (2018: Nil) units	64,051,559	-
Cash Dividend	713,234	-
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of 5,406 (2018: Nil) units	2,774,429	-
Redemption of 33,155 (2018: 21,371) units	17,211,923	11,147,969
Cash Dividend	3,264,034	-
<b>Cherat Cement Company Limited - Employee Provident Fund</b>		
Issue of Nil (2018: 3,288) units	-	1,721,259
Redemption of Nil (2018: 3,288) units	-	1,739,343
<b>Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of 9,856 (2018: Nil) units	5,058,431	-
Cash Dividend	5,058,431	-
<b>Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of 13,349 (2018: Nil) units	6,851,016	-
Redemption of 90,132 (2018: 66,049) units	47,000,000	35,000,000
Cash Dividend	6,851,016	-
<b>Atlas Engineering Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
Redemption of Nil (2018: 13,471) units	-	6,954,338
<b>Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of 2,121 (2018: Nil) units	1,088,457	-
Cash Dividend	1,088,457	-

# Third Quarter Report 2018-19

		For the Nine Months Ended	
		31 March	
		2019	2018
		Un-audited	Un-audited
		-----Rupees-----	
16.1	<b>Transactions during the period</b>		
	<b>Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund</b>		
	<b>(Retirement Benefit Plan of a Group Company)</b>		
	Issue of 2,395 (2018: Nil) units	1,229,031	-
	Cash Dividend	1,229,031	-
	<b>Atlas Power Limited - Staff Provident Fund</b>		
	<b>(Retirement Benefit Plan of a Group Company)</b>		
	Redemption of Nil (2018: 290) units	-	149,160
	<b>Honda Atlas Power Product (Private) Limited</b>		
	Issue of 19,366 (2018: Nil) units	10,000,000	-
	Redemption of 19,366 (2018: Nil) units	10,026,531	-
	<b>Shirazi Trading Company (Private) Limited - Employees</b>		
	<b>Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
	Issue of 2,071 (2018: Nil) units	1,062,796	-
	Redemption of 26,878 (2018: Nil) units	13,969,960	-
	Cash Dividend	1,062,796	-
	<b>Shirazi Investments (Private) Limited (Group Company)</b>		
	Issue of 350,957 (2018: 866,093) units	180,115,381	450,000,000
	Redemption of 1,055,469 (2018: Nil) units	550,000,000	-
	Cash Dividend	210,812,951	-
	<b>Shirazi Investments (Private) Limited - Employees</b>		
	<b>Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
	Issue of 2,223 (2018: 31,375) units	1,141,207	16,170,000
	Redemption of 28,861 (2018: 6,272) units	14,990,671	3,270,000
	Cash Dividend	1,141,207	-
	<b>Atlas Group of Companies - Management Staff Gratuity Fund</b>		
	<b>(Retirement benefit plan of group company)</b>		
	Issue of 1,449 (2018: 31,998) units	743,026	16,748,280
	Redemption of 32,408 (2018: 10,256) units	16,713,562	5,400,000
	Cash Dividend	743,026	-
	<b>Atlas Die Casting (Private) Limited</b>		
	Redemption of Nil (2018: 78,275) units	-	40,246,787
	<b>Atlas Services Limited</b>		
	Issue of 9,446 (2018: Nil) units	4,848,298	-
	Redemption of 1,882 (2018: Nil) units	1,000,000	-
	Cash Dividend	5,703,879	-
	<b>Honda Atlas Cars (Pakistan) Limited</b>		
	Issue of 140,888 (2018: Nil) units	72,268,392	-
	Redemption of 3,683,456 (2018: 78,275) units	1,912,135,049	-
	Cash Dividend	85,021,638	-
	<b>Directors and their close family members and key management</b>		
	<b>personnel of the Management Company</b>		
	Issue of 35,392 (2018: 4) units	18,264,530	2,104
	Redemption of 3,384 (2018: 178,799) units	1,750,000	93,252,966
	Cash Dividend	11,546,875	-

# Atlas Income Fund

16.2 Balances as at period / year end	31 March 2019	30 June 2018
	Un-audited	Audited
	-----Rupees-----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	2,533,391	5,382,172
Sindh Sales Tax payable on remuneration of the Management Company	3,852,039	4,222,380
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	316,706	672,780
Outstanding 92,924 (30 June 2018: 115,852) units - at net asset value	48,645,810	62,206,464
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	341,365	602,447
Sindh Sales Tax payable on remuneration of the trustee	44,378	78,318
Settlement charges payable	30,000	5,000
Sindh Sales Tax payable on Settlement Charges	3,900	650
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Outstanding 638,584 (30 June 2018: 627,881) units - at net asset value	334,298,923	337,140,831
<b>Atlas Services Limited (Group Company)</b>		
Outstanding 141,888 (30 June 2018: Nil) units - at net asset value	74,278,438	-
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding Nil (30 June 2018: 30,959) units - at net asset value	-	16,623,650
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 145,853 (30 June 2018: 1,070,881) units - at net asset value	76,354,161	575,009,585
<b>Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 27,527 (30 June 2018: 25,406) units - at net asset value	14,410,340	13,641,857
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 99,311 (30 June 2018: 176,094) units - at net asset value	51,989,403	94,553,568
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 59,824 (30 June 2018: 87,573) units - at net asset value	31,317,967	47,022,094
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 31,082 (30 June 2018: 28,687) units - at net asset value	16,271,432	15,403,699
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 127,927 (30 June 2018: 118,071) units - at net asset value	66,969,763	63,398,358
<b>Shirazi Investments (Private) Limited (Group company)</b>		
Outstanding 4,674,730 (30 June 2018: 5,379,242) units - at net asset value	2,447,221,237	2,888,384,219
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Outstanding Nil (30 June 2018: 26,637) units - at net asset value	-	14,302,986
<b>Honda Atlas Cars (Pakistan) Limited</b>		
Outstanding Nil (30 June 2018: 3,542,568) units - at net asset value	-	1,902,182,029
<b>Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding Nil (30 June 2018: 24,807) units - at net asset value	-	13,320,246
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 298,914 (30 June 2018: 266,205) units -at net asset value	156,115,002	142,939,040

# Third Quarter Report 2018-19

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

## 17 FAIR VALUE MEASUREMENT

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

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

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

### Fair value hierarchy

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

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

	Note	Un-audited	Un-audited
		For the Nine Months Ended	
		31 March	
		2019	2018
-----Rupees-----			
<b>18 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	4	1,942,214,301	5,334,409,859
Treasury bills (with original maturity of three months)	5.5	247,231,500	647,611,462
		<b>2,189,445,801</b>	<b>5,982,021,321</b>

## 19 GENERAL

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

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

## 20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf 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  
Faysal Bank Limited  
Habib Bank Limited  
MCB Bank Limited

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2019

		31 March 2019 Un-audited	30 June 2018 Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Cash and bank balances	4	156,332,227	503,609,049
Investments	5	5,592,269,149	4,940,091,479
Dividend receivable		70,278,423	7,994,137
Profit receivable on bank balances		2,385,508	2,293,384
Receivable against sale of investments		-	1,483,060
Advances, deposits, prepayments and other receivables		13,530,082	22,135,195
<b>Total assets</b>		<b>5,834,795,389</b>	<b>5,477,606,304</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	6	34,761,156	33,918,297
Payable to the Central Depository Company of Pakistan Limited - Trustee		649,525	606,080
Payable to the Securities and Exchange Commission of Pakistan		4,169,687	5,104,876
Payable against purchase of investments		23,539,964	18,082,010
Payable against redemption of units		26,601,912	3,578,132
Unclaimed dividend		401,733	401,733
Accrued expenses and other liabilities	7	40,289,830	40,583,180
<b>Total liabilities</b>		<b>130,413,807</b>	<b>102,274,308</b>
<b>NET ASSETS</b>		<b>5,704,381,582</b>	<b>5,375,331,996</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>5,704,381,582</b>	<b>5,375,331,996</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>9,824,711</b>	<b>8,657,936</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>580.62</b>	<b>620.86</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	Note	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
		2019	2018	2019	2018
-----Rupees-----					
<b>Income</b>					
Profit on bank balances		24,107,397	24,716,207	7,756,849	9,383,797
Dividend income		214,774,319	217,217,349	71,708,567	68,541,884
Capital (loss) / gain on sale of investments - net		(152,012,401)	(318,962,818)	(41,995,595)	(49,884,643)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(366,669,886)	252,388,811	365,794,866	679,008,575
		<b>(518,682,287)</b>	<b>(66,574,007)</b>	<b>323,799,271</b>	<b>629,123,932</b>
<b>Total income</b>		<b>(279,800,571)</b>	<b>175,359,549</b>	<b>403,264,687</b>	<b>707,049,613</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	6.1	87,783,413	79,789,280	28,779,154	27,489,660
Sindh sales tax on remuneration of the Management Company	6.2	11,411,844	10,372,606	3,741,290	3,573,655
Remuneration of Central Depository Company of Pakistan Limited - Trustee		5,139,856	4,740,149	1,685,534	1,621,058
Sindh sales tax on remuneration of the trustee		668,181	616,219	219,119	210,737
Annual fee to the Securities and Exchange Commission of Pakistan		4,169,712	3,789,991	1,367,010	1,305,759
Accounting and operational charges	9	4,389,171	3,858,886	1,438,958	1,381,836
Auditors' remuneration		297,228	408,893	133,104	136,153
Annual listing fee		20,633	19,142	6,770	6,287
Securities transaction cost		7,270,521	7,563,214	2,128,655	2,235,027
Advertisement and marketing expense		-	78,119	-	15,000
Printing charges		(60,128)	193,153	(49,138)	41,130
Legal and professional charges		110,705	1,261,554	15,762	376,450
Bank charges		65,806	36,488	14,224	6,136
Provision for Sindh Workers' Welfare Fund		-	1,252,637	-	1,252,637
<b>Total expenses</b>		<b>121,266,942</b>	<b>113,980,331</b>	<b>39,480,442</b>	<b>39,651,525</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(401,067,512)</b>	<b>61,379,218</b>	<b>363,784,246</b>	<b>667,398,088</b>
<b>Taxation</b>	11	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(401,067,512)</b>	<b>61,379,218</b>	<b>363,784,246</b>	<b>667,398,088</b>
<b>Loss / Earnings per unit</b>	12				
<b>Allocation of net (loss) / income for the period</b>					
Net income for the period after taxation		(401,067,512)	61,379,218	363,784,246	667,398,088
Income already paid on units redeemed		9,083,053	19,750,115	9,083,053	19,750,115
		<b>(410,150,566)</b>	<b>41,629,103</b>	<b>354,701,192</b>	<b>647,647,973</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	-	365,794,866	629,123,932
- Excluding capital gains		(410,150,566)	41,629,103	(11,093,674)	18,524,041
		<b>(410,150,566)</b>	<b>41,629,103</b>	<b>354,701,192</b>	<b>647,647,973</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2019	2018	2019	2018
	-----Rupees-----			
Net (loss) / income for the period after taxation	(401,067,512)	61,379,218	363,784,246	667,398,088
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(401,067,512)</b>	<b>61,379,218</b>	<b>363,784,246</b>	<b>667,398,088</b>

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

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2019

	31 March 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,000,831,035	-	4,000,831,035
<b>Undistributed income brought forward</b>			
- Realised income	-	1,345,586,577	1,345,586,577
- Unrealised income	-	28,914,384	28,914,384
<b>Net assets at the beginning of the period (Units outstanding: 8,657,936) (Rs. 620.86 per unit)</b>	<b>4,000,831,035</b>	<b>1,374,500,961</b>	<b>5,375,331,996</b>
Issue of 2,716,491 units	1,674,098,586	-	1,674,098,586
Redemption of 1,549,716 units	(950,145,397)	6,163,909	(943,981,488)
Total comprehensive income for the period	-	(401,067,512)	(401,067,512)
<b>Net assets at end of the period (Units outstanding: 9,824,711) (Rs. 580.62 per unit)</b>	<b>4,724,784,224</b>	<b>979,597,358</b>	<b>5,704,381,582</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	1,178,465,601	-
- Unrealised income	-	(198,868,243)	-
	<b>-</b>	<b>979,597,358</b>	<b>-</b>
	31 March 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	3,773,086,121	-	3,773,086,121
<b>Undistributed income brought forward</b>			
- Realised income	-	1,368,557,650	1,368,557,650
- Unrealised income	-	386,032,383	386,032,383
<b>Net assets at the beginning of the period (Units outstanding: 8,289,668) (Rs. 666.82 per unit)</b>	<b>3,773,086,121</b>	<b>1,754,590,033</b>	<b>5,527,676,154</b>
Issue of 2,708,595 units	1,636,490,893	-	1,636,490,893
Redemption of 2,386,117 units	1,423,233,485	19,750,115	1,442,983,600
Total comprehensive income for the period	-	61,379,218	61,379,218
Cash dividend declared for the year ended 30 June 2017 at rate of Rs. 15 per unit declared on 07 July 2017	-	124,345,017	124,345,017
<b>Net assets at end of the period (Units outstanding: 8,612,146) [Rs. 657.00 per unit]</b>	<b>3,986,343,529</b>	<b>1,671,874,119</b>	<b>5,658,217,648</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	1,258,127,899	-
- Unrealised income	-	413,746,220	-
	<b>-</b>	<b>1,671,874,119</b>	<b>-</b>

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

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Third Quarter Report 2018-19

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Note -----Rupees-----	
Net (loss) / income for the period before taxation	(401,067,512)	61,379,218
<b>Adjustment for:</b>		
Profit on bank balances	(24,107,397)	(24,716,207)
Dividend income	(214,774,319)	(217,217,349)
Capital loss / (gain) on sale of investments - net	152,012,401	318,962,818
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	366,669,886	(252,388,811)
Provision for sindh workers' welfare fund	-	1,252,637
	<b>279,800,571</b>	<b>(174,106,912)</b>
<b>Decrease (increase) in assets</b>		
Receivable against sale of investments	1,483,060	(49,367,187)
Advances, deposits, prepayment and other receivables	8,605,113	1,092,982
	<b>10,088,173</b>	<b>(48,274,205)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	842,859	789,367
Payable to the Central Depository Company of Pakistan Limited - Trustee	43,445	(43,421)
Payable to the Securities and Exchange Commission of Pakistan	(935,189)	(1,292,939)
Payable against purchase of investments	5,457,954	(112,087,738)
Accrued expenses and other liabilities	(293,350)	(342,027)
	<b>5,115,719</b>	<b>(112,976,758)</b>
Profit received on bank balances	24,015,273	31,661,424
Dividend received	152,490,033	170,549,776
Investments made during the period	(3,908,843,528)	(3,691,495,624)
Investments sold during the period	2,737,983,572	3,622,922,525
<b>Net cash used in operating activities</b>	<b>(1,100,417,700)</b>	<b>(140,340,556)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,674,098,586	1,672,288,542
Net payments against redemption of units	(920,957,708)	(1,572,345,470)
Cash payout against distribution	-	(124,345,017)
<b>Net cash generated from / (used in) financing activities</b>	<b>753,140,878</b>	<b>(24,401,945)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(347,276,822)</b>	<b>(164,742,501)</b>
Cash and cash equivalents at the beginning of the period	503,609,049	657,895,685
<b>Cash and cash equivalents at the end of the period</b>	<b>4 156,332,227</b>	<b>493,153,184</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

### 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 and Eleventh 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 and 25 May 2018 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 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two plus)] on 28 December 2018.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2019.

### 2 BASIS FOR PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act 2017, provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the requirements of the Trust Deed and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). 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.

- 2.2 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 2018.

# Third Quarter Report 2018-19

## 2.3 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 AND CHANGES THEREIN

Except for change in note 3.2, 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 as at and for the year ended June 30, 2018.

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

3.1 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2018.

### 3.2 Change in accounting policy

#### 3.2.1 IFRS 9 Financial Instruments

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39."

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the fund's business model was made as at the date of initial application i.e. 01 July 2018. "

As a result of the above assessment, the management has concluded that all the investments in equity securities will continue to be classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the fund.

Furthermore, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for bank balances and security deposits and concluded that the impact is not material to the condensed interim financial statements.

# Atlas Stock Market Fund

## 3.2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from contracts with customers (Amendments)

IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements other than IFRS 9, the impact of which has been disclosed in Note 3.2.1.

4	CASH AND BANK BALANCES	Note	31 March	30 June
			2019	2018
			Un-audited	Audited
			-----Rupees-----	
	Balances with banks			
	- in savings accounts	4.1	156,265,714	503,449,049
	- in current account		5,000	10,000
	Cheques in hand	4.2	61,513	150,000
			<b>156,332,227</b>	<b>503,609,049</b>

4.1 The rate of return on these accounts ranges between 8.25% and 10.90% (30 June 2018: 4.00% and 7.35%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequently on 01 April 2019 (30 June 2018: 03 July 2018).

5	INVESTMENTS	Note	31 March	30 June
			2019	2018
			Un-audited	Audited
			-----Rupees-----	
<b>Financial assets at fair value through profit or loss account</b>				
	- Listed equity securities	5.1	5,540,406,649	4,940,091,479
	Investment through book building for ordinary shares of			
	- Interloop Limited (1,125,000 shares)		51,862,500	-
			<b>5,592,269,149</b>	<b>4,940,091,479</b>

# Third Quarter Report 2018-19

## 5.1 At fair value through profit or loss - Listed equity securities

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

Name of Investee Company	Note	Number of shares				Rupees		Market value as a percentage of			
		As at 01 July 2018	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2019	Average cost as at 31 March 2019	Market value as at 31 March 2019	Total Investments	Net assets	Paid up capital of the Investee Company
<b>INVESTMENT COMPANIES</b>											
Arif Habib Limited		446,500	-	94,000	4,700	535,800	27,236,500	21,421,282	0.39	0.38	0.81
							<b>27,236,500</b>	<b>21,421,282</b>	<b>0.39</b>	<b>0.38</b>	
<b>COMMERCIAL BANKS</b>											
Allied Bank Limited		500,000	90,000	-	590,000	-	-	-	-	-	-
Askari Bank Limited		2,464,500	1,733,000	-	4,197,500	-	-	-	-	-	-
Bank Alfalah Limited		4,897,000	1,792,500	640,000	634,000	6,695,500	323,834,896	315,157,185	5.69	5.52	0.38
Bank Al Habib Limited		1,769,500	2,580,200	-	345,000	4,004,700	304,023,768	343,042,602	6.19	6.01	0.36
Faysal Bank Limited		8,625	3,298,500	-	-	3,307,125	82,084,671	77,849,723	1.41	1.36	0.22
Habib Bank Limited		1,872,500	675,000	-	517,500	2,030,000	319,127,771	268,954,700	4.85	4.71	0.14
Habib Metropolitan Bank Limited		2,381,500	-	-	2,381,500	-	-	-	-	-	-
MCB Bank Limited		777,000	60,000	-	545,000	292,000	57,846,883	57,386,760	1.04	1.01	0.02
Mezban Bank Limited		1,330,000	1,154,500	172,850	2,099,500	557,850	51,610,620	55,255,043	1.00	0.97	0.05
National Bank Of Pakistan		750,000	1,350,000	-	435,500	1,664,500	81,657,499	66,679,870	1.20	1.17	0.08
The Bank Of Punjab		10,000,000	1,435,000	-	250,000	11,185,000	134,105,985	145,628,700	2.63	2.55	0.42
United Bank Limited	5.3	1,075,000	2,575,000	-	990,000	2,660,000	399,564,584	371,149,800	6.70	6.51	0.22
							<b>1,753,856,677</b>	<b>1,701,104,383</b>	<b>30.70</b>	<b>29.82</b>	
<b>INSURANCE</b>											
Adamjee Insurance Company Limited		742,500	-	-	742,500	-	-	-	-	-	-
EFU Life Assurance Limited		23,500	-	-	23,500	-	-	-	-	-	-
							-	-	-	-	-
<b>TEXTILE SPINNING</b>											
Gadoon Textile Mills Limited		50,000	70,000	-	111,300	8,700	2,216,154	2,088,000	0.04	0.04	0.03
							<b>2,216,154</b>	<b>2,088,000</b>	<b>0.04</b>	<b>0.04</b>	
<b>TEXTILE COMPOSITE</b>											
Gul Ahmed Textile Mills Limited		-	1,296,000	-	496,000	800,000	45,238,313	45,576,000	0.82	0.80	0.22
Kohinoor Textile Mills Limited		450,300	1,495,200	-	163,000	1,782,500	87,700,065	79,980,775	1.44	1.40	0.60
Nishat (Chunian) Limited		1,551,000	182,000	-	533,000	1,200,000	56,596,550	62,088,000	1.12	1.09	0.50
Nishat Mills Limited		710,900	308,000	-	268,900	750,000	105,348,087	100,957,500	1.82	1.77	0.21
							<b>294,883,015</b>	<b>288,602,275</b>	<b>5.21</b>	<b>5.06</b>	
<b>CEMENT</b>											
Attock Cement Pakistan Limited		-	316,600	28,000	14,500	330,100	40,197,255	29,428,415	0.53	0.52	0.24
Cherat Cement Company Limited		-	850,000	-	150,000	700,000	51,277,959	43,974,000	0.79	0.77	0.40
D.G. Khan Cement Company Limited		779,600	1,130,000	-	1,059,600	850,000	77,147,173	72,598,500	1.31	1.27	0.19
Kohat Cement Company Limited		-	64,300	19,290	83,500	90	8,690	7,725	0.00	0.00	0.00
Lucky Cement Limited		360,000	317,600	-	81,250	596,350	296,530,071	255,380,924	4.61	4.48	0.18
Maple Leaf Cement Factory Limited		350,000	1,150,000	-	1,500,000	-	-	-	-	-	-
Pioneer Cement Limited		415,000	250,000	-	665,000	-	-	-	-	-	-
							<b>465,161,148</b>	<b>401,389,564</b>	<b>7.24</b>	<b>7.04</b>	
<b>REFINERY</b>											
Attock Refinery Limited		-	100,000	-	100,000	-	-	-	-	-	-
Byco Petroleum Pakistan Limited		1,500,000	-	-	1,500,000	-	-	-	-	-	-
National Refinery Limited		30,000	125,000	-	80,000	75,000	12,497,313	12,618,750	0.23	0.22	0.09
							<b>12,497,313</b>	<b>12,618,750</b>	<b>0.23</b>	<b>0.22</b>	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
K-Electric Limited (face value Rs. 3.5 per share)		4,750,000	2,250,000	-	-	7,000,000	39,900,245	39,130,000	0.71	0.69	0.03
Lalpur Power Limited		300,000	-	-	-	300,000	5,763,000	4,197,000	0.08	0.07	0.08
Nishat Chunian Power Limited		590,000	29,000	-	-	619,000	17,342,100	13,488,010	0.24	0.24	0.17
Pakgen Power Limited		3,400,000	-	-	-	3,400,000	65,552,000	51,884,000	0.94	0.91	0.91
The Hub Power Company Limited		2,075,000	1,422,000	-	85,000	3,412,000	308,551,053	250,201,960	4.52	4.39	0.29
							<b>437,108,398</b>	<b>358,900,970</b>	<b>6.48</b>	<b>6.29</b>	
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Attock Petroleum Limited		-	108,000	-	108,000	-	-	-	-	-	-
Hascol Petroleum Limited		-	100,000	-	-	100,000	12,761,453	12,967,000	0.23	0.23	0.06
Pakistan State Oil Company Limited		604,000	325,000	93,160	494,200	527,960	133,008,470	114,134,393	2.06	2.00	0.13
Sui Northern Gas Pipelines Limited		900,200	300,000	-	575,000	625,200	62,699,179	46,958,772	0.85	0.82	0.10
							<b>208,469,102</b>	<b>174,060,165</b>	<b>3.14</b>	<b>3.05</b>	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited		155,000	45,140	20,014	8,700	211,454	291,635,994	263,310,979	4.75	4.62	0.17
Oil & Gas Development Company Limited		2,050,000	1,047,000	-	545,600	2,551,400	389,467,525	376,459,070	6.79	6.60	0.06
Pakistan Oilfields Limited		350,000	150,000	74,320	84,300	490,020	264,648,947	219,161,445	3.96	3.84	0.17
Pakistan Petroleum Limited	5.3	1,305,200	618,700	279,585	110,000	2,093,485	386,932,912	387,273,790	6.99	6.79	0.09
							<b>1,332,685,378</b>	<b>1,246,205,284</b>	<b>22.49</b>	<b>21.85</b>	
<b>INDUSTRIAL ENGINEERING</b>											
Amreli Steels Limited		-	1,061,500	-	1,061,500	-	-	-	-	-	-
International Industries Limited		331,500	724,100	-	297,900	757,700	128,650,171	94,030,570	1.70	1.65	0.63
International Steels Limited		-	327,500	-	327,500	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited		215,225	125,000	-	335,500	4,725	259,726	184,559	0.00	0.00	0.00
							<b>128,909,897</b>	<b>94,215,129</b>	<b>1.70</b>	<b>1.65</b>	

# Atlas Stock Market Fund

Name of Investee Company	Note	Number of shares					Rupees		Market value as a percentage of		
		As at 01 July 2018	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2019	Average cost as at 31 March 2019	Market value as at 31 March 2019	Total Investments	Net assets	Paid up capital of the Investee Company
<b>AUTOMOBILE ASSEMBLER</b>											
Indus Motor Company Limited		19,000	-	-	19,000	-	-	-	-	-	-
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Agriauto Industries Limited		70,000	82,900	-	152,900	-	-	-	-	-	-
Thal Limited		104,900	16,000	-	120,900	-	-	-	-	-	-
<b>TRANSPORT</b>											
Pakistan International Bulk Terminal Limited		2,000,000	-	-	2,000,000	-	-	-	-	-	-
<b>TECHNOLOGY &amp; COMMUNICATIONS</b>											
Hum Network Limited		13,055,000	-	-	13,055,000	-	-	-	-	-	-
Netsol Technologies Limited		-	343,400	-	343,400	-	-	-	-	-	-
Pakistan Telecommunication Company Limited		-	244,500	-	244,500	-	-	-	-	-	-
Systems Limited		-	754,500	-	50,000	704,500	84,498,558	75,029,250	1.35	1.32	0.06
							<b>84,498,558</b>	<b>75,029,250</b>	<b>1.35</b>	<b>1.32</b>	
<b>FERTILIZER</b>											
Engro Fertilizers Limited		3,374,000	1,436,000	-	584,000	4,226,000	314,573,845	302,370,300	5.46	5.30	0.32
Engro Corporation Limited		1,000,000	259,900	-	187,900	1,072,000	334,151,958	350,790,560	6.33	6.15	0.20
Fauji Fertilizer Bin Qasim Limited	5.3	700,000	100,000	-	800,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited		1,150,000	1,600,000	-	1,475,000	1,275,000	135,385,685	133,186,500	2.40	2.33	0.06
							<b>784,111,488</b>	<b>786,347,360</b>	<b>14.19</b>	<b>13.78</b>	
<b>PHARMACEUTICALS</b>											
Abbott Laboratories (Pakistan) Limited		-	45,000	-	-	45,000	29,484,960	28,688,850	0.52	0.50	0.05
AGP Limited		-	200,000	-	-	200,000	18,597,500	17,028,000	0.31	0.30	0.07
Ferozsons Laboratories Limited		-	142,000	-	-	142,000	29,153,982	27,765,260	0.50	0.49	0.47
Glaxosmithkline Pakistan Limited		-	220,000	-	-	220,000	28,506,720	31,587,600	0.57	0.55	0.19
The Searle Company Limited		70,360	348,000	54	70,000	348,414	84,904,795	82,514,780	1.49	1.45	0.16
							<b>190,647,957</b>	<b>187,584,490</b>	<b>3.39</b>	<b>3.29</b>	
<b>CHEMICALS</b>											
Descon Oxychem Limited		-	800,000	-	-	800,000	-	-	-	-	-
Engro Polymer & Chemicals Limited		-	2,950,000	-	1,469,500	1,480,500	56,963,472	53,771,760	0.97	0.94	0.16
Lotte Chemical Pakistan Limited		2,250,000	1,200,000	-	2,250,000	1,200,000	17,687,685	17,064,000	0.31	0.30	0.08
Sitara Peroxide Limited		-	476,500	-	-	476,500	-	-	-	-	-
							<b>74,651,157</b>	<b>70,835,760</b>	<b>1.28</b>	<b>1.24</b>	
<b>PAPER &amp; BOARD</b>											
Cherat Packaging Limited		-	202,600	-	-	202,600	31,493,987	28,769,200	0.52	0.50	0.52
Packages Limited		89,450	-	-	-	89,450	-	-	-	-	-
							<b>31,493,987</b>	<b>28,769,200</b>	<b>0.52</b>	<b>0.50</b>	
<b>LEATHER &amp; TANNERIES</b>											
Service Industries Limited		500	-	-	-	500	392,490	332,500	0.01	0.01	0.00
							<b>392,490</b>	<b>332,500</b>	<b>0.01</b>	<b>0.01</b>	
<b>FOODS &amp; PERSONAL CARE PRODUCTS</b>											
Al Shaeer Corporation Limited		916,937	309,500	-	1,210,829	15,608	433,007	280,632	0.01	0.00	0.01
Engro Foods Limited		-	25,000	-	25,000	-	-	-	-	-	-
Marco Foods Limited		329	1,603,500	22,916	-	1,626,745	44,927,609	56,041,365	1.01	0.98	1.33
National Foods Limited		-	100,000	-	-	100,000	-	-	-	-	-
At-Tahur Limited		-	1,124,990	-	1,124,990	-	-	-	-	-	-
							<b>45,360,616</b>	<b>56,321,997</b>	<b>1.02</b>	<b>0.99</b>	
<b>GLASS &amp; CERAMICS</b>											
Tariq Glass Industries Limited		-	341,500	-	-	341,500	32,896,699	34,580,290	0.62	0.61	0.46
							<b>32,896,699</b>	<b>34,580,290</b>	<b>0.62</b>	<b>0.61</b>	
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited		-	3,483,000	-	3,483,000	-	-	-	-	-	-
							<b>5,907,076,334</b>	<b>5,540,406,649</b>	<b>100.00</b>	<b>97.13</b>	

5.2 The cost of listed equity securities as at 31 March 2019 is Rs. 5,739,275,000 (30 June 2018: Rs. 4,911,177,095).

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 March 2019	30 June 2018	31 March 2019	30 June 2018
	Un-audited	Audited	Un-audited	Audited
Engro Fertilizers Limited	425,000	425,000	30,408,750	31,836,750
United Bank Limited	100,000	100,000	13,953,000	16,898,000
Pakistan Petroleum Limited	297,000	297,000	54,942,030	63,825,300
	<b>822,000</b>	<b>822,000</b>	<b>99,303,780</b>	<b>112,560,050</b>

# Third Quarter Report 2018-19

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 March 2019	30 June 2018
		Un-audited	Audited
-----Rupees-----			
Remuneration of the Management Company	6.1	9,737,392	9,023,232
Sindh Sales Tax payable on remuneration of the Management Company	6.2	4,234,907	4,142,066
Federal Excise Duty payable on remuneration of the Management Company	6.3	20,301,988	20,301,988
Accounting and operational charges reimbursable by the Fund	9	486,869	451,011
Sindh Sales Tax payable on accounting and operational charges		-	-
		<b>34,761,156</b>	<b>33,918,297</b>

6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 2% of the average annual net assets in case of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 2% (2018: 2%) per annum of the average net assets for the period. The fee is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 11,411,843 (2018: Rs. 10,372,606) 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. 11,319,002 (2018: Rs. 10,362,633) has been paid to the Management Company which acts as a collecting agent.

6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 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 Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2017: Rs 20.302 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Rs. 2.07 (30 June 2018: Rs 2.34) per unit.

7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 March 2019	30 June 2018
		Un-audited	Audited
-----Rupees-----			
Auditors' remuneration payable		237,557	410,274
Printing charges payable		19,053	128,793
NCCPL charges payable		30,000	30,000
Withholding and capital gain tax payable		196,067	108,442
Transaction charges payable		964,280	1,068,207
Zakat payable		3,516	1,931
Sales Load Payable		3,824	-
Provision for Sindh Workers' Welfare Fund	7.1	38,835,533	38,835,533
		<b>40,289,830</b>	<b>40,583,180</b>

# Atlas Stock Market Fund

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. 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, the MUFAP 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).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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

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

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

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2018 would have been higher by Re 3.95 per unit (30 June 2018: Rs 4.49 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2019 and 30 June 2018.

## 9 ACCOUNTING AND OPERATIONAL CHARGES

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

## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2019 is 2.76% (30 June 2018: 2.78%) which includes 0.4% (30 June 2018: 0.41%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 11 TAXATION

- 11.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income available for distribution for the year derived from sources other than capital gains to the unitholders.

# Third Quarter Report 2018-19

## 12 EARNING PER UNIT

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

## 13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

	For the nine months ended	
	31 March	
	2019	2018
	Un-audited	Un-audited
	----- Rupees-----	
<b>13.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	87,783,413	79,789,280
Sindh Sales Tax on remuneration of the Management Company	11,411,844	10,372,606
Remuneration paid	87,069,253	79,712,571
Accounting and operational charges	4,389,171	3,858,886
Issue of Nil (2018: 30,389) units	-	16,885,350
Redemption of Nil (2018: 25,139) units	-	15,000,000
Cash dividend declared	-	2,154,686
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	5,139,856	4,740,149
Sindh Sales Tax on remuneration of the Trustee	668,181	616,219
Remuneration paid	5,101,409	4,733,574
Settlement charges	272,938	265,135
Sindh Sales Tax on settlement charges	35,482	34,468
<b>Atlas Battery Limited (Group Company)</b>		
Issue of Nil (2018: 447) units	-	243,745
Redemption of 447 (2018: Nil) units	270,210	-
<b>Atlas Foundation (Group Company)</b>		
Issue of Nil (2018: 37,095) units	-	22,625,993
Redemption of Nil (2018: 53,809) units	-	35,000,000
Cash dividend declared	-	13,286,849
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
Issue of Nil (2018: 4,457) units	-	2,905,010
Redemption of Nil (2018: 90,834) units	-	50,366,164
Cash dividend declared	-	2,905,010

# Atlas Stock Market Fund

## 13.1 Transactions during the period

### Atlas Insurance Limited (Group Company)

Issue of 158,175 (2018: 1,095,454) units		
Redemption of 75,670 (2018: 1,231,340) units		
Cash dividend declared		

### Atlas Honda Limited (Group Company)

Issue of Nil (2018: 85,924) units		
Redemption of 315,794 (2018: Nil) units		
Cash dividend declared		

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

Issue of (2018: 602) units		
Redemption of 11,703 (2018: Nil) units		
Cash dividend declared		

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

Issue of (2018: 372) units		
Redemption of 16,542 (2018: Nil) units		
Cash dividend declared		

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

Issue of Nil (2018: 706) units		
Cash dividend declared		

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

Issue of Nil (2018: 490) units		
Redemption of Nil (2018: Nil) units		
Cash dividend declared		

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

Issue of Nil (2018: 2,385) units		
Redemption of 8,225 (2018: Nil) units		
Cash dividend declared		

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

Issue of Nil (2018: 11,520) units		
Redemption of Nil (2018: 27,826) units		
Cash dividend declared		

### Shirazi Investments (Private) Limited (Group Company)

Issue of 730,632 (2018: 683,422) units		
Cash dividend declared		

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

Issue of Nil (2018: 21,663) units		
Cash dividend declared		

### Directors and their close family members and key management personnel of the Management Company

Issue 13,499 (2018: 50,062) units		
Redemption of 91,273 (2018: 96,007) units		
Cash dividend declared		

For the nine months ended  
31 March

	2019	2018
	Un-audited	Un-audited
	----- Rupees-----	
	94,000,000	648,347,588
	46,375,116	737,307,736
	-	7,532,580
	-	53,362,659
	200,000,000	-
	-	3,843,039
	-	392,579
	7,006,159	-
	-	392,579
	-	242,547
	9,632,342	-
	-	242,547
	-	460,318
	-	460,318
	-	319,514
	-	-
	-	319,514
	-	1,554,551
	5,000,000	-
	-	1,554,551
	-	6,772,885
	-	17,600,000
	-	572,885
	448,096,319	411,015,091
	-	46,874,390
	-	12,473,183
	-	2,826,495
	8,221,108	30,924,653
	57,814,834	61,971,422
	-	12,899,301

# Third Quarter Report 2018-19

31 March 2019 Un-audited	30 June 2018 Audited
-----Rupees-----	

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

### Atlas Asset Management Limited (Management Company)

Remuneration payable to the Management Company	9,737,392	9,023,232
Sindh Sales tax payable on remuneration of the Management Company	4,234,907	4,142,066
Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
Accounting and operational charges payable	486,869	451,011
Sindh Sales Tax payable on operational charges	-	-
Outstanding 148,895 (30 June 2018: 148,895) units - at net asset value	86,451,568	92,442,526

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

Trustee fee payable	571,801	533,354
Sindh Sales tax payable on remuneration of trustee	74,334	69,336
Settlement charges payable	3,000	3,000
Sindh Sales tax payable on settlement charges	390	390

### Atlas Battery Limited (Group Company)

Outstanding Nil (30 June 2018: 447) units - at net asset value	-	277,401
--	---	---------

### Atlas Honda Limited (Group Company)

Outstanding 26,333 (30 June 2018: 342,126) units - at net asset value	15,289,200	212,411,317
---	------------	-------------

### Atlas Insurance Limited (Group Company)

Outstanding 386,490 (30 June 2018: 303,985) units - at net asset value	224,403,996	188,731,143
--	-------------	-------------

### Atlas Insurance Limited - Staff Provident Fund Trust

#### (Retirement Benefit plan of a Group Company)

Outstanding Nil (30 June 2018: 11,703) units - at net asset value	-	7,265,800
---	---	-----------

### Atlas Foundation (Group Company)

Outstanding 869,076 (30 June 2018: 869,075) units - at net asset value	504,602,698	539,570,874
--	-------------	-------------

### Atlas Group of Companies Management Staff Gratuity Fund

#### (Retirement Benefit plan of a Group Company)

Outstanding 107,281 (30 June 2018: 107,280) units - at net asset value	62,289,461	66,606,023
--	------------	------------

### Atlas Honda Limited - Employees Provident Fund

#### (Retirement Benefit plan of a Group Company)

Outstanding 97,797 (2018: 106,022) units - at net asset value	56,782,928	65,824,207
---	------------	------------

### Atlas Honda Limited - Non Management Staff Gratuity Fund

#### (Retirement Benefit plan of a Group Company)

Outstanding 21,791 (30 June 2018: 21,791) units - at net asset value	12,652,369	13,529,158
--	------------	------------

### Atlas Engineering Limited - Employees Provident Fund

#### (Retirement Benefit plan of a Group Company)

Outstanding Nil (30 June 2018: 16,542) units - at net asset value	-	10,270,132
---	---	------------

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

Outstanding 210,096 (30 June 2018: 210,096) units - at net asset value	121,985,879	130,439,309
--	-------------	-------------

# Atlas Stock Market Fund

	31 March 2019 Un-audited	30 June 2018 Audited
-----Rupees-----		
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
Outstanding 31,394 (30 June 2018: 31,394) units - at net asset value	18,228,041	19,491,216
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
Outstanding 21,886 (30 June 2018: 21,886) units - at net asset value	12,707,658	13,588,279
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 4,539,013 (30 June 2018: 3,808,381) units - at net asset value	2,635,441,447	2,364,456,324
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 607,716 (30 June 2018: 685,490) units - at net asset value	352,852,304	425,593,242

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

## 14 FAIR VALUE MEASUREMENT

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

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

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

### Fair value hierarchy

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

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

As at 31 March 2019 and 30 June 2018, the Fund held the financial assets at fair value through profit or loss measured using the level 2 valuation technique.

# Third Quarter Report 2018-19

## 15 GENERAL

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

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

## 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman








**Tariq Amin**  
Director










## Be aware, Be alert, Be safe

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event  
notifications, corporate and  
regulatory actions)
-  Jama Punji application for  
mobile device
-  Online Quizzes



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 [jamapunji.pk](http://jamapunji.pk)

 [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

**Head Office- Karachi**

Ground Floor,  
Federation House,  
Sharae Firdousi, Clifton,  
Karachi-75600.  
Ph: (92-21) 35379501- 04  
Fax: (92-21) 35379280

**Savings Center- Karachi**

Faiyaz Centre, Ground Floor,  
Shahra-e-Faisal  
(opp. FTC building),  
Karachi-74400.  
Ph: (92-21) 34522601-02  
Fax: (92-21) 34522603

**SITE Office- Karachi**

C/o. Atlas Honda Limited,  
F/36, Estate Avenue,  
S.I.T.E.,  
Karachi.

**Landhi Office- Karachi**

C/o. Atlas Engineering Limited,  
15th Mile,  
National Highway,  
Landhi, Karachi.

**Hyderabad Office**

C/o. Atlas Honda Limited,  
3rd Floor, Dawood Center,  
Opposite Foundation Public  
School, Auto Bhan Road,  
Hyderabad.

**Savings Center - Lahore**

64, Block -XX,  
Khayaban-e-Iqbal,  
Phase-III, DHA Lahore.  
Ph: (92-42) 32560890-92  
(92-42) 37132688-89

**Multan Office**

C/o. Atlas Regional Office,  
Azmat Wasti Road,  
Near Dera Adda,  
Multan.  
Ph: 061-4570431-4

**Faisalabad Office**

C/o. Atlas Honda Ltd,  
Customer Care Center,  
1st Floor,  
Meezan Executive Tower,  
4-Liaqat Road, Faisalabad.  
Ph: (92-41) 2541013

**Rawalpindi Office**

C/o. Atlas Honda Ltd.  
Ground Floor,  
Islamabad Corporate Center,  
Golra Road, Rawalpindi.  
Ph: (92-51) 5856411  
Fax: (92-51) 5495928

**Savings Center- Islamabad**

Ground Floor, East End Plaza,  
Plot No. 41, Sector F-6/G6,  
Ataturk Avenue,  
Blue Area, Islamabad.  
Ph: (92-51) 2871831-34

[www.atlasfunds.com.pk](http://www.atlasfunds.com.pk) | [cs@atlasfunds.com.pk](mailto:cs@atlasfunds.com.pk) | 021-111-MUTUAL (6-888-25)

[facebook.com/atlasfunds](https://www.facebook.com/atlasfunds) [twitter.com/FundsAtlas](https://twitter.com/FundsAtlas) [linkedin.com/company/aaml](https://www.linkedin.com/company/aaml)



**Atlas Islamic Income Fund**

---

**Atlas Islamic Stock Fund**

---

**Atlas Islamic Fund of Funds**

---

**Atlas Islamic Dedicated Stock Fund**

---

**THIRD QUARTER REPORT**

---

**31 MARCH 2019**

---

**(UN-AUDITED)**



 **Management Company**  
**Atlas Asset Management**  
**Rated AM2+ by PACRA**



#### **Vision**

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

#### **Mission Statement**

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

## CONTENTS

ORGANISATION	2
CHAIRMAN'S REVIEW	3
<b>ATLAS ISLAMIC INCOME FUND</b>	
CORPORATE INFORMATION	6
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	7
CONDENSED INTERIM INCOME STATEMENT	8
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	9
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	10
CONDENSED INTERIM CASH FLOW STATEMENT	11
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	12
<b>ATLAS ISLAMIC STOCK FUND</b>	
CORPORATE INFORMATION	22
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	23
CONDENSED INTERIM INCOME STATEMENT	24
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	25
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	26
CONDENSED INTERIM CASH FLOW STATEMENT	27
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	28
<b>ATLAS ISLAMIC FUND OF FUNDS</b>	
CORPORATE INFORMATION	40
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	41
CONDENSED INTERIM INCOME STATEMENT	42
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	43
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	44
CONDENSED INTERIM CASH FLOW STATEMENT	45
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	46
<b>ATLAS ISLAMIC DEDICATED STOCK FUND</b>	
CORPORATE INFORMATION	57
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	58
CONDENSED INTERIM INCOME STATEMENT	59
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	60
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	61
CONDENSED INTERIM CASH FLOW STATEMENT	62
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	63

# Atlas Meraj

## ORGANISATION

### Management Company

Atlas Asset Management Limited

### Board of Directors of the Management Company

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

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

Company Secretary Ms Zainab Kazim

### Board Committees

#### Audit Committee

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

#### Human Resource & Remuneration Committee

Chairman	Mr. Frahim Ali Khan
Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad
Secretary	Ms Zainab Kazim

### Investment Committee

<b>Chairman</b>	Mr. Muhammad Abdul Samad
<b>Members</b>	Mr. Ali H. Shirazi Mr. Khalid Mahmood Mr. Muhammad Umar Khan Mr. Fawad Javaid
<b>Secretary</b>	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
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

Ground Floor, Federation House Sharae Firdousi,  
Clifton, Karachi - 75600  
Tel: (92-21) 111-MUTUAL (6-888-25)  
(92-21) 35379501-04  
Fax: (92-21) 35379280  
Email: info@atlasfunds.com.pk  
Website: www.atlasfunds.com.pk

The Above information is as at 22 April 2019

# Third Quarter Report 2018-19

## CHAIRMAN'S REVIEWS

It is my pleasure to present to you the un-audited financial statements of Atlas Islamic Income Fund (AIIF) and Atlas Islamic Stock Fund (AISF) for the nine months period ended March 31, 2019 of the FY 2018-19, and Atlas Islamic Fund of Funds (AIFO) and Atlas Islamic Dedicated Stock Fund (AIDSF) for the period January 07, 2019 to March 31, 2019 and January 10, 2019 to March 31, 2019 of the FY 2018-19, respectively.

## THE ECONOMY

During the period Jul - Feb FY19, current account deficit was recorded at US\$ 8.84 billion as compared to US\$ 11.42 billion in the same period last year. The decline in current account deficit was mainly due to decline in imports. During the period Jul -Mar FY19, total imports stood at US\$ 40.76 billion as compared to US\$ 44.28 billion in corresponding period of the previous year. Whereas, total exports stood at US\$ 17.08 billion as compared to US\$ 17.06 billion reported in the same period last year. The foreign exchange reserves of the country stood at US\$ 17.40 billion as on March 29, 2019 with SBP's share of US\$ 10.49 billion in the total liquid foreign exchange reserves. Workers' remittances for the period July-Mar FY19 stood at US\$ 16.10 billion, which was an increase of 8.74% YoY compared to the corresponding period last year. The CPI inflation for the month of March'19 was recorded at 9.4%. The SBP in its latest monetary policy statement dated March 29, 2019 has decided to increase the policy rate by 50 bps to 10.75 percent. This is a cumulative 500 bps increase in interest rates since January, 2018.

## FUND OPERATIONS - AIIF

The Net Asset Value per unit of AIIF increased by 5.85% to Rs. 514.19 as on March 31, 2019, this works out to 7.80% on an annualized basis. The AIIF's total Exposure in Sukuks is 8.01% and 91.08% in high yielding Shariah compliant bank deposits. The Net Assets of the Fund stood at Rs. 1.22 billion, with 2.38 million units outstanding as of March 31, 2019.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited on January 18, 2019 has approved an interim distribution of Rs. 18.00 per unit (3.60% on the face value of Rs. 500 per unit) for the period from July 01, 2018 to January 17, 2019.

## FUND OPERATIONS - AISF

The Net Asset Value per unit of AISF decreased by 5.25% to Rs. 502.57 as on March 31, 2019. The benchmark KMI-30 index decreased by 10.90% during the same period. The KMI - 30 index decreased from 71,060.34 points as on June 30, 2018 to 63,313.99 points as on March 31, 2019. AISF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. AISF's equity portfolio exposure was mainly in Oil & Gas Exploration, Fertilizer, Cement and Islamic Commercial Banks. The Net Assets of the Fund stood at Rs. 1.21 billion, with 2.40 million units outstanding as of March 31, 2019.

## FUND OPERATIONS - AIFO

AIFO was launched on January 07, 2019. The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) decreased by 1.55% from Rs. 500 as on January 07, 2019 to Rs. 492.23 as on March 31, 2019. AAAIP was 30.40% and 67.96% invested in AIIF and AIDSF respectively. The Net Asset Values of Atlas Moderate Allocation Islamic Plan (AMAIP) decreased by 0.57% from Rs. 500 as on January 07, 2019 to 497.17 as on March 31, 2019. AMAIP was 50.80% and 47.69% invested in AIIF and AIDSF respectively. The Net Asset Values of Atlas Conservative Allocation Islamic Plan (ACAIP) has appreciated by 0.73% from Rs. 500 as on January 07, 2019 to 503.64 as on March 31, 2019. ACAIP was 75.61% and 22.73% invested in AIIF and AIDSF respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) has appreciated 0.57% from Rs. 500 as on January 07, 2019 to 502.84 as on March 31, 2019. AICPP was 68.00% and 30.08% invested in AIIF and AIDSF respectively. The Net Assets of AIFO stood at 780.16 million as on March 31, 2019

## FUND OPERATIONS - AIDSF

AIDSF was launched on January 10, 2019. The Net Asset Value per unit of AIDSF decreased by 2.93% to Rs. 485.33 as on March 31, 2019. The benchmark KMI-30 index decreased by 4.29% during the same period. The KMI- 30 index decreased from 66,152.07 points as on January 10, 2019 to 63,313.99 points as on March 31, 2019. AIDSF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. AIDSF's equity portfolio exposure was mainly in Oil & Gas Exploration, Fertilizer, Cement and Islamic Commercial Banks. The Net Assets of the Fund stood at Rs. 284.79 million, with 586,798 units outstanding as of March 31, 2019.

# Atlas Meraj

## MUTUAL FUND TAXATION

### WORKER'S WELFARE FUND (WWF)

Against the decision of the Honorable Supreme Court of Pakistan (SCP) that declared the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills, the Federal Board of Revenue (FBR) has filed a review petition in the SCP, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till June 30, 2015 were reversed on January 12, 2017.

### SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May, 2015 the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions.

The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter.

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

### FEDERAL EXCISE DUTY (FED)

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

### WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far Mutual Funds and approved pension funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Supreme Court of Pakistan, on April 20, 2016 and the hearing is still pending. In the meanwhile mutual funds are obtaining exemption certificates from Commissioner of Income Tax. However, any tax withheld is refundable.

### RATINGS

#### • ASSET MANAGER RATING

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

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

# Third Quarter Report 2018-19

## FUTURE OUTLOOK

The recent policy measures that mainly includes monetary tightening, exchange rate adjustments and incentives to increase exports would help in overcoming economic challenges. The significant decrease in the current account deficit driven by lower imports and gradual rise in exports on the back of export-friendly policies bode well in easing pressure on external account. Financial assistance package given by UAE and Saudi Arabia has supported foreign exchange reserves buildup. Moreover, Saudi Arabia has also pledged US\$ 20 billion worth of investments over medium term mainly in energy sector. On the fiscal side, policy measures to enhance revenue collections, reduce public sector development programme (PSDP) expenditure, curtailment of circular debt and rationalization of energy prices are imperative. To further improve external position sustainable foreign inflows from both private and official sources including CPEC are required.

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

ع تجھکو اگر کچھ نہیں کہنا ہے مجھکو ہی کچھ کہنے دو

## ACKNOWLEDGEMENT

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

Karachi: 29 April 2019

**Yusuf H. Shirazi**  
Chairman

# Atlas Islamic 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

### **Shariah Advisor**

---

Dr. Mufti Muhammad Wasih Fasih Butt

### **Auditors**

---

EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

---

Mohsin Tayebaly & Co.

### **Bankers**

---

Al-Baraka Bank (Pakistan) Limited  
Allied Bank Limited - Islamic Banking  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
HBL Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking  
Meezan Bank Limited  
Soneri Bank Limited - Islamic Banking

# Third Quarter Report 2018-19

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

AS AT 31 MARCH 2019

		31 March 2019 Un-audited	30 June 2018 Audited
	Note	----- Rupees -----	----- Rupees -----
<b>Assets</b>			
Bank balances	4	1,136,875,557	776,625,525
Investments	5	99,999,500	100,782,300
Mark-up accrued	6	10,813,542	2,041,069
Security deposits, prepayments and other receivables	7	585,796	578,941
<b>Total assets</b>		<b>1,248,274,395</b>	<b>880,027,835</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	2,443,113	2,319,042
Payable to the Central Depository Company of Pakistan Limited - Trustee		177,794	139,523
Payable to the Securities and Exchange Commission of Pakistan		465,791	887,548
Payable against redemption of units		18,382,779	514,117
Unclaimed dividend		62,457	62,457
Accrued expenses and other liabilities	9	4,365,167	3,882,935
<b>Total liabilities</b>		<b>25,897,101</b>	<b>7,805,622</b>
<b>NET ASSETS</b>		<b>1,222,377,294</b>	<b>872,222,213</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,222,377,294</b>	<b>872,222,213</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-----Number of units-----	-----Number of units-----
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,377,309</b>	<b>1,653,270</b>
		----- Rupees -----	----- Rupees -----
<b>NET ASSET VALUE PER UNIT</b>		<b>514.19</b>	<b>527.57</b>

The annexed notes from 1 to 19 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

Income	Note	For the Nine Months Ended		For the Quarter Ended	
		31 March		31 March	
		2019	2018	2019	2018
		-----Rupees-----			
Mark-up income	11	54,990,973	55,610,477	25,130,516	13,691,427
Capital loss on sale of investments - net		-	(1,409,700)	-	-
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(782,800)	(629,700)	(5,600)	(761,800)
<b>Total income</b>		<b>54,208,173</b>	<b>53,571,077</b>	<b>25,124,916</b>	<b>12,929,627</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	1,863,165	2,849,640	726,079	683,919
Sindh Sales Tax on remuneration of the Management Company	8.2	242,211	370,453	94,390	88,909
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,041,619	1,427,464	397,270	387,470
Sindh Sales Tax on remuneration of the Trustee		135,410	185,570	51,645	50,371
Annual fees to the Securities and Exchange Commission of Pakistan		465,791	712,409	181,519	170,980
Accounting and operational charges	12	621,055	931,294	242,026	227,973
Auditors' remuneration		94,429	177,521	63,123	58,527
Securities transaction cost		5,085	17,628	(304)	(18,174)
Annual listing fee		20,645	19,143	6,781	6,287
Annual rating fee		227,445	223,945	74,051	73,559
Printing charges		(7,402)	116,600	(14,587)	24,608
Shariah advisory fee		131,964	131,279	43,049	43,112
Bank charges		30,097	20,257	13,029	8,374
Legal and professional charges		147,425	144,930	46,440	93,470
Provision for Sindh Workers' Welfare Fund		983,785	924,859	464,008	220,605
<b>Total expenses</b>		<b>6,002,724</b>	<b>8,252,992</b>	<b>2,388,519</b>	<b>2,119,990</b>
<b>Net income for the period before taxation</b>		<b>48,205,449</b>	<b>45,318,085</b>	<b>22,736,397</b>	<b>10,809,637</b>
<b>Taxation</b>	14	-	-	-	-
<b>Net income for the period after taxation</b>		<b>48,205,449</b>	<b>45,318,085</b>	<b>22,736,397</b>	<b>10,809,637</b>
<b>Earning per unit</b>	15				
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		48,205,449	45,318,085	22,736,397	10,809,637
Income already paid on units redeemed		(7,212,689)	(21,662,221)	(3,553,434)	(6,556,939)
		<b>40,992,760</b>	<b>23,655,864</b>	<b>19,182,963</b>	<b>4,252,698</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		40,992,760	23,655,864	19,182,963	4,252,698
		<b>40,992,760</b>	<b>23,655,864</b>	<b>19,182,963</b>	<b>4,252,698</b>

The annexed notes from 1 to 19 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2019	2018	2019	2018
	-----Rupees-----			
Net income for the period after taxation	48,205,449	45,318,085	22,736,397	10,809,637
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>48,205,449</b>	<b>45,318,085</b>	<b>22,736,397</b>	<b>10,809,637</b>

The annexed notes from 1 to 19 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Income Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2019

	31 March 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	838,131,601	-	838,131,601
<b>Undistributed income brought forward</b>			
- Realised income	-	33,308,312	33,308,312
- Unrealised income	-	782,300	782,300
<b>Net assets at the beginning of the period (Units outstanding: 1,653,270) (Rs. 527.57 per unit)</b>	<b>838,131,601</b>	<b>34,090,612</b>	<b>872,222,213</b>
Issue of 2,059,937 units	1,054,778,704	-	1,054,778,704
Redemption of 1,335,898 units	(675,064,227)	(7,212,689)	(682,276,916)
Refund of Capital	(21,355,512)	-	(21,355,512)
Cash distribution for year ended 30 June 2018 at Rs. 24.5 per unit declared on 06 July 2018	-	(28,077,890)	(28,077,890)
First interim distribution at Rs. 18.0 per unit declared on 18 January 2019	-	(21,118,754)	(21,118,754)
Total comprehensive income for the period	-	48,205,449	48,205,449
<b>Net assets at end of the period (Units outstanding: 2,377,309) (Rs. 514.19 per unit)</b>	<b>1,196,490,566</b>	<b>25,886,728</b>	<b>1,222,377,294</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	25,887,228	-
- Unrealised income	-	(500)	-
	-	<b>25,886,728</b>	-
	31 March 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,608,541,544	-	1,608,541,544
<b>Undistributed income brought forward</b>			
- Realised income	-	2,042,031	2,042,031
- Unrealised income	-	3,675,600	3,675,600
<b>Net assets at the beginning of the period (Units outstanding: 3,210,424) (Rs. 502.82 per unit)</b>	<b>1,608,541,544</b>	<b>5,717,631</b>	<b>1,614,259,175</b>
Issue of 2,169,031 units	1,109,551,250	-	1,109,551,250
Redemption of 3,493,151 units	(1,764,141,186)	(21,662,221)	(1,785,803,407)
Total comprehensive income for the period	-	45,318,085	45,318,085
<b>Net assets at end of the period (Units outstanding: 1,886,303) (Rs. 521.30 per unit)</b>	<b>953,951,608</b>	<b>29,373,495</b>	<b>983,325,103</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	27,873,495	-
- Unrealised income	-	1,500,000	-
	-	<b>29,373,495</b>	-

The annexed notes from 1 to 19 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

	Note	For the Nine Months Ended 31 March	
		2019	2018
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		48,205,449	45,318,085
<b>Adjustments for:</b>			
Mark-up income		(54,990,973)	(55,610,477)
Capital loss on sale of investments - net		-	1,409,700
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		782,800	629,700
Provision for Sindh Workers' Welfare Fund		983,785	(924,859)
		<b>(53,224,388)</b>	<b>(54,495,936)</b>
<b>Increase in assets</b>			
Security deposits, prepayments and other receivables		<b>(6,855)</b>	<b>(8,356)</b>
<b>Decrease in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		124,071	(345,458)
Payable to Central Depository Company of Pakistan Limited - Trustee		38,271	(75,422)
Payable to the Securities and Exchange Commission of Pakistan		(421,757)	(580,322)
Accrued expenses and other liabilities		(501,553)	(13,894,815)
		<b>(760,968)</b>	<b>(14,896,017)</b>
Mark-up received		46,218,500	61,068,343
Investments made during the period		-	(50,000,000)
Investments sold / matured during the period		-	111,799,200
<b>Net cash generated from operating activities</b>		<b>40,431,738</b>	<b>98,785,319</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		1,054,778,704	1,319,294,436
Net payments against redemption of units		(664,408,254)	(1,747,259,479)
Refund of Capital		(21,355,512)	-
Cash distribution for year ended 30 June 2018 at Rs. 24.5 per unit declared on 06 July 2018		(28,077,890)	-
First interim distribution at Rs. 18.0 per unit declared on 18 January 2019		(21,118,754)	-
<b>Net cash generated from / (used in) financing activities</b>		<b>319,818,294</b>	<b>(427,965,043)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>360,250,032</b>	<b>(329,179,724)</b>
Cash and cash equivalents at the beginning of the period		776,625,525	1,254,506,788
<b>Cash and cash equivalents at the end of the period</b>	4	<b>1,136,875,557</b>	<b>925,327,064</b>

The annexed notes from 1 to 19 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Income Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted under a trust deed entered into on 7 May 2008 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, Second and third Supplemental Trust Deeds dated 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 and Seventh supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016 and 2 June 2017 respectively with the approval of the SECP. 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.
- 1.2 The Fund has been categorised as a 'shariah compliant income 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 14 October 2008, 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 with a good and stable rate of current income consistent with long term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realise capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long medium, and short term, high quality Islamic income instruments.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two plus)] on 28 December 2018.
- Moreover, PACRA maintained the stability rating of the Fund at "AA- (f)" [2018: "AA- (f)"] on 17 April 2019.
- 1.5 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 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2019.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act 2017, provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the requirements of the Trust Deed and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). 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 2018.

# Third Quarter Report 2018-19

## 2.2 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 AND CHANGES THEREIN

Except for change in note 3.2, 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 as at and for the year ended June 30, 2018.

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

3.1 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2018.

### 3.2 Change in accounting policy

#### 3.2.1 IFRS 9 Financial Instruments

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the fund's business model was made as at the date of initial application i.e. 01 July 2018.

As a result of the above assessment, the management has concluded that all the investments in debt securities will continue to be classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the fund.

While the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than debt securities i.e. bank balances and security deposits concluded that impact is not material to the condensed interim financial statements.

# Atlas Islamic Income Fund

## 3.2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### Standard or Interpretation

- IFRS 9 - Financial Instruments
- IFRS 15 - Revenue from contracts with customers (Amendments)
- IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)
- IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
- IAS 40 - Investment Property: Transfers of Investment Property (Amendments)
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements other than IFRS 9, the impact of which has been disclosed in Note 3.2.1.

	Note	31 March	30 June
		2019	2018
		Un-audited	Audited
4 BANK BALANCES		Rupees	
Balances with banks in:			
- Profit and loss sharing accounts	4.1	1,134,058,651	774,435,525
- Current account		5,000	5,000
Cheques in hand	4.2	2,811,906	2,185,000
		<b>1,136,875,557</b>	<b>776,625,525</b>

4.1 The rate of return on these profit & loss sharing accounts ranges between 5.00% to 10.25% (30 June 2018: 3.00% to 6.50%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequently on 02 April 2019 (30 June 2018: 04 July 2018).

	Note	31 March	30 June
		2019	2018
		Un-audited	Audited
5 INVESTMENTS		Rupees	
<b>At fair value through profit or loss</b>			
Debt securities - sukuk certificates	5.1	99,999,500	100,782,300
		<b>99,999,500</b>	<b>100,782,300</b>

### 5.1 Debt securities - Sukuk certificates

Particulars	Note	Number of Certificates				Rupees			Percentage		
		As at 01 July 2018	Acquired during the period	Disposed during the period	As at 31 March 2019	Carrying Value as at 31 March 2019	Market Value as at 31 March 2019	Unrealised appreciation as at 31 March 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Investments as a percentage of total issue size
<b>BANKS</b>											
Meezan Bank Limited (unlisted)	5.1.2	50	-	-	50	50,750,000	49,999,500	(750,500)	50.00	4.09	0.71
(Face Value Rs. 1,000,000)											
<b>Fertilizers</b>											
Dawood Hercules (listed)											
Corporation Limited Sukuk 2	5.1.3	500	-	-	500	50,032,300	50,000,000	(32,300)	50.00	4.09	0.83
(Face Value Rs. 100,000)											
<b>Total - March 31, 2019</b>						<b>100,782,300</b>	<b>99,999,500</b>	<b>(782,800)</b>	<b>100.00</b>	<b>8.18</b>	
<b>Total - June 30, 2018</b>						<b>102,129,700</b>	<b>100,782,300</b>	<b>(1,347,400)</b>	<b>100.00</b>		

# Third Quarter Report 2018-19

- 5.1.1 The cost of these investments at 31 March 2019 amounted to Rs 100,000,000 (30 June 2018: Rs. 100,000,000).
- 5.1.2 These certificates carry mark-up at the rate of 6 months KIBOR plus 0.50% (30 June 2018: 6 months KIBOR plus 0.50%) per annum, and are due to mature by 22 September 2026 (30 June 2018: 22 September 2026).
- 5.1.3 These certificates carry mark-up at the rate of 3 months KIBOR plus 1.00% (30 June 2018: 3 months KIBOR plus 1.00%) per annum, and are due to mature by 28 February 2023 (30 June 2018: 28 February 2023).

6 MARK-UP ACCRUED	Note	31 March	30 June
		2019	2018
		Un-audited	Audited
		----- Rupees -----	
Mark-up accrued on:			
- Profit and loss sharing accounts		9,817,884	538,809
- Sukuk certificates		995,658	1,502,260
		<b>10,813,542</b>	<b>2,041,069</b>
<b>7 SECURITY DEPOSIT AND OTHER RECEIVABLES</b>			
Deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Other receivable		478,941	478,941
Prepaid Listing Fee		6,855	-
		<b>585,796</b>	<b>578,941</b>
<b>8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)</b>			
Remuneration of the Management Company	8.1	301,789	217,009
Sindh Sales Tax payable on remuneration of the Management Company	8.2	306,826	295,805
Federal Excise Duty payable on remuneration of the Management Company	8.3	1,733,902	1,733,901
Accounting and operational charges reimbursable by the Fund		100,596	72,327
		<b>2,443,113</b>	<b>2,319,042</b>
8.1	As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of income schemes. Keeping in view this maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.30% (2018: 0.30%) per annum of the average annual net assets of the Fund during the nine months ended 31 March 2019. The fee is payable to the Management Company monthly in arrears.		
8.2	During the nine months ended 31 March 2019, an amount of Rs. 242,211 (2018: Rs. 370,453) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 231,190 (2018: Rs 401,078) has been paid to the Management Company which acts as the 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, which is being charged to the Fund as explained in note 8.2 above, the Management Company was of the view that further levy of FED was not justified.		
	On 4 September 2013, a Constitutional Petition was filed in the 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 year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.		

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

# Atlas Islamic Income Fund

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 1.734 million (30 June 2018: Rs 1.734 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Rs. 0.73 per unit (30 June 2018: Rs. 1.05 per unit).

9 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 March	30 June
		2019	2018
		Un-audited	Audited
		-----Rupees-----	
Auditors' remuneration payable		128,995	230,076
Printing charges payable		24,519	73,257
Payable to Shariah Advisor		44,548	47,585
Withholding tax payable		51,903	329,616
Provision for Sindh Workers' Welfare Fund	9.1	3,410,432	2,426,648
Annual rating fee payable		225,446	298,320
Zakat payable		1,891	-
Other payable		477,433	477,433
		<b>4,365,167</b>	<b>3,882,935</b>

9.1 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 MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP 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).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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

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

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

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to March 31, 2019, the net asset value of the Fund as at March 31, 2019 would have been higher by Rs. 1.43 per unit (2018: Rs. 1.47 per unit).

# Third Quarter Report 2018-19

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2019 and as at 30 June 2018.

For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
2019	2018	2019	2018
Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----		----- Rupees -----	
48,188,164	51,275,499	22,582,529	12,522,496
-	1,491,567	-	-
6,802,809	2,843,411	2,547,987	1,168,931
<b>54,990,973</b>	<b>55,610,477</b>	<b>25,130,516</b>	<b>13,691,427</b>

## 11 MARK-UP INCOME

Mark-up income on:

- Profit and loss sharing accounts	48,188,164	51,275,499	22,582,529	12,522,496
- Government of Pakistan (GoP) ijarah sukuk	-	1,491,567	-	-
- Sukuk certificates	6,802,809	2,843,411	2,547,987	1,168,931

## 12 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund.

## 13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2019 is 0.97% (30 June 2018: 0.65%) after netting off 0.30% (30 June 2018: 0.23%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant income 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 accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

## 15 EARNING PER UNIT

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

## 16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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.

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.

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

# Atlas Islamic Income Fund

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

16.1 Transactions during the period	For the Nine Months Ended 31 March	
	2019	2018
	Un-audited	Un-audited
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	1,863,165	2,849,640
Remuneration paid	1,778,385	3,085,214
Sindh Sales Tax on remuneration of the Management Company	242,211	370,453
Accounting and operational charges	621,055	931,294
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,041,619	1,427,464
Remuneration paid to the Trustee	1,007,751	1,494,209
Sindh Sales Tax on remuneration of the Trustee	135,410	185,570
Settlement charges	4,500	4,500
Sindh Sales Tax on settlement charges	585	585
<b>Atlas Battery Limited (Group Company)</b>		
Redemption of Nil (2018: 1,193,786) units	-	608,987,971
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 2 (2018: 30) units	1,154	15,400
Cash Dividend	1,296	-
<b>Atlas Power Limited - Staff Provident Fund (Retirement benefit plan of a Group Company)</b>		
Redemption of Nil (2018: 358) units	-	180,655
<b>Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 1,842 (2018: Nil) units	927,771	-
Redemption of 14,265 (2018: Nil) units	7,260,562	-
Cash Dividend	927,771	-
<b>Atlas Insurance Limited Window Takaful Operations</b>		
Issue of 37,108 (2018: Nil) units	19,284,131	-
Redemption of 69,436 (2018: Nil) units	35,908,903	-
Cash Dividend	1,414,091	-
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 4,825 (2018: nil) units	2,427,552	-
Redemption of 115,059 (2018: Nil) units	60,000,000	-
Cash Dividend	2,855,944	-
<b>Honda Atlas Power Product (Private) Limited (Group Company)</b>		
Issue of 1,695 (2018: 39,320) units	852,838	20,000,000
Redemption of 41,015 (2018: 79,624) units	20,728,635	40,222,948
Cash Dividend	963,345	-
<b>Chevron Pakistan Lubricants (Private) Gratuity Fund (Unit Holder with more than 10% holding)</b>		
Issue of 13,815 (2018: Nil) units	6,958,871	-
Cash Dividend	6,958,871	-
<b>Cherat Cement Company Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 19,652 (2018: Nil) units	10,000,000	-
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 588,166 (2018: Nil) units	300,000,000	-

# Third Quarter Report 2018-19

	31 March	
	2019	2018
	Un-audited	Un-audited
	----- Rupees -----	
<b>16.1 Transactions during the period</b>		
<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 65,937 (2018: Nil) units	34,190,015	-
Redemption of 4,720 (2018: Nil) units	2,400,000	-
Cash Dividend	940,678	-
<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 114,322 (2018: Nil) units	59,354,175	-
Redemption of 4,912 (2018: Nil) units	2,500,000	-
Cash Dividend	1,717,418	-
<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 184,155 (2018: Nil) units	95,581,536	-
Redemption of 2,759 (2018: Nil) units	1,400,000	-
Cash Dividend	2,683,325	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 42,807 (2018: 21,353) units	21,890,782	10,937,325
Redemption of 53,629 (2018: 23,135) units	27,411,448	6,890,374
Cash Dividend	472,595	-
	<b>31 March</b>	<b>30 June</b>
	<b>2019</b>	<b>2018</b>
	<b>Un-audited</b>	<b>Audited</b>
	----- Rupees -----	
<b>16.2 Details of balances with related parties as at the period / year end are as follows:</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	301,789	217,009
Sindh Sales Tax payable on Remuneration of the Management Company	306,826	295,805
Federal Excise Duty payable on Remuneration of the Management Company	1,733,902	1,733,901
Accounting and operational charges payable	100,596	72,327
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	156,840	122,972
Sindh Sales Tax payable on Remuneration of the trustee	20,389	15,986
Settlement charges payable	500	500
Sindh Sales Tax payable on settlement charges	65	65
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 32 (30 June 2018: 30) units - at net asset value	16,571	15,794
<b>Honda Atlas Power Product (Pvt) Limited (Group Company)</b>		
Outstanding Nil (30 June 2018: 39,320) units - at net asset value	-	20,744,161
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 3,698 (30 June 2018: 113,932) units - at net asset value	1,901,479	60,107,217
<b>Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 8,966 (30 June 2018: 21,389) units - at net asset value	4,610,010	11,284,054
<b>Atlas Insurance Limited Window Takaful Operations</b>		
Outstanding Nil (30 June 2018: 32,328) units - at net asset value	-	17,055,172

# Atlas Islamic Income Fund

	31 March 2019	30 June 2018
	Un-audited	Audited
	----- Rupees -----	
<b>16.2 Details of balances with related parties as at the period / year end are as follows:</b>		
<b>Cherat Cement Company Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 19,652 (30 June 2018: 32,328) units - at net asset value	10,104,943	-
<b>Chevron Pakistan Lubricants (Private) Gratuity Fund (Unit Holder with more than 10% holding)</b>		
Outstanding 174,244 (30 June 2018: Nil) units - at net asset value	89,594,397	-
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 588,166 (30 June 2018: Nil) units - at net asset value	302,429,126	-
<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 61,217 (30 June 2018: Nil) units - at net asset value	31,476,979	-
<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 109,411 (30 June 2018: Nil) units - at net asset value	56,257,818	-
<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 181,395 (30 June 2018: Nil) units - at net asset value	93,271,684	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 4,891 (30 June 2018: 15,713) units - at net asset value	2,514,782	8,289,495

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

## 17 FAIR VALUE MEASUREMENT

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

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

The fair value of government securities is determined with reference to the quotation obtained from the brokers on the Reuters page. Listed and unlisted debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP) which are calculated in accordance with the provisions contained in various circulars issued by the Securities and Exchange Commission of Pakistan. 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.

# Third Quarter Report 2018-19

## Fair value hierarchy

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

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

As at 31 March 2019 and 30 June 2018, the Fund held the financial assets at fair value through profit or loss measured using the level 2 valuation technique.

## 18 GENERAL

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

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

**18.3** Units have been rounded off to the nearest decimal place.

## 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock 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

### **Shariah Advisor**

---

Dr. Mufti Muhammad Wasih Fasih Butt

### **Auditors**

---

EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

---

Mohsin Tayebaly & Co.

### **Bankers**

---

Al-Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
HBL Bank Limited - Islamic Banking

# Third Quarter Report 2018-19

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

AS AT 31 MARCH 2019

		31 March 2019	30 June 2018
		Un-audited	Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Bank balances	4	74,866,195	314,771,568
Investments	5	1,335,140,261	1,980,443,244
Profit receivable on bank balances		943,009	1,936,254
Dividend receivable		9,533,797	1,469,784
Receivable against sale of investment		7,253,175	-
Security deposits, prepayment and other receivables		23,644,663	9,222,419
<b>Total assets</b>		<b>1,451,381,100</b>	<b>2,307,843,269</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	6	14,786,792	16,514,520
Payable to Central Depository Company of Pakistan Limited - Trustee		262,831	311,948
Payable to the Securities and Exchange Commission of Pakistan		1,239,597	2,309,630
Payable against purchase of investments		12,681,235	9,043,890
Payable against redemption of units		199,013,408	174,067
Accrued expenses and other liabilities	7	16,367,856	17,300,296
<b>Total liabilities</b>		<b>244,351,719</b>	<b>45,654,351</b>
<b>NET ASSETS</b>		<b>1,207,029,381</b>	<b>2,262,188,918</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,207,029,381</b>	<b>2,262,188,918</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,401,725</b>	<b>4,265,137</b>
-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>		<b>502.57</b>	<b>530.39</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	Note	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
		2019	2018	2019	2018
-----Rupees-----					
<b>Income</b>					
Profit on bank balances		9,434,608	15,619,920	2,807,003	5,780,770
Dividend income		57,117,888	90,525,660	10,400,678	24,128,858
Capital loss on sale of investments - net		(23,762,302)	(155,425,435)	(24,846,727)	(44,925,297)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(73,210,566)	49,049,682	87,396,223	255,700,882
		<b>(96,972,868)</b>	<b>(106,375,753)</b>	<b>62,549,496</b>	<b>210,775,585</b>
<b>Total income</b>		<b>(30,420,372)</b>	<b>(230,173)</b>	<b>75,757,177</b>	<b>240,685,213</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	6.1	26,096,794	36,918,970	7,254,873	12,671,404
Sindh Sales Tax on remuneration of the Management Company	6.2	3,392,583	4,799,466	943,133	1,647,282
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		2,055,525	2,593,802	609,319	880,145
Sindh Sales Tax on remuneration of the Trustee		267,218	337,194	79,211	114,419
Annual fee to the Securities and Exchange Commission of Pakistan		1,239,598	1,753,652	344,606	601,892
Accounting and operational charges	9	1,304,840	1,825,405	362,744	641,071
Shariah advisory fee		225,204	258,041	73,972	85,069
Auditors' remuneration		176,964	213,469	72,305	76,394
Securities transaction cost		2,193,520	2,525,583	696,781	734,651
Advertisement and Marketing Expense		-	56,470	-	15,000
Annual listing fee		20,720	19,143	7,008	6,288
Printing charges		(16,784)	209,430	(49,756)	66,576
Legal and professional charges		110,705	156,326	28,080	76,460
Bank charges		33,657	5,165	19,024	1,711
Provision for Sindh Workers Welfare Fund		-	-	-	-
<b>Total expenses</b>		<b>37,100,544</b>	<b>51,672,116</b>	<b>10,441,300</b>	<b>17,618,362</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(67,520,916)</b>	<b>(51,902,289)</b>	<b>65,315,877</b>	<b>223,066,851</b>
<b>Taxation</b>	11	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(67,520,916)</b>	<b>(51,902,289)</b>	<b>65,315,877</b>	<b>223,066,851</b>
<b>(Loss) / earning per unit</b>	12				

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

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2019	2018	2019	2018
	-----Rupees-----			
Net (loss) / Income for the period after taxation	(67,520,916)	(51,902,289)	65,315,877	223,066,851
Other comprehensive (loss) / income	-	-	-	-
<b>Total comprehensive (loss) / Income for the period</b>	<b>(67,520,916)</b>	<b>(51,902,289)</b>	<b>65,315,877</b>	<b>223,066,851</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2019

	31 March 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,753,727,127	-	1,753,727,127
<b>Undistributed income brought forward</b>			
- Realised income	-	487,686,197	487,686,197
- Unrealised income	-	20,775,594	20,775,594
<b>Net assets at the beginning of the period (Units outstanding: 4,265,137) (Rs. 530.39 per unit)</b>	<b>1,753,727,127</b>	<b>508,461,791</b>	<b>2,262,188,918</b>
Issue of 1,306,901 units	669,552,248	-	669,552,248
Redemption of 3,170,313 units	(1,663,090,976)	6,751,350	(1,656,339,626)
Total comprehensive loss for the period	-	(67,520,916)	(67,520,916)
Shariah non-compliant income set-aside for charity	-	(851,243)	(851,243)
<b>Net assets at end of the period (Units outstanding: 2,401,725) (Rs. 502.57 per unit)</b>	<b>760,188,399</b>	<b>446,840,982</b>	<b>1,207,029,381</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	679,494,506	-
- Unrealised loss	-	(232,653,524)	-
	-	<b>446,840,982</b>	-
	31 March 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,642,603,322	-	1,642,603,322
<b>Undistributed income brought forward</b>			
- Realised income	-	608,077,116	608,077,116
- Unrealised income	-	228,218,318	228,218,318
<b>Net assets at the beginning of the period (Units outstanding: 4,058,678) (Rs. 610.77 per unit)</b>	<b>1,642,603,322</b>	<b>836,295,434</b>	<b>2,478,898,756</b>
Issue of 1,980,216 units	1,487,777,004	-	1,487,777,004
Redemption of 1,556,435 units	(1,374,853,967)	-	(1,374,853,967)
Total comprehensive loss for the period	-	(51,902,289)	(51,902,289)
Final cash dividend declared for the year ended 30 June 2017			
Rs. 35 per unit declared on 7 July 2017	-	(142,053,721)	(142,053,721)
Shariah non-compliant income set-aside for charity	-	(1,139,439)	(1,139,439)
<b>Net assets at end of the period (Units outstanding: 4,262,77) (Rs. 562.25 per unit)</b>	<b>1,755,526,359</b>	<b>641,199,985</b>	<b>2,396,726,344</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	474,705,510	-
- Unrealised income	-	166,494,475	-
	-	<b>641,199,985</b>	-

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

	For the Nine Months Ended 31 March	
	2019	2018
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(67,520,916)	(51,902,289)
<b>Adjustments for:</b>		
Profit on bank balances	(9,434,608)	(15,619,920)
Dividend income	(57,117,888)	(90,525,660)
Capital loss on sale of investments - net	23,762,302	155,425,435
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	73,210,566	(49,049,682)
	<b>30,420,372</b>	<b>230,173</b>
<b>Increase in assets</b>		
Receivable against sale of investments	(7,253,175)	(59,042,866)
Security deposits, prepayment and other receivables	(14,422,244)	(8,357)
	<b>(21,675,419)</b>	<b>(59,051,223)</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(1,727,728)	(412,029)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(49,117)	(29,328)
Payable to the Securities and Exchange Commission of Pakistan	(1,070,033)	(430,888)
Payable against purchase of investments	3,637,345	(28,015,895)
Accrued expenses and other liabilities	(1,783,683)	337,288
	<b>(993,216)</b>	<b>(28,550,852)</b>
Profit received on bank balances	10,427,853	15,707,121
Dividend received	49,053,875	78,842,628
Investments made during the period	(964,386,510)	(1,279,628,921)
Investments sold during the period	1,512,716,625	1,383,574,507
	<b>607,811,843</b>	<b>198,495,335</b>
<b>Net cash generated from operating activities</b>	<b>548,042,664</b>	<b>59,221,144</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	669,552,248	1,487,777,004
Net payments against redemption of units	(1,457,500,285)	(1,594,225,079)
Dividend paid	-	(142,053,721)
<b>Net cash used in financing activities</b>	<b>(787,948,037)</b>	<b>(248,501,796)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(239,905,373)</b>	<b>(189,280,652)</b>
Cash and cash equivalents at the beginning of the period	314,771,568	442,628,274
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b> <b>74,866,195</b>	<b>253,347,622</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Stock Fund (the Fund) is an open-ended collective investment scheme constituted under a trust deed entered into on 12 September 2006 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, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010 and 23 May 2017, respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). In addition, the Offering Document of the Fund was also revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Supplements dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010, 20 September 2013, 24 March 2015, 29 September 2016, 2 June 2017 and 25 May 2018 respectively, with the approval of the SECP. 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.
- 1.2 The Fund has been categorised as a 'shariah compliant equity scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 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 from 15 January 2007 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 one window facility to investors to invest in diversified and professionally managed investment portfolio of shariah compliant securities such as equities, cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding term deposit receipts) and Shariah Compliant government securities not exceeding 90 days' maturity. The investment objectives and policies are fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two plus)] on 28 December 2018.
- 1.5 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2019.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act 2017, provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the requirements of the Trust Deed and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). 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 2018.

# Third Quarter Report 2018-19

## 2.2 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 AND CHANGES THEREIN

Except for change in note 3.2, 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 as at and for the year ended June 30, 2018.

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

3.1 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 2018.

### 3.2 Change in accounting policy

#### 3.2.1 IFRS 9: Financial Instruments

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39."

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the fund's business model was made as at the date of initial application i.e. 01 July 2018. "

As a result of the above assessment, the management has concluded that all the investments in equity securities will continue to be classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the fund.

Furthermore, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for bank balances and security deposits and concluded that the impact is not material to the condensed interim financial statements.

# Atlas Islamic Stock Fund

## 3.2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from contracts with customers (Amendments)

IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IAS 40 - Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements other than IFRS 9, the impact of which has been disclosed in Note 3.2.1.

	Note	31 March 2019 Un-audited	30 June 2018 Audited
		-----Rupees-----	
<b>4 BANK BALANCES</b>			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	73,964,911	313,141,170
- Current account		5,000	36,398
Cheques in hand	4.2	896,284	1,594,000
		<b>74,866,195</b>	<b>314,771,568</b>
<b>4.1</b>	The rate of return on these accounts range between 5.00% and 10.15% (30 June 2018: 3.00% and 6.50%) per annum.		
<b>4.2</b>	This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequently on April 01,2019 (30 June 2018: 10 July 2018).		
		31 March 2019 Un-audited	30 June 2018 Audited
		-----Rupees-----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
- Listed equity securities	5.1	1,335,140,261	1,980,443,244

# Third Quarter Report 2018-19

## 5.1 At fair value through profit or loss - Listed equity securities

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

Name of Investee Company	Note	Number of shares				Rupees			Percentage of		
		As at 01 July 2018	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2019	Average cost as at 31 March 2019	Market value as at 31 March 2019	Total investments	Net assets	Paid up capital of the Investee Company
<b>Banks</b>											
Meezan Bank Limited		1,927,990	681,000	166,049	1,683,500	1,091,539	88,606,218	108,116,938	8.10	8.96	0.09
		<b>1,927,990</b>	<b>681,000</b>	<b>166,049</b>	<b>1,683,500</b>	<b>1,091,539</b>	<b>88,606,218</b>	<b>108,116,938</b>	<b>8.10</b>	<b>8.96</b>	
<b>Textile Composite</b>											
Kohinoor Textile Mills Limited		400,000	234,500	-	48,500	586,000	30,925,093	26,293,820	1.97	2.18	0.20
Nishat Mills Limited		550,000	151,500	-	432,500	269,000	38,222,904	36,210,090	2.71	3.00	0.08
		<b>950,000</b>	<b>386,000</b>	<b>-</b>	<b>481,000</b>	<b>855,000</b>	<b>69,147,997</b>	<b>62,503,910</b>	<b>4.68</b>	<b>5.18</b>	
<b>Cement</b>											
Attock Cement Pakistan Limited		100,300	83,500	21,000	60,900	143,900	16,708,935	12,828,685	0.96	1.06	0.10
Cherat Cement Company Limited		-	314,400	-	89,400	225,000	16,088,163	14,134,500	1.06	1.17	0.13
D.G. Khan Cement Company Limited		615,000	470,000	-	775,000	310,000	27,205,302	26,477,100	1.98	2.19	0.07
Kohat Cement Company Limited		65,000	66,500	21,450	10,000	142,950	13,698,814	12,269,399	0.92	1.02	0.07
Lucky Cement Limited	5.3	215,000	140,000	-	138,600	216,400	107,398,783	92,671,136	6.94	7.68	0.07
Maple Leaf Cement Factory Limited		175,000	785,000	-	960,000	-	-	-	-	-	-
Pioneer Cement Limited		300,000	70,000	-	370,000	-	-	-	-	-	-
		<b>1,470,300</b>	<b>1,929,400</b>	<b>42,450</b>	<b>2,403,900</b>	<b>1,038,250</b>	<b>181,099,997</b>	<b>158,380,820</b>	<b>11.86</b>	<b>13.12</b>	
<b>Refinery</b>											
National Refinery Limited		25,000	42,000	-	45,000	22,000	3,652,317	3,701,500	0.28	0.31	0.03
Attock Refinery Limited		-	25,000	-	25,000	-	-	-	-	-	-
		<b>25,000</b>	<b>67,000</b>	<b>-</b>	<b>70,000</b>	<b>22,000</b>	<b>3,652,317</b>	<b>3,701,500</b>	<b>0.28</b>	<b>0.31</b>	
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (face value Rs. 3.5)		3,000,000	2,300,000	-	1,500,000	3,800,000	21,464,035	21,242,000	1.59	1.76	0.01
Lalpir Power Limited		112,000	-	-	-	112,000	2,151,520	1,566,880	0.12	0.13	0.03
Pakgen Power Limited		1,500,000	-	-	1,500,000	-	-	-	-	-	-
The Hub Power Company Limited	5.3	1,300,150	603,000	-	753,150	1,150,000	102,621,609	84,329,500	6.32	6.99	0.10
		<b>5,912,150</b>	<b>2,903,000</b>	<b>-</b>	<b>3,753,150</b>	<b>5,062,000</b>	<b>126,237,164</b>	<b>107,138,380</b>	<b>8.03</b>	<b>8.88</b>	
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited		75,850	58,200	13,250	97,300	50,000	23,539,287	19,925,000	1.49	1.65	0.05
Pakistan State Oil Company Limited	5.3	164,000	125,000	37,000	154,200	171,800	44,145,047	37,139,724	2.78	3.08	0.04
Shell Pakistan Limited		-	11,300	-	11,300	-	-	-	-	-	-
Hascol Petroleum Limited		-	32,200	-	-	32,200	4,075,906	4,175,374	0.31	0.35	0.02
Sui Northern Gas Pipelines Limited		471,700	100,000	-	372,000	199,700	20,026,219	14,999,467	1.12	1.24	0.03
		<b>711,550</b>	<b>326,700</b>	<b>50,250</b>	<b>634,800</b>	<b>453,700</b>	<b>91,786,459</b>	<b>76,239,565</b>	<b>5.70</b>	<b>6.32</b>	
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited		75,010	2,440	6,495	31,920	52,025	71,288,567	64,783,611	4.85	5.37	0.04
Oil & Gas Development Company Limited		1,365,000	327,000	-	742,000	950,000	146,171,438	140,172,500	10.50	11.61	0.02
Pakistan Oilfields Limited		164,000	80,000	26,800	111,800	159,000	82,531,551	71,112,750	5.33	5.89	0.06
Pakistan Petroleum Limited	5.3	787,500	95,000	107,625	260,000	730,125	136,042,900	135,065,824	10.12	11.19	0.03
		<b>2,391,510</b>	<b>504,440</b>	<b>140,920</b>	<b>1,145,720</b>	<b>1,891,150</b>	<b>436,034,456</b>	<b>411,134,685</b>	<b>30.80</b>	<b>34.06</b>	
<b>Engineering</b>											
Amreli Steels Limited		-	345,000	-	345,000	-	-	-	-	-	-
International Industries Limited		165,000	312,500	-	230,000	247,500	38,764,844	30,714,750	2.30	2.54	0.21
International Steels Limited		-	105,300	-	105,300	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited		105,000	40,000	-	145,000	-	-	-	-	-	-
		<b>270,000</b>	<b>802,800</b>	<b>-</b>	<b>825,300</b>	<b>247,500</b>	<b>38,764,844</b>	<b>30,714,750</b>	<b>2.30</b>	<b>2.54</b>	
<b>Automobile Assembler</b>											
Atlas Honda Limited		20,500	-	-	20,500	-	-	-	-	-	-
Millat Tractors Limited		12,500	-	-	12,500	-	-	-	-	-	-
		<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Automobile Parts &amp; Accessories</b>											
Agriauto Industries Limited (Face value Rs. 5)		79,000	-	-	79,000	-	-	-	-	-	-
		<b>79,000</b>	<b>-</b>	<b>-</b>	<b>79,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cables &amp; Electrical Goods</b>											
Pak Elektron Limited		605,000	-	-	605,000	-	-	-	-	-	-
		<b>605,000</b>	<b>-</b>	<b>-</b>	<b>605,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Technology &amp; Communications</b>											
Netsol Technologies Limited		-	85,000	-	85,000	-	-	-	-	-	-
Pakistan Telecommunication Company Limited		-	255,500	-	255,500	-	-	-	-	-	-
Systems Limited		143,000	221,000	-	122,000	242,000	26,823,645	25,773,000	1.93	2.14	0.22
		<b>143,000</b>	<b>561,500</b>	<b>-</b>	<b>462,500</b>	<b>242,000</b>	<b>26,823,645</b>	<b>25,773,000</b>	<b>1.93</b>	<b>2.14</b>	

# Atlas Islamic Stock Fund

Name of Investee Company	Note	Number of shares				Rupees			Percentage of		
		As at 01 July 2018	Purchases during the period	Bonus / right shares		As at 31 March 2019	Average cost as at 31 March 2019	Market value as at 31 March 2019	Total investments	Net assets	Paid up capital of the Investee Company
				issued during the period	Sales during the period						
<b>Fertilizer</b>											
Dawood Hercules Corporation Limited		250,800	18,000	-	68,800	200,000	22,209,509	25,674,000	1.92	2.13	0.04
Engro Corporation Limited		595,000	208,300	-	383,300	420,000	130,320,982	137,436,600	10.29	11.39	0.08
Engro Fertilizers Limited		1,900,000	640,000	-	1,190,000	1,350,000	100,033,693	96,592,500	7.23	8.00	0.10
		<b>2,745,800</b>	<b>866,300</b>	<b>-</b>	<b>1,642,100</b>	<b>1,970,000</b>	<b>252,564,184</b>	<b>259,703,100</b>	<b>19.44</b>	<b>21.52</b>	
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited		-	12,000	-	-	12,000	7,673,316	7,650,360	0.57	0.63	0.01
AGP Limited		-	74,000	-	1,000	73,000	6,642,635	6,215,220	0.47	0.51	0.03
Ferozsons Laboratories Limited		-	30,000	-	-	30,000	6,099,295	5,865,900	0.44	0.49	0.10
Glasosmithkline Pakistan Limited		200	70,000	-	1,200	69,000	8,891,393	9,907,020	0.74	0.82	0.02
The Searle Company Limited		32,000	115,500	30	44,800	102,730	25,406,851	24,329,546	1.82	2.02	0.05
		<b>32,200</b>	<b>301,500</b>	<b>30</b>	<b>47,000</b>	<b>286,730</b>	<b>54,713,490</b>	<b>53,968,046</b>	<b>4.04</b>	<b>4.47</b>	
<b>Chemicals</b>											
Archroma Pakistan Limited		400	-	-	400	-	-	-	-	-	-
Engro Polymer & Chemicals Limited		-	905,000	-	520,000	385,000	14,820,943	13,983,200	1.05	1.16	0.04
Lotte Chemical Pakistan Limited		1,200,000	300,000	-	1,200,000	300,000	4,393,955	4,266,000	0.32	0.34	0.02
Sitara Peroxide Limited		-	200,000	-	200,000	-	-	-	-	-	-
		<b>1,200,400</b>	<b>1,405,000</b>	<b>-</b>	<b>1,920,400</b>	<b>685,000</b>	<b>19,214,898</b>	<b>18,249,200</b>	<b>1.37</b>	<b>1.50</b>	
<b>Paper &amp; Board</b>											
Cherat Packaging Limited		-	69,100	-	-	69,100	10,586,043	9,812,200	0.73	0.81	0.18
Packages Limited		50,000	-	-	50,000	-	-	-	-	-	-
		<b>50,000</b>	<b>69,100</b>	<b>-</b>	<b>50,000</b>	<b>69,100</b>	<b>10,586,043</b>	<b>9,812,200</b>	<b>0.73</b>	<b>0.81</b>	
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited		-	1,085,000	-	1,085,000	-	-	-	-	-	-
		-	<b>1,085,000</b>	<b>-</b>	<b>1,085,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Leather &amp; Tanneries</b>											
Service Industries Limited		26,370	-	-	26,370	-	-	-	-	-	-
		<b>26,370</b>	<b>-</b>	<b>-</b>	<b>26,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Foods &amp; Personal Care Products</b>											
Al Shaheer Corporation Limited		531,713	258,500	-	783,714	6,499	178,060	116,852	0.01	0.01	-
At-Tahir Limited		-	524,995	-	524,995	-	-	-	-	-	-
Engro Foods Limited		-	23,500	-	23,500	-	-	-	-	-	-
National Foods Limited (Face value Rs. 5)		-	35,000	-	34,100	900	180,000	170,136	0.01	0.01	-
		<b>531,713</b>	<b>841,995</b>	<b>-</b>	<b>1,366,309</b>	<b>7,399</b>	<b>358,060</b>	<b>286,988</b>	<b>0.02</b>	<b>0.02</b>	
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries Limited		-	93,000	-	-	93,000	8,761,055	9,417,179	0.71	0.78	0.13
		-	<b>93,000</b>	<b>-</b>	<b>93,000</b>	<b>93,000</b>	<b>8,761,055</b>	<b>9,417,179</b>	<b>0.71</b>	<b>0.78</b>	
<b>Total as at 31 March 2019</b>							<b>1,408,350,827</b>	<b>1,335,140,261</b>	<b>100.00</b>	<b>110.61</b>	
<b>Total as at 30 June 2018</b>							<b>2,074,455,779</b>	<b>1,980,443,244</b>			

5.2 The cost of listed equity securities as at 31 March 2019 is Rs. 1,376,582,115 (30 June 2018: Rs. 1,959,667,650).

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 March 2019	30 June 2018	31 March 2019	30 June 2018
	Un-audited	Audited	Un-audited	Audited
Lucky Cement Limited	75,000	75,000	32,118,000	38,094,750
Pakistan State Oil Company Limited	110,000	110,000	23,779,800	35,014,100
Pakistan Petroleum Limited	135,000	135,000	24,973,650	29,011,500
The Hub Power Company Limited	200,000	200,000	14,666,000	18,432,000
	<b>520,000</b>	<b>520,000</b>	<b>95,537,450</b>	<b>120,552,350</b>

# Third Quarter Report 2018-19

		31 March 2019	30 June 2018
		Un-audited	Audited
	Note	----- Rupees-----	
<b>6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)</b>			
Remuneration of the Management Company	6.1	2,353,262	3,817,436
Sindh Sales Tax payable on remuneration of the Management Company	6.2	1,862,484	2,052,827
Federal Excise Duty payable on remuneration of the Management Company	6.3	10,453,385	10,453,385
Accounting and operational charges		117,661	190,872
		<b>14,786,792</b>	<b>16,514,520</b>

**6.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 2% of the average annual net assets incase of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 2% (30 June 2018: 2%) per annum of the average net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

**6.2** During the period, an amount of Rs.3,392,583 (2018: Rs.4,799,466) 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. 3,582,927 (2018: Rs. 4,848,516) has been paid to the Management Company which acts as the collecting agent.

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

On 4 September 2013, a Constitutional Petition 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 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 10.453 million (30 June 2018: Rs 10.453 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Rs 4.35 per unit (30 June 2018: Rs 2.45 per unit).

# Atlas Islamic Stock Fund

		31 March 2019	30 June 2018
		Un-audited	Audited
	Note	----- Rupees-----	
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		138,049	241,365
Printing charges payable		50,094	171,177
Ranking fee payable		140,000	140,000
Charity payable	7.1	90,784	463,265
Transaction charges payable		301,665	368,629
Withholding and capital gain tax payable		78,467	73,467
Payable to Shariah Advisor		75,208	75,004
Provision for Sindh Workers' Welfare Fund	7.2	15,491,187	15,491,187
Sales load payable		1,339	-
Zakat payable		1,063	-
Other payable		-	276,202
		<b>16,367,856</b>	<b>17,300,296</b>

7.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 851,243 (30 June 2018: Rs. 1,602,704) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

7.2 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, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP 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 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 SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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

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

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

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

# Third Quarter Report 2018-19

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Rs. 6.45 per unit (30 June 2018: Rs. 3.63 per unit)

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2019 and as at 30 June 2018.

## 9 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund.

## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2019 is 2.85% (30 June 2018: 2.79%) which includes 0.41% (30 June 2018: 0.40%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

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

## 12 EARNING PER UNIT

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

## 13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

# Atlas Islamic Stock Fund

		For the Nine Months Ended 31 March	
		2019	2018
		Un-audited	Un-audited
		----- Rupees-----	
<b>13.1</b>	<b>Transactions during the period</b>		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration of the Management Company	26,096,794	36,918,970
	Remuneration paid	27,560,968	37,296,275
	Sindh Sales Tax on remuneration of the Management Company	3,392,583	4,799,466
	Accounting and operational charges	1,304,840	1,825,405
	Issue of Nil (2018: 2,711) units	-	1,561,061
	Redemption of 53,685 (2018: Nil) units	28,096,956	-
	Dividend paid	-	1,784,070
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration of the Trustee	2,055,525	2,593,802
	Sindh Sales Tax on remuneration of the Trustee	267,218	337,194
	Remuneration paid	2,125,992	2,612,756
	Settlement charges	136,196	112,888
	Sindh sales tax on settlement charges	17,706	14,677
	<b>Atlas Battery Limited (Group Company)</b>		
	Issue of Nil (2018: 69,611) units	-	40,080,135
	Redemption of 871,997 (2018: 363,997) units	471,388,683	200,000,000
	Dividend paid	-	45,805,868
	<b>Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of a Group Company)</b>		
	Issue of Nil (2018: 2,561) units	-	1,474,815
	Dividend paid	-	1,474,815
	<b>Atlas Foundation (Group Company)</b>		
	Issue of Nil (2018: 5,235) units	-	3,013,961
	Dividend paid	-	3,444,527
	<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
	Issue of Nil (2018: 71,123) units	-	35,521,285
	Dividend paid	-	1,903,401
	<b>Atlas Insurance Limited (Group Company)</b>		
	Issue of 463,399 (2018: 1,188,416) units	230,000,000	622,305,049
	Redemption of 780,699 (2018: 1,327,013) units	384,469,551	698,897,132
	Dividend paid	-	18,231,368
	<b>Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of a Group Company)</b>		
	Issue of Nil (2018: 1,654) units	-	952,589
	Redemption of 11,314 (2018: Nil) units	5,743,918	-
	Cash dividend	-	952,589
	<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of a Group Company)</b>		
	Issue of Nil (2018: 6,564) units	-	3,779,464
	Dividend paid	-	3,779,464
	<b>Atlas Insurance Limited Window Takaful Operation</b>		
	Issue of 40,469 (2018: 44,617) units	20,000,000	22,949,462
	Redemption of 42,472 (2018: 42,472) units	20,473,013	21,714,458
	Cash dividend	-	1,411,433

# Third Quarter Report 2018-19

For the Nine Months Ended  
31 March

2019	2018
Un-audited	Un-audited
----- Rupees-----	

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

Issue of Nil (2018: 25,607) units	-	13,450,000
-----------------------------------	---	------------

**Cherat Cement Company Limited Employees Provident Fund**

Issue of Nil (2018: 174) units	-	100,279
Redemption of Nil (2018: 3,449) units	-	1,721,259
Cash dividend	-	114,605

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

Issue of Nil (2018: 5,524) units	-	3,180,500
Cash dividend	-	3,634,857

**Atlas Honda Limited (Group Company)  
(Unit Holder with more than 10% holding)**

Issue of Nil (2018: 38,374) units	-	22,094,487
Redemption of 584,537 (2018: Nil) units	300,000,000	-
Dividend paid	-	25,250,842

**Directors and their close family members and key management  
personnel of the Management Company**

Issue of 26,522 (2018: 17,678) units	13,473,858	9,461,053
Redemption of 27,795 (2018: 11,359) units	15,098,412	5,901,645
Cash dividend	-	4,441,177

31 March 2019	30 June 2018
------------------	-----------------

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

----- Rupees -----

**13.2 Balances as at period / year end**

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

Remuneration payable to the Management Company	2,353,262	3,817,436
Sindh Sales Tax payable on remuneration of the management company	1,862,484	2,052,827
Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
Accounting and operational charges payable	117,661	190,872
Outstanding Nil (2018:53,685) units at net asset value	-	28,473,822

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

Remuneration payable to the Trustee	202,595	273,062
Sindh sales tax payable on remuneration of the Trustee	26,336	35,497
Settlement charges payable	30,000	3,000
Sindh sales tax payable on settlement charges	3,900	389

**Atlas Battery Limited (Group Company)**

Outstanding Nil (2018: 871,997) units - at net asset value	-	462,498,556
--	---	-------------

**Atlas Foundation (Group company)**

Outstanding 103,650 (2018: 103,650) units - at net asset value	52,091,238	54,974,774
--	------------	------------

# Atlas Islamic Stock Fund

	31 March 2019 Un-audited	30 June 2018 Audited
	----- Rupees -----	
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 125,506 (2018:125,506) units - at net asset value	63,075,726	66,567,313
<b>Atlas Insurance Limited (Group Company)</b>		
Outstanding Nil (2018: 317,300) units - at net asset value	-	168,292,639
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 109,377 (2018: 109,377) units - at net asset value	54,969,582	58,012,449
<b>Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)</b>		
Outstanding Nil (2018:11,314) units - at net asset value	-	6,001,096
<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 114,549 (2018:114,549 ) units - at net asset value	57,568,835	60,755,585
<b>Atlas Insurance Limited Window Takaful Operation</b>		
Outstanding 40,469 (2018; 42,472) units - at net asset value	20,338,729	22,526,515
<b>Shirazi Investments (Private) Limited -Employee Provident Fund</b>		
Outstanding 25,607 (2018: 25,607) units - at net asset value	12,869,272	13,581,656
<b>Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)</b>		
Outstanding 175,289 (2018: 759,826) units - at net asset value	88,095,138	403,004,346
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 134,796 (2018: 136.070) units - at net asset value	67,744,635	72,170,026

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

## 14 FAIR VALUE MEASUREMENTS

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

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

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

# Third Quarter Report 2018-19

## Fair value hierarchy

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

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

As at 31 March 2019 and 30 June 2018, the Fund had financial assets at fair value through profit or loss measured using level 1 valuation technique

## 15 GENERAL

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

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

## 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## Corporate Information

---

### **Trustee**

---

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

### **Shariah Advisor**

---

Dr. Mufti Muhammad Wasih Fasih Butt

### **Auditors**

---

EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

---

Bawancy & Partners

### **Bankers**

---

Al-Baraka Bank (Pakistan) Limited  
Allied Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2019

31 March 2019 (Un Audited)

		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note -----Rupees-----						
<b>ASSETS</b>						
Bank balances	5	1,309,163	1,284,788	1,651,763	7,606,054	11,851,768
Investments - net	6	101,792,739	109,011,945	121,246,705	436,008,973	768,060,362
Profit receivable on deposit with banks		12,019	11,333	12,915	595,363	631,631
Prepaid and other receivables		59,216	57,834	57,950	4,001	179,001
Deferred Formation cost	7	264,908	264,908	264,908	264,453	1,059,176
<b>Total assets</b>		<b>103,438,045</b>	<b>110,630,807</b>	<b>123,234,242</b>	<b>444,478,844</b>	<b>781,781,938</b>
<b>LIABILITIES</b>						
Payable to Atlas Asset Management Company - Management Company	8	310,347	310,875	312,687	378,126	1,312,035
Payable to the Central Depository Company of Pakistan Limited - Trustee		9,938	10,603	11,766	42,591	74,898
Payable to the Securities and Exchange Commission of Pakistan		23,362	24,413	25,534	38,670	111,979
Accrued expenses and other liabilities	9	17,917	18,618	35,601	46,252	118,388
<b>Total liabilities</b>		<b>361,564</b>	<b>364,509</b>	<b>385,587</b>	<b>505,640</b>	<b>1,617,300</b>
<b>NET ASSETS</b>		<b>103,076,481</b>	<b>110,266,298</b>	<b>122,848,655</b>	<b>443,973,204</b>	<b>780,164,638</b>
<b>UNIT HOLDER'S FUND</b>						
<b>(AS PER STATEMENT ATTACHED)</b>						
		<b>103,076,481</b>	<b>110,266,298</b>	<b>122,848,655</b>	<b>443,973,204</b>	<b>780,164,638</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<b>209,406</b>	<b>221,789</b>	<b>243,922</b>	<b>882,930</b>	
<b>NET ASSET VALUE PER UNIT</b>		<b>492.23</b>	<b>497.17</b>	<b>503.64</b>	<b>502.84</b>	
<b>FACE VALUE PER UNIT</b>		<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	

Contingencies and commitments 10

The annexed notes 1 to 18 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE PERIOD FROM 07 JANUARY 2019 TO 31 MARCH 2019

For the period from 07 January 2019 to 31 March 2019						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Total	
	Islamic Plan	Islamic Plan	Islamic Plan	Plan		
Note -----Rupees-----						
<b>INCOME</b>						
Profit on deposits with banks	159,520	154,362	179,188	829,174	1,322,245	
Dividend income	940,678	1,717,418	2,683,325	-	5,341,421	
Capital gain / (loss) on sale of investments at fair value through income statement - net	32,398	(29,961)	(380)	-	2,057	
Net unrealised diminution on re-measurement of investments classified as 'financial assets' at fair value through profit or loss'	(2,457,951)	(2,249,026)	(1,863,405)	(1,991,027)	(8,561,409)	
	<b>(2,425,553)</b>	<b>(2,278,987)</b>	<b>(1,863,785)</b>	<b>(1,991,027)</b>	<b>(8,559,352)</b>	
	<b>(1,325,355)</b>	<b>(407,206)</b>	<b>998,728</b>	<b>(1,161,853)</b>	<b>(1,895,686)</b>	
<b>EXPENDITURE</b>						
Remuneration of Atlas Asset Management Limited - Management Company	8.1	17,233	17,729	18,965	54,836	108,763
Sindh sales tax on remuneration of the Management Company	8.2	2,240	2,305	2,465	7,129	14,139
Accounting & Operational charges	11	24,591	25,698	26,877	40,705	117,872
Remuneration to the Central Depository Company of Pakistan Limited		24,591	25,698	26,877	40,705	117,872
Sindh sales tax on remuneration of the Trustee		3,197	3,341	3,494	5,292	15,324
Annual fee - Securities and Exchange Commission of Pakistan		23,362	24,413	25,534	38,670	111,979
Auditor's remuneration		23,397	24,262	24,810	17,156	89,625
Amortization of preliminary expenses and floatation costs		15,361	15,361	15,361	15,816	61,900
Annual Listing fee		27,314	28,385	29,232	28,027	112,959
Shariah advisory fee		2,884	2,997	3,086	2,959	11,925
Bank charges		2,412	2,484	1,933	17,084	23,913
Provision for Sindh Workers' Welfare Fund	9.1	-	-	16,402	-	16,402
		<b>166,583</b>	<b>172,673</b>	<b>195,037</b>	<b>268,381</b>	<b>802,673</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(1,491,938)</b>	<b>(579,879)</b>	<b>803,692</b>	<b>(1,430,233)</b>	<b>(2,698,359)</b>
<b>Taxation</b>	13	-	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(1,491,938)</b>	<b>(579,879)</b>	<b>803,692</b>	<b>(1,430,233)</b>	<b>(2,698,359)</b>
<b>(Loss) / Earning per unit</b>	14	<b>(7.12)</b>	<b>(2.61)</b>	<b>3.29</b>	<b>(1.62)</b>	
<b>Allocation of Net Income for the period:</b>						
Net income for the period after taxation		-	-	803,692	-	
Income already paid on units redeemed		-	-	(4,262)	-	
		-	-	<b>799,430</b>	-	
<b>Accounting income / loss available for distribution:</b>						
-Relating to capital gains		-	-	-	-	
-Excluding capital gains		-	-	799,430	-	
		-	-	<b>799,430</b>	-	

The annexed notes 1 to 18 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED 07 JANUARY 2019 TO 31 MARCH 2019

For the period from 07 January 2019 to 31 March 2019

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----				
Net (loss) / income for the period	(1,491,938)	(579,879)	803,692	(1,430,233)	(2,698,358)
Other Comprehensive income	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(1,491,938)</u>	<u>(579,879)</u>	<u>803,692</u>	<u>(1,430,233)</u>	<u>(2,698,358)</u>

The annexed notes 1 to 18 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE PERIOD ENDED 07 JANUARY 2019 TO 31 MARCH 2019

	For the period from 07 January 2019 to 31 March 2019				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----				
<b>Issue of units</b>					
Capital value (at net assets value per unit at the beginning of period)					
Aggressive - units 224,514	112,254,489	-	-	-	112,254,489
Moderate - units 231,778	-	115,896,328	-	-	115,896,328
Conservative - units 251,829	-	-	126,039,468	-	126,039,468
Preservation - units 882,930	-	-	-	445,403,437	445,403,437
<b>Total proceed on issuance of units</b>	<b>112,254,489</b>	<b>115,896,328</b>	<b>126,039,468</b>	<b>445,403,437</b>	<b>799,593,722</b>
<b>Redemption of units</b>					
Capital value (at net assets value per unit at the beginning of period)					
Aggressive - units 15,108	(7,686,070)	-	-	-	(7,686,070)
Moderate - units 9,989	-	(5,050,151)	-	-	(5,050,151)
Conservative - units 7,907	-	-	(3,990,243)	-	(3,990,243)
Preservation - units Nil	-	-	-	-	-
<b>Amount paid out of Element of income</b>					
- Relating to Net Income for the period after taxation	-	-	(4,262)	-	(4,262)
	<b>(7,686,070)</b>	<b>(5,050,151)</b>	<b>(3,994,505)</b>	<b>-</b>	<b>(16,730,726)</b>
<b>Total Comprehensive (loss) / income for the period</b>	<b>(1,491,938)</b>	<b>(579,879)</b>	<b>803,692</b>	<b>(1,430,233)</b>	<b>(2,698,358)</b>
Distributions during the period	-	-	-	-	-
<b>Net (loss) / income for the period less distribution</b>	<b>(1,491,938)</b>	<b>(579,879)</b>	<b>803,692</b>	<b>(1,430,233)</b>	<b>(2,698,358)</b>
<b>Net assets at the end of the period</b>	<b>103,076,481</b>	<b>110,266,298</b>	<b>122,848,655</b>	<b>443,973,204</b>	<b>780,164,638</b>
(Units: AAAIP 209,406, AMAIP 221,789, ACAIP 243,922 & AICPP 882,930)					
<b>Capital Value</b>	<b>104,568,419</b>	<b>110,846,177</b>	<b>122,049,225</b>	<b>445,403,437</b>	<b>782,867,258</b>
<b>Un distributed Income</b>					
- Realised income	966,013	1,669,147	2,662,835	560,794	5,858,789
- Unrealised loss	(2,457,951)	(2,249,026)	(1,863,405)	(1,991,027)	(8,561,409)
<b>Net assets at the end of the period</b>	<b>103,076,481</b>	<b>110,266,298</b>	<b>122,848,655</b>	<b>443,973,204</b>	<b>780,164,638</b>
<b>Net assets value per unit at beginning of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets value per unit at end of the period</b>	<b>492.23</b>	<b>497.17</b>	<b>503.64</b>	<b>502.84</b>	

The annexed notes 1 to 18 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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

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

FOR THE PERIOD ENDED 07 JANUARY 2019 TO 31 MARCH 2019

Note	For the period from 07 January 2019 to 31 March 2019				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net (loss) / income for the period after taxation	(1,491,938)	(579,879)	803,692	(1,430,233)	(2,698,359)
<b>Adjustments for:</b>					
Profit on deposits with banks	(159,520)	(154,362)	(179,188)	(829,174)	(1,322,245)
Dividend income	(940,678)	(1,717,418)	(2,683,325)	-	(5,341,421)
(Gain) / Loss on sale of investments at fair value through income statement - net	(32,398)	29,961	380	-	(2,057)
Net unrealised diminution on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss	2,457,951	2,249,026	1,863,405	1,991,027	8,561,409
Provision for Sindh Workers' Welfare Fund	-	-	16,402	-	16,402
	<b>(166,583)</b>	<b>(172,673)</b>	<b>(178,635)</b>	<b>(268,381)</b>	<b>(786,271)</b>
<b>Increase in assets</b>					
Prepaid and other receivables	(59,216)	(57,834)	(57,950)	(4,001)	(179,001)
Deferred Formation cost	(264,908)	(264,908)	(264,908)	(264,453)	(1,059,177)
	<b>(324,124)</b>	<b>(322,741)</b>	<b>(322,858)</b>	<b>(268,454)</b>	<b>(1,238,178)</b>
<b>Increase in liabilities</b>					
Payable to Atlas Asset Management Company - Management Company	310,347	310,875	312,687	378,126	1,312,035
Payable to Central Depository Company of Pakistan Limited - Trustee	9,938	10,603	11,766	42,591	74,898
Payable to the Securities and Exchange Commission of Pakistan	23,362	24,413	25,534	38,670	111,979
Accrued expenses and other liabilities	17,917	18,618	19,199	46,252	101,986
	<b>361,564</b>	<b>364,509</b>	<b>369,186</b>	<b>505,640</b>	<b>1,600,898</b>
Interest received	147,501	143,029	166,272	233,811	690,614
Dividend received	940,678	1,717,418	2,683,325	-	5,341,421
Investments made during the period	(112,218,292)	(116,290,932)	(125,510,490)	(438,000,000)	(792,019,713)
Investments sold during the period	8,000,000	5,000,000	2,400,000	-	15,400,000
	<b>(103,130,113)</b>	<b>(109,430,484)</b>	<b>(120,260,893)</b>	<b>(437,766,189)</b>	<b>(770,587,678)</b>
<b>Net cash used in operating activities</b>	<b>(103,259,256)</b>	<b>(109,561,389)</b>	<b>(120,393,201)</b>	<b>(437,797,384)</b>	<b>(771,011,229)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Receipts against issuance of units	112,254,489	115,896,328	126,039,468	445,403,437	799,593,722
Payments against redemption of units	(7,686,070)	(5,050,151)	(3,994,505)	-	(16,730,726)
	104,568,419	110,846,177	122,044,963	445,403,437	782,862,996
<b>Net cash generated from financing activities</b>	<b>104,568,419</b>	<b>110,846,177</b>	<b>122,044,963</b>	<b>445,403,437</b>	<b>782,862,996</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,309,163</b>	<b>1,284,788</b>	<b>1,651,763</b>	<b>7,606,054</b>	<b>11,851,768</b>
Cash and cash equivalents at the beginning of the period	-	-	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>1,309,163</b>	<b>1,284,788</b>	<b>1,651,763</b>	<b>7,606,054</b>	<b>11,851,768</b>

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

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

FOR THE PERIOD ENDED 07 JANUARY 2019 TO 31 MARCH 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Atlas Islamic Fund of Funds (the Fund) is an open-ended Fund constituted under a trust deed entered into on 20 August 2018 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 is situated at Ground Floor, Federation House, Shahr-e Firdousi, Clifton, Karachi.

1.2 The Fund is an open-ended Shariah compliant fund of funds and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 07, 2019. Subsequent to the Initial Public Offering, the offer of units of the Allocation Plans at the Initial Offer Price discontinued. The units of the Allocation Plans could then be purchased at their Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The duration of the fund is perpetual, however, the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The objective of the Fund is to generate return on investments as per the respective Allocation Plan by investing in Shariah compliant mutual funds in line with the risk tolerance of the investor. The Management Company has appointed Dr. Mufti Muhammad Wasie Fasih Butt as its Shariah Advisor to ensure that the activities of the Funds are in compliance with the principles of Shariah.

The investment objectives and policies of each allocation plan are as follows;

#### **Atlas Aggressive Allocation Islamic Plan (AAAIP)**

The "Aggressive Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide capital appreciation. It shall invest at least 65% and 25% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term.

#### **Atlas Moderate Allocation Islamic Plan (AMAIP)**

The "Moderate Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide a mix of capital appreciation and stable returns. It shall invest at least 45% and 45% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to medium for long term.

#### **Atlas Conservative Allocation Islamic Plan (ACAIP)**

The "Conservative Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide stable returns. It shall invest at least 20% and 70% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

#### **Atlas Islamic Capital Preservation Plan (AICPP)**

The Atlas Islamic Capital Preservation Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Income based Collective Investment Schemes and Shariah Compliant saving Accounts & Term Deposits, while aiming to provide capital preservation upon maturity of the allocation plan.

# Third Quarter Report 2018-19

- 1.3 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 28 December 2018.
- 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.

## 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. 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.

Wherever 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.

### 2.2 Basis of Measurement

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

### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund.

### 2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimates are 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.

Wherever 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.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) Classification and measurement of financial assets and financial liabilities (notes 3.2 and 3.5); and
- (ii) impairment of financial assets (note 3.3)

# Atlas Islamic Fund of Funds

## 3 NEW ACCOUNTING STANDARDS AND AMENDMENTS

3.1 The following standards and amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds's financial statements other than certain additional disclosures:

	<b>Effective from accounting period beginning on or after</b>
- IFRS 16 'Leases'	January 01, 2019
- Amendments to IFRS 9 'Financial Instruments' Prepayment features with negative compensation	January 01, 2019
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective date is deferred indefinitely earlier adoption is permitted
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' Long-term interests in Associates and Joint Ventures	January 01, 2019
- Amendments to IAS 19 'Employee Benefits'. Plan amendment, curtailment or settlement	January 01, 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments'. Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019
- Annual Improvements to IFRS Standards 2015-2017 Cycle amendments to:	January 01, 2019
- IFRS 3 Business Combinations;	
- IFRS 11 Joint Arrangements;	
- IAS 12 Income Taxes; and	
- IAS 23 Borrowing Costs.	
	<b>Effective from accounting period beginning on or after</b>
- Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2019
- Amendments to IFRS 3 'Business Combinations' Amendment in the definition of business'	January 01, 2019
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Clarify the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards	January 01, 2019

The following standards and amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds's financial statements other than certain additional disclosures:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

# Third Quarter Report 2018-19

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

### 4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

### 4.2 Classification and measurement of financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

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

A debt investment is measured at fair value through other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset 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.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

#### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

#### Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

#### Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

# Atlas Islamic Fund of Funds

## Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### 4.3 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of above impairment requirements in relation to debt securities for Mutual Funds.

### 4.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

### 4.5 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

### 4.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 4.7 Deferred formation cost

Formation cost refers to all the preliminary and floatation expenses of the Fund incurred upto the initial issue of units to the extent allowable under the NBFC Regulations. These costs are being amortised over a period of five years commencing from January 10, 2019, in accordance with the requirements of the NBFC Regulations. These expenses were paid off by the management company and are reimbursable to it by the Fund.

### 4.8 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 4.9 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

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

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

# Third Quarter Report 2018-19

## 4.10 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

## 4.11 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The element of income and capital gains included in the prices of units issued less those in units redeemed to the extent that it is represented by distributable income earned during the year is recognised in the income statement and statement of comprehensive income and the element of income and capital gains represented by distributable income carried forward from prior periods is included in the "Statement of Movement in Unitholders' Fund".

## 4.13 Net assets value per unit

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

## 4.14 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealized gains / (losses) arising on revaluation of investments classified as 'financial assets at fair value through profit or loss - held-for-trading' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the right to receive the dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Markup / return on bank balances are recognized on a time apportion basis using the effective interest method.

## 4.15 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee and annual fee payable to the SECP) are recognized in the Income Statement on a time apportion basis using the effective interest method.

# Atlas Islamic Fund of Funds

## 5 BANK BALANCES

		31 March 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note		-----Rupees-----				
Profit and loss sharing accounts	5.1	1,309,163	1,284,788	1,651,763	7,606,054	11,851,767
		<b>1,309,163</b>	<b>1,284,788</b>	<b>1,651,763</b>	<b>7,606,054</b>	<b>11,851,767</b>

5.1 These carry interest rate ranging between 9.50% to 10.25% per annum.

## 6 INVESTMENTS - NET

		31 March 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note		-----Rupees-----				
At fair value through profit or loss - held for trading						
Units of Mutual Funds - listed	6.1	101,792,739	109,011,945	121,246,705	436,008,973	<b>768,060,362</b>

6.1 At fair value through profit or loss - Listed equity securities

### 6.1.1 Units of Mutual Funds

Name of the investee company	As at 07 January 2019	Purchases during the period	Sales during the period	As at 31 March 2019	Carrying Value as at 31 March 2019	Market Value as at 31 March 2019	Appreciation/ (diminution) as at March 31, 2019	Market Value as a % of net assets of the Sub-Fund	Market Value as a % of total value of investments of Plan	
	-----Number of shares-----				-----Rupees-----			-----%age-----		
<b>Aggressive Allocation Islamic Plan</b>										
Atlas Islamic Income Fund	-	65,937	4,720	61,217	31,742,352	31,460,451	(281,901)	30.52	30.91	
Atlas Islamic Dedicated Stock Fund	-	155,900	11,029	144,872	72,508,338	70,332,288	(2,176,050)	68.23	69.09	
	-	<b>221,838</b>	<b>15,749</b>	<b>206,088</b>	<b>104,250,690</b>	<b>101,792,739</b>	<b>(2,457,951)</b>	<b>98.75</b>	<b>100.00</b>	
<b>Moderate Allocation Islamic Plan</b>										
Atlas Islamic Income Fund	-	114,322	4,912	109,411	56,804,062	56,228,277	(575,785)	50.99	51.38	
Atlas Islamic Dedicated Stock Fund	-	113,676	4,951	108,725	54,456,909	52,783,668	(1,673,241)	47.87	48.42	
	-	<b>227,998</b>	<b>9,863</b>	<b>218,135</b>	<b>111,260,971</b>	<b>109,011,945</b>	<b>(2,249,026)</b>	<b>98.86</b>	<b>100.00</b>	
<b>Conservative Allocation Islamic Plan</b>										
Atlas Islamic Income Fund	-	184,155	2,759	181,395	94,147,004	93,222,707	(924,297)	75.88	76.89	
Atlas Islamic Dedicated Stock Fund	-	59,650	1,926	57,724	28,963,106	28,023,998	(939,108)	22.81	23.11	
	-	<b>243,805</b>	<b>4,685</b>	<b>239,120</b>	<b>123,110,110</b>	<b>121,246,705</b>	<b>(1,863,405)</b>	<b>98.69</b>	<b>100.00</b>	
<b>Islamic Capital Preservation Plan</b>										
Atlas Islamic Income Fund	-	588,166	-	588,166	300,000,000	302,270,321	2,270,321	68.08	69.33	
Atlas Islamic Dedicated Stock Fund	-	275,477	-	275,477	138,000,000	133,738,652	(4,261,348)	30.12	30.67	
	-	<b>863,643</b>	<b>-</b>	<b>863,643</b>	<b>438,000,000</b>	<b>436,008,973</b>	<b>(1,991,027)</b>	<b>98.20</b>	<b>100.00</b>	
	-	<b>1,557,284</b>	<b>30,297</b>	<b>1,526,986</b>	<b>776,621,771</b>	<b>768,060,362</b>	<b>(8,561,409)</b>			

## 7 DEFERRED FORMATION COST

		31 March 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note		-----Rupees-----				
Opening balance	7.1	280,269	280,269	280,269	280,269	1,121,076
Less: Amortization for the period		15,361	15,361	15,361	15,816	61,900
		<b>264,908</b>	<b>264,908</b>	<b>264,908</b>	<b>264,453</b>	<b>1,059,176</b>

# Third Quarter Report 2018-19

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortized over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

## 8 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED - Management Company

		31 March 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	Note	-----Rupees-----				
Remuneration of the Management Company	8.1	1,135	1,083	1,275	24,695	28,188
Sindh Sales Tax on remuneration of the Management Company	8.2	148	141	165	3,211	3,664
Sales load payable to the Management Company		-	-	565	2,260	2,825
Formation cost payable		280,269	280,269	280,269	280,269	1,121,076
Other payable - Initial Deposits		20,000	20,000	20,000	30,000	90,000
Accounting and operational charges reimbursable by the Fund		8,795	9,383	10,413	37,692	66,282
		<b>310,347</b>	<b>310,875</b>	<b>312,687</b>	<b>378,126</b>	<b>1,312,035</b>

8.1 In accordance with the provisions of the NBFC Regulations, No Management fee in case of investment is made in CIS of Atlas Asset Management Limited (AAML). However, the AAML shall charge a management fee of 1% of average annual net assets in case investment is made in Cash/ Near Cash instruments, savings and term deposits made with Islamic banks or Islamic banking windows of commercial banks.

8.2 During the period, an amount of Rs. 14,139 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. 10,474 has been paid to the Management Company which acts as a collecting agent.

## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

		31 March 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	Note	-----Rupees-----				
Auditors' remuneration payable		13,700	14,241	14,680	14,605	57,225
Withholding and capital gain tax payable		1,334	1,381	1,433	3,583	7,731
Shahriah advisory fee payable		2,884	2,997	3,086	2,959	11,925
Listing fee payable		-	-	-	25,104	25,104
Provision for Sindh Workers' Welfare Fund	9.1	-	-	16,402	-	16,402
		<b>17,917</b>	<b>18,618</b>	<b>35,601</b>	<b>46,252</b>	<b>118,388</b>

9.1 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, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP 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 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 SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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

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

# Atlas Islamic Fund of Funds

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

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

The total provision for SWWF till March 31, 2019 is amounting to Rs. 0.016 million. Had the provision not been made, the net assets value per unit of the Fund as at March 31, 2019 would have been higher by Re. 0.07 in Conservative Allocation Plan.

## 10 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at March 31, 2019.

## 11 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund.

## 12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period ended March 31, 2019 is as follows :

	31 March 2019 (Un Audited)			
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan
Total expense ratio	0.32	0.32	0.35	0.31
Government Levies	0.06	0.06	0.09	0.06

## 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 available for distribution for the year derived from sources other than capital gains to the unitholders.

## 14 EARNING PER UNIT

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

## 15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

# Third Quarter Report 2018-19

For the period from 07 January 2019 to 31 March 2019

Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
--	--	--	--------------------------------------	-------

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

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

Remuneration for the period	17,233	17,729	18,965	54,836	108,763
Sindh sales tax on remuneration of the Management Company	2,240	2,305	2,465	7,129	14,139
Remuneration paid	16,098	16,646	17,690	30,141	80,575
Formation cost	15,361	15,361	15,361	15,816	61,900
Accounting & operational charges	24,591	25,698	26,877	40,705	117,872
Issuance in amounts	10,000,000	10,000,000	19,970,845	-	39,970,845
Issue of units	20,000	20,000	39,737	-	79,737
Redemption in amount	5,000,000	5,000,000	-	-	10,000,000
Redemption of units	9,878	9,889	-	-	19,767

**Central Depository Company of Pakistan Limited**

Remuneration of the Trustee	24,591	25,698	26,877	40,705	117,872
Sindh Sales Tax on remuneration of the Trustee	3,197	3,341	3,494	5,292	15,324
Remuneration paid	15,796	16,315	16,465	3,014	51,591

**Shirazi Investments (Private) Limited - Group Company**

Issuance in amounts	99,039,349	99,735,352	99,819,514	200,000,000	498,594,215
Issue of units	198,079	199,471	199,639	396,267	993,456

**Atlas Honda Limited - Group Company**

Issuance in amounts	-	-	-	200,000,000	200,000,000
Issue of units	-	-	-	396,267	396,267

**Atlas Islamic Dedicated Stock Fund**

Purchase in Rupees	78,028,277	56,936,757	29,928,953	138,000,000	302,893,987
Purchase of units	155,900	113,676	59,650	275,477	604,704
Redemption in Rupees	5,600,000	2,500,000	1,000,000	-	9,100,000
Redemption of units	11,029	4,951	1,926	-	17,906

**Atlas Islamic Income Fund**

Purchase in Rupees	34,190,240	59,354,586	95,582,179	300,000,000	489,127,005
Purchase of units	65,937	114,322	184,155	588,166	952,580
Redemption in Rupees	2,400,000	2,500,000	1,400,000	-	6,300,000
Redemption of units	4,720	4,912	2,759	-	12,391
Dividend Entitlement	940,678	1,717,418	2,683,325	-	5,341,421

**Directors and their close family members and key management personnel of the Management Company**

Issuance in amounts	2,568,000	2,500,000	-	3,500,000	8,568,000
Issue of units	5,145	4,993	-	6,997	17,135
Redemption in Rupees	2,644,251	-	-	-	2,644,251
Redemption of units	5,145	-	-	-	5,145

31 March 2019 (Un Audited)

Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
--	--	--	--------------------------------------	-------

15.2 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	1,135	1,083	1,275	24,695	28,188
Sindh Sales tax payable on remuneration of the Management Company	148	141	165	3,211	3,664
Sales Load Payable	-	-	565	2,260	2,825
Formation cost payable	280,269	280,269	280,269	280,269	1,121,076
Other payable - Initial Deposits	20,000	20,000	20,000	30,000	90,000
Accounting and operational charges payable	8,795	9,383	10,413	37,692	66,282
Outstanding amount - at net asset value	4,982,301	5,027,058	20,013,053	-	30,022,412
Outstanding units	10,122	10,111	39,737	-	59,970

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

Trustee fee payable	8,795	9,383	10,412	37,691	66,281
Sindh Sales tax payable on remuneration of trustee	1,143	1,220	1,354	4,900	8,617

**Shirazi Investments (Private) Limited - Group Company**

Outstanding amount - at net asset value	97,500,278	99,170,850	100,546,200	199,258,980	496,476,308
Outstanding units	198,079	199,471	199,639	396,267	993,456

**Atlas Honda Limited - Group Company**

Outstanding amount - at net asset value	-	-	-	199,258,980	199,258,980
Outstanding units	-	-	-	396,267	396,267

**Atlas Islamic Dedicated Stock Fund**

Outstanding amount - at net asset value	70,310,558	52,767,359	28,015,339	133,697,330	284,790,586
Outstanding units	144,872	108,725	57,724	275,477	586,798

**Atlas Islamic Income Fund**

Outstanding amount - at net asset value	31,476,979	56,257,818	93,271,684	302,429,126	483,435,607
Outstanding units	61,217	109,411	181,395	588,166	940,189

**Directors and their close family members and key management personnel of the Management Company**

Outstanding amount - at net asset value	-	2,482,325	-	3,518,434	6,000,759
Outstanding units	-	4,993	-	6,997	11,990

# Atlas Islamic Fund of Funds

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

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements 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:

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

The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 17 GENERAL

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

## 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf 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

### **Shariah Advisor**

---

Dr. Mufti Muhammad Wasih Fasih Butt

### **Auditors**

---

EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

---

Bawancy & Partners

### **Bankers**

---

Al-Baraka Bank (Pakistan) Limited  
BankIslami Pakistan Limited

# Atlas Islamic Dedicated Stock Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2019

		31 March 2019 Un-audited Rupees -----
<b>Assets</b>		
Bank balances	5	13,428,396
Investments	6	273,622,785
Profit receivable on bank balances		329,216
Dividend receivable		1,942,250
Deferred formation cost		1,061,494
Security deposits, prepayment and other receivables		2,635,399
<b>Total assets</b>		<b>293,019,540</b>
<b>Liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	7	1,657,744
Payable to Central Depository Company of Pakistan Limited - Trustee		53,823
Payable to the Securities and Exchange Commission of Pakistan		41,017
Payable against purchase of investments		6,187,713
Accrued expenses and other liabilities	8	287,955
<b>Total liabilities</b>		<b>8,228,252</b>
<b>NET ASSETS</b>		<b>284,791,288</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>284,791,288</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	---
		---Number of units---
<b>NUMBER OF UNITS IN ISSUE</b>		<b>586,798</b>
		-----Rupees-----
<b>NET ASSET VALUE PER UNIT</b>		<b>485.33</b>

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 10 JANUARY 2019 TO 31 MARCH 2019

		For the Period ended 10 January, 2019 to 31 March 2019 Un-audited
	Note	-----Rupees-----
<b>Income</b>		
Mark-up on Deposits with banks		602,280
Dividend income		2,062,010
Capital loss on sale of investments - net		(372,614)
		2,291,676
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(9,542,236)
<b>Total income</b>		<b>(7,250,560)</b>
<b>Expenses</b>		
Remuneration of Atlas Asset Management Limited - Management Company	7.1	863,485
Sindh Sales Tax on remuneration of the Management Company	7.2	112,252
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		86,348
Sindh Sales Tax on remuneration of the Trustee		11,224
Annual fee to the Securities and Exchange Commission of Pakistan		41,017
Accounting and operational charges	10	43,174
Shariah advisory fee		11,696
Auditors' remuneration		58,479
Securities transaction cost		445,680
Printing and postage charges		2,483
Amortization of formation cost		49,581
Bank charges		8,813
<b>Total expenses</b>		<b>1,734,232</b>
<b>Net loss for the period before taxation</b>		<b>(8,984,792)</b>
<b>Taxation</b>	12	-
<b>Net loss for the period after taxation</b>		<b>(8,984,792)</b>
<b>Earning per unit</b>	13	

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Dedicated Stock Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED 10 JANUARY 2019 TO 31 MARCH 2019

For the Period ended  
10 January, 2019 to  
31 March 2019  
Un-audited  
-----Rupees-----

Net loss for the period after taxation

(8,984,792)

Other comprehensive (loss) / income

-

**Total comprehensive loss for the period**

**(8,984,792)**

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE PERIOD ENDED 10 JANUARY 2019 TO 31 MARCH 2019

For the period 10 January 2019 to 31 March 2019

	Capital value	Undistributed Income	Total
	-----Rupees-----		
Net assets at the beginning of the period	-	-	-
Issue of 604,704 units	302,893,987	-	302,893,987
Redemption of 17,906 units	(8,953,017)	(146,983)	(9,100,000)
Total comprehensive loss for the period	-	(8,984,792)	(8,984,792)
Shariah non-compliant income set-aside for charity	-	(17,907)	(17,907)
<b>Net assets at end of the period (Units outstanding: 586,798) (Rs. 485.33 per unit)</b>	<b>293,940,970</b>	<b>(9,149,682)</b>	<b>284,791,288</b>
<b>Undistributed income carried forward</b>			
- Realised	-	(6,430,487)	-
- Unrealised	-	(2,719,195)	-
	<b>-</b>	<b>(9,149,682)</b>	

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Dedicated Stock Fund

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

FOR THE PERIOD ENDED 10 JANUARY 2019 TO 31 MARCH 2019

For the Period ended  
10 January, 2019 to  
31 March 2019

Note -----Rupees-----

### CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the period before taxation	(8,984,792)
<b>Adjustments for:</b>	
Mark-up on bank deposits with banks	(602,280)
Dividend income	(2,062,010)
Capital loss on sale of investments - net	372,614
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	9,542,236
	<b>7,250,560</b>
<b>Increase in assets</b>	
Security deposits, prepayment and other receivables	(3,716,893)
	<b>(3,716,893)</b>
<b>Decrease in liabilities</b>	
Payable to Atlas Asset Management Limited - Management Company	1,677,744
Payable to the Central Depository Company of Pakistan Limited - Trustee	53,823
Payable to the Securities and Exchange Commission of Pakistan	41,017
Payable against purchase of investments	6,187,713
Accrued expenses and other liabilities	270,048
	<b>8,230,345</b>
Profit received on bank balances	273,064
Dividend received	119,760
Investments made during the period	(296,683,611)
Investments sold during the period	13,145,976
	<b>(283,144,811)</b>
<b>Net cash used in operating activities</b>	<b>(280,365,591)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Amount received on issue of units	302,893,987
Payment against redemption of units	(9,100,000)
<b>Net cash generated from financing activities</b>	<b>293,793,987</b>
<b>Net increase in cash and cash equivalents</b>	<b>13,428,396</b>
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>13,428,396</b>

5

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

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2018-19

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

FOR THE PERIOD ENDED 10 JANUARY 2019 TO 31 MARCH 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Dedicated Stock Fund (the Fund) is an open-ended shariah compliant scheme constituted under a trust deed entered into on 3 September 2018 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 Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on October 09, 2018.
- 1.2 The Fund is an open-ended Shariah compliant fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 10, 2019. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.3 The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two plus)] on 28 December 2018.
- 1.5 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements 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.

#### 2.2 Functional and presentation currency

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

#### 2.3 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.

# Atlas Islamic Dedicated Stock Fund

## 2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are 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.

Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) Classification and measurement of financial assets and financial liabilities; and
- (ii) impairment of financial assets

## 3 NEW ACCOUNTING STANDARDS AND AMENDMENTS

3.1 The following standards and amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures:

	<b>Effective from accounting period beginning on or after</b>
- IFRS 16 'Leases'	January 01, 2019
- Amendments to IFRS 9 'Financial Instruments' Prepayment features with negative compensation	January 01, 2019
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective date is deferred indefinitely earlier adoption is permitted
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' Long-term interests in Associates and Joint Ventures	January 01, 2019
- Amendments to IAS 19 'Employee Benefits'. Plan amendment, curtailment or settlement	January 01, 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments'. Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019
- Annual Improvements to IFRS Standards 2015-2017 Cycle amendments to:	January 01, 2019
- IFRS 3 Business Combinations;	
- IFRS 11 Joint Arrangements;	
- IAS 12 Income Taxes; and	
- IAS 23 Borrowing Costs.	

# Third Quarter Report 2018-19

Effective from accounting  
period beginning on or after

- Amendments to References to the Conceptual Framework in IFRS Standards January 01, 2019
- Amendments to IFRS 3 'Business Combinations' Amendment in the definition of business' January 01, 2019
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Clarify the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards January 01, 2019

**3.2** The following standards and amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds's financial statements other than certain additional disclosures:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

## **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN**

### **4.1 Cash and cash equivalents**

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

### **4.2 Classification and measurement of financial assets**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

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

A debt investment is measured at fair value through other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

# Atlas Islamic Dedicated Stock Fund

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset 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.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

## **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

## **Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

## **Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

## **Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

## **4.3 Impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

## **4.4 Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

## **4.5 Financial liabilities**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

# Third Quarter Report 2018-19

## 4.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously."

## 4.7 Deferred formation cost

Formation cost refers to all the preliminary and floatation expenses of the Fund incurred upto the initial issue of units to the extent allowable under the NBFC Regulations. These costs are being amortised over a period of five years commencing from January 10, 2019, in accordance with the requirements of the NBFC Regulations. These expenses were paid off by the management company and are reimbursable to it by the Fund.

## 4.8 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

## 4.9 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the Provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

## 4.10 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statement in the period in which such distributions are declared.

## 4.11 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

## 4.12 Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

# Atlas Islamic Dedicated Stock Fund

The element of income and capital gains included in the prices of units issued less those in units redeemed to the extent that it is represented by distributable income earned during the year is recognised in the income statement and statement of comprehensive income and the element of income and capital gains represented by distributable income carried forward from prior periods is included in the "Statement of Movement in Unitholders' Fund".

## 4.13 Net assets value per unit

The net asset value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net asset of the Fund by the number of units in issue at the year end.

## 4.14 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the Income statement on the date at which the transaction takes place.
- Dividend income from equity securities is recognised when the right to receive dividend is established.
- Unrealised gains / (losses) arising on re-measurement 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.
- Profit on bank deposits is recognised on a time apportionment basis using the effective interest method.

## 4.15 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee payable to the SECP, and selling and marketing expense) are recognised in the income statement on a time apportionment basis using the effective interest method.

	Note	31 March 2019 Un-audited -----Rupees-----
<b>5 BANK BALANCES</b>		
Balances with banks in:		
- Profit and loss sharing accounts	5.1	5,428,396
Cheques in hand	5.2	8,000,000
		<b>13,428,396</b>

5.1 The rate of return on these accounts range between 10.00% and 10.15% per annum.

5.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequently on 01 April 2019.

	Note	31 March 2019 Un-audited -----Rupees-----
<b>6 INVESTMENTS</b>		
<b>Fainancial assets at fair value through profit or loss account</b>		
- Listed equity securities	6.1	270,511,035
Investment through book building for ordinary shares of		
- Interloop Limited (67,500 shares)		3,111,750
		<b>273,622,785</b>

# Third Quarter Report 2018-19

## 6.1 At fair value through profit or loss - Listed equity securities

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

Name of Investee Company	Number of shares				Rupees		Percentage of				
	Note	As at 10 January 2019	Purchases during the period	Bonus / right shares	As at 31 March 2019	Average cost as at 31 March 2019	Market value as at 31 March 2019	Total investments	Net assets	Paid up capital of the Investee Company	
				issued during the period							Sales during the period
<b>Banks</b>											
Meezan Bank Limited		-	219,500	-	10,500	209,000	19,363,852	20,701,450	7.65	7.27	0.02
		-	219,500	-	10,500	209,000	19,363,852	20,701,450	7.65	7.27	
<b>Textile Composite</b>											
Kohinoor Textile Mills Limited		-	146,000	-	6,000	140,000	5,985,721	6,281,800	2.32	2.21	0.05
Nishat Mills Limited		-	63,100	-	1,500	61,600	8,597,388	8,291,976	3.07	2.91	0.02
		-	209,100	-	7,500	201,600	14,583,109	14,573,776	5.39	5.12	
<b>Cement</b>											
Attock Cement Pakistan Limited		-	22,000	-	400	21,600	2,351,290	1,925,640	0.71	0.68	0.02
Cherat Cement Company Limited		-	49,500	-	1,000	48,500	3,430,078	3,046,770	1.13	1.07	0.03
D.G. Khan Cement Company Limited		-	86,500	-	6,000	80,500	7,075,422	6,875,505	2.54	2.42	0.02
Lucky Cement Limited		-	45,600	-	700	44,900	21,026,188	19,227,976	7.11	6.75	0.01
Maple Leaf Cement Factory Limited		-	36,000	-	1,000	35,000	1,595,854	1,310,750	0.48	0.46	0.01
		-	239,600	-	9,100	230,500	35,478,832	32,386,641	11.97	11.38	
<b>Refinery</b>											
Attock Refinery Limited		-	4,600	-	100	4,500	633,277	481,410	0.18	0.17	-
National Refinery Limited		-	6,200	-	-	6,200	1,053,006	1,043,150	0.39	0.37	0.01
		-	10,800	-	100	10,700	1,686,283	1,524,560	0.57	0.54	
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (face value Rs. 3.5)		-	538,500	-	10,000	528,500	3,304,758	2,954,315	1.09	1.04	-
The Hub Power Company Limited		-	224,500	-	3,000	221,500	19,392,844	16,242,595	6.00	5.70	0.02
		-	763,000	-	13,000	750,000	22,697,602	19,196,910	7.09	6.74	
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited		-	14,600	-	200	14,400	6,152,861	5,738,400	2.12	2.01	0.01
Pakistan State Oil Company Limited		-	37,600	-	600	37,000	8,741,350	7,998,660	2.96	2.81	0.01
Hascal Petroleum Limited		-	8,300	-	-	8,300	1,046,862	1,076,261	0.40	0.38	-
Sui Northern Gas Pipelines Limited		-	44,000	-	1,000	43,000	3,497,270	3,229,730	1.19	1.13	0.01
		-	104,500	-	1,800	102,700	19,438,343	18,043,051	6.67	6.33	
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited		-	9,880	-	160	9,720	13,004,549	12,103,733	4.47	4.25	0.01
Oil & Gas Development Company Limited	6.3	-	192,100	-	1,500	190,600	28,110,734	28,123,030	10.40	9.87	-
Pakistan Oilfields Limited		-	31,700	-	400	31,300	14,701,934	13,998,925	5.17	4.92	0.01
Pakistan Petroleum Limited	6.3	-	165,300	-	2,700	162,600	29,560,788	30,079,375	11.12	10.57	0.01
		-	398,980	-	4,760	394,220	85,378,005	84,305,063	31.16	29.61	
<b>Engineering</b>											
International Industries Limited		-	57,100	-	7,000	50,100	6,715,823	6,217,410	2.30	2.18	0.04
		-	57,100	-	7,000	50,100	6,715,823	6,217,410	2.30	2.18	
<b>Technology &amp; Communications</b>											
Systems Limited		-	40,500	-	40,500	-	-	-	-	-	-
		-	40,500	-	40,500	-	-	-	-	-	-
<b>Fertilizer</b>											
Dawood Hercules Corporation Limited		-	24,300	-	500	23,800	2,890,122	3,055,206	1.13	1.07	-
Engro Corporation Limited	6.3	-	91,700	-	1,500	90,200	29,350,734	29,516,146	10.91	10.36	0.02
Engro Fertilizers Limited		-	313,000	-	4,000	309,000	23,211,895	22,108,950	8.17	7.76	0.02
		-	429,000	-	6,000	423,000	55,452,751	54,680,302	20.21	19.19	
<b>Pharmaceuticals</b>											
AGP Limited		-	8,500	-	-	8,500	762,860	723,690	0.27	0.25	-
Ferozsons Laboratories Limited		-	7,200	-	-	7,200	1,427,053	1,407,816	0.52	0.50	0.02
Glaxosmithkline Pakistan Limited		-	12,700	-	200	12,500	1,633,361	1,794,750	0.66	0.63	-
The Searle Company Limited		-	28,200	-	300	27,900	6,978,063	6,607,556	2.44	2.32	0.01
		-	56,600	-	500	56,100	10,801,337	10,533,812	3.89	3.70	
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited		-	89,000	-	31,500	57,500	2,284,100	2,088,400	0.78	0.73	0.01
Lotte Chemical Pakistan Limited		-	62,500	-	-	62,500	899,678	888,750	0.33	0.31	-
		-	151,500	-	31,500	120,000	3,183,778	2,977,150	1.11	1.04	
<b>Paper &amp; Board</b>											
Cherat Packaging Limited		-	17,500	-	-	17,500	2,388,452	2,485,000	0.92	0.88	0.05
		-	17,500	-	-	17,500	2,388,452	2,485,000	0.92	0.88	
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited		-	75,000	-	75,000	-	-	-	-	-	-
		-	75,000	-	75,000	-	-	-	-	-	-
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries Limited		-	28,500	-	-	28,500	2,885,104	2,885,910	1.07	1.01	0.04
		-	28,500	-	-	28,500	2,885,104	2,885,910	1.07	1.01	
<b>Total as at 31 March 2019</b>							<b>280,053,271</b>	<b>270,511,035</b>	<b>100.00</b>	<b>94.99</b>	

6.2 The cost of listed equity securities as at 31 March 2019 is Rs. 280,053,272.

# Atlas Islamic Dedicated Stock Fund

6.3 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:

	31 March 2019	31 March 2019
	Un-audited Number of shares	Un-audited Market value (Rupees)
Engro Corporation Limited	4,500	1,472,535
Oil & Gas Development Company Limited	50,000	7,377,500
Pakistan Petroleum Limited	30,000	5,549,700
	<b>84,500</b>	<b>14,399,735</b>

	Note	31 March 2019 Un-audited ---- Rupees----
<b>7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)</b>		
Remuneration of the Management Company	7.1	446,331
Sindh Sales Tax payable on remuneration of the Management Company	7.2	58,022
Formation cost payable		1,151,075
Accounting and operational charges	10	22,316
		<b>1,677,744</b>

7.1 In accordance with the provisions of the NBFC Regulations, No Management fee in case of investment is made in CIS of Atlas Asset Management Limited (AAML). However, the AAML shall charge a management fee of 1% of average annual net assets in case investment is made in Cash/ Near Cash instruments, savings and term deposits made with Islamic banks or Islamic banking windows of commercial banks.

7.2 During the period, an amount of Rs. 112,252 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. 54,230 has been paid to the Management Company which acts as a collecting agent.

	Note	31 March 2019 Un-audited ---- Rupees----
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable		26,079
Printing charges payable		2,484
Charity payable	8.1	17,907
Transaction charges payable		221,178
Withholding tax payable		8,611
Payable to Shariah Advisor		11,696
		<b>287,955</b>

8.1 The Shariah Advisor of the Fund, has certified an amount of Rs.11,696 against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

## 9 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at March 31, 2019.

# Third Quarter Report 2018-19

## 10 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund.

## 11 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period ended March 31, 2019 is as follows :

The Total Expense Ratio (TER) of the Fund as at 31 March 2019 is 1.84% which includes 0.26% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 12 TAXATION

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

## 13 EARNING PER UNIT

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

## 14 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

# Atlas Islamic Dedicated Stock Fund

31 March  
2019  
Un-audited  
---- Rupees----

## 14.1 Transactions during the period

### Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	863,485
Sindh Sales Tax on remuneration of the Management Company	112,252
Remuneration paid	417,154
Formation Cost	49,581
Accounting and operational charges	43,174

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

Remuneration of the Trustee	86,348
Sindh Sales Tax on remuneration of the Trustee	11,224
Remuneration paid	41,714
Settlement charges	12,465
Sindh sales tax on settlement charges	1,620

### Atlas Aggressive Allocation Islamic Plan

Issue of 155,900 units	78,028,277
Redemption of 11,029 units	5,600,000

### Atlas Moderate Allocation Islamic Plan

Issue of 113,676 units	56,936,757
Redemption of 4,951 units	2,500,000

### Atlas Conservative Allocation Islamic Plan

Issue of 59,650 units	29,928,953
Redemption of 1,926 units	1,000,000

### Atlas Islamic Capital Preservation Plan

Issue of 275,477 units	138,000,000
------------------------	-------------

31 March  
2019  
Un-audited  
---- Rupees----

## 14.2 Balances as at period / year end

### Atlas Asset Management Limited (Management Company)

Remuneration payable to the Management Company	446,331
Sindh Sales Tax payable on remuneration of the management company	58,022
Formation cost payable	1,111,075
Accounting and operational charges payable	22,316

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

Remuneration payable to the Trustee	44,634
Sindh sales tax payable on remuneration of the Trustee	5,799
Settlement charges payable	3,000
Sindh sales tax payable on settlement charges	390

### Atlas Aggressive Allocation Islamic Plan

Outstanding 144,872 units at net asset value	70,310,558
--	------------

### Atlas Moderate Allocation Islamic Plan

Outstanding 108,725 units at net asset value	52,767,359
--	------------

### Atlas Conservative Allocation Islamic Plan

Outstanding 57,724 units at net asset value	28,015,339
---	------------

### Atlas Islamic Capital Preservation Plan

Outstanding 275,477 units at net asset value	133,697,330
--	-------------

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

# Third Quarter Report 2018-19

## 15 FAIR VALUE MEASUREMENTS

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.

Fair value of investments classified as at fair value through profit or loss, which are tradable in an open market is based on the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature.

The Fund classifies fair value measurements 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:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

## 16 GENERAL

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

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

www.jamapunji.pk



سرمايہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,  
Be safe**

**Learn about investing at  
www.jamapunji.pk**

**Key features:**

- Licensed Entities Verification
- Scam meter\*
- Jamapunji games\*
- Tax credit calculator\*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

@jamapunji\_pk

\*Mobile apps are also available for download for android and ios devices

**Head Office- Karachi**

Ground Floor,  
Federation House,  
Sharae Firdousi, Clifton,  
Karachi-75600.  
Ph: (92-21) 35379501- 04  
Fax: (92-21) 35379280

**Savings Center- Karachi**

Faiyaz Centre, Ground Floor,  
Shahra-e-Faisal  
(opp. FTC building),  
Karachi-74400.  
Ph: (92-21) 34522601-02  
Fax: (92-21) 34522603

**SITE Office- Karachi**

C/o. Atlas Honda Limited,  
F/36, Estate Avenue,  
S.I.T.E.,  
Karachi.

**Landhi Office- Karachi**

C/o. Atlas Engineering Limited,  
15th Mile,  
National Highway,  
Landhi, Karachi.

**Hyderabad Office**

C/o. Atlas Honda Limited,  
3rd Floor, Dawood Center,  
Opposite Foundation Public  
School, Auto Bhan Road,  
Hyderabad.

**Savings Center - Lahore**

64, Block-XX,  
Khayaban-e-Iqbal,  
Phase-III, DHA Lahore.  
Ph: (92-42) 32560890-92  
(92-42) 37132688-89

**Multan Office**

C/o. Atlas Regional Office,  
Azmat Wasti Road,  
Near Dera Adda,  
Multan.  
Ph: 061-4570431-4

**Faisalabad Office**

C/o. Atlas Honda Ltd,  
Customer Care Center,  
1st Floor,  
Meezan Executive Tower,  
4-Liaqat Road, Faisalabad.  
Ph: (92-41) 2541013

**Rawalpindi Office**

C/o. Atlas Honda Ltd.  
Ground Floor,  
Islamabad Corporate Center,  
Golra Road, Rawalpindi.  
Ph: (92-51) 5856411  
Fax: (92-51) 5495928

**Savings Center- Islamabad**

Ground Floor, East End Plaza,  
Plot No. 41, Sector F-6/G6,  
Ataturk Avenue,  
Blue Area, Islamabad.  
Ph: (92-51) 2871831-34

[www.atlasfunds.com.pk](http://www.atlasfunds.com.pk) | [cs@atlasfunds.com.pk](mailto:cs@atlasfunds.com.pk) | 021-111-MUTUAL (6-888-25)

[facebook.com/atlasfunds](https://www.facebook.com/atlasfunds) [twitter.com/FundsAtlas](https://twitter.com/FundsAtlas) [linkedin.com/company/aaml](https://www.linkedin.com/company/aaml)