



**Atlas Money Market Fund**

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**Atlas Sovereign Fund**

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**Atlas Income Fund**

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**Atlas Stock Market Fund**

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**THIRD QUARTER REPORT**

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**31 MARCH 2020**

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**(UN-AUDITED)**

**Atlas  
funds**  
*Nurturing your investments*



**Management Company**

**Atlas Asset Management**

**Rated AM2+ by PACRA  
(as of December 26, 2019)**



#### **Vision**

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

#### **Mission Statement**

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

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# Atlas Funds

## ORGANISATION

### Management Company

Atlas Asset Management Limited

### Board of Directors of the Management Company

**Chairman** Mr. Iftikhar 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

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

### Investment Committee

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

### Management Committee

**Chairman** Mr. Muhammad Abdul Samad  
**Members** Mr. Khalid Mahmood  
Ms Qurrat-ul-Ain Jafari  
Ms Mishaal H. Shirazi  
Mr. Tariq Ahmed Siddiqui  
Ms Ayesha Farooq  
Ms Zainab Kazim  
**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

# Third Quarter Report 2019-20

## CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited financial statements of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the nine months ended March 31, 2020 of FY 2019-20.

## THE ECONOMY

Macroeconomic stabilization measures taken under IMF program continued to bring substantial improvements during the year. Transition to market-determined exchange rate and contractionary monetary policy resulted in demand attrition, resulting in Jul-Mar FY 2019-20 Current Account Deficit (CAD) to contract by 73.08% and to stand at US \$2.77 billion compared to US \$10.28 billion in same period last year. The Jul-Mar FY 2019-20 imports of US \$34.81 billion declined by 14.42% compared to Jul-Mar FY19 imports of US \$40.68 billion. Exports for the period Jul-Mar FY 2019-20 of US \$17.45 billion increased by 2.23% against exports of US \$17.07 billion in same period last year. Reduction in CAD provided support to Foreign Exchange Reserves, that stood at US \$17.39 billion with State Bank of Pakistan's (SBP) share of US \$11.19 billion as of March 27, 2020 as compared to US \$14.48 billion (with SBP's share of US \$7.28 billion) as of June 30, 2019. Worker's Remittances for July-Mar FY 2019-20 stood at US \$16.99 billion, recording growth of 5.99% against same period last year. CPI inflation for the period July-Mar FY 2019-20 averaged at 11.53% (6.31% last year), is expected to come down going forward. During Jul-Mar FY 2019-20, the Federal Board of Revenue provisionally collected Rs. 3,063 billion tax revenue against a target of Rs. 3,521 billion, registering growth of 14.3% when compared to previous year. In its recent meetings, the monetary policy committee of State Bank of Pakistan decided to cut policy rate by cumulative 425 bps to 9.0% in response to the economic slowdown expected to arise from COVID-19 pandemic following the increase of cases in Pakistan and lockdowns being witnessed in the country.

## FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 10.04% to Rs. 504.05 as on March 31, 2020, providing an annualized total return of 13.32%. The AMF's total exposure in Short-Term Deposits with Banks/Cash, Treasury Bills and Others stood at 81.56%, 15.24% and 3.20%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 14.69 billion, with 29.15 million units outstanding as of March 31, 2020.

## FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 13.46% to Rs. 113.84 as on March 31, 2020, providing an annualized total return of 17.87%. The ASF's total exposure in Pakistan Investment Bonds, Treasury Bills and Short-Term Deposits with Banks/Others stood at 33.46%, 52.01% and 14.53%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns with medium risk. The Net Assets of the Fund stood at Rs. 1.64 billion, with 14.44 million units outstanding as of March 31, 2020.

## FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 12.47% to Rs. 577.42 as on March 31, 2020, providing an annualized total return of 16.55%. AIF's total exposure in Pakistan Investment Bonds, Term Finance Certificates, Sukuks, Treasury Bills and Bank Deposits/MTS/Others stood at 21.05%, 20.04%, 10.10%, 27.02% and 21.80%, respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 3.49 billion with 6.05 million units outstanding as of March 31, 2020.

## FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund decreased by 13.25% to Rs. 437.17 as on March 31, 2020. The benchmark KSE-100 index decreased by 13.78% during the same period. The KSE-100 index decreased from 33,901.58 points as on June 28, 2019 to 29,231.63 points as on March 31, 2020. The ASMF's equity portfolio exposure stood at 97.12% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Fertilizer and Cement sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects

# Atlas Funds

of earnings growth. The Net Assets of your Fund stood at Rs. 5.40 billion, with 12.36 million units outstanding as of March 31, 2020.

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

### **WITHHOLDING TAX**

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). After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

# Third Quarter Report 2019-20

## RATINGS

- **ASSET MANAGER RATING**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "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 - AMF**

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

- **Fund Stability Rating - ASF**

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

- **Fund Stability Rating - AIF**

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

## FUTURE OUTLOOK

The outbreak of COVID-19 pandemic is likely to disrupt domestic economic activity. Moody's expects Pakistan's GDP growth rate to slow down from previously expected growth rate of 2.90% to 2.00%-2.25%. SBP has also suggested a downward revision of growth and inflation targets in Pakistan due to COVID-19. Government's focus towards reforms to cushion growth slowdown evolving from COVID-19 will be instrumental for protecting underprivileged segment of the society. On the external front, macroeconomic stabilization measures by Government of Pakistan, sharp fall in international crude oil price and slowdown in domestic demand due to COVID-19 is expected to keep CAD for FY 2019-20 near 2% of GDP that remained at 6.3% of GDP in FY18 and 4.9% of GDP in FY19. Moreover, reduction in imports will likely outweigh weakness in export and remittances that are likely to fall on the back of COVID-19 pandemic. According to SBP, current interest rates are adequate to achieve inflation in 5% - 7% range over medium term. Reduction of policy rate by 425 bps will provide fiscal respite in terms of lower interest payments on GOP debt that will bode positively for fiscal deficit. Going forward, structural reforms will be instrumental in reducing strains on fiscal accounts, reducing the cost of doing business, increasing global competitiveness and achieving sustainable growth in the economy.

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

## 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 2020

**Iftikhar H. Shirazi**  
Chairman

# Atlas Money Market Fund

## Corporate Information

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### **Trustee**

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

### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

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Bawaney & Partners

### **Bankers**

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

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2020

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Cash and bank balances	4	12,548,762,845	10,339,271,465
Investments	5	2,261,170,627	-
Profit receivable on bank balances		20,360,967	7,648,801
Prepayment and other receivables	6	3,740,176	6,100,073
<b>Total assets</b>		<b>14,834,034,615</b>	<b>10,353,020,339</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	31,562,740	29,366,349
Payable to Central Depository Company of Pakistan Limited - Trustee	8	870,545	857,187
Payable to the Securities and Exchange Commission of Pakistan	9	1,660,880	10,938,706
Payable against redemption of units		21,027,635	8,034,982
Unclaimed dividend		131,982	5,394,915
Accrued expenses and other liabilities	10	86,914,586	58,924,453
<b>Total liabilities</b>		<b>142,168,368</b>	<b>113,516,592</b>
<b>NET ASSETS</b>		<b>14,691,866,247</b>	<b>10,239,503,747</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>14,691,866,247</b>	<b>10,239,503,747</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>29,147,919</b>	<b>20,351,995</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>504.05</b>	<b>503.12</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Money Market Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	Note	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
		2020	2019	2020	2019
-----Rupees-----					
<b>Income</b>					
Profit on savings account and term deposits		469,199,503	442,731,453	113,794,664	193,053,015
Income from government securities		664,122,106	585,516,389	293,304,202	170,115,104
Capital gain / (loss) on sale of investments - net		10,142,032	(15,210,539)	5,493,864	4,919,476
Net unrealised appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss <sup>1</sup>		2,593,415	-	5,408,635	-
		12,735,447	(15,210,539)	10,902,499	4,919,476
<b>Total Income</b>		<b>1,146,057,056</b>	<b>1,013,037,303</b>	<b>418,001,365</b>	<b>368,087,595</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	37,370,344	51,025,453	13,555,334	15,800,532
Sindh Sales Tax on remuneration of the Management Company	7.2	4,858,145	6,633,309	1,762,194	2,054,069
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		5,397,938	8,492,435	1,957,992	2,661,532
Sindh Sales Tax on remuneration of the Trustee		701,732	1,104,017	254,539	346,000
Annual fees to the Securities and Exchange Commission of Pakistan		1,660,904	8,504,242	602,459	2,633,421
Accounting and operational charges	14	11,367,867	11,338,990	4,727,846	3,511,230
Annual rating fee		323,715	303,220	107,094	87,658
Annual listing fee		20,687	16,907	6,856	4,052
Securities transaction cost		154,696	113,615	56,481	17,282
Auditors' remuneration		477,402	365,550	165,142	169,014
Printing charges		15,080	(54,745)	-	(129,647)
Legal and professional charges		128,529	83,433	64,113	28,080
Bank charges		96,747	126,784	30,357	49,133
Provision for Sindh Workers' Welfare Fund	10.1	21,669,665	18,499,682	7,894,219	6,817,105
		<b>84,243,451</b>	<b>106,552,892</b>	<b>31,184,626</b>	<b>34,049,461</b>
<b>Net income for the period before taxation</b>		<b>1,061,813,605</b>	<b>906,484,411</b>	<b>386,816,739</b>	<b>334,038,134</b>
<b>Taxation</b>	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>1,061,813,605</b>	<b>906,484,411</b>	<b>386,816,739</b>	<b>334,038,134</b>
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		1,061,813,605	906,484,411	386,816,739	334,038,134
Income already paid on units redeemed		(77,333,189)	(273,153,160)	(36,610,852)	(78,298,039)
		<b>984,480,416</b>	<b>633,331,251</b>	<b>350,205,887</b>	<b>255,740,095</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		12,735,447	-	10,902,499	-
- Excluding capital gains		971,744,969	633,331,251	339,303,388	255,740,095
		<b>984,480,416</b>	<b>633,331,251</b>	<b>350,205,887</b>	<b>255,740,095</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	1,061,813,605	906,484,411	386,816,739	334,038,134
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,061,813,605</b>	<b>906,484,411</b>	<b>386,816,739</b>	<b>334,038,134</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Money Market Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	31 March 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	10,204,508,746	-	10,204,508,746
<b>Undistributed income brought forward</b>			
- Realised income	-	34,995,001	34,995,001
- Unrealised income	-	-	-
<b>Net assets at the beginning of the period (Units outstanding: 20,351,995) (Rs. 503.12 per unit)</b>	<b>10,204,508,746</b>	<b>34,995,001</b>	<b>10,239,503,747</b>
Issue of 38,059,996 units	19,251,687,037	-	19,251,687,037
Redemption of 29,264,072 units	(14,729,549,048)	(77,333,189)	(14,806,882,237)
Total comprehensive income for the period	-	1,061,813,605	1,061,813,605
Refund of capital	(101,954,831)	-	(101,954,831)
First interim distribution of Rs. 4.25 per unit declared on 26 July 2019	-	(90,150,581)	(90,150,581)
Second interim distribution of Rs. 4.85 per unit declared on 23 August 2019	-	(93,826,792)	(93,826,792)
Third interim distribution of Rs. 4.90 per unit declared on 20 September 2019	-	(91,424,999)	(91,424,999)
Fourth interim distribution of Rs. 6.30 per unit declared on 25 October 2019	-	(113,012,086)	(113,012,086)
Fifth interim distribution of Rs. 4.80 per unit declared on 22 November 2019	-	(96,145,088)	(96,145,088)
Sixth interim distribution of Rs. 6.20 per unit declared on 27 December 2019	-	(126,915,944)	(126,915,944)
Seventh interim distribution of Rs. 5.00 per unit declared on 24 January 2020	-	(98,720,119)	(98,720,119)
Eighth interim distribution of Rs. 4.75 per unit declared on 21 February 2020	-	(83,877,996)	(83,877,996)
Ninth interim distribution of Rs. 6.40 per unit declared on 27 March 2020	-	(158,227,469)	(158,227,469)
<b>Net assets at end of the period (Units outstanding: 29,147,919) (Rs. 504.05 per unit)</b>	<b>14,624,691,904</b>	<b>67,174,343</b>	<b>14,691,866,247</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	59,272,981	-
- Unrealised income	-	7,901,362	-
	-	<b>67,174,343</b>	-
	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)	(18,761,569,853)
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 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>	-

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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	Note	For the Nine Months Ended 31 March	
		2020	2019
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		1,061,813,605	633,331,251
<b>Adjustments for:</b>			
Profit on savings account and term deposits		(469,199,503)	(442,731,453)
Income from government securities		(664,122,106)	(585,516,389)
Capital (gain) / loss on sale of investments - net		(10,142,032)	15,210,539
Net unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss'		(2,593,415)	-
Provision for Sindh Workers' Welfare Fund		21,669,665	18,499,682
		<b>(1,124,387,391)</b>	<b>(994,537,621)</b>
<b>Decrease / (increase) in assets</b>			
Prepayment and other receivables		2,359,897	(22,821)
<b>(Decrease) / increase in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		2,196,391	328,725
Payable to Central Depository Company of Pakistan Limited - Trustee		13,358	43,588
Payable to the Securities and Exchange Commission of Pakistan		(9,277,826)	811,591
Accrued expenses and other liabilities		6,320,468	3,515,723
		<b>(747,609)</b>	<b>4,699,627</b>
		<b>(60,961,498)</b>	<b>(356,529,564)</b>
Interest received		456,487,337	329,909,118
Investments made during the period		(88,579,881,097)	(90,746,780,747)
Investments sold / matured during the period		86,990,305,090	91,317,086,597
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,194,050,168)</b>	<b>543,685,404</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		19,251,687,037	19,814,781,709
Net payments against redemption of units		(14,793,889,584)	(18,184,885,586)
Refund of capital		(101,954,831)	(435,274,321)
Cash distribution made during the period		(952,301,074)	(956,232,402)
<b>Net cash generated from financing activities</b>		<b>3,403,541,548</b>	<b>238,389,400</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,209,491,380</b>	<b>782,074,804</b>
Cash and cash equivalents at the beginning of the period		10,339,271,465	13,224,116,066
<b>Cash and cash equivalents at the end of the period</b>	4	<b>12,548,762,845</b>	<b>14,006,190,870</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Money Market Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplement dated 23 May 2017. The offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019 and 30 October 2019 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) [2019: AM2+ (AM Two Plus)] on 26 December 2019.
- Furthermore, PACRA maintained the stability rating of the Fund at "AA+ (f)" (Double A Plus) [31 March 2019: "AA (f)" (Double A)] on 17 April 2020 subsequently to the balance sheet date.
- 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 2020.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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- Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and 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 2019.

## 2.2 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2019.

3.2 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2019.

## 3.3 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 3 - Business Combinations - Previously held interests in a joint operation

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

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

# Atlas Money Market Fund

4 CASH AND BANK BALANCES	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		-----Rupees -----	
Balances with banks in savings accounts	4.1	12,098,762,845	10,287,871,465
Cheques in hand	4.2	450,000,000	51,400,000
		<u>12,548,762,845</u>	<u>10,339,271,465</u>

4.1 The rate of return on these accounts range between 5.00% to 13.63% (30 June 2019: 6.00% to 13.40%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 03 April 2020.

5 INVESTMENTS	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		-----Rupees -----	
<b>At fair value through profit or loss</b>			
<b>Investment in government securities</b>			
- Market Treasury Bills	5.1	2,261,170,627	-
		<u>2,261,170,627</u>	<u>-</u>

## 5.1 At fair value through profit or loss

### 5.1.1 Market Treasury Bills

Treasury Bills	As at 01 July 2019	Purchased during the year	Sold / matured during the year	As at 31 March 2020	Amortised cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investment	Market value as a percentage of net assets
-----Face value -----				----- (Rupees) -----		----- (Percentage) -----		
3 Months	-	63,981,805,000	63,126,805,000	855,000,000	835,017,296	835,307,627	36.94	5.69
6 Months	-	6,855,000,000	5,355,000,000	1,500,000,000	1,423,559,915	1,425,863,000	63.06	9.71
31 March 2020	-	<u>70,836,805,000</u>	<u>68,481,805,000</u>	<u>2,355,000,000</u>	<u>2,258,577,211</u>	<u>2,261,170,627</u>	<u>100.00</u>	<u>15.40</u>
30 June 2019								

Market treasury bills carry purchase yield ranging between 10.91% to 12.48% (30 June 2019: Nil) per annum and will mature on 18 June 2020 to 24 September 2020 (30 June 2019: Nil). The cost of these investments as on 31 March 2020 is Rs. 2,253,269,265 (30 June 2019: Nil).

### 5.1.2 Pakistan Investment Bonds

Pakistan Investment Bonds	As at 01 July 2019	Purchased during the year	Sold / matured during the year	As at 31 March 2020	Amortised cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investment	Market value as a percentage of net assets
-----Face value -----				----- (Rupees) -----		----- (Percentage) -----		
3 Year PIB	-	16,456,500,000	16,456,500,000	-	-	-	-	-
10 Year PIB	-	2,970,900,000	2,970,900,000	-	-	-	-	-
31 March 2020	-	<u>19,427,400,000</u>	<u>19,427,400,000</u>	-	-	-	-	-
30 June 2019								

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6 PREPAYMENT AND OTHER RECEIVABLES	Note	31 March	30 June
		2020	2019
		Un-audited	Audited
		-----Rupees -----	
Prepaid rating fee		150,264	-
Prepaid listing fee		6,813	-
Other Receivable	6.1	3,583,099	6,100,073
		<b>3,740,176</b>	<b>6,100,073</b>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as other receivables as at 31 March 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 March	30 June
		2020	2019
		Un-audited	Audited
		-----Rupees -----	
Remuneration of the Management Company	7.1	5,333,490	4,302,315
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,813,516	3,679,463
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable	14	1,987,232	956,069
		<b>31,562,740</b>	<b>29,366,349</b>

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of money market schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.45% (30 June 2019: 0.45%) per annum of the average net assets of the Fund during the nine months ended 31 March 2020. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs. 4,858,145 (2019: Rs. 6,633,309) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 and , an amount of Rs. 4,724,092 (2019: Rs. 6,601,706) has been paid to the Management Company which acts as a collecting agent.

7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services

# Atlas Money Market Fund

rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2019: 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 2020 would have been higher by Re. 0.70 (30 June 2019: Re. 1.00) per unit.

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

The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.065% p.a. of net assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. However, during the period ended March 31, 2019, the trustee fee was charged in accordance with the following slab rates:

Net Assets	Fee
- upto Rs 1,000 million	0.15% per annum of net assets
- Rs 1,000 million to Rs 10,000 million	Rs 1.50 million plus 0.075% per annum of net assets exceeding Rs 1,000 million
- exceeding 10,000 million	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10,000 million

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees -----	
<b>9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fees payable	9.1	<b>1,660,880</b>	<b>10,938,706</b>

9.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to Money Market Funds was 0.075% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

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	Note	31 March	30 June
		2020	2019
		Un-audited	Audited
		-----Rupees -----	
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		505,806	618,300
Printing charges payable		4,302	77,972
Withholding tax payable		23,232,220	18,170,295
Capital gain tax payable		2,528,855	1,108,008
Provision for Sindh Workers' Welfare Fund	10.1	60,610,934	38,941,269
Zakat payable		10,018	8,609
Brokerage Payable		22,451	-
		<b>86,914,586</b>	<b>58,924,453</b>

**10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the 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.

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 2020 would have been higher by Rs. 2.08 per unit (30 June 2019: Re 1.91 per unit).

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2020 and 30 June 2019.

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2020 is 1.01% (30 June 2019: 0.95%) which includes 0.34% (30 June 2019: 0.32%) 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.

## 13 TAXATION

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

# Atlas Money Market Fund

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.

## 14 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 till for allocation of such expenses to the Fund.

## 15 EARNINGS PER UNIT

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

## 16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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.

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	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
<b>16.1 Transactions for the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	37,370,344	51,025,453
Remuneration paid	36,339,169	50,782,353
Sindh Sales Tax on Remuneration of the Management Company	4,858,145	6,633,309
Accounting and operational charges	11,367,867	11,338,990
Issue of 441,979 (2019: 346,196) units	223,295,493	175,806,205
Redemption of 276,931 (2019: 126,979) units	140,000,304	64,000,000
Dividend declared	2,973,392	6,524,724
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	5,397,938	8,492,435
Sindh Sales Tax on remuneration of the Trustee	701,732	1,104,017
Remuneration paid	5,386,117	8,453,862

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		For the Nine Months Ended 31 March	
		2020	2019
		Un-audited	Un-audited
		-----Rupees-----	
16.1	Transactions for the period (Continued....)	Note	
	<b>Atlas Battery Limited (Group Company)</b>		
	Issue of 30 (2019: 27,494) units	14,986	13,813,617
	Redemption of 4,157 (2019: 560,022) units	2,100,381	283,372,212
	Dividend declared	17,543	14,378,242
	<b>Batool Benefit Trust</b>		
	Issue of 42,175 (2019: 1,068) units	21,276,628	537,107
	Dividend declared	1,227,402	609,811
	<b>Atlas Fund of Funds (Fund under common management)</b>		
	Issue of 357,975 (2019: 146,906) units	180,580,000	73,950,000
	Redemption of 357,975 (2019: 109,542) units	181,995,687	56,093,477
	<b>Atlas Foundation (Group Company)</b>		
	Issue of 90,397 (2019: 9,715) units	45,780,145	4,884,847
	Redemption of 16,813 (2019: Nil) units	8,500,000	-
	Dividend declared	11,789,231	5,724,245
	<b>Atlas Honda Limited (Group Company)</b>		
	<b>(Unit Holder with more than 10% holding)</b>		
	Issue of 2,605,118 (2019:1,431,310) units	1,316,413,635	722,772,212
	Redemption of 1,379,291 (2019: 2,767,340) units	700,000,000	1,400,000,000
	Dividend declared	250,362,535	485,321,053
	<b>Atlas Engineering Limited - Employees Provident Fund</b>		
	<b>(Retirement benefit plan of a Group Company)</b>		
	Issue of 17,536 (2018: Nil) units	8,869,114	-
	Redemption of 11,902 (2019: Nil) units	6,000,000	-
	Dividend declared	262,264	-
	<b>Atlas Insurance Limited (Group Company)</b>		
	Issue of 2,197,628 (2019: 1,456,994) units	1,109,556,294	746,845,493
	Redemption of 1,753,486 (2019: 1,456,994) units	888,913,495	745,317,462
	Dividend declared	29,980,134	14,613,894
	<b>Honda Atlas Cars (Pakistan) limited (Group Company)</b>		
	Issue of 2,825 (2019: 733,603) units	1,423,583	373,967,042
	Redemption of 2,825 (2019: 3,687,488) units	1,436,692	1,900,000,000
	Dividend declared	-	129,205,254
	<b>Atlas Honda Limited - Non-Management Staff Gratuity Fund</b>		
	<b>(Retirement benefit plan of a Group Company)</b>		
	Issue of 1,907 (2019: 2,150) units	959,714	1,081,175
	Redemption of 6,907 (2019: Nil) units	3,500,000	-
	Dividend declared	926,513	1,081,175

# Atlas Money Market Fund

		For the Nine Months Ended 31 March	
		2020	2019
		Un-audited	Un-audited
		-----Rupees-----	
16.1	Transactions for the period (Continued....)	Note	
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>			
	Issue of 315,334 (2019: 10,233) units	159,524,862	5,144,681
	Redemption of 373,348 (2019: 38,152) units	189,000,000	19,300,000
	Dividend declared	4,057,914	5,144,681
<b>Atlas Die Casting (Private) Limited (Group Company)</b>			
	Issue of 80,003 (2019: 778,638) units	40,546,941	393,963,672
	Redemption of 79,951 (2019: 625,190) units	40,303,317	320,000,000
	Dividend declared	177,192	4,239,792
<b>Shirazi Investments (Private) Limited (Group Company)</b>			
	Issue of 983,554 (2019: 157,957) units	495,199,640	79,417,402
	Redemption of Nil (2019: 664,654) units	-	340,000,000
	Dividend declared	56,418,203	86,147,481
<b>Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)</b>			
	Issue of 7,091,803 (2019: 15,171,418) units	3,591,218,901	7,722,466,525
	Redemption of 6,491,515 (2019: 10,016,928) units	3,278,479,753	5,186,932,117
	Dividend declared	73,700,870	40,993,134
		16.3	
<b>Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>			
	Issue of Nil (2019: 2,281) units	-	1,146,846
	Redemption of 713,606 (2019: 14,065) 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 7,810 (2019: 6,229) units	3,943,432	3,132,126
	Redemption of 21,939 (2019: Nil) units	11,100,000	-
	Dividend declared	2,324,990	3,132,126
<b>Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>			
	Issue of 129,133 (2019: 27,661) units	65,129,765	13,908,895
	Redemption of 118,699 (2019: Nil) units	60,000,000	-
	Dividend declared	4,885,227	13,908,895
		16.4	
<b>Directors and their close family members and key management personnel of the Management Company</b>			
	Issue of 318,790 (2019: 172,723) units	160,913,183	87,676,486
	Redemption of 121,103 (2019: 454,313) units	61,160,299	233,277,606
	Dividend declared	14,536,701	31,528,312

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	31 March 2020 Un-audited	30 June 2019 Audited
	-----Rupees-----	
<b>16.2 Balances outstanding as at period / year end</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	5,333,490	4,302,315
Sindh Sales Tax payable on Remuneration of the Management Company	3,813,516	3,679,463
Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
Accounting and operational charges payable	1,987,232	956,069
Outstanding 165,048 (30 June 2019: 1) units - at net asset value	83,192,571	298
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	770,394	758,573
Sindh Sales Tax payable on Remuneration of the trustee	100,151	98,614
<b>Atlas Foundation (Group Company)</b>		
Outstanding 286,084 (30 June 2019: 212,500) units - at net asset value	144,200,578	106,913,042
<b>Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)</b>		
Outstanding 7,380,828 (30 June 2019: 6,155,001) units - at net asset value	3,720,306,481	3,096,704,288
<b>Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 5,634 (30 June 2019: Nil) units - at net asset value	2,839,705	-
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 153,698 (30 June 2019: 143,264) units - at net asset value	77,471,583	72,079,270
<b>Atlas Insurance Limited (Group Company)</b>		
Outstanding 444,142 (30 June 2019: Nil) units - at net asset value	223,869,579	-
<b>Atlas Battery Limited (Group Company)</b>		
Outstanding Nil (30 June 2019: 4,127) units - at net asset value	-	2,076,707
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 40,276 (30 June 2019: 54,406) units - at net asset value	20,301,203	27,372,391
<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
Outstanding 52 (30 June 2019: Nil) units - at net asset value	26,273	-
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 1,978,320 (30 June 2019: 944,767) units - at net asset value	997,172,374	500,486,813
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 155,656 (30 June 2019: 213,670) units - at net asset value	78,458,327	107,501,398
<b>Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 16,673 (30 June 2019: 21,673) units - at net asset value	8,404,113	10,904,341

# Atlas Money Market Fund

		31 March 2020	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
<b>16.2 Balances outstanding as at period / year end (Continued....)</b>	Note		
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>			
Outstanding 54,236 (30 June 2019: 12,061) units - at net asset value		27,337,705	6,068,058
<b>Fauji Fertilizer Company Limited</b>			
<b>(Unit Holder with more than 10% holding)</b>	16.3		
Outstanding 5,685,837 (30 June 2019: 5,085,549) units - at net asset value		2,865,946,270	2,558,641,525
<b>Directors and their close family members and key management personnel of the Management Company</b>	16.4		
Outstanding 457,203 (30 June 2019: 298,070) units - at net asset value		230,453,048	149,964,978
<b>16.3</b>	Holding being more than 10% in the reporting period, disclosure is required.		
<b>16.4</b>	Other balances due to / from related parties / connected persons included in the respective notes to the condensed interim financial statements.		

## 17 FAIR VALUE MEASUREMENT

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

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

The 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.

### 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 2020 and 30 June 2019, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	-----Rupees-----		
<b><u>31 March 2020</u></b>			
At fair value through profit or loss	2,261,170,627	-	-
	<b><u>2,261,170,627</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>30 June 2019</u></b>			
At fair value through profit or loss	-	-	-
	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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- 18.1** Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 March 2020 and 31 March 2019 have not been subjected to limited scope review by the statutory auditors of the Fund.
- 18.2** Figures have been rounded off to the nearest Rupee unless stated otherwise.
- 18.3** Number of 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 2020.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

## Corporate Information

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### **Trustee**

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

### **Auditors**

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A.F. Ferguson & Co.  
Chartered Accountants

### **Legal Advisers**

---

Bawaney & Partners

### **Bankers**

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

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2020

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	----- (Rupees) -----	
<b>Assets</b>			
Bank balances	4	236,409,674	1,786,431,695
Investments	5	1,417,198,935	511,602,698
Mark-up receivable	6	3,881,852	21,782,840
Prepayments and other receivables		601,728	469,410
<b>Total assets</b>		<b>1,658,092,189</b>	<b>2,320,286,643</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	3,764,259	1,854,683
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	101,607	255,914
Payable to the Securities and Exchange Commission of Pakistan	9	383,713	430,422
Payable against redemption of units		998,902	-
Accrued expenses and other liabilities	10	8,984,859	16,508,933
<b>Total liabilities</b>		<b>14,233,340</b>	<b>19,049,952</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>1,643,858,849</b>	<b>2,301,236,691</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,643,858,849</b>	<b>2,301,236,691</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>14,440,661</b>	<b>22,936,104</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>113.84</b>	<b>100.33</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	Note	For the Nine Month Ended		For the Quarter Ended	
		31 March		31 March	
		2020	2019	2020	2019
----- (Rupees) -----					
<b>Income</b>					
Profit on bank balances		24,841,314	3,347,558	4,755,663	1,986,419
Income from government securities		207,959,197	20,514,789	58,113,393	7,369,233
Gain / (loss) on sale of investments - net		62,610,720	(233,266)	39,538,038	107,389
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss <sup>1</sup>		41,043,846	1,081,609	(3,122,238)	1,081,119
<b>Total income</b>		<b>336,455,077</b>	<b>24,710,690</b>	<b>99,284,856</b>	<b>10,544,160</b>
<b>Expenses</b>					
Remuneration of the Management Company	7.1	16,037,870	1,293,049	6,143,195	485,596
Sindh sales tax on remuneration of the Management Company	7.2	2,084,923	168,096	798,615	63,127
Remuneration of the Trustee		1,247,074	430,689	337,612	161,538
Sindh sales tax on remuneration of the Trustee		162,120	55,990	43,890	21,000
Annual fee to the Securities and Exchange Commission of Pakistan		383,713	205,906	103,880	71,331
Accounting and operational charges	7.4	2,596,603	271,176	803,254	91,742
Annual rating fee		250,120	236,002	82,767	67,428
Annual listing fee		20,663	19,143	6,837	6,287
Securities transaction cost		46,827	519	-	519
Auditors' remuneration		228,215	83,286	69,101	61,491
Printing charges		28,809	(1,757)	-	(2,893)
Legal and professional charges		128,529	84,254	64,113	28,080
Amortisation of formation cost		-	195,178	-	64,110
Bank charges		35,938	13,297	1,908	6,460
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	6,237,821	433,117	1,790,342	188,367
<b>Total expenses</b>		<b>29,489,225</b>	<b>3,487,945</b>	<b>10,245,514</b>	<b>1,314,183</b>
<b>Net income for the period before taxation</b>		<b>306,965,852</b>	<b>21,222,745</b>	<b>89,039,342</b>	<b>9,229,977</b>
<b>Taxation</b>	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>306,965,852</b>	<b>21,222,745</b>	<b>89,039,342</b>	<b>9,229,977</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		306,965,852	21,222,745	89,039,342	9,229,977
Income already paid on units redeemed		(147,864,703)	(4,217,829)	(116,414,604)	(1,032,955)
		<b>159,101,149</b>	<b>17,004,916</b>	<b>(27,375,262)</b>	<b>8,197,022</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		103,654,566	1,081,609	36,415,800	1,081,119
- Excluding capital gains		55,446,583	15,923,307	(63,791,062)	7,115,903
		<b>159,101,149</b>	<b>17,004,916</b>	<b>(27,375,262)</b>	<b>8,197,022</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	<u>For the Nine Month Ended</u>		<u>For the Quarter Ended</u>	
	31 March		31 March	
	2020	2019	2020	2019
	----- (Rupees) -----			
Net income for the period after taxation	306,965,852	21,222,745	89,039,342	9,229,977
Other comprehensive income / (loss) for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>306,965,852</b>	<b>21,222,745</b>	<b>89,039,342</b>	<b>9,229,977</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	31 March 2020			31 March 2019		
	Capital value	Undistributed income	Net assets	Capital value	Undistributed income	Net assets
----- (Rupees) -----						
Capital value	2,298,220,458	-	2,298,220,458	343,141,842	-	343,141,842
<b>Undistributed income brought forward</b>						
- Realised income	-	4,865,277	4,865,277	-	13,858,968	13,858,968
- Unrealised (loss) / income	-	(1,849,044)	(1,849,044)	-	1,195,957	1,195,957
<b>Net assets at the beginning of the period</b>	<b>2,298,220,458</b>	<b>3,016,233</b>	<b>2,301,236,691</b>	<b>343,141,842</b>	<b>15,054,925</b>	<b>358,196,767</b>
[Units outstanding: 22,936,104 @ Rs. 100.33 per unit (2019: 3,411,400 @ Rs. 105.00 per unit)]						
Issue of 13,950,995 (2019: 3,053,752) units	1,476,236,713	-	1,476,236,713	308,325,171	-	308,325,171
Redemption of 22,446,438 (2019: 2,364,000) units	(2,292,715,704)	(147,864,703)	(2,440,580,407)	(238,007,045)	(4,217,829)	(242,224,874)
Total comprehensive income for the period	-	306,965,852	306,965,852	-	21,222,745	21,222,745
Refund of Capital	-	-	-	(2,376,565)	-	(2,376,565)
Cash dividend declared for the year ended 30 June 2019 (for the year ended 30 June 2018 @ Rs. 4.75 per unit 06 July 2018)	-	-	-	-	(13,834,502)	(13,834,502)
Interim distribution at Rs. 4.0 per unit declared on 18 January 2019	-	-	-	-	(10,084,761)	(10,084,761)
<b>Net assets at end of the period</b>	<b>1,481,741,467</b>	<b>162,117,382</b>	<b>1,643,858,849</b>	<b>411,083,403</b>	<b>8,140,578</b>	<b>419,223,981</b>
[Units outstanding: 14,440,661 @ Rs. 113.84 per unit (2019: 4,101,152 @ Rs. 102.22 per unit)]						
<b>Undistributed income carried forward</b>						
- Realised income	-	80,401,895	-	-	5,050,981	-
- Unrealised income	-	81,715,487	-	-	3,089,597	-
	-	<b>162,117,382</b>	-	-	<b>8,140,578</b>	-

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	For the Nine Month Ended	
	31 March	
	2020	2019
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	306,965,852	21,222,745
<b>Adjustments for:</b>		
Interest income	(232,800,511)	(23,862,347)
(Gain) / loss on sale of investments - net	(62,610,720)	233,266
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(41,043,846)	(1,081,609)
Amortisation of formation cost	-	195,178
Provision for Sindh Workers' Welfare Fund	6,237,821	433,117
	<b>(330,217,256)</b>	<b>(24,082,395)</b>
<b>Increase in assets</b>		
Investments	(663,692,895)	(185,449,882)
Mark-up receivable	112,452,723	2,306,767
Prepayments and other receivables	(132,318)	(16,728)
	<b>(551,372,490)</b>	<b>(183,159,843)</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	1,909,576	(187,246)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(154,307)	18,307
Payable to the Securities and Exchange Commission of Pakistan	(46,709)	(18,649)
Accrued expenses and other liabilities	(13,761,895)	(168,163)
	<b>(12,053,335)</b>	<b>(355,751)</b>
<b>Net cash used in operating activities</b>	<b>(586,677,229)</b>	<b>(186,375,244)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	1,476,236,714	308,325,171
Amount paid against redemption of units	(2,439,581,506)	(216,785,989)
Cash payout against distribution	-	(26,295,828)
<b>Net cash (used in) / generated from financing activities</b>	<b>(963,344,792)</b>	<b>65,243,354</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,550,022,021)</b>	<b>(121,131,890)</b>
Cash and cash equivalents at the beginning of the period	1,786,431,695	267,945,874
<b>Cash and cash equivalents at the end of the period</b>	<b>4 236,409,674</b>	<b>146,813,984</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (formerly Atlas Sovereign Liquid Fund, 'the Fund') is an open ended mutual fund constituted under 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 May 23, 2017 and September 3, 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eight and Ninth Supplements dated March 24, 2015, August 3, 2015, June 23, 2016, October 13, 2016, June 2, 2017, April 18, 2018, August 20, 2018, October 8, 2019 and October 30, 2019 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 was launched as a money market scheme. Effective from 02 January 2019 the Funds' category was changed to Income Scheme with approval of the SECP. The Fund is listed on Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis from 01 December 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide unit holders competitive returns by investing in low risk, liquid securities including investments in Government securities, bank deposits including TDRs, money market placements, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo transactions. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the Management Company rating of AM2+ (stable outlook) on 26 December 2019 and the Fund rating of AA-(f) on 17 April 2020 (stable outlook) subsequently to the balance sheet date.
- 1.5 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

### 2 STATEMENT OF COMPLIANCE

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 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 2019.

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

3.1 The accounting policies adopted and the methods of computation of balance used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2019.

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2019.

### 3.3 Amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on 01 July 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### 3.4 Amendments to published accounting and reporting standards that are not yet effective

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after 01 July 2020. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4 BANK BALANCES	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		----- (Rupees) -----	
- Saving accounts	4.1	236,409,674	1,736,431,695
- Cheque in hand		-	50,000,000
		<u>236,409,674</u>	<u>1,786,431,695</u>

4.1 The rate of return on these balances range from 5.00% to 12.00% (30 June 2019: 6.00% to 13.40%) per annum.

## 5 INVESTMENTS

At fair value through profit or loss	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		----- (Rupees) -----	
<b>Investment in government securities</b>			
Market Treasury Bills	5.1	862,371,809	-
Pakistan Investment Bonds	5.2	554,827,126	511,602,698
		<u>1,417,198,935</u>	<u>511,602,698</u>

# Atlas Sovereign Fund

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

Tenor	As at 01 July 2019	Acquired during the period	Sold / Matured during the period	As at 31 March 2020	Amortised Cost as at 31 March 2020	Market Value as at 31 March 2020	Unrealised diminution as at 31 March 2020	Market value as a percentage of	
								total Investments	Net assets
----- (Face value) -----				----- (Rupees) -----			----- % age -----		
3 Months T-bills	-	8,495,000,000	8,495,000,000	-	-	-	-	-	-
6 Months T-bills	-	1,375,000,000	1,375,000,000	-	-	-	-	-	-
12 Months T-bills	-	1,212,245,000	294,200,000	918,045,000	855,222,412	862,371,809	7,149,397	60.85	52.00
	-	<b>11,082,245,000</b>	<b>10,164,200,000</b>	<b>918,045,000</b>	<b>855,222,412</b>	<b>862,371,809</b>	<b>7,149,397</b>	<b>60.85</b>	<b>52.00</b>
June 30, 2019						-	-	-	-

5.1.1 The cost of investments as on 31 March 2020 is Rs. 814,550,769 (30 June 2019: Rs.Nil).

5.1.2 These Market Treasury Bills carry purchase yields ranging from 11.98% to 13.43% (30 June 2019: Nil) per annum and will matured between 27 August 2020 to 11 March 2021 (30 June 2019: Nil).

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

Tenor	As at 01 July 2019	Acquired during the period	Sold / Matured during the period	As at 31 March 2020	Amortised Cost as at 31 March 2020	Market Value as at 31 March 2020	Unrealised appreciation / (diminution) as at 31 March 2020	Market value as a percentage of	
								total Investments	Net assets
----- (Face value) -----				----- (Rupees) -----			----- % age -----		
3 Years PIB	390,500,000	990,500,000	910,500,000	470,500,000	438,052,534	463,894,405	25,841,871	32.73	28.00
5 Years PIB	200,000,000	329,000,000	439,000,000	90,000,000	82,880,145	90,932,721	8,052,576	6.42	6.00
10 Years PIB	-	537,500,000	537,500,000	-	-	-	-	-	-
	<b>590,500,000</b>	<b>1,857,000,000</b>	<b>1,887,000,000</b>	<b>560,500,000</b>	<b>520,932,679</b>	<b>554,827,126</b>	<b>33,894,447</b>	<b>39.15</b>	<b>34.00</b>
June 30, 2019					<b>513,451,742</b>	<b>511,602,698</b>	<b>(1,849,044)</b>	<b>100.00</b>	<b>22.24</b>

5.2.1 The cost of investments as on 31 March 2020 is Rs. 520,932,679 (30 June 2019: Rs.513,451,742).

5.2.2 These Pakistan Investment Bonds carry purchase yields ranging from 11.52% to 12.65% (30 June 2019: 11.80% to 13.80%) per annum and 3 Years PIB will mature on 19 September 2022 and 5 Years PIB will mature on 19 September 2024 (30 June 2019: 12 July 2021 and 12 July 2023).

## 6 MARK-UP RECEIVABLE

### Mark-up receivable on:

Banks balances  
Pakistan Investment Bonds

	31 March 2020	30 June 2019
	Un-audited	Audited
	----- (Rupees) -----	
Banks balances	2,083,931	21,782,840
Pakistan Investment Bonds	1,797,921	-
	<b>3,881,852</b>	<b>21,782,840</b>

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	31 March 2020	30 June 2019
	Un-audited	Audited
Note	-----	(Rupees) -----

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

Remuneration of the Management Company	7.1	2,208,833	330,804
Sindh sales tax payable on remuneration of the Management Company	7.2	418,425	174,284
Federal Excise Duty payable on remuneration of the Management Company	7.3	905,341	905,341
Formation cost payable		-	260,000
Accounting and operational charges payable	7.4	231,660	184,254
		<b>3,764,259</b>	<b>1,854,683</b>

7.1 Previously, the management company has charged remuneration at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.45% of average daily net asset and maximum fee of 0.80% of average annual net assets. On February 10, 2020, management company has decided to revise the management fee at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.60% of average daily net asset and maximum fee of 1.00% of average annual net assets. The amount of the remuneration is being paid on monthly basis in arrears.

7.2 During the period, an amount of Rs. 2,084,923 (2018: Rs.168,096) 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. 1,840,782 (2018: Rs. 160,020) has been paid to the Management Company which acts as a collecting agent.

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

With effect from 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.

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.

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 is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.06 (30 June 2019: Re 0.04) per unit.

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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Until 19 June 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated 20 June 2019 removed the maximum cap of 0.1%.

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 for allocation of such expenses to the Fund.

## 8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed. Effective from 1 July 2019, this has been charged as follows:

Net Assets (Rs.)	Previous Tariff	Revised Tariff (Flat Rate)
	Fee	
Upto Rs. 1 billion	0.15% per annum of net assets	0.065% per annum of Net Assets.
From Rs. 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% per annum of net assets exceeding Rs 1 billion.	
Exceeding Rs. 10 billion	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10 billion.	

## 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

31 March  
2020  
Un-audited

30 June  
2019  
Audited

Note -----(Rupees)-----

Annual fee payable

9.1 383,713 430,422

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

Effective from 01 July 2019, the SECP vide SRO No. 685(I)/2019 dated 28 June 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to income funds was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

	31 March 2020 Un-audited	30 June 2019 Audited
	Note -----(Rupees)-----	
Auditors' remuneration payable	121,206	177,120
Printing charges payable	14,785	3,641
Transaction charges payable	1,205	1,611
Withholding tax payable	21,403	4,032,096
CGT payable	601,298	30,816
Annual rating fee payable	-	410
Dividend payable	-	10,287,083
Other payable	10,985	-
Provision for Sindh Workers' Welfare Fund	10.1 8,213,977	1,976,156
	<u>8,984,859</u>	<u>16,508,933</u>

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**10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the 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 had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from 21 May 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from 21 May 2015 to 31 March 2020, the net asset value of the Fund as at 31 March 2020 would have been higher by Re. 0.57 (30 June 2019: Re. 0.09) per unit.

## **11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at 31 March 2020 and 30 June 2019.

## **12 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at 31 March 2020 is 1.54% (30 June 2019: 1.10%) which includes 0.47% (30 June 2019: 0.31%) 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

## **13 TAXATION**

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending 30 June 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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

## **14 EARNINGS PER UNIT**

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

## **15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

**15.1** 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 entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent

# Atlas Sovereign Fund

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.

- 15.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 15.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 15.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 15.5 **Details of transactions with connected persons / related parties during the period are as follows:**

	For the Nine Months Ended	
	31 March	
	2020	2019
	Un-audited	Un-audited
	------(Rupees)-----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	16,037,870	1,293,049
Remuneration paid	14,159,841	1,230,907
Sindh Sales Tax on remuneration of the Management Company	2,084,923	168,096
Accounting and operational charges	2,596,603	271,176
Issue of Nil (2019: 700,555) units	-	70,356,195
Redemption 416,133 (2019: Nil) units	44,051,586	-
Cash dividend	-	429,522
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,247,074	430,689
Remuneration paid	1,383,629	414,487
Sindh Sales Tax on Remuneration of the Trustee	162,120	55,990
<b>Atlas Foundation (Group Company)</b>		
Issue of 239,239 (2019: 342,566) units	25,000,000	35,000,000
Redemption 145,723 (2019: Nil) units	16,000,000	-
<b>Cherat Cement Company Limited - Workers Profit Participation Fund</b>		
Issue of Nil (2019: 45,342) units	-	4,547,240
Cash dividend	-	6,062,987
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 2,894,635 (2019: 8) units	300,000,000	832
Redemption 5,497,022 (2019: Nil) units	600,000,000	-
Cash dividend	-	938
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Redemption 733,667 (2019: Nil) units	80,000,000	-

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		For the Nine Months Ended 31 March	
		2020	2019
		Un-audited	Un-audited
		-----Rupees-----	
<b>15.5</b>	<b>Details of transactions with connected persons / related parties during the period are as follows: (Continued....)</b>		
	<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
	Issue 361,370 (2019: 99,552) units	40,000,000	10,000,000
	Redemption 93,624 (2019: Nil) units	10,000,000	-
	<b>Shirazi Investments (Private) Limited (Group Company)</b>		
	Issue of Nil (2019: 125,810) units	-	12,617,182
	Redemption 4,586,314 (2019: Nil) units	500,000,000	-
	Cash dividend	-	14,843,744
	<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
	Issue of 7,719 (2019: 621,205) units	800,000	62,400,000
	Redemption 12,821 (2019: 510,248) units	1,400,000	51,780,000
	<b>Atlas Insurance (Group Company)</b>		
	Issue of 9,069,994 (2019: 247,746) units	963,957,003	25,000,000
	Redemption 6,846,832 (2019: 247,746) units	743,458,719	25,312,159
	<b>Directors, their close family members and key management personnel of the Management Company</b>		
	Issue of 202,001 (2019: 16,003) units	20,876,526	1,619,046
	Redemption 3,179,911 (2019: 2,702) units	345,137,779	275,000
	Cash dividend	-	105,217
<b>15.6</b>	<b>Details of balances outstanding at the period / year end with connected persons/related parties are as follows:</b>		
		<b>31 March 2020</b>	<b>30 June 2019</b>
		Un-audited	Audited
		-----Rupees-----	
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	2,208,833	330,804
	Sindh Sales Tax payable on Remuneration of the Management Company	418,425	174,284
	Federal Excise Duty payable on Remuneration of the Management Company	905,341	905,341
	Accounting and operational charges payable	231,660	184,254
	Formation cost payable	-	260,000
	Outstanding Nil (June 30, 2019: 416,133) units	-	41,750,659
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	89,918	226,473
	Sindh Sales Tax payable on remuneration of the trustee	11,689	29,441
	<b>Atlas Foundation (Group Company)</b>		
	Outstanding 945,883 (30 June 2019: 852,367) units	107,679,357	85,518,023

# Atlas Sovereign Fund

15.6 Details of balances outstanding at the period / year end with connected persons/related parties are as follows: (Continued....)	31 March 2020	30 June 2019
	Un-audited	Audited
	-----Rupees-----	
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 109,728 (30 June 2019: 114,830) units	12,491,455	11,520,859
<b>Atlas Insurance (Group Company)</b>		
Outstanding 2,223,162 (30 June 2019: Nil) units	253,084,775	-
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 470,766 (30 June 2019: 1,204,433) units	53,592,037	120,840,784
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 4,429,237 (30 June 2019: 7,031,624) units	504,224,303	705,482,820
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 2,908,836 (30 June 2019: 7,495,151) units	331,141,941	751,988,488
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 924,631 (30 June 2019: 656,886) units	105,259,982	65,905,323
<b>Directors, their close family members and key management Personnel and executive of the Management Company</b>		
Outstanding 669,528 (30 June 2019: 4,180,952) units	76,219,093	419,474,910

## 16 FAIR VALUE MEASUREMENT

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

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

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

### 16.1 Fair value hierarchy

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

Level 1: 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

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

As at 31 March 2020 and 30 June 2019, the Fund held the following financial instruments measured at fair value:

ASSETS	----- Un-audited -----			
	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Market Treasury Bills	-	862,371,809	-	862,371,809
Pakistan Investment Bonds	-	554,827,126	-	554,827,126
	<b>-</b>	<b>1,417,198,935</b>	<b>-</b>	<b>1,417,198,935</b>
	----- Audited -----			
	As at 30 June 2019			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Pakistan Investment Bonds	-	511,602,698	-	511,602,698
	<b>-</b>	<b>511,602,698</b>	<b>-</b>	<b>511,602,698</b>

## 17 GENERAL

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

17.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. There have been no significant reclassifications during the period.

## 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 29 April 2020 by the Board of Directors of the Management Company.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## Corporate Information

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### **Trustee**

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

### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

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Mohsin Tayebaly & Co.

### **Bankers**

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Allied Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Samba Bank Limited  
Soneri Bank Limited  
Zarai Taraqati Bank Limited

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2020

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Bank balances	4	741,087,170	1,426,198,107
Investments	5	2,786,513,684	1,627,495,030
Receivable against Margin Trading System		2,419,354	4,041,602
Interest / profit accrued	6	21,617,777	59,934,706
Deposits, prepayment and other receivables	7	11,617,441	11,372,859
<b>Total assets</b>		<b>3,563,255,426</b>	<b>3,129,042,304</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	30,835,682	29,719,418
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	243,640	334,646
Payable to the Securities and Exchange Commission of Pakistan	10	477,468	3,216,111
Payable against redemption of units		454,604	590,973
Unclaimed dividend		-	61,568,254
Accrued expenses and other liabilities	11	37,579,135	45,117,760
<b>Total liabilities</b>		<b>69,590,529</b>	<b>140,547,162</b>
<b>NET ASSETS</b>		<b>3,493,664,897</b>	<b>2,988,495,142</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,493,664,897</b>	<b>2,988,495,142</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>6,050,438</b>	<b>5,820,926</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>577.42</b>	<b>513.41</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Note	For the Nine Month Ended 31 March		For the Quarter Ended 31 March	
		2020	2019	2020	2019
-----Rupees-----					
<b>Income</b>					
Interest income	14	306,716,604	303,629,783	106,387,019	98,379,727
Capital gain / (loss) on sale of investments - net		50,588,265	(21,671,069)	31,017,497	(5,607,125)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		56,057,080	6,821,627	22,392,396	5,523,663
		<b>106,645,345</b>	<b>(14,849,442)</b>	<b>53,409,893</b>	<b>(83,462)</b>
<b>Total income</b>		<b>413,361,949</b>	<b>288,780,341</b>	<b>159,796,912</b>	<b>98,296,265</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	21,130,940	27,358,446	8,199,805	7,387,625
Sindh Sales Tax on remuneration of the Management Company	8.2	2,747,022	3,556,598	1,065,974	960,391
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,790,599	3,509,620	614,985	994,525
Sindh Sales Tax on remuneration of the Trustee		232,778	456,251	79,948	129,289
Annual fees to the Securities and Exchange Commission of Pakistan		477,494	2,564,854	163,996	692,589
Accounting and operational charges	13	3,250,518	3,419,808	1,280,186	923,455
Auditors' remuneration		525,643	352,045	165,491	149,336
Annual rating fee		324,892	332,797	107,510	96,972
Annual listing fee		20,662	20,644	6,837	6,781
Securities transaction cost		783,690	3,495,973	501,070	349,524
Printing charges		17,938	(151,980)	-	(44,145)
Legal and professional charges		302,429	237,661	150,760	93,966
Bank charges		67,234	26,147	3,321	(27,320)
Provision for Sindh Workers' Welfare Fund	11.1	7,633,802	4,872,030	2,949,140	1,731,666
<b>Total expenses</b>		<b>39,305,641</b>	<b>50,050,894</b>	<b>15,289,023</b>	<b>13,444,654</b>
<b>Net income for the period before taxation</b>		<b>374,056,308</b>	<b>238,729,447</b>	<b>144,507,889</b>	<b>84,851,611</b>
<b>Taxation</b>	16	-	-	-	-
<b>Net income for the period after taxation</b>		<b>374,056,308</b>	<b>238,729,447</b>	<b>144,507,889</b>	<b>84,851,611</b>
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		374,056,308	238,729,447	144,507,889	84,851,611
Income already paid on units redeemed		(6,358,124)	(39,829,316)	(1,795,430)	(6,129,815)
		<b>367,698,184</b>	<b>198,900,131</b>	<b>142,712,459</b>	<b>78,721,796</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		106,645,345	-	53,409,893	-
- Excluding capital gains		261,052,839	198,900,131	89,302,566	78,721,796
		<b>367,698,184</b>	<b>198,900,131</b>	<b>142,712,459</b>	<b>78,721,796</b>

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	374,056,308	238,729,447	144,507,889	84,851,611
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>374,056,308</b>	<b>238,729,447</b>	<b>144,507,889</b>	<b>84,851,611</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	31 March 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,848,807,829	-	2,848,807,829
<b>Undistributed income brought forward</b>			
- Realised income	-	154,356,101	154,356,101
- Unrealised loss	-	(14,668,787)	(14,668,787)
<b>Net assets at the beginning of the period</b> (Units outstanding: 5,820,926) (Rs. 513.41 per unit)	<b>2,848,807,829</b>	<b>139,687,314</b>	<b>2,988,495,142</b>
Issue of 2,330,322 units	1,300,751,041	-	1,300,751,041
Redemption of 2,100,810 units	(1,163,279,470)	(6,358,124)	(1,169,637,594)
Total comprehensive income for the period	-	374,056,308	374,056,308
<b>Net assets at end of the period</b> (Units outstanding: 6,050,438) (Rs. 577.42 per unit)	<b>2,986,279,400</b>	<b>507,385,498</b>	<b>3,493,664,897</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	479,317,772	-
- Unrealised income	-	28,067,726	-
	-	<b>507,385,498</b>	-
	31 March 2019		
	Capital value	Undistributed income	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 loss	-	(28,148,138)	(28,148,138)
<b>Net assets at the beginning of the period</b> (Units outstanding: 12,545,428) (Rs. 536.95 per unit)	<b>6,307,067,372</b>	<b>429,240,318</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)
Refund of Capital	(10,045,973)	-	(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)	(292,161,630)
Final interim distribution of Rs. 18 per unit declared on 18 January 2019	-	(125,736,525)	(125,736,525)
Total comprehensive income for the period	-	238,729,447	238,729,447
<b>Net assets at end of the period</b> (Units outstanding: 6,996,715) (Rs 523.50 per unit)	<b>3,452,566,740</b>	<b>210,242,294</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>	-

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	Note	For the Nine Months Ended	
		31 March	
		2020	2019
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		374,056,308	238,729,447
<b>Adjustments for:</b>			
Interest income		(306,716,604)	(303,629,783)
Capital (gain) / loss on sale of investments - net		(50,588,265)	21,671,069
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(56,057,080)	(6,821,627)
Provision for Sindh Workers' Welfare Fund		7,633,802	4,872,030
		<b>(405,728,147)</b>	<b>(283,908,311)</b>
<b>Decrease in assets</b>			
Receivable against Margin Trading System		1,622,248	101,007,486
Deposits, prepayment and other receivables		(244,582)	(628,515)
		<b>1,377,666</b>	<b>100,378,971</b>
<b>Decrease in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		1,116,264	(3,575,196)
Payable to the Central Depository Company of Pakistan Limited - Trustee		(91,006)	(266,772)
Payable to the Securities and Exchange Commission of Pakistan		(2,738,643)	(4,800,669)
Unclaimed dividend		(61,568,254)	-
Accrued expenses and other liabilities		(15,172,427)	(18,073,042)
		<b>(78,454,066)</b>	<b>(26,715,679)</b>
		<b>(108,748,239)</b>	<b>28,484,428</b>
Interest received		260,800,114	190,446,136
Investments made during the period		(8,476,947,451)	(18,040,799,319)
Investment sold / redeemed / matured during the period		7,508,807,561	18,529,184,586
<b>Net cash (used in) / generated from operating activities</b>		<b>(816,088,015)</b>	<b>707,315,832</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		1,300,751,041	648,349,214
Net payments against redemption of units		(1,169,773,963)	(3,552,350,956)
Refund of capital		-	(10,045,973)
Cash distribution		-	(417,898,155)
<b>Net cash generated from / (used in) financing activities</b>		<b>130,977,078</b>	<b>(3,331,945,870)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(685,110,937)</b>	<b>(2,624,630,038)</b>
Cash and cash equivalents at the beginning of the period		1,426,198,107	4,566,844,339
<b>Cash and cash equivalents at the end of the period</b>	4	<b>741,087,170</b>	<b>1,942,214,301</b>

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

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Iftikhar H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Income Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelveth and Thirteenth Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016, 29 September 2016, 2 June 2017, 2 October 2019 and 30 October 2019 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two plus)] on 26 December 2019.  
  
Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2019: "AA- (f)" (Double A minus)] on 17 April 2020 subsequently to the balance sheet date.
- 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 2020.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

- Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.
- 2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

## 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

- 3.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.
- 3.2 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2019.
- 3.3 **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 3 - Business Combinations - Previously held interests in a joint operation

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

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

# Atlas Income Fund

4 BANK BALANCES	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
In local currency			
- Profit and loss sharing accounts	4.1	641,140,665	1,426,193,107
- Current account		5,000	5,000
- Cheques in hand	4.2	99,941,505	-
		<b>741,087,170</b>	<b>1,426,198,107</b>

4.1 This rate of return on these accounts markup ranges between 11.10% and 12.00% (30 June 2019: 6.00% and 13.40%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 03 April 2020.

5 INVESTMENTS	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
<b>At fair value through profit or loss</b>			
Term finance certificates - listed	5.1 & 5.1.1	520,440,250	527,021,722
Term finance certificates - unlisted	5.2 & 5.2.1	193,581,132	196,451,556
Sukuk certificates	5.3 & 5.3.1	359,771,110	246,598,872
Government securities - Market Treasury Bills	5.4 & 5.4.1	962,636,725	49,710,307
Government securities - Pakistan Investment Bonds	5.5	750,084,467	607,712,573
		<b>2,786,513,684</b>	<b>1,627,495,030</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	As at 01 July 2019	Purchased during the period	Disposed / matured during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of total issue size
	----- Number of certificates -----				----- Rupees -----		----- age % -----		
<b>BANKS</b>									
Bank Alfalah Limited - V	38,463	-	-	38,463	191,776,518	191,068,864	6.86	5.47	3.82
Habib Bank Limited Tier - II (face value of Rs. 100,000 per certificate)	2,945	-	-	2,945	289,390,388	292,999,699	10.51	8.59	2.93
Soneri Bank Limited	9,428	-	2,000	7,428	35,960,923	36,371,687	1.31	1.04	1.21
<b>TELECOMMUNICATION</b>									
Telecard Limited	5.6.1	4,000	-	4,000	-	-	-	-	-
<b>PERSONAL GOODS</b>									
Azgard Nine Limited	5.6.1	5,000	-	5,000	-	-	-	-	-
Total as at 31 March 2020					<b>517,127,829</b>	<b>520,440,250</b>	<b>18.68</b>	<b>14.90</b>	<b>7.96</b>
Total as at 30 June 2019					<b>531,340,031</b>	<b>527,021,722</b>			

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5.1.1 The terms and conditions of listed term finance certificates outstanding as at 31 March 2020 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
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## BANKS

Bank Alfalah Limited - V	AA	8 years	Semi-annually	Feb 2021	6 month KIBOR + 1.25%
Habib Bank Limited Tier - II	AAA	10 years	Semi-annually	Feb 2026	6 month KIBOR + 0.50%
Soneri Bank Limited	A+	8 years	Semi-annually	July 2023	6 month KIBOR + 1.35%

## TELECOMMUNICATION

Telecard Limited	NPA	15 years	Quarterly	Dec 2020	3 month KIBOR
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## PERSONAL GOODS

Azgard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%
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5.2 Term finance certificates - unlisted

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

Name of the Investee Company	As at 01 July 2019	Purchased during the period	Disposed/ matured during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
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----- Number of certificates ----- Rupees ----- age % -----

## BANKS

Askari Bank Limited - V	20,000	-	-	20,000	97,531,172	97,531,258	3.50	2.79	2.44
Bank AL Habib Limited	20,000	-	-	20,000	98,841,572	96,049,874	3.45	2.75	2.40

## CHEMICALS

Agritech Limited- I	5.6.1	2,000	-	-	2,000	-	-	-	-
Agritech Limited - II	5.6.1	8,000	-	-	8,000	-	-	-	-
Agritech Limited- IV	5.6.1	2,203	-	-	2,203	-	-	-	-

## PERSONAL GOODS

Azgard Nine Limited-V	5.6.1	1,075	-	-	1,075	-	-	-	-
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Total as at 31 March 2020

196,372,744 193,581,132 6.95 5.54

Total as at 30 June 2019

200,772,046 196,451,556

5.2.1 The terms and conditions of unlisted term finance certificates outstanding as at 31 March 2020 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
------------------------------	--------	--------	---	---------------	----------------

## BANKS

Askari Bank Limited - V	AA-	10 years	Semi-annually	Sept 2024	6 month KIBOR + 1.20%
Bank AL Habib Limited	AA	10 years	Semi-annually	Mar 2026	6 month KIBOR + 0.75%

## CHEMICALS

Agritech Limited - I	NPA	7 years	Semi-annually	Nov 2014	6 month KIBOR + 1.75%
Agritech Limited - II	NPA	7 years	Semi-annually	Jan 2015	6 month KIBOR + 1.75%
Agritech Limited - IV	NPA	3.5 years	Semi-annually	Jan 2015	-

## PERSONAL GOODS

Azgard Nine Limited - V	NPA	5 years	Semi-annually	Mar 2017	Zero Coupon
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# Atlas Income Fund

## 5.3 Sukuk certificates

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

Name of the Investee Company	As at 01 July 2019	Purchased during the period	Disposed/ matured during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
------------------------------	--------------------	-----------------------------	-------------------------------------	---------------------	------------------------------------	----------------------------------	---	--	---

----- Number of certificates -----      ----- Rupees -----      ----- age % -----

### FERTILIZERS

Dawood Hercules Corporation

Limited Sukuk 2 - Listed

(face value Rs. 100,000)

2,000      -      -      2,000      159,672,711      160,528,160      5.76      4.59      3.09

Agritech Limited (note 5.6.1)

4,060      -      -      4,060      -      -      -      -      -

### POWER GENERATION & DISTRIBUTION

The Hub Power Company Limited - Unlisted

(face value of Rs. 100,000 per certificate)

-      1,500      -      1,500      150,000,000      151,537,950      5.44      4.34      2.16

### BANKS

Meezan Bank Limited Tier - II - Unlisted

(face value of Rs. 1,000,000 per certificate)

47      -      -      47      46,998,872      47,705,000      1.71      1.37      0.68

Total as at 31 March 2020

**356,671,583      359,771,110      12.91      10.30**

Total as at 30 June 2019

**247,834,200      246,598,872**

5.3.1 The terms and conditions of sukuk certificates as at 31 March 2020 are as follows:

Name of the Investee Company	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return	Rating
------------------------------	--------	---	---------------	----------------	--------

### CHEMICALS

Agritech Limited

7 years

Semi -annually

Aug 2015

6 month KIBOR + 2.00%

NPA

Meezan Bank Limited Tier - II

10 years

Semi -annually

Sep 2026

6 month KIBOR + 0.50%

AA-

Dawood Hercules Sukuk Tier - II

5 years

Quarterly

Mar 2023

3 month KIBOR + 1.00%

AA

The Hub Power Company Limited

4 Years

Quarterly

August 2023

3 month KIBOR + 1.90%

AAA

## 5.4 Government securities - Market Treasury Bills

Tenor	As at 01 July 2019	Purchased during the period	Disposed/ matured during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
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----- Number of certificates -----      ----- Rupees -----      ----- age % -----

3 months      50,000,000      6,068,000,000      5,743,000,000      375,000,000      373,928,179      374,102,625      13.43      10.71

6 months      -      250,000,000      250,000,000      -      -      -      -      -

12 months      -      880,000,000      245,000,000      635,000,000      583,914,429      588,534,100      21.12      16.85

Total as at 31 March 2020

**50,000,000      7,198,000,000      6,238,000,000      1,010,000,000      957,842,608      962,636,725      34.55      27.55**

Total as at 30 June 2019

**49,714,671      49,710,307**

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5.4.1 Market treasury bills carry an average purchase yield ranging from 10.67% to 13.44% (30 June 2019: 12.44%) per annum and will mature between 09 April 2020 and 25 March 2021 (30 June 2019: 18 July 2019). The cost of these investments as on 31 March 2020 is Rs. 930,421,610 (30 June 2019: Rs. 49,244,750).

## 5.5 Government securities - Pakistan Investment Bonds

Tenor	As at 01 July 2019	Purchased during the period	Disposed/ matured during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
	Number of certificates			Rupees		age %		
3 Years	444,000,000	1,719,500,000	1,479,500,000	684,000,000	632,988,166	674,307,199	24.20	19.30
5 Years	259,000,000	513,800,000	697,800,000	75,000,000	69,453,675	75,777,268	2.72	2.17
10 Years	-	187,500,000	187,500,000	-	-	-	-	-
<b>Total as at 31 March 2020</b>	<b>703,000,000</b>	<b>2,420,800,000</b>	<b>2,364,800,000</b>	<b>759,000,000</b>	<b>702,441,841</b>	<b>750,084,467</b>	<b>26.92</b>	<b>21.47</b>
<b>Total as at 30 June 2019</b>					<b>613,806,990</b>	<b>607,712,573</b>		

5.5.1 Pakistan Investment Bonds carry purchase yield ranging from 11.52% to 12.65% (30 June 2019: 11.80% to 13.80%) per annum and will mature between 12 July 2021 and 19 September 2024 (30 June 2019: 12 July 2021 and 12 July 2023). The cost of these investments as on 31 March 2020 is Rs. 702,513,897 (30 June 2019: Rs. 613,806,990).

## 5.6 Particulars of non-compliant investments

5.6.1 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	Type of investment	Value before provision	Provision held	Net carrying value	Net assets	Gross assets
		Rupees		age %		
<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 2020</b>		<b>81,625,501</b>	<b>81,625,501</b>	-	-	-
<b>Total as at 30 June 2019</b>		<b>81,625,501</b>	<b>81,625,501</b>			

5.6.2 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 2019: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

# Atlas Income Fund

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
<b>6 INTEREST / PROFIT ACCRUED</b>			
Interest / profit on:			
Savings and term deposits		3,726,464	1,336,341
Margin Trading System		168,798	74,628
Term finance certificates		3,226,345	29,597,202
Pakistan Investment Bonds		2,477,391	24,847,238
Sukuk certificates		12,018,779	4,079,297
		<b>21,617,777</b>	<b>59,934,706</b>

## 7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	2,750,000
Prepaid annual listing fee		6,838	-
Prepaid rating fee		150,809	126,582
Other receivable	7.1	8,609,794	8,396,277
		<b>11,617,441</b>	<b>11,372,859</b>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as other receivables as at 31 March 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
<b>8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)</b>			
Remuneration of the Management Company	8.1	2,874,844	2,082,668
Sindh Sales Tax payable on remuneration of the Management Company	8.2	3,896,426	3,793,445
Federal Excise Duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable	13	481,441	260,334
		<b>30,835,682</b>	<b>29,719,418</b>

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- 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% (30 June 2019: 0.80%) per annum of the average annual net assets of the year. On 10 December 2019 Management Company decided to revise the management fee from 0.8% to 1.00%. The fee is payable to the Management Company monthly in arrears.
- 8.2** During the period, an amount of Rs. 2,747,022 (2019: Rs. 3,556,598) 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. 2,644,041 (2019: Rs. 3,926,939) 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 2019: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Has the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 31 March 2020 would have been higher by Rs. 3.90 per unit (30 June 2019: Rs 4.05 per unit).

## 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY

The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated 27 June 2019 issued by CDC. However, during the period ended 31 March 2019, the trustee fee was charged in accordance with the following slab rates:

Net assets	Fee
- upto Rs 1,000 million	0.17% per annum of net assets
- Rs 1,000 million to Rs 5,000 million	Rs 1.7 million plus 0.085% per annum of net assets exceeding Rs 1,000 million
- exceeding 5,000 million	Rs 5.1 million plus 0.07% per annum of net assets exceeding Rs 5,000 million

# Atlas Income Fund

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fees payable	10.1	<u>477,468</u>	<u>3,216,111</u>

- 10.1** In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as income scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the income scheme was 0.075% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		280,154	417,960
NCCPL charges payable		-	21,290
Printing charges payable		14,709	22,871
Brokerage payable		100,539	22,223
Annual rating fee payable		-	-
Withholding tax payable		31,912	14,773,495
Capital gain tax payable		497,533	896,938
Zakat payable		1,649	1,648
Other payables		391,845	334,343
Provision for Sindh Workers' Welfare Fund	11.1	36,260,794	28,626,992
		<u>37,579,135</u>	<u>45,117,760</u>

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, 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.

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

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

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision 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 2020 would have been higher by Rs. 5.99 per unit (30 June 2019: Rs 4.92 per unit).

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2020 and 30 June 2019.

## 13 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 for allocation of such expenses to the Fund.

## 14 INTEREST INCOME

	Note	For the Nine Months Ended		For the Quarter Ended	
		31 March		31 March	
		2020	2019	2020	2019
		Un-audited		Un-audited	
		Rupees		Rupees	
Interest on:					
Saving and term deposits		47,727,853	50,540,918	6,312,417	17,927,281
Margin Trading System		1,065,284	23,325,113	1,063,758	5,629,509
Term finance certificates	14.1	77,240,414	63,182,867	26,392,661	18,863,217
Sukuk certificates		38,652,155	24,376,337	13,760,429	6,577,922
Government Securities - Market Treasury Bills		84,233,419	134,233,199	42,639,315	42,098,566
Government Securities - Pakistan Investment Bonds		56,238,137	7,283,232	16,218,439	7,283,232
Commercial Papers		1,559,342	688,117	-	-
		<b>306,716,604</b>	<b>303,629,783</b>	<b>106,387,019</b>	<b>98,379,727</b>

14.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (31 March 2019: Rs. 0.040 million). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 62.65 million (31 March 2019: Rs. 65.11 million) based on outstanding principal has not been recognised during the period.

# Atlas Income Fund

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2020 is 1.65% (30 June 2019: 1.48%) which includes 0.47% (30 June 2019: 0.34%) 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.

## 16 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.

## 17 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.

## 18 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:

	For the Nine Months Ended	
	31 March	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
<b>18.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	21,130,940	27,358,446
Remuneration paid	20,338,764	30,207,227
Sindh Sales Tax on remuneration of the Management Company	2,747,022	3,556,598
Accounting and operational charges	3,250,518	3,419,808
Issue of 1 (2019: 8,196) units	304	4,206,392
Redemption of Nil (2019: 31,123) units	-	16,000,000
Cash dividend	-	4,948,696

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18.1 Transactions during the period (Continued....)	For the Nine Months Ended	
	31 March	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee	1,790,599	3,509,620
Sindh Sales Tax on remuneration of the Trustee	232,778	456,251
Trustee fee paid	1,866,135	3,770,702
Settlement charges	33,983	422,801
Sindh Sales Tax on settlement charges	4,418	54,964
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Issue of 40,743 (2019: 43,560) units	22,326,805	22,357,606
Redemption of 23,074 (2019: 32,857) units	12,000,000	17,000,000
Cash dividend	-	26,231,171
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 135 (2019: 46,808) units	71,923	24,013,211
Redemption of Nil (2019: 971,836) units	-	500,000,000
Cash dividend	-	28,250,561
<b>Atlas Insurance Limited</b>		
Issue of 885,988 (2019: 122,225) units	488,844,039	63,696,101
Redemption of 885,988 (2019: 122,225) units	488,994,657	64,051,559
Cash dividend	-	713,234
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of 1 (2019: 5,406) units	627	2,774,429
Redemption of 30,427 (2019: 33,155) units	16,368,393	17,211,923
Cash dividend	-	3,264,034
<b>Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of Nil (2019: 9,856) units	-	5,058,431
Cash dividend	-	5,058,431
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of Nil (2019: 1,449) units	-	743,026
Redemption of Nil (2019: 32,408) units	-	16,713,562
Cash dividend	-	743,026
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Issue of Nil (2019: 13,349) units	-	6,851,016
Redemption of Nil (2019: 90,132) units	-	47,000,000
Cash dividend	-	6,851,016
<b>Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of Nil (2019: 2,071) units	-	1,062,796
Redemption of Nil (2019: 26,878) units	-	13,969,960
Cash dividend	-	1,062,796
<b>Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of Nil (2019: 2,121) units	-	1,088,457
Cash dividend	-	1,088,457

# Atlas Income Fund

18.1 Transactions during the period (Continued....)	For the Nine Months Ended	
	31 March	
	2020 Un-audited	2019 Un-audited
	-----Rupees-----	
<b>Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of Nil (2019: 2,395) units	-	1,229,031
Cash dividend	-	1,229,031
<b>Honda Atlas Power Product (Private) Limited (Group Company)</b>		
Issue of Nil (2019: 19,336) units	-	10,000,000
Redemption of Nil (2019: 19,336) units	-	10,026,531
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 1,983 (2019: 350,957) units	1,054,011	180,115,381
Redemption of Nil (2019: 1,055,469) units	-	550,000,000
Cash dividend	-	210,812,951
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of Nil (2019: 2,223) units	-	1,141,207
Redemption of Nil (2019: 28,861) units	-	14,990,671
Cash dividend	-	1,141,207
<b>Atlas Services Limited</b>		
Issue of Nil (2019: 9,446) units	-	4,848,298
Redemption of Nil (2019: 1,882) units	-	1,000,000
Cash dividend	-	5,703,879
<b>Honda Atlas Cars (Pakistan) Limited</b>		
Issue of Nil (2019: 140,888) units	-	72,268,392
Redemption of Nil (2019: 3,683,456) units	-	1,912,135,049
Cash dividend	-	85,021,638
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 936 (2019: 35,392) units	500,000	18,264,530
Redemption of 996 (2019: 3,384) units	252,845	1,750,000
Cash dividend	-	11,546,875
	<b>31 March</b>	<b>30 June</b>
	<b>2020</b>	<b>2019</b>
<b>18.2 Balances as at period / year end</b>	<b>Un-audited</b>	<b>Audited</b>
	-----Rupees-----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	2,874,844	2,082,668
Sindh Sales Tax payable on remuneration of the Management Company	3,896,426	3,793,445
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	481,441	260,334
Outstanding 89,032 (30 June 2019: 89,032) units - at net asset value	51,408,932	45,709,688

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18.2 Balances as at period / year end (Continued....)	31 March 2020	30 June 2019
	Un-audited	Audited
	-----Rupees-----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	215,611	291,147
Sindh Sales Tax payable on remuneration of the trustee	28,029	37,849
Settlement charges payable	-	5,000
Sindh Sales Tax payable on settlement charges	-	650
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Outstanding 520,218 (30 June 2019 : 502,548) units - at net asset value	300,384,290	258,013,397
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 150,495 (30 June 2019: 150,360) units - at net asset value	86,898,780	77,196,122
<b>Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 28,520 (30 June 2019: 28,520) units - at net asset value	16,467,799	14,642,258
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 18,446 (30 June 2019: 48,871) units - at net asset value	10,650,908	25,090,969
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 32,203 (30 June 2019: 32,203) units - at net asset value	18,594,611	16,533,302
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 132,540 (30 June 2019: 132,540) units - at net asset value	76,531,477	68,047,566
<b>Shirazi Investments (Private) Limited (Group company)</b>		
Outstanding 3,921,694 (30 June 2019: 3,919,710) units - at net asset value	2,264,464,290	2,012,418,511
<b>Key Management Personnel of Management Company</b>		
Outstanding 85,893 (30 June 2019: 306,999) units -at net asset value	49,596,545	157,616,220

## 19 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.

# Atlas Income Fund

## 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).

## 20 GENERAL

- 20.1** Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 March 2020 and 31 March 2019 have not been subjected to limited scope review by the statutory auditors of the Fund.
- 20.2** Figures have been rounded off to the nearest Rupee unless otherwise stated.
- 20.3** Units have been rounded off to the nearest decimal places.

## 21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2020.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## Atlas Stock Market Fund

### Corporate Information

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#### **Trustee**

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

#### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

#### **Legal Advisers**

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Mohsin Tayebaly & Co.

#### **Bankers**

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Bank Alfalah Limited  
Habib Bank Limited  
MCB Bank Limited

# Atlas Stock Market Fund

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

AS AT 31 MARCH 2020

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Cash and Bank balances	4	64,009,714	266,018,200
Investments	5	5,347,234,475	4,987,285,163
Dividend receivable		80,050,144	2,103,138
Profit receivable on bank balances		972,685	287,651
Receivable against sale of investments		-	53,064,695
Advances, deposits, prepayments and other receivables	6	13,536,826	13,529,987
<b>Total assets</b>		<b>5,505,803,844</b>	<b>5,322,288,834</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	38,533,709	33,820,284
Payable to the Central Depository Company of Pakistan Limited - Trustee		698,154	601,378
Payable to the Securities and Exchange Commission of Pakistan	8	919,974	5,435,624
Payable against redemption of units		200,000	196,835,046
Payable against purchase of investments		17,512,402	-
Unclaimed dividend		401,733	401,733
Accrued expenses and other liabilities	9	45,184,498	40,756,887
<b>Total liabilities</b>		<b>103,450,470</b>	<b>277,850,952</b>
<b>NET ASSETS</b>		<b>5,402,353,374</b>	<b>5,044,437,882</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>5,402,353,374</b>	<b>5,044,437,882</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>12,357,566</b>	<b>10,009,549</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>437.17</b>	<b>503.96</b>

The annexed notes from 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

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	Note	For the Nine Months Ended		For the Quarter Ended	
		31 March		31 March	
		2020	2019	2020	2019
-----Rupees-----					
<b>Income</b>					
Profit on bank balances		11,914,278	24,107,397	4,251,008	7,756,849
Dividend income		267,966,537	214,774,319	90,497,169	71,708,567
Capital gain / (loss) on sale of investments - net		174,771,865	(152,012,401)	3,291,846	(41,995,595)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as "financial assets at fair value through profit or loss"		(1,161,307,357)	(366,669,886)	(2,165,025,083)	365,794,866
		<b>(986,535,492)</b>	<b>(518,682,287)</b>	<b>(2,161,733,237)</b>	<b>323,799,271</b>
<b>Total income</b>		<b>(706,654,677)</b>	<b>(279,800,571)</b>	<b>(2,066,985,060)</b>	<b>403,264,687</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	99,139,217	87,783,413	42,850,937	28,779,154
Sindh sales tax on remuneration of the Management Company	7.2	12,888,098	11,411,844	5,570,622	3,741,290
Remuneration of Central Depository Company of Pakistan Limited - Trustee		5,351,236	5,139,856	2,034,090	1,685,534
Sindh sales tax on remuneration of the trustee		695,661	668,181	264,432	219,119
Annual fee to the Securities and Exchange Commission of Pakistan		919,974	4,169,712	357,091	1,367,010
Accounting and operational charges	13	6,394,797	4,389,171	2,768,407	1,438,958
Auditors' remuneration		493,074	297,228	153,952	133,104
Annual listing fee		20,663	20,633	6,838	6,770
Securities transaction cost		10,137,751	7,270,521	4,084,251	2,128,655
Printing charges		23,502	(60,128)	-	(49,138)
Legal and professional charges		195,500	110,705	97,447	15,762
Provision for Sindh Workers' Welfare Fund	9.1	-	-	(25,643,549)	-
Bank charges		87,882	65,805	6,335	14,224
<b>Total expenses</b>		<b>136,347,355</b>	<b>121,266,941</b>	<b>32,550,853</b>	<b>39,480,442</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(843,002,032)</b>	<b>(401,067,512)</b>	<b>(2,099,535,913)</b>	<b>363,784,246</b>
<b>Taxation</b>	12	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (loss) / income for the period after taxation</b>		<b>(843,002,032)</b>	<b>(401,067,512)</b>	<b>(2,099,535,913)</b>	<b>363,784,246</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2020	2019	2020	2019
	-----Rupees-----			
Net (loss) / income for the period after taxation	(843,002,032)	(401,067,512)	(2,099,535,913)	363,784,246
Other comprehensive income / (loss)	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(843,002,032)</b>	<b>(401,067,512)</b>	<b>(2,099,535,913)</b>	<b>363,784,246</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	31 March 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,841,549,792	-	4,841,549,792
<b>Undistributed income brought forward</b>			
- Realised income	-	1,073,009,596	1,073,009,596
- Unrealised loss	-	(870,121,506)	(870,121,506)
<b>Net assets at the beginning of the period (Units outstanding: 10,009,549) (Rs. 503.96 per unit)</b>	<b>4,841,549,792</b>	<b>202,888,090</b>	<b>5,044,437,882</b>
Issue of 3,414,250 units	1,784,952,468	-	1,784,952,468
Redemption of 1,066,233 units	(545,002,981)	(39,031,963)	(584,034,944)
Total comprehensive loss for the period	-	(843,002,032)	(843,002,032)
<b>Net assets at end of the period (Units outstanding: 12,357,566) (Rs. 437.17 per unit)</b>	<b>6,081,499,279</b>	<b>(679,145,905)</b>	<b>5,402,353,374</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	974,850,608	-
- Unrealised loss	-	(1,653,996,513)	-
	<b>-</b>	<b>(679,145,905)</b>	<b>-</b>
	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 loss 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 loss	-	(198,868,243)	-
	<b>-</b>	<b>979,597,358</b>	<b>-</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2020

	For the Nine Months Ended	
	31 March	
	2020	2019
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period after taxation	(843,002,032)	(401,067,512)
<b>Adjustment for:</b>		
Profit on bank balances	(11,914,278)	(24,107,397)
Dividend income	(267,966,537)	(214,774,319)
Capital (gain) / loss on sale of investments - net	(174,771,865)	152,012,401
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,161,307,357	366,669,886
Provision for Sindh Workers' Welfare Fund	-	-
	<b>706,654,677</b>	<b>279,800,571</b>
<b>Decrease in assets</b>		
Receivable against sale of investments	53,064,695	1,483,060
Advances, deposits, prepayment and other receivables	(6,839)	8,605,113
	<b>53,057,856</b>	<b>10,088,173</b>
<b>Increase decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	4,713,425	842,859
Payable to the Central Depository Company of Pakistan Limited - Trustee	96,776	43,445
Payable to the Securities and Exchange Commission of Pakistan	(4,515,650)	(935,189)
Payable against purchase of investments	17,512,402	5,457,954
Accrued expenses and other liabilities	4,427,611	(293,350)
	<b>22,234,564</b>	<b>5,115,719</b>
Profit received on bank balances	11,229,244	24,015,273
Dividend received	190,019,531	152,490,033
Investments made during the period	(4,688,497,266)	(3,908,843,528)
Investments sold during the period	3,342,014,224	2,737,983,572
<b>Net cash used in operating activities</b>	<b>(1,206,289,202)</b>	<b>(1,100,417,700)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,862,566,743	1,674,098,586
Net payments against redemption of units	(858,286,027)	(920,957,708)
<b>Net cash generated from financing activities</b>	<b>1,004,280,716</b>	<b>753,140,878</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(202,008,486)</b>	<b>(347,276,822)</b>
Cash and cash equivalents at the beginning of the period	266,018,200	503,609,049
<b>Cash and cash equivalents at the end of the period</b>	<b>64,009,714</b>	<b>156,332,227</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

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

FOR THE NINE MONTHS ENDED 31 MARCH 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 and 23 May 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth and Thirteen 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, 25 May 2018, 5 September 2019 and 25 November 2019 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) [2019: AM2+ (AM Two plus)] on 26 December 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 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 2020.

### 2 BASIS FOR PREPARATION

#### 2.1 Statement of compliance

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

# Atlas Stock Market Fund

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A 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 VIII A 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 VIII A 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 2019.

## 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

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2019.

3.2 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2019.

## 3.3 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 3 - Business Combinations - Previously held interests in a joint operation

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

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IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

	Note	31 March 2020	30 June 2019
		Un-audited	Audited
<b>4 CASH AND BANK BALANCES</b>		-----Rupees-----	
In local currency			
- Profit and loss sharing accounts	4.1	49,004,952	266,003,200
- Current account		5,000	5,000
- Cheque in hand	4.2	14,999,762	10,000
		<b>64,009,714</b>	<b>266,018,200</b>

4.1 The rate of return on these balances range from 5.00% to 12.00% (30 June 2019: 6.00% and 13.15%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 03 April 2020.

	Note	31 March 2020	30 June 2019
		Un-audited	Audited
<b>5 INVESTMENTS</b>		-----Rupees-----	
<b>At fair value through profit or loss</b>			
- Investment in listed equity securities	5.1	<b>5,347,234,475</b>	<b>4,987,285,163</b>

# Atlas Stock Market Fund

## 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	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2020	Carrying Cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
		Number of shares			Rupees			%			
<b>INV. BANK/INV. COMPANIES / SECURITIES CO.</b>											
Anif Habib Limited		533,800	337,000	-	870,800	-	-	-	-	-	-
		<b>533,800</b>	<b>337,000</b>	<b>-</b>	<b>870,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>BANKS</b>											
Bank Al Habib Limited		4,191,700	1,943,000	-	989,000	5,145,700	396,871,111	277,198,859	5.18	5.13	0.46
Bank Alfalah Limited		5,336,000	2,919,000	-	3,855,500	4,399,500	191,824,375	139,948,095	2.62	2.59	0.25
BankIslami Pakistan Limited		-	8,544,500	139,750	400,000	8,284,250	93,838,120	74,723,935	1.40	1.38	0.75
Faysal Bank Limited		7,637,125	1,692,000	-	272,500	9,056,625	189,536,346	125,615,389	2.35	2.33	0.60
Habib Bank Limited	5.3	2,009,500	861,100	-	380,000	2,490,600	329,192,778	257,104,638	4.81	4.76	0.17
Habib Metropolitan Bank Limited		-	4,626,500	-	415,000	4,211,500	160,129,948	129,503,625	2.42	2.40	0.40
MCB Bank Limited		300	422,300	-	262,200	160,300	24,537,864	23,929,584	0.45	0.44	0.01
Meccan Bank Limited		1,444,635	1,702,000	-	808,000	2,338,635	191,543,969	152,221,752	2.85	2.82	0.18
The Bank Of Punjab		8,137,500	9,200,000	-	17,087,500	250,000	2,816,570	1,915,000	0.04	0.04	0.01
United Bank Limited	5.3	2,294,000	578,500	-	968,900	1,903,600	276,791,055	191,901,916	3.59	3.55	0.16
		<b>31,050,760</b>	<b>32,488,900</b>	<b>139,750</b>	<b>25,438,700</b>	<b>38,240,710</b>	<b>1,857,082,136</b>	<b>1,374,062,793</b>	<b>25.70</b>	<b>25.43</b>	
<b>INSURANCE</b>											
Adamjee Insurance Company Limited		-	1,576,500	-	-	1,576,500	60,666,760	41,982,195	0.79	0.78	0.45
Pakistan Reinsurance Company Limited		-	1,028,500	-	-	1,028,500	29,563,921	25,609,650	0.48	0.47	0.34
		<b>-</b>	<b>2,605,000</b>	<b>-</b>	<b>-</b>	<b>2,605,000</b>	<b>90,230,681</b>	<b>67,591,845</b>	<b>1.26</b>	<b>1.25</b>	
<b>TEXTILE SPINNING</b>											
Gadoon Textile Mills Limited		8,700	21,100	-	29,800	-	-	-	-	-	-
		<b>8,700</b>	<b>21,100</b>	<b>-</b>	<b>29,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TEXTILE COMPOSITE</b>											
Gul Ahmed Textile Mills Limited		908,000	-	-	908,000	-	-	-	-	-	-
Interloop Limited		1,075,000	931,500	-	2,003,500	3,000	134,058	107,580	0.00	0.00	0.00
Kohinoor Textile Mills Limited		2,157,500	-	-	650,000	1,507,500	37,762,875	39,014,100	0.73	0.72	0.50
Nisbat (Chunian) Limited		1,130,000	303,500	-	564,000	869,500	30,038,105	22,389,625	0.42	0.41	0.36
Nisbat Mills Limited		-	1,428,700	-	1,428,700	-	-	-	-	-	-
		<b>5,270,500</b>	<b>2,663,700</b>	<b>-</b>	<b>5,554,200</b>	<b>2,380,000</b>	<b>67,935,038</b>	<b>61,511,305</b>	<b>1.15</b>	<b>1.14</b>	
<b>CEMENT</b>											
Attock Cement Pakistan Limited		323,600	392,000	-	327,000	388,600	45,190,937	33,563,382	0.63	0.62	0.28
Cherat Cement Company Limited		859,000	2,070,500	85,900	347,000	2,668,400	125,245,765	147,802,676	2.76	2.74	1.37
D.G. Khan Cement Company Limited		805,000	1,605,000	-	1,020,000	1,390,000	97,687,107	82,357,500	1.54	1.52	0.32
Fauji Cement Company Limited		-	2,030,500	-	2,900,000	30,500	521,925	451,705	0.01	0.01	0.00
Kohat Cement Company Limited		90	356,000	-	354,590	1,500	119,255	130,875	0.00	0.00	0.00
Lucky Cement Limited		471,350	284,100	-	178,450	577,000	221,871,834	213,893,900	4.00	3.96	0.18
Maple Leaf Cement Factory Limited		-	945,000	-	900,000	45,000	1,152,950	932,400	0.02	0.02	0.00
Pioneer Cement Limited		-	4,604,000	-	-	4,604,000	172,538,808	127,530,800	2.38	2.36	2.03
		<b>2,459,040</b>	<b>12,287,100</b>	<b>85,900</b>	<b>5,127,040</b>	<b>9,705,000</b>	<b>664,328,581</b>	<b>606,663,238</b>	<b>11.35</b>	<b>11.23</b>	
<b>REFINERY</b>											
Attock Refinery Limited		-	140,000	-	140,000	-	-	-	-	-	-
National Refinery Limited		42,400	109,800	-	152,200	-	-	-	-	-	-
		<b>42,400</b>	<b>249,800</b>	<b>-</b>	<b>292,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>POWER GENERATION AND DISTRIBUTION</b>											
K-Electric Limited (Face value Rs. 3.5 per share)		6,750,000	-	-	-	6,750,000	29,632,500	19,102,500	0.36	0.35	0.02
Lalpur Power Limited		300,000	2,650,000	-	-	2,950,000	39,751,080	29,913,000	0.56	0.55	0.78
Nisbat Chunian Power Limited		619,000	-	-	-	619,000	10,776,790	7,434,190	0.14	0.14	0.17
Pakgen Power Limited		3,400,000	808,500	-	-	4,208,500	61,957,725	51,259,530	0.96	0.95	1.13
The Hub Power Company Limited		4,279,820	2,790,500	-	1,371,500	5,698,820	450,730,824	389,058,441	7.28	7.20	0.44
		<b>15,348,820</b>	<b>6,249,000</b>	<b>-</b>	<b>1,371,500</b>	<b>20,226,320</b>	<b>592,848,919</b>	<b>496,767,661</b>	<b>9.29</b>	<b>9.20</b>	
<b>OIL AND GAS MARKETING COMPANIES</b>											
Attock Petroleum Limited		-	51,000	-	51,000	-	-	-	-	-	-
Hascol Petroleum Limited		2,960	-	-	2,960	-	-	-	-	-	-
Hi-Tech Lubricants Limited		-	690,500	-	688,500	2,000	60,911	46,700	0.00	0.00	0.00
Pakistan State Oil Company Limited		1,270,460	328,000	280,092	706,900	1,171,652	168,322,830	142,355,718	2.66	2.64	0.25
Sui Northern Gas Pipelines Limited		625,200	165,000	-	-	790,200	54,511,683	29,158,380	0.55	0.54	0.12
		<b>1,898,620</b>	<b>1,234,500</b>	<b>280,092</b>	<b>1,449,360</b>	<b>1,963,852</b>	<b>222,895,424</b>	<b>171,560,798</b>	<b>3.21</b>	<b>3.18</b>	

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Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2020	Carrying Cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
		Number of shares					Rupees		age %		
<b>OIL AND GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited		238,494	118,180	33,017	22,740	366,951	336,038,328	326,990,036	6.12	6.05	0.28
Oil And Gas Development Company Limited		3,584,900	520,000	-	1,701,800	2,403,100	315,077,695	185,014,669	3.46	3.42	0.06
Pakistan Oilfields Limited		593,620	144,000	-	204,600	533,020	213,490,978	139,763,174	2.61	2.59	0.19
Pakistan Petroleum Limited	5.3	2,083,085	938,200	466,617	1,339,300	2,148,602	258,626,535	154,291,110	2.89	2.86	0.08
		<b>6,500,099</b>	<b>1,720,380</b>	<b>499,634</b>	<b>3,268,440</b>	<b>5,451,673</b>	<b>1,123,233,536</b>	<b>806,058,989</b>	<b>15.07</b>	<b>14.92</b>	
<b>INDUSTRIAL ENGINEERING</b>											
International Industries Limited		932,900	670,500	123,340	1,426,740	300,000	34,530,453	22,671,000	0.42	0.42	0.23
International Steels Limited		510,000	200,000	-	710,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited		4,725	-	-	-	4,725	118,881	148,034	0.00	0.00	0.00
		<b>1,447,625</b>	<b>870,500</b>	<b>123,340</b>	<b>2,136,740</b>	<b>304,725</b>	<b>34,649,334</b>	<b>22,819,034</b>	<b>0.43</b>	<b>0.42</b>	
<b>AUTOMOBILE ASSEMBLER</b>											
Indus Motor Company Limited		-	71,060	-	-	71,060	65,674,155	51,840,402	0.97	0.96	0.09
Millat Tractors Limited		-	79,200	-	-	79,200	54,280,668	43,026,192	0.80	0.80	0.16
		-	<b>150,260</b>	-	-	<b>150,260</b>	<b>119,954,823</b>	<b>94,866,594</b>	<b>1.77</b>	<b>1.76</b>	
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>											
Thal Limited (Face value Rs. 5 per share)		-	128,000	-	27,000	101,000	24,914,390	29,671,780	0.55	0.55	0.12
		-	<b>128,000</b>	-	<b>27,000</b>	<b>101,000</b>	<b>24,914,390</b>	<b>29,671,780</b>	<b>0.55</b>	<b>0.55</b>	
<b>TRANSPORT</b>											
Pakistan International Bulk Terminal Limited		-	4,519,000	-	1,500,000	3,019,000	33,690,595	24,997,320	0.47	0.46	0.17
		-	<b>4,519,000</b>	-	<b>1,500,000</b>	<b>3,019,000</b>	<b>33,690,595</b>	<b>24,997,320</b>	<b>0.47</b>	<b>0.46</b>	
<b>TECHNOLOGY AND COMMUNICATIONS</b>											
Pakistan Telecommunication Company Limited		-	4,073,000	-	4,073,000	-	-	-	-	-	-
Systems Limited		1,041,950	922,500	-	-	1,964,450	187,810,467	218,328,973	4.08	4.04	1.59
		<b>1,041,950</b>	<b>4,995,500</b>	-	<b>4,073,000</b>	<b>1,964,450</b>	<b>187,810,467</b>	<b>218,328,973</b>	<b>4.08</b>	<b>4.04</b>	
<b>FERTILIZER</b>											
Engro Corporation Limited		1,239,200	371,000	-	418,500	1,191,700	325,534,063	318,064,730	5.95	5.89	0.09
Engro Fertilizers Limited	5.3	4,219,000	3,540,000	-	4,913,500	2,845,500	193,023,935	164,071,530	3.07	3.04	0.49
Fauji Fertilizer Bin Qasim Limited		-	1,520,500	-	-	1,520,500	30,723,450	20,146,625	0.38	0.37	0.16
Fauji Fertilizer Company Limited		1,561,500	2,527,500	-	2,008,000	2,081,000	200,331,945	193,553,810	3.62	3.58	0.16
		<b>7,019,700</b>	<b>7,959,000</b>	-	<b>7,340,000</b>	<b>7,638,700</b>	<b>749,613,393</b>	<b>695,836,695</b>	<b>13.01</b>	<b>12.88</b>	
<b>PHARMACEUTICALS</b>											
Abbott Laboratories (Pakistan) Limited		43,000	136,500	-	50,300	129,200	48,189,968	41,120,484	0.77	0.76	0.13
AGP Limited		189,500	53,500	-	20,000	223,000	15,180,725	18,397,500	0.34	0.34	0.08
Ferrosols Laboratories Limited		201,100	-	-	10,000	191,100	21,368,802	33,228,468	0.62	0.62	0.63
Glaxosmithkline Pakistan Limited		209,000	153,000	-	-	362,000	41,347,837	61,192,480	1.14	1.13	0.11
Highnoon Laboratories Limited		-	84,800	-	-	84,800	40,118,458	42,277,888	0.79	0.78	0.27
The Searle Company Limited		355,414	354,500	-	179,000	530,914	87,803,599	83,273,861	1.56	1.54	0.25
		<b>998,014</b>	<b>782,300</b>	-	<b>259,300</b>	<b>1,521,014</b>	<b>254,009,389</b>	<b>279,490,681</b>	<b>5.23</b>	<b>5.17</b>	
<b>CHEMICALS</b>											
Archroma Pakistan Limited		-	150,350	-	20,050	130,300	85,035,520	67,365,100	1.26	1.25	0.38
Engro Polymer And Chemicals Limited		-	4,658,000	-	118,000	4,540,000	143,572,600	111,320,800	2.08	2.06	0.50
ICI Pakistan Limited		-	121,500	-	64,500	57,000	32,666,930	28,860,240	0.54	0.53	0.06
		-	<b>4,929,850</b>	-	<b>202,550</b>	<b>4,727,300</b>	<b>261,275,050</b>	<b>207,546,140</b>	<b>3.88</b>	<b>3.84</b>	
<b>PAPER AND BOARD</b>											
Cherat Packaging Limited		198,500	-	-	198,500	-	-	-	-	-	-
Packages Limited		-	57,200	-	-	57,200	22,346,247	13,059,332	0.24	0.24	0.06
		<b>198,500</b>	<b>57,200</b>	-	<b>198,500</b>	<b>57,200</b>	<b>22,346,247</b>	<b>13,059,332</b>	<b>0.24</b>	<b>0.24</b>	

# Atlas Stock Market Fund

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2020	Carrying Cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
		Number of shares						Rupees		age %	
<b>VANASPATI AND ALLIED INDUSTRIES</b>											
Unity Foods Limited		-	3,950,000	-	3,950,000	-	-	-	-	-	-
		-	3,950,000	-	3,950,000	-	-	-	-	-	-
<b>LEATHER AND TANNERIES</b>											
Bata Pakistan Limited		-	57,340	-	-	57,340	82,962,927	84,289,800	1.58	1.56	0.76
Service Industries Limited		125	4,100	1,025	4,225	1,025	523,409	658,727	0.01	0.01	0.01
		125	61,440	1,025	4,225	58,365	83,486,336	84,948,527	1.59	1.57	
<b>FOODS AND PERSONAL CARE PRODUCTS</b>											
Al Shaheer Corporation Limited		15,608	-	-	-	15,608	196,661	148,120	0.00	0.00	0.01
At-Tahur Limited		-	2,479,000	-	-	2,479,000	48,466,635	38,895,510	0.73	0.72	1.54
Matco Foods Limited		245	-	-	245	-	-	-	-	-	-
National Foods Limited (Face value Rs. 5 per share)		-	74,800	-	2,600	72,200	17,218,213	14,348,306	0.27	0.27	0.05
		15,853	2,553,800	-	2,845	2,566,808	65,881,509	53,391,936	1.00	0.99	
<b>GLASS AND CERAMICS</b>											
Tariq Glass Industries Limited		-	672,000	76,750	518,500	230,250	16,275,556	11,636,834	0.22	0.22	0.21
		-	672,000	76,750	518,500	230,250	16,275,556	11,636,834	0.22	0.22	
<b>MISCELLANEOUS</b>											
Shifa International Hospitals Limited		-	50,000	-	50,000	-	-	-	-	-	-
Synthetic Products Enterprises Limited		-	900,000	-	-	900,000	36,080,428	26,424,000	0.49	0.49	1.02
		-	950,000	-	50,000	900,000	36,080,428	26,424,000	0.49	0.49	
Total 31 March 2020							6,508,541,832	5,347,234,475	100.00	98.98	
Total 30 June 2019							6,012,411,867	4,987,285,163			

5.2 The cost of listed equity securities as at 31 March 2020 is Rs. 7,001,230,988 (30 June 2019: Rs. 5,857,406,669).

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:

	31 March 2020	30 June 2019	31 March 2020	30 June 2019
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Engro Fertilizers Limited	425,000	425,000	24,505,500	27,187,250
Habib Bank Limited	60,000	-	6,193,800	-
United Bank Limited	100,000	100,000	10,081,000	14,738,000
Pakistan Petroleum Limited	297,000	297,000	21,327,570	42,895,710
	<b>882,000</b>	<b>822,000</b>	<b>62,107,870</b>	<b>84,820,960</b>

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6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
Security deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
Prepayments		6,838	-
Other Receivable	6.1	10,929,988	10,929,987
		<b>13,536,826</b>	<b>13,529,987</b>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as other receivables as at 31 March 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	7.1	12,723,230	8,940,042
Sindh Sales Tax payable on remuneration of the Management Company	7.2	4,623,066	4,131,252
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges payable	13	885,425	447,002
		<b>38,533,709</b>	<b>33,820,284</b>

# Atlas Stock Market Fund

- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to 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 2019: 2%) per annum of the average net assets of fund for the period. On January 01, 2020 Management Company decided to revise the management fee from 2.00% to 2.40%. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 12,888,098 (2019: Rs. 11,411,843) 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. 12,396,284 (2019: Rs. 11,319,002) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2, the Management Company was of the view that further levy of FED was not justified.

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

During the 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 2019: 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 2020 would have been higher by Rs. 1.64 (30 June 2019: Rs. 2.03) per unit.

# Third Quarter Report 2019-20

		31 March 2020 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
<b>8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fees payable	8.1	<b>919,974</b>	<b>5,435,624</b>

**8.1** In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as equity scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

		31 March 2020 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
<b>9 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		273,630	374,220
Printing charges payable		11,205	30,909
NCCPL charges payable		25,000	30,000
Withholding and capital gain tax payable		1,103,144	370,634
Transaction charges payable		4,906,258	1,105,035
Sales load payable		16,947	1,130
Zakat payable		12,781	9,426
Provision for Sindh Workers' Welfare Fund	9.1	38,835,533	38,835,533
		<b>45,184,498</b>	<b>40,756,887</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.

# Atlas Stock Market Fund

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

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

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

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

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 2020 would have been higher by Rs. 3.14 per unit (30 June 2019: Rs. 3.88 per unit).

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2020 and 30 June 2019.

## 11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2020 is 2.97% (30 June 2019: 2.76%) which includes 0.37% (30 June 2019: 0.40%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 12 TAXATION

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 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 for allocation of such expenses to the Fund.

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## 14 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 loss per unit is not practicable.

## 15 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	
	2020	2019
	Un-audited	Un-audited
	----- Rupees-----	
<b>15.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	99,139,217	87,783,413
Sindh Sales Tax on remuneration of the Management Company	12,888,098	11,411,844
Remuneration paid	95,356,029	87,069,253
Accounting and operational charges	6,394,797	4,389,171
Issue of 109,653 (2019: Nil) units	59,799,878	-
Redemption of 93,695 (2019: Nil) units	60,000,000	-
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	5,351,236	5,139,856
Sindh Sales Tax on remuneration of the Trustee	695,661	668,181
Remuneration paid	5,265,594	5,101,409
Settlement charges	284,624	272,938
Sindh Sales Tax on settlement charges	37,001	35,482
<b>Atlas Battery Limited (Group Company)</b>		
Redemption of 5 (2019: 447) units	2,347	270,210
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 31,588 (2019: 158,175) units	20,000,000	94,000,000
Redemption of Nil (2019: 75,670) units	-	46,375,116

# Atlas Stock Market Fund

		For the Nine Months Ended 31 March	
		2020	2019
		Un-audited	Un-audited
		----- Rupees-----	
15.1	Transactions during the period (Continued....)	Note	
	<b>Atlas Honda Limited (Group Company)</b>		
	Issue of 1,146 (2019: Nil) units	537,873	-
	Redemption of Nil (2019: 315,794) units	-	200,000,000
	<b>Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
	Redemption of Nil (2019: 8,225) units	-	5,000,000
	<b>Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)</b>		
	Redemption of Nil (2019: 11,703) units	-	7,006,159
	<b>Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
	Redemption of Nil (2019: 16,542) units	-	9,632,342
	<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
	Issue of 20,672 (2019: Nil) units	11,000,000	-
	Redemption of 24,389 (2019: Nil) units	14,500,000	-
	<b>Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)</b>		
	Issue of Nil (2019: 730,632) units	-	448,096,319
	<b>Sindh Province Pension Fund (Unit Holder with more than 10% holding)</b>	15.3	
	Issue of 961,763 (2019: NIL) units	536,000,000	-
	<b>Sindh General Provident Investment Fund (Unit Holder with more than 10% holding)</b>	15.3	
	Issue of 1,099,069 (2019: NIL) units	504,000,000	-
	<b>Directors and their close family members and key management personnel of the Management Company</b>	15.4	
	Issue of 348,248 (2019: 13,499) units	183,510,106	8,221,108
	Redemption of 551 (2019: 91,273 ) units	279,369	57,814,834
		<b>31 March 2020</b>	<b>30 June 2019</b>
		<b>Un-audited</b>	<b>Audited</b>
		-----Rupees-----	
15.2	Details of balances with related parties as at the period / year end are as follows:		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the management company	12,723,230	8,940,042
	Sindh Sales tax payable on remuneration of the Management Company	4,623,066	4,131,252
	Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
	Accounting and operational charges payable	885,425	447,002
	Outstanding 164,854 (30 June 2019: 148,895) units - at net asset value	72,069,011	75,037,644

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		31 March 2020 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
15.2	Details of balances with related parties as at the period / year end are as follows: (Continued....)		
<b>Central Depository Company of Pakistan Limited (Trustee)</b>			
	Remuneration payable to the Trustee	614,835	529,193
	Sindh Sales tax payable on remuneration of trustee	79,929	68,795
	Settlement charges payable	3,000	3,000
	Sindh Sales tax payable on settlement charges	390	390
<b>Atlas Battery Limited (Group Company)</b>			
	Outstanding Nil (30 June 2019: 5) units - at net asset value	-	2,557
<b>Atlas Honda Limited (Group Company)</b>			
	Outstanding 27,734 (30 June 2019: 26,587) units - at net asset value	12,124,487	13,399,315
<b>Atlas Insurance Limited (Group Company)</b>			
	Outstanding 31,588 (30 June 2019: Nil) units - at net asset value	13,809,366	-
<b>Atlas Foundation (Group Company)</b>			
	Outstanding 869,075 (30 June 2019: 869,075) units - at net asset value	379,933,798	437,981,619
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>			
	Outstanding 113,144 (30 June 2019: 116,860) units - at net asset value	49,463,036	58,893,643
<b>Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>			
	Outstanding 97,797 (30 June 2019: 97,797) units - at net asset value	42,753,940	49,286,059
<b>Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>			
	Outstanding 21,791 (30 June 2019: 21,791) units - at net asset value	9,526,430	10,981,917
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>			
	Outstanding 210,096 (30 June 2019: 210,096) units - at net asset value	91,847,623	105,880,474
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)</b>			
	Outstanding 31,394 (30 June 2019: 31,394) units - at net asset value	13,724,558	15,821,451
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>			
	Outstanding 21,886 (30 June 2019: 21,886) units - at net asset value	9,568,060	11,029,907
	<b>Shirazi Investments (Private) Limited (Group Company)</b>		
	(Unit Holder with more than 10% holding)		
	Outstanding 4,539,013 (30 June 2019: 4,539,013) units - at net asset value	1,984,320,102	2,287,492,549

# Atlas Stock Market Fund

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
15.2	Details of balances with related parties as at the period / year end are as follows: (Continued....)		
	<b>Sindh Province Pension Fund</b>		
	(Unit Holder with more than 10% holding)		
	Outstanding 1,423,279 (30 June 2019: Nil) units - at net asset value	622,214,754	-
	<b>Sindh General Provident Investment Fund</b>		
	(Unit Holder with more than 10% holding)		
	Outstanding 1,283,591 (30 June 2019: Nil) units - at net asset value	561,147,528	-
	<b>Directors and their close family members and key management personnel of the Management Company</b>		
	Outstanding 850,411 (30 June 2019: 632,891) units - at net asset value	371,774,076	318,953,167
15.3	Holding being more than 10% in the reporting period, disclosure is required.		
15.4	Other balances due to / from related parties / connected persons included in the respective notes to the condensed interim financial statements.		

## 16 FAIR VALUE MEASUREMENT

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

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

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

### Fair value hierarchy

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

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

As at 31 March 2020 and 30 June 2019, the Fund held the following instruments measured at fair values:

# Third Quarter Report 2019-20

	Level 1	Level 2	Level 3
	----- Rupees -----		
<b><u>31 March 2020</u></b>			
At fair value through profit or loss	5,347,234,475	-	-
	<b><u>5,347,234,475</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>30 June 2019</u></b>			
At fair value through profit or loss	4,987,285,163	-	-
	<b><u>4,987,285,163</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

## 17 GENERAL

- 17.1 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 March 2020 and 31 March 2019 have not been subjected to limited scope review by the statutory auditors of the Fund.
- 17.2 Figures have been rounded off to the nearest Rupee unless otherwise stated.
- 17.3 Number of units have been rounded off to the nearest decimal places.

## 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 2020.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman








**Tariq Amin**  
Director










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**Head Office- Karachi**

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

**Savings Center- Karachi**

Faiyaz Center, 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, Ext. 186

**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)

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**Atlas Islamic Income Fund**

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**Atlas Islamic Stock Fund**

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**Atlas Islamic Fund of Funds**

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**Atlas Islamic Dedicated Stock Fund**

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**THIRD QUARTER REPORT**

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**31 MARCH 2020**

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**(UN-AUDITED)**



**Management Company**

**Atlas Asset Management**

**Rated AM2+ by PACRA  
(as of December 26, 2019)**



#### **Vision**

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

#### **Mission Statement**

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

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# Atlas Meraj

## ORGANISATION

### Management Company

Atlas Asset Management Limited

### Board of Directors of the Management Company

**Chairman** Mr. Iftikhar 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

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

### Investment Committee

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

### Management Committee

**Chairman** Mr. Muhammad Abdul Samad  
**Members** Mr. Khalid Mahmood  
Ms Qurrat-ul-Ain Jafari  
Ms Mishaal H. Shirazi  
Mr. Tariq Ahmed Siddiqui  
Ms Ayesha Farooq  
Ms Zainab Kazim  
**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

# Third Quarter Report 2019-20

## CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited financial statements of Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Fund of Funds (AIFOF) and Atlas Islamic Dedicated Stock Fund (AIDSF) for the nine months ended March 31, 2020 of FY 2019-20.

## THE ECONOMY

Macroeconomic stabilization measures taken under IMF program continued to bring substantial improvements during the year. Transition to market-determined exchange rate and contractionary monetary policy resulted in demand attrition, resulting in Jul-Mar FY 2019-20 Current Account Deficit (CAD) to contract by 73.08% and to stand at US \$2.77 billion compared to US \$10.28 billion in same period last year. The Jul-Mar FY 2019-20 imports of US \$34.81 billion declined by 14.42% compared to Jul-Mar FY19 imports of US \$40.68 billion. Exports for the period Jul-Mar FY 2019-20 of US \$17.45 billion increased by 2.23% against exports of US \$17.07 billion in same period last year. Reduction in CAD provided support to Foreign Exchange Reserves, that stood at US \$17.39 billion with State Bank of Pakistan's (SBP) share of US \$11.19 billion as of March 27, 2020 as compared to US \$14.48 billion (with SBP's share of US \$7.28 billion) as of June 30, 2019. Worker's Remittances for July-Mar FY 2019-20 stood at US \$16.99 billion, recording growth of 5.99% against same period last year. CPI inflation for the period July-Mar FY 2019-20 averaged at 11.53% (6.31% last year), is expected to come down going forward. During Jul-Mar FY 2019-20, the Federal Board of Revenue provisionally collected Rs. 3,063 billion tax revenue against a target of Rs. 3,521 billion, registering growth of 14.3% when compared to previous year. In its recent meetings, the monetary policy committee of State Bank of Pakistan decided to cut policy rate by cumulative 425 bps to 9.0% in response to the economic slowdown expected to arise from COVID-19 pandemic following the increase of cases in Pakistan and lockdowns being witnessed in the country.

## FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 9.66% to Rs. 552.58 as on March 31, 2020, providing an annualized total return of 12.82%. The AIIF's total exposure in Sukuks and high yielding Shariah Compliant Bank Deposits/Others stood at 12.69% and 87.31%, respectively. The Net Assets of the Fund stood at Rs. 2.28 billion, with 4.13 million units outstanding as of March 31, 2020.

## FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) decreased by 12.51% to Rs. 376.11 as on March 31, 2020. The benchmark KMI-30 index decreased by 16.75% during the same period. The KMI-30 index decreased from 54,118.51 points as on June 28, 2019 to 45,051.66 points as on March 31, 2020. AISF strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospect of earnings growth. AISF's equity portfolio exposure stood at 93.13% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks. The Net Assets of the Fund stood at Rs. 1.18 billion, with 3.13 million units outstanding as of March 31, 2020.

## FUND OPERATIONS - AIFOF

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) decreased by 4.78% to Rs. 422.66 as on March 31, 2020. AAAIP was 29.38% and 69.76% invested in AIIF's and AIDSF's, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) decreased by 0.34% to Rs. 463.86 as on March 31, 2020. AMAIP was 50.24% and 48.83% invested in AIIF's and AIDSF's, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 5.06% to Rs. 520.40 as on March 31, 2020. ACAIP was 74.55% and 24.95% invested in AIIF's and AIDSF's, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 2.17% to Rs. 498.56 as on March 31, 2020. AICPP was 67.90% and 30.44% invested in AIIF's and AIDSF's, respectively. The Net Asset Value of Atlas Islamic Dividend Plan (AIDP) increased by 11.25% (annualized basis) since inception. AIDP was 87.33% invested in AIIF's. The Net Assets of AIFOF's stood at Rs. 884.37 million as of March 31, 2020.

## FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) decreased by 12.13% to Rs. 363.44 as on March 31, 2020. The benchmark KMI-30 index decreased by 16.75% during the same period. The KMI-30 index decreased from 54,118.51 points as on June 28, 2019 to 45,051.66 points as on March 31, 2020. AIDSF's strategy will continue to

# Atlas Meraj

focus on dividend plays and stocks that are trading at relatively cheap multiple with prospects of earnings growth. AIDSF's equity portfolio exposure stood at 96.40% that mainly comprised of Oil & Gas Exploration, Fertilizer, Cement and Islamic Commercial Banks. The Net Assets of the Fund stood at Rs. 332.31 million, with 0.91 million units outstanding as of March 31, 2020.

## **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 AMCs, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. FBR has challenged the decision of SHC in the Honorable Supreme Court of Pakistan (SCP). However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

## **WITHHOLDING TAX**

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). After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the

# Third Quarter Report 2019-20

matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

## RATINGS

- **Asset Manager Rating**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "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 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 low exposure to risks.

## FUTURE OUTLOOK

The outbreak of COVID-19 pandemic is likely to disrupt domestic economic activity. Moody's expects Pakistan's GDP growth rate to slow down from previously expected growth rate of 2.90% to 2.00%-2.25%. SBP has also suggested a downward revision of growth and inflation targets in Pakistan due to COVID-19. Government's focus towards reforms to cushion growth slowdown evolving from COVID-19 will be instrumental for protecting underprivileged segment of the society. On the external front, macroeconomic stabilization measures by Government of Pakistan, sharp fall in international crude oil price and slowdown in domestic demand due to COVID-19 is expected to keep CAD for FY 2019-20 near 2% of GDP that remained at 6.3% of GDP in FY18 and 4.9% of GDP in FY19. Moreover, reduction in imports will likely outweigh weakness in export and remittances that are likely to fall on the back of COVID-19 pandemic. According to SBP, current interest rates are adequate to achieve inflation in 5% - 7% range over medium term. Reduction of policy rate by 425 bps will provide fiscal respite in terms of lower interest payments on GOP debt that will bode positively for fiscal deficit. Going forward, structural reforms will be instrumental in reducing strains on fiscal accounts, reducing the cost of doing business, increasing global competitiveness and achieving sustainable growth in the economy.

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

## 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 2020

**Iftikhar H. Shirazi**  
Chairman

# Atlas Islamic Income Fund

## Corporate Information

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### **Trustee**

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

### **Shariah Advisor**

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Dr. Mufti Muhammad Wasih Fasih Butt

### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

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Mohsin Tayebaly & Co.

### **Bankers**

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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  
Habib Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking  
Meezan Bank Limited  
Soneri Bank Limited - Islamic Banking

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2020

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	----- Rupees -----	
<b>Assets</b>			
Cash and bank balances	4	2,043,864,290	1,308,448,955
Investments	5	303,861,761	99,898,800
Mark-up accrued	6	46,714,320	15,086,559
Security deposits, prepayments and other receivables	7	690,542	578,941
<b>Total assets</b>		<b>2,395,130,913</b>	<b>1,424,013,255</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	3,212,137	2,465,344
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	166,135	180,998
Payable to the Securities and Exchange Commission of Pakistan	10	260,082	701,274
Payable against redemption of units		101,441,057	19,806,934
Unclaimed dividend		62,457	390,184
Accrued expenses and other liabilities	11	9,187,881	8,242,302
<b>Total liabilities</b>		<b>114,329,749</b>	<b>31,787,036</b>
<b>NET ASSETS</b>		<b>2,280,801,164</b>	<b>1,392,226,219</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,280,801,164</b>	<b>1,392,226,219</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,127,532</b>	<b>2,762,766</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>552.58</b>	<b>503.92</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

		For the Nine Months Ended		For the Quarter Ended	
		31 March		31 March	
		2020	2019	2020	2019
<b>Income</b>	<b>Note</b>	-----Rupees-----			
Mark-up income	13	169,726,867	54,990,973	65,219,213	25,130,516
Capital gain on investments - net		10,000	-	-	-
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		2,957,861	(782,800)	2,283,227	(5,600)
		<b>2,967,861</b>	<b>(782,800)</b>	<b>2,283,227</b>	<b>(5,600)</b>
<b>Total income</b>		<b>172,694,728</b>	<b>54,208,173</b>	<b>67,502,440</b>	<b>25,124,916</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	4,509,627	1,863,165	2,006,751	726,079
Sindh Sales Tax on remuneration of the Management Company	8.2	586,252	242,211	260,878	94,390
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		975,309	1,041,619	376,266	397,270
Sindh Sales Tax on remuneration of the Trustee		126,790	135,410	48,915	51,645
Annual fees to the Securities and Exchange Commission of Pakistan		260,082	465,791	100,338	181,519
Accounting and operational charges	14	1,798,994	621,055	787,083	242,026
Auditors' remuneration		231,037	94,429	83,243	63,123
Securities transaction cost		145,142	5,085	44,998	(304)
Annual listing fee		20,661	20,645	6,760	6,781
Annual rating fee		225,650	227,445	74,669	74,051
Printing charges		20,141	(7,402)	-	(14,587)
Shariah advisory fee		135,000	131,964	45,000	43,049
Bank charges		41,157	30,097	8,673	13,029
Legal and professional charges		235,460	147,425	117,427	46,440
Provision for Sindh Workers' Welfare Fund		3,267,667	983,785	1,270,827	464,008
<b>Total expenses</b>		<b>12,578,969</b>	<b>6,002,724</b>	<b>5,231,828</b>	<b>2,388,519</b>
<b>Net income for the period before taxation</b>		<b>160,115,759</b>	<b>48,205,449</b>	<b>62,270,612</b>	<b>22,736,397</b>
<b>Taxation</b>	16	-	-	-	-
<b>Net income for the period after taxation</b>		<b>160,115,759</b>	<b>48,205,449</b>	<b>62,270,612</b>	<b>22,736,397</b>
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		160,115,759	48,205,449	62,270,612	22,736,397
Income already paid on units redeemed		(25,200,602)	(7,212,689)	(12,472,490)	(3,553,434)
		<b>134,915,157</b>	<b>40,992,760</b>	<b>49,798,122</b>	<b>19,182,963</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		2,967,861	-	2,283,227	-
- Excluding capital gains		131,947,296	40,992,760	47,514,895	19,182,963
		<b>134,915,157</b>	<b>40,992,760</b>	<b>49,798,122</b>	<b>19,182,963</b>

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	160,115,759	48,205,449	62,270,612	22,736,397
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>160,115,759</b>	<b>48,205,449</b>	<b>62,270,612</b>	<b>22,736,397</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Income Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	31 March 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,384,052,950	-	1,384,052,950
<b>Undistributed income brought forward</b>			
- Realised income	-	8,274,469	8,274,469
- Unrealised income	-	(101,200)	(101,200)
<b>Net assets at the beginning of the period (Units outstanding: 2,762,766) (Rs. 503.92 per unit)</b>	<b>1,384,052,950</b>	<b>8,173,269</b>	<b>1,392,226,219</b>
Issue of 4,252,645 units	2,270,647,050	-	2,270,647,050
Redemption of 2,887,880 units	(1,516,987,262)	(25,200,602)	(1,542,187,863)
Total comprehensive income for the period	-	160,115,758	160,115,758
<b>Net assets at end of the period (Units outstanding: 4,127,532) (Rs. 552.58 per unit)</b>	<b>2,137,712,738</b>	<b>143,088,425</b>	<b>2,280,801,164</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	129,226,665	-
- Unrealised income	-	13,861,761	-
	<b>-</b>	<b>143,088,425</b>	<b>-</b>
	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)
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)
Refund of Capital	(21,355,512)	-	(21,355,512)
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 loss	-	(500)	-
	<b>-</b>	<b>25,886,728</b>	<b>-</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	Note	For the Nine Months Ended	
		31 March	
		2020	2019
		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		160,115,759	48,205,449
<b>Adjustments for:</b>			
Mark-up income		(169,726,867)	(54,990,973)
Capital gain on sale of investments - net		(10,000)	-
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(2,957,861)	782,800
Provision for Sindh Workers' Welfare Fund		3,267,667	983,785
		<b>(169,427,061)</b>	<b>(53,224,388)</b>
<b>Increase in assets</b>			
Security deposits, prepayments and other receivables		(111,601)	(6,855)
<b>Decrease in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		746,793	124,071
Payable to Central Depository Company of Pakistan Limited - Trustee		(14,863)	38,271
Payable to the Securities and Exchange Commission of Pakistan		(441,192)	(421,757)
Unclaimed dividend		(327,727)	-
Accrued expenses and other liabilities		(2,322,088)	(501,553)
		<b>(2,359,077)</b>	<b>(760,968)</b>
Mark-up received		138,099,106	46,218,500
Investments made during the period		(214,345,101)	-
Investments sold / matured during the period		13,350,000	-
<b>Net cash (used in) / generated from operating activities</b>		<b>(74,677,975)</b>	<b>40,431,738</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Refund of Capital		-	(21,355,512)
Net receipts from issuance of units		2,270,647,050	1,054,778,704
Net payments against redemption of units		(1,460,553,740)	(664,408,254)
Cash payout against distribution		-	(49,196,644)
<b>Net cash generated from financing activities</b>		<b>810,093,310</b>	<b>319,818,294</b>
<b>Net increase in cash and cash equivalents</b>		<b>735,415,335</b>	<b>360,250,032</b>
Cash and cash equivalents at the beginning of the period		1,308,448,955	776,625,525
<b>Cash and cash equivalents at the end of the period</b>	4	<b>2,043,864,290</b>	<b>1,136,875,557</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Income Fund

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

FOR THE NINE MONTHS ENDED 31 MARCH 2020

### 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, Seventh, Eighth and Ninth supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019 and 30 October 2019 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) [2019: AM2+ (AM Two Plus)] on 26 December 2019.
- Moreover, PACRA maintained the stability rating of the Fund at "AA- (f)" [2019: "AA- (f)"] on 17 April 2020 subsequently to the balance sheet date.
- 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 2020.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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- 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 VIII A 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 VIII A 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 VIII A 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 2019.

## **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**

**3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2019.

**3.2** 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 2019.

## **3.3 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 3 - Business Combinations - Previously held interests in a joint operation

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

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IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

## Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

		31 March 2020 Un-audited	30 June 2019 Audited
	Note	----- Rupees -----	-----
<b>4 CASH AND BANK BALANCES</b>			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	2,038,494,549	1,306,013,955
- Current account		5,000	5,000
Cheques in hand	4.2	5,364,741	2,430,000
		<u>2,043,864,290</u>	<u>1,308,448,955</u>

4.1 The rate of return on these profit & loss sharing accounts ranges between 5.00% to 12.35% (30 June 2019: 6.00% to 13%) per annum.

4.2 These denote cheques received against issue of units which were cleared by 06 April 2020.

		31 March 2020 Un-audited	30 June 2019 Audited
	Note	----- Rupees -----	-----
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss - held for trading</b>			
Debt securities - sukuk certificates	5.1	303,861,761	99,898,800
		<u>303,861,761</u>	<u>99,898,800</u>

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## 5.1 Debt securities - Sukuk Certificates

Particulars	Note	As at 01 July 2019	Acquired during the period	Disposed during the period	As at 31 March 2020	Carrying Value as at 31 March 2020	Market Value as at 31 March 2020	Unrealised appreciation as at 31 March 2020	Market	Market	Investments
									Value as a percentage of total investments	Value as a percentage of net assets	as a percentage of total issue size
			----- Number of Certificates -----			----- Rupees -----			----- % age -----		
<b>BANKS</b>											
Meezan Bank Limited (unlisted) (Face Value Rs. 1,000,000)	5.1.1 & 5.1.2	50	-	-	50	49,998,800	50,750,000	751,200	16.70%	2.23%	0.71
Meezan Bank Limited - Tier II (Face Value Rs. 1,000,000)		-	50	-	50	50,000,000	50,000,000	-	16.45%	2.19%	-
<b>Fertilizers</b>											
Dawood Hercules Corporation Limited Sukuk 2 (Listed) (Face Value Rs. 80,000)	5.1.1 & 5.1.2	500	500	-	1,000	79,836,971	80,264,080	427,109	26.41%	3.52%	1.67
Dawood Hercules Corporation Limited Sukuk 1 (Listed) (Face Value Rs. 80,000)		-	835	-	835	66,068,129	67,283,766	1,215,637	22.14%	2.95%	1.61
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited (Listed) (Face Value Rs. 100,000)	5.1.1 & 5.1.2	-	550	-	550	55,000,000	55,563,915	563,915	18.29%	2.44%	0.79
<b>Total - 31 March 2020</b>						<b>300,903,899</b>	<b>303,861,761</b>	<b>2,957,861</b>	<b>100.00%</b>	<b>13.32%</b>	
<b>Total - 30 June 2019</b>						<b>100,782,300</b>	<b>99,898,800</b>	<b>(1,347,400)</b>	<b>100.00%</b>	<b>11.55%</b>	

5.1.1 The cost of these investments at 31 March 2020 amounted to Rs 290,000,000 (30 June 2019: Rs. 100,000,000).

5.1.2 These carry quarterly and semi annually rate of return ranging from "3 months Kibor + 1%" to " 3 months Kibor + 1.9% " and "6 months Kibor + 0.5%" respectively, having maturity upto 26 September 2026.

## 6 MARK-UP ACCRUED

Mark-up accrued on:

- Profit and loss sharing accounts
- Sukuk certificates

Note	31 March 2020	30 June 2019
	Un-audited	Audited
	----- Rupees -----	
	33,120,119	12,603,754
	13,594,201	2,482,805
	<b>46,714,320</b>	<b>15,086,559</b>

## 7 SECURITY DEPOSIT AND OTHER RECEIVABLES

Deposit with Central Depository Company of Pakistan Limited  
Other receivable  
Prepaid Rating Fee  
Prepaid Listing Fee

	100,000	100,000
7.1	478,941	478,941
	104,762	-
	6,839	-
	<b>690,542</b>	<b>578,941</b>

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

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For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted from profit on bank deposits by the Funds has been shown as other receivable as at 31 March 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 March	30 June
		2020	2019
		Un-audited	Audited
		----- Rupees -----	-----
Remuneration of the Management Company	8.1	781,456	316,981
Sindh Sales Tax payable on remuneration of the Management Company	8.2	369,184	308,801
Federal Excise Duty payable on remuneration of the Management Company	8.3	1,733,901	1,733,901
Accounting and operational charges reimbursable by the Fund	14	327,596	105,661
		<b>3,212,137</b>	<b>2,465,344</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% (2019: 0.30%) per annum of the average annual net assets of the Fund. On December 10, 2019 Management Company decided to revise the management fee from 0.30% to 0.40% The fee is payable to the Management Company monthly in arrears.
- 8.2 During the nine month ended 31 March 2020, an amount of Rs. 586,252 (2019: Rs. 242,211) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 525,869 (2019: Rs 231,190) 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 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.

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During the year ended 30 June 2018, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 1.734 million (30 June 2019: Rs 0.6276 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 2020 would have been higher by Rs. 0.42 per unit (30 June 2019: Rs. 0.63 per unit).

## 9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed. Effective from 1 July 2019, this has been charged as follows:

The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. However, during the period ended March 31, 2019, the trustee fee was charged in accordance with the following slab rates:

Net assets	Fee
- upto Rs 1,000 million	0.17% per annum of net assets
- Rs 1,000 million to Rs 5,000 million	Rs 1.7 million plus 0.085% per annum of net assets exceeding Rs 1,000 million.
- exceeding 5,000 million	Rs 5.1 million plus 0.07% per annum of net assets exceeding Rs 5,000 million.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	31 March 2020	30 June 2019
		Un-audited	Audited
Annual fee payable	10.1	<u>260,082</u>	<u>701,274</u>

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

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as income scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the income scheme was 0.075% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

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11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 March	30 June
		2020	2019
		Un-audited	Audited
-----Rupees-----			
Auditors' remuneration payable		183,247	196,020
Printing charges payable		8,196	45,954
Payable to Shariah Advisor		45,000	45,000
Withholding & Capital gain tax payable		1,074,808	3,410,753
Provision for Sindh Workers' Welfare Fund	11.1	7,312,487	4,044,820
Zakat payable		19,589	19,589
Other payable		544,554	480,166
		<b>9,187,881</b>	<b>8,242,302</b>

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the 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, 2018, 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.

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, 2020, the net asset value of the Fund as at 31 March 2020 would have been higher by Rs. 1.77 per unit (30 June 2019: Rs. 1.47 per unit).

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2020 and as at 30 June 2019.

13 MARK-UP INCOME	For the Nine Months Ended		For the Quarter Ended		
	31 March		31 March		
	2020	2019	2020	2019	
		Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----					
Mark-up income on:					
- Profit and loss sharing accounts	144,569,830	48,188,164	54,089,939	22,582,529	
- Money Market Placement	2,209,019	-	1,637,260	-	
- Sukuk certificates	22,948,018	6,802,809	9,492,014	2,547,987	
	<b>169,726,867</b>	<b>54,990,973</b>	<b>65,219,213</b>	<b>25,130,516</b>	

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## 14 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 for allocation of such expenses to the Fund.

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2020 is 0.96% (30 June 2019: 0.97%) which includes 0.32% (30 June 2019: 0.31%) 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.

## 16 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 for taxation has been made in these condensed interim financial statements.

## 17 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.

## 18 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.

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 Income Fund

For the Nine Months Ended  
31 March

## 18.1 Transactions during the period

### Atlas Asset Management Limited (Management Company)

	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
Remuneration of the Management Company	4,509,627	1,863,165
Remuneration paid	4,045,152	1,778,385
Sindh Sales Tax on remuneration of the Management Company	586,252	242,211
Accounting and operational charges	1,798,994	621,055

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

Remuneration of the Trustee	975,309	1,041,619
Remuneration paid to the Trustee	988,462	1,007,751
Sindh Sales Tax on remuneration of the Trustee	126,790	135,410
Settlement charges paid	46,161	4,500

### Atlas Honda Limited (Group Company)

Issue of Nil (2019: 2) units	-	1,154
Dividend declared	-	1,296

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

Issue of Nil (2019: 1,842) units	-	927,771
Redemption of Nil (2019: 14,265) units	-	7,260,562
Dividend declared	-	927,771

### Atlas Insurance Limited Window Takaful Operations

Issue of 78,570 (2019: 37,108) units	40,000,000	19,284,131
Redemption of 78,570 (2019: 69,436) units	42,024,750	35,908,903
Dividend declared	-	1,414,091

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

Issue of 32 (2019: 4,825) units	16,628	2,427,552
Redemption of 115,059 (2019: 115,059) units	-	60,000,000
Dividend declared	-	2,855,944

### Honda Atlas Power Product (Private) Limited (Group Company)

Issue of Nil (2019: 1,695) units	-	852,838
Redemption of Nil (2019: 41,015) units	-	20,728,635
Dividend declared	-	963,345

### Chevron Pakistan Lubricants (Private) Gratuity Fund

Issue of Nil (2019: 13,815) units	-	6,958,871
Dividend declared	-	6,958,871

### Cherat Cement Company Limited Employees Provident Fund (Retirement benefit plan of a Group Company)

Issue of Nil (2019: 19,652) units	-	10,000,000
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### CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)

Issue of 18,044 (2019: 65,937) units	9,640,000	34,190,015
Redemption of 28,861 (2019: 4,720) units	15,400,000	2,400,000
Dividend declared	-	940,678

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		For the Nine Months Ended 31 March	
		2020	2019
		Un-audited	Un-audited
		----- Rupees -----	
18.1	Transactions during the period (Continued.....)		
	Note		
	<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of 22,746 (2019: 114,322) units	12,120,000	59,354,175
	Redemption of 34,049 (2019: 4,912) units	18,150,000	2,500,000
	Dividend declared	-	1,717,418
	<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of 22,166 (2019: 184,155) units	11,840,000	95,581,536
	Redemption of 34,900 (2019: 2,759) units	18,600,000	1,400,000
	Dividend declared	-	2,683,325
	<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of Nil (2019: 588,186) units	-	300,000,000
	Redemption of 63,831 (2019: Nil) units	34,000,000	-
	<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of 198,568 (2019: Nil) units	109,200,000	-
	<b>Directors and their close family members and key management personnel of the Management Company</b>	18.3	
	Issue of 3,320 (2019: 42,807) units	1,781,697	21,890,782
	Redemption of 2,577 (2019: 53,629) units	1,392,536	27,411,448
	Dividend declared	-	472,595
		<b>31 March</b>	<b>30 June</b>
		<b>2020</b>	<b>2019</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- Rupees -----	
18.2	Details of balances with related parties as at the period / year end are as follows:		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	781,456	316,981
	Sindh Sales Tax payable on Remuneration of the Management Company	369,184	308,801
	Federal Excise Duty payable on Remuneration of the Management Company	1,733,901	1,733,901
	Accounting and operational charges payable	327,596	105,661
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	146,522	159,675
	Sindh Sales Tax payable on Remuneration of the trustee	19,048	20,758
	Settlement charges payable	500	500
	Sindh Sales Tax payable on settlement charges	65	65
	<b>Atlas Honda Limited (Group Company)</b>		
	Outstanding 33 (30 June 2019: 33) units - at net asset value	18,500	16,871
	<b>Honda Atlas Power Product (Pvt) Limited (Group Company)</b>		
	Outstanding 66 (30 June 2019: 66) units - at net asset value	36,400	33,194

# Atlas Islamic Income Fund

18.2	Details of balances with related parties as at the period / year end are as follows: (Continued.....)	Note	31 March	30 June
			2020	2019
			Un-audited	Audited
			----- Rupees -----	
	<b>Shirazi Investments (Private) Limited (Group Company)</b>			
	Outstanding 3,982 (30 June 2019: 3,950) units - at net asset value		2,200,279	1,990,351
	<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>			
	Outstanding 47,133 (30 June 2019: 57,950) units - at net asset value		26,044,608	29,202,014
	<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>			
	Outstanding 95,022 (30 June 2019: 106,325) units - at net asset value		52,507,143	53,579,077
	<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>			
	Outstanding 170,150 (30 June 2019: 182,884) units - at net asset value		94,021,355	92,159,042
	<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>			
	Outstanding 541,106 (30 June 2019: 604,937) units - at net asset value		299,004,608	304,840,054
	<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>			
	Outstanding 198,568 (30 June 2019: Nil) units - at net asset value		109,724,914	-
	<b>Directors and their close family members and key management personnel of the Management Company</b>	18.3		
	Outstanding 5,518 (30 June 2019: 4,774) units - at net asset value		3,049,123	2,405,794
18.3	Other balances due to / from related parties / connected persons included in the respective notes to the condensed interim financial statements.			

## 19 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.

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## Fair value hierarchy

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

- Level 1: quoted 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 2020 and 30 June 2019, the Fund had financial assets at fair value through profit or loss measured using the level 2 valuation technique.

## 20 GENERAL

**20.1** 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 except for the change in accounting policy disclosed in note 3.2 thereto.

**20.2** Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 March 2020 and 31 March 2019 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

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

## 21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 29 April 2020.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

## Corporate Information

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### **Trustee**

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

### **Shariah Advisor**

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Dr. Mufti Muhammad Wasih Fasih Butt

### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

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Mohsin Tayebaly & Co.

### **Bankers**

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

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## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2020

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Bank balances	4	67,896,307	156,269,884
Investments	5	1,148,192,787	1,193,804,060
Receivable against sale of investment		-	72,714,091
Dividend receivable		10,421,177	541,157
Profit receivable on bank balances		1,150,895	1,045,961
Security deposits, prepayment and other receivables	6	5,204,258	5,197,419
<b>Total assets</b>		<b>1,232,865,424</b>	<b>1,429,572,572</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	15,100,234	14,879,795
Payable to Central Depository Company of Pakistan Limited - Trustee		220,229	235,939
Payable to the Securities and Exchange Commission of Pakistan	8	202,293	1,563,199
Payable against purchase of investments		22,909,128	-
Payable against redemption of units		-	190,404,182
Accrued expenses and other liabilities	9	18,223,328	17,495,849
<b>Total liabilities</b>		<b>56,655,212</b>	<b>224,578,964</b>
<b>NET ASSETS</b>		<b>1,176,210,212</b>	<b>1,204,993,608</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,176,210,212</b>	<b>1,204,993,608</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>3,127,329</b>	<b>2,803,109</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>376.11</b>	<b>429.88</b>

The annexed notes from 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

**Iftikhar 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 2020

	Note	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
		2020	2019	2020	2019
-----Rupees-----					
<b>Income</b>					
Profit on bank balances		4,904,063	9,434,608	1,818,055	2,807,003
Dividend income		55,950,372	57,117,888	10,588,941	10,400,678
Capital gain / (loss) on sale of investments - net		75,764,231	(23,762,302)	12,038,094	(24,846,727)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(226,945,638)	(73,210,566)	(450,760,553)	87,396,223
		<b>(151,181,407)</b>	<b>(96,972,868)</b>	<b>(438,722,459)</b>	<b>62,549,496</b>
<b>Total income</b>		<b>(90,326,972)</b>	<b>(30,420,372)</b>	<b>(426,315,463)</b>	<b>75,757,177</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	21,698,364	26,096,794	8,799,093	7,254,873
Sindh Sales Tax on remuneration of the Management Company	7.2	2,820,787	3,392,583	1,143,882	943,133
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,762,813	2,055,525	615,117	609,319
Sindh Sales Tax on remuneration of the Trustee		229,166	267,218	79,966	79,211
Annual fee to the Securities and Exchange Commission of Pakistan		202,318	1,239,598	73,326	344,606
Accounting and operational charges	13	1,394,865	1,304,840	568,145	362,744
Shariah advisory fee		225,000	225,204	75,000	73,972
Auditors' remuneration		305,446	176,964	97,503	72,305
Securities transaction cost		2,293,030	2,193,520	992,900	696,781
Annual listing fee		20,661	20,720	6,837	7,008
Printing charges		(19,227)	(16,784)	-	(49,756)
Legal and professional charges		195,500	110,705	97,447	28,080
Bank charges		43,956	33,657	19,302	19,024
Provision for Sindh Workers Welfare Fund		-	-	(6,347,687)	-
<b>Total expenses</b>		<b>31,172,679</b>	<b>37,100,544</b>	<b>6,220,831</b>	<b>10,441,300</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(121,499,651)</b>	<b>(67,520,916)</b>	<b>(432,536,294)</b>	<b>65,315,877</b>
<b>Taxation</b>	12	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (loss) / income for the period after taxation</b>		<b>(121,499,651)</b>	<b>(67,520,916)</b>	<b>(432,536,294)</b>	<b>65,315,877</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2020

	For the Nine Months Ended 31 March		For the Quarter Ended 31 March	
	2020	2019	2020	2019
	-----Rupees-----			
Net (loss) / income for the period after taxation	(121,499,651)	(67,520,916)	(432,536,294)	65,315,877
Other comprehensive (loss) / income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(121,499,651)</b>	<b>(67,520,916)</b>	<b>(432,536,294)</b>	<b>65,315,877</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



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## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	Note	For the Nine Months Ended March 31	
		2020	2019
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss for the period before taxation		(121,499,651)	(67,520,916)
<b>Adjustments for:</b>			
Profit on bank balances		(4,904,063)	(9,434,608)
Dividend income		(55,950,372)	(57,117,888)
Capital (gain) / loss on sale of investments - net		(75,764,231)	23,762,302
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		226,945,638	73,210,566
		<b>90,326,972</b>	<b>30,420,372</b>
<b>Decrease / (increase) in assets</b>			
Receivable against sale of investments		72,714,091	(7,253,175)
Security deposits, prepayment and other receivables		(6,839)	(14,422,244)
		<b>72,707,252</b>	<b>(21,675,419)</b>
<b>Increase / (decrease) in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		220,439	(1,727,728)
Payable to the Central Depository Company of Pakistan Limited - Trustee		(15,710)	(49,117)
Payable to the Securities and Exchange Commission of Pakistan		(1,360,906)	(1,070,033)
Payable against purchase of investments		22,909,128	3,637,345
Accrued expenses and other liabilities		(400,317)	(1,783,683)
		<b>21,352,634</b>	<b>(993,216)</b>
Profit received on bank balances		4,799,129	10,427,853
Dividend received		46,070,352	49,053,875
Investments made during the period		(985,373,468)	(964,386,510)
Investments sold during the period		879,803,334	1,512,716,625
		<b>(54,700,653)</b>	<b>607,811,843</b>
<b>Net cash generated from operating activities</b>		<b>8,186,554</b>	<b>548,042,664</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		876,368,556	669,552,248
Net payments against redemption of units		(972,928,687)	(1,457,500,285)
<b>Net cash used in financing activities</b>		<b>(96,560,131)</b>	<b>(787,948,037)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(88,373,577)</b>	<b>(239,905,373)</b>
Cash and cash equivalents at the beginning of the period		156,269,884	314,771,568
<b>Cash and cash equivalents at the end of the period</b>	4	<b>67,896,307</b>	<b>74,866,195</b>

The annexed notes from 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

**Iftikhar 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 2020

### 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, Ninth, Tenth and Eleventh 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, 25 May 2018, 5 September 2019 and 25 November 2019 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) [2019: AM2+ (AM Two plus)] on 26 December 2019.
- 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 2020.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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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 2019.

## 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

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2019.

3.2 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2019.

## 3.3 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 3 - Business Combinations - Previously held interests in a joint operation

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

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

4 BANK BALANCES	Note	31 March	30 June
		2020	2019
		Un-audited	Audited
		-----Rupees-----	
Balances with banks in:			
- Profit and loss sharing accounts	4.1	60,028,069	155,671,677
- Current account		40,026	78,207
Cheques in hand	4.2	7,828,212	520,000
		<b>67,896,307</b>	<b>156,269,884</b>

# Atlas Islamic Stock Fund

4.1 The rate of return on these accounts range between 5.00% and 12.15% (30 June 2019: 6.00% and 12.30%) per annum.

4.2 These denote cheques received against issue of units which were cleared by April 10, 2020.

5 INVESTMENTS	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
<b>At fair value through profit or loss</b>			
- Listed equity securities	5.1	<b>1,148,192,787</b>	<b>1,193,804,060</b>

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	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2020	Average cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
		-----Number of shares-----			-----Rupees-----			-----% age-----			

#### Inv. Bank/Inv. Companies/Securities Co.

Dawood Hercules Corporation Limited	200,000	-	-	200,000	-	-	-	-	-	-
	<b>200,000</b>	-	-	<b>200,000</b>	-	-	-	-	-	-

#### Banks

BankIslami Pakistan Limited	1,111,000	3,100,500	210,600	1,150,000	3,272,100	37,572,235	29,514,342	2.57	2.51	0.30
Meezan Bank Limited	1,530,692	410,000	-	307,000	1,633,692	138,218,794	106,337,012	9.26	9.04	0.13
	<b>2,641,692</b>	<b>410,000</b>	-	<b>307,000</b>	<b>1,633,692</b>	<b>175,791,029</b>	<b>135,851,354</b>	<b>11.83</b>	<b>11.55</b>	

#### Textile Composite

Interloop Limited	351,438	427,000	-	778,000	438	19,743	15,707	-	-	-
Kohinoor Textile Mills Limited	680,500	7,000	-	287,000	400,500	10,066,722	10,364,940	0.90	0.88	0.13
Nishat Mills Limited	80,000	536,400	-	421,400	195,000	10,926,906	11,452,350	1.00	0.97	0.06
	<b>1,111,938</b>	<b>970,400</b>	-	<b>1,486,400</b>	<b>595,938</b>	<b>21,013,371</b>	<b>21,832,997</b>	<b>1.90</b>	<b>1.85</b>	

#### Cement

Attock Cement Pakistan Limited	143,900	155,000	-	143,500	155,400	17,828,239	13,421,898	1.17	1.14	0.11
Cherat Cement Company Limited	215,000	525,000	21,500	178,000	583,500	28,559,369	32,320,065	2.81	2.75	0.30
D.G. Khan Cement Company Limited	239,000	812,500	-	300,000	751,500	53,060,111	44,526,375	3.88	3.79	0.17
Fauji Cement Company Limited	-	450,000	-	450,000	-	-	-	-	-	-
Kohat Cement Company Limited	142,950	73,000	-	182,500	33,450	2,358,288	2,918,513	0.25	0.25	0.02
Lucky Cement Limited	184,900	90,200	-	53,100	222,000	84,100,247	82,295,400	7.17	7.00	0.07
Maple Leaf Cement Factory Limited	-	195,000	-	195,000	-	-	-	-	-	-
	<b>925,750</b>	<b>2,300,700</b>	<b>21,500</b>	<b>1,502,100</b>	<b>1,745,850</b>	<b>185,906,254</b>	<b>175,482,251</b>	<b>15.28</b>	<b>14.93</b>	

#### Refinery

Attock Refinery Limited	-	30,000	-	30,000	-	-	-	-	-	-
National Refinery Limited	-	25,000	-	25,000	-	-	-	-	-	-
	-	<b>55,000</b>	-	<b>55,000</b>	-	-	-	-	-	-

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Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2020	Average cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
		----- Number of shares -----			----- Rupees -----			----- % age -----			
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (face value 3.5)		3,200,000	-	-	-	3,200,000	14,048,000	9,056,000	0.79	0.77	0.03
The Hub Power Company Limited	5.3	1,328,280	825,000	-	400,000	1,753,280	133,939,299	119,696,426	10.42	10.18	0.14
		<b>4,528,280</b>	<b>825,000</b>	<b>-</b>	<b>400,000</b>	<b>4,953,280</b>	<b>147,987,299</b>	<b>128,752,426</b>	<b>11.21</b>	<b>10.95</b>	
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited		50,400	11,500	-	61,900	-	-	-	-	-	-
Hi-Tech Lubricants Limited		-	217,000	-	217,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	5.3	377,800	143,000	73,160	240,500	353,460	53,161,899	42,945,390	3.74	3.65	0.08
Sui Northern Gas Pipelines Limited		199,700	189,500	-	-	389,200	25,799,188	14,361,480	1.25	1.22	0.06
		<b>627,900</b>	<b>561,000</b>	<b>73,160</b>	<b>519,400</b>	<b>742,660</b>	<b>78,961,087</b>	<b>57,306,870</b>	<b>4.99</b>	<b>4.87</b>	
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited		69,965	36,060	9,166	29,480	85,711	78,503,693	76,377,072	6.65	6.49	0.06
Oil & Gas Development Company Limited		1,131,000	161,000	-	327,300	964,700	118,691,472	74,272,253	6.47	6.31	0.02
Pakistan Oilfields Limited		183,700	36,000	-	64,000	155,700	61,462,256	40,826,097	3.56	3.47	0.05
Pakistan Petroleum Limited	5.3	702,725	264,000	145,745	319,500	792,970	93,329,646	56,943,176	4.96	4.84	0.03
		<b>2,087,390</b>	<b>497,060</b>	<b>154,911</b>	<b>740,280</b>	<b>1,999,081</b>	<b>351,987,067</b>	<b>248,418,598</b>	<b>21.64</b>	<b>21.11</b>	
<b>Engineering</b>											
International Industries Limited		244,500	153,000	31,000	353,000	75,500	7,939,097	5,705,535	0.50	0.49	0.06
International Steels Limited		100,000	250,000	-	350,000	-	-	-	-	-	-
		<b>344,500</b>	<b>403,000</b>	<b>31,000</b>	<b>703,000</b>	<b>75,500</b>	<b>7,939,097</b>	<b>5,705,535</b>	<b>0.50</b>	<b>0.49</b>	
<b>Automobile Assembler</b>											
Millar Tractors Limited		-	25,000	-	-	25,000	16,102,200	13,581,500	1.18	1.15	0.05
		<b>-</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>16,102,200</b>	<b>13,581,500</b>	<b>1.18</b>	<b>1.15</b>	
<b>Automobile Parts &amp; Accessories</b>											
Thal Limited (Face value 3.50 per share)		-	26,700	-	26,700	-	-	-	-	-	-
		<b>-</b>	<b>26,700</b>	<b>-</b>	<b>26,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Technology &amp; Communications</b>											
Pakistan Telecommunication Company Limited		-	900,000	-	900,000	-	-	-	-	-	-
Systems Limited		226,200	420,000	-	246,200	400,000	50,393,033	44,456,000	3.87	3.78	0.32
		<b>226,200</b>	<b>1,320,000</b>	<b>-</b>	<b>1,146,200</b>	<b>400,000</b>	<b>50,393,033</b>	<b>44,456,000</b>	<b>-</b>	<b>-</b>	
<b>Fertilizer</b>											
Engro Corporation Limited		456,000	168,000	-	238,000	386,000	103,792,126	103,023,400	8.97	8.76	0.07
Engro Fertilizers Limited		1,150,000	1,055,500	-	1,262,000	943,500	62,279,237	54,402,210	4.74	4.63	0.07
		<b>1,606,000</b>	<b>1,223,500</b>	<b>-</b>	<b>1,500,000</b>	<b>1,329,500</b>	<b>166,071,363</b>	<b>157,425,610</b>	<b>13.71</b>	<b>13.39</b>	

# Atlas Islamic Stock Fund

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2020	Average cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
		----- Number of shares -----			----- Rupees -----			----- % age -----			
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited		10,000	58,500	-	22,000	46,500	16,990,823	14,799,555	1.29	1.26	0.05
AGP Limited		61,000	24,500	-	25,000	60,500	4,128,125	4,991,250	0.43	0.42	0.02
Ferozsons Laboratories Limited		44,100	9,500	-	7,200	46,400	5,625,816	8,068,032	0.70	0.69	0.15
Glaxosmithkline Pakistan Limited		59,000	40,800	-	14,800	85,000	9,739,035	14,368,400	1.25	1.22	0.07
Highnoon Laboratories Limited		-	17,050	-	-	17,050	7,595,593	8,500,448	0.74	0.72	0.05
The Searle Company Limited		70,230	122,000	-	56,000	136,230	22,726,667	21,367,676	1.86	1.82	0.06
		<b>244,330</b>	<b>272,350</b>	<b>-</b>	<b>125,000</b>	<b>391,680</b>	<b>66,806,059</b>	<b>72,095,361</b>	<b>6.27</b>	<b>6.13</b>	
<b>Chemicals</b>											
Archroma Pakistan Limited		-	31,750	-	31,050	700	451,482	361,900	0.03	0.03	-
Engro Polymer & Chemicals Limited		2,000	1,292,000	-	45,000	1,249,000	37,382,885	30,625,480	2.67	2.60	0.14
ICI Pakistan Limited		-	59,700	-	49,700	10,000	7,078,778	5,063,200	0.44	0.43	0.01
		<b>2,000</b>	<b>1,383,450</b>	<b>-</b>	<b>125,750</b>	<b>1,259,700</b>	<b>44,913,145</b>	<b>36,050,580</b>	<b>3.14</b>	<b>3.06</b>	
<b>Paper &amp; Board</b>											
Cherat Packaging Limited		14,600	-	-	14,600	-	-	-	-	-	-
Packages Limited		-	45,000	-	19,000	26,000	9,938,500	5,936,060	0.52	0.50	0.03
		<b>14,600</b>	<b>45,000</b>	<b>-</b>	<b>33,600</b>	<b>26,000</b>	<b>9,938,500</b>	<b>5,936,060</b>	<b>0.52</b>	<b>0.50</b>	
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited		-	1,200,000	-	1,200,000	-	-	-	-	-	-
		<b>-</b>	<b>1,200,000</b>	<b>-</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Leather &amp; Tanneries</b>											
Bata Pakistan Limited		-	16,000	-	-	16,000	22,797,702	23,520,000	2.05	2.00	0.21
		<b>-</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>16,000</b>	<b>22,797,702</b>	<b>23,520,000</b>	<b>2.05</b>	<b>2.00</b>	
<b>Foods &amp; Personal Care Products</b>											
Al Shaheer Corporation Limited		6,499	-	-	-	6,499	81,887	61,676	0.01	0.01	-
At-Tahur Limited		-	697,500	-	-	697,500	13,925,650	10,943,775	0.95	0.93	0.43
National Foods Limited (Face value 5 per share)		900	16,400	-	9,500	7,800	1,823,685	1,550,094	0.14	0.13	0.01
		<b>7,399</b>	<b>713,900</b>	<b>-</b>	<b>9,500</b>	<b>711,799</b>	<b>15,831,222</b>	<b>12,555,545</b>	<b>1.10</b>	<b>1.07</b>	
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries Limited		-	200,000	25,000	150,000	75,000	5,299,997	3,790,500	0.33	0.32	0.07
		<b>-</b>	<b>200,000</b>	<b>25,000</b>	<b>150,000</b>	<b>75,000</b>	<b>5,299,997</b>	<b>3,790,500</b>	<b>0.33</b>	<b>0.32</b>	
<b>Miscellaneous</b>											
Synthetic Products Enterprises Limited		-	185,000	-	-	185,000	7,400,000	5,431,600	0.47	0.46	0.21
Shifa International Hospitals Limited		-	10,000	-	10,000	-	-	-	-	-	-
		<b>-</b>	<b>195,000</b>	<b>-</b>	<b>10,000</b>	<b>185,000</b>	<b>7,400,000</b>	<b>5,431,600</b>	<b>0.47</b>	<b>0.46</b>	
<b>Transport</b>											
Pakistan International Bulk Terminal Limited		-	295,500	-	295,500	-	-	-	-	-	-
		<b>-</b>	<b>295,500</b>	<b>-</b>	<b>295,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total as at 31 March 2020</b>							<b>1,375,138,425</b>	<b>1,148,192,787</b>	<b>96.13</b>	<b>93.83</b>	
<b>Total as at 30 June 2019</b>							<b>1,426,864,317</b>	<b>1,193,804,060</b>			

5.2 The cost of listed equity securities as at 31 March 2020 is Rs. 1,471,443,055 (30 June 2019: Rs. 1,401,267,137).

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:

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	31 March 2020	30 June 2019	31 March 2020	30 June 2019
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Lucky Cement Limited	75,000	75,000	32,118,000	28,535,250
Pakistan State Oil Company Limited	110,000	110,000	23,779,800	18,659,300
Pakistan Petroleum Limited	135,000	135,000	24,973,650	19,498,050
The Hub Power Company Limited	200,000	200,000	14,666,000	15,750,000
	<b>520,000</b>	<b>520,000</b>	<b>95,537,450</b>	<b>82,442,600</b>

## 6 SECURITY DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

Security deposit held with:

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

Other receivable

Prepaid listing fees

	31 March 2020	30 June 2019
Note	Un-audited	Audited
	-----Rupees-----	
	2,500,000	2,500,000
	100,000	100,000
6.1	2,597,419	2,597,419
	6,839	-
	<b>5,204,258</b>	<b>5,197,419</b>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as other receivables as at 31 March 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

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

		31 March 2020	30 June 2019
	Note	Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	7.1	2,576,172	2,432,078
Sindh Sales Tax payable on remuneration of the Management Company	7.2	1,891,462	1,872,730
Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
Accounting and operational charges	13	179,215	121,602
		<b>15,100,234</b>	<b>14,879,795</b>

# Atlas Islamic Stock Fund

- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to 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 2019: 2%) per annum of the average net assets of the Fund. On January 01, 2020 Management Company decided to revise the management fee from 2.00% to 2.40%. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 2,820,787 (2019: Rs.3,392,583) 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. 2,802,055 (2019: Rs. 3,582,927) has been paid to the Management Company which acts as the collecting agent.
- 7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition 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 2019: 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 2020 would have been higher by Rs 3.34 per unit (30 June 2019: Rs 3.73 per unit).

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees -----	
<b>8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fees payable	8.1	<b>202,293</b>	<b>1,563,199</b>

- 8.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as equity scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

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9 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 March	30 June
		2020	2019
		Un-audited	Audited
		----- Rupees-----	
Auditors' remuneration payable		204,468	212,760
Printing charges payable		10,315	80,403
Ranking fee payable		140,000	140,000
Charity payable	9.1	201,906	509,911
Transaction charges payable		1,082,082	381,863
Withholding and capital gain tax payable		715,569	333,678
Payable to Shariah Advisor		75,000	75,000
Provision for Sindh Workers' Welfare Fund	9.2	15,491,187	15,491,187
Sales load payable		29,611	-
Zakat payable		1,063	1,063
Other payable		272,127	269,984
		<b>18,223,328</b>	<b>17,495,849</b>

9.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 1,052,796 (30 June 2019: Rs. 1,361,154) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

9.2 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.

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 2020 would have been higher by Rs. 4.95 per unit (30 June 2019: Rs. 5.53 per unit)

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2020 and as at 30 June 2019.

# Atlas Islamic Stock Fund

## 11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2020 is 3.08% (30 June 2019: 2.87%) which includes 0.37% (30 June 2019: 0.42%) 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 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 for allocation of such expenses to the Fund.

## 14 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.

## 15 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	
	2020	2019
	Un-audited	Un-audited
	----- Rupees-----	
<b>15.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	21,698,364	26,096,794
Remuneration paid	21,554,270	27,560,968
Sindh Sales Tax on remuneration of the Management Company	2,820,787	3,392,583
Accounting and operational charges	1,394,865	1,304,840
Issue of 99 (2019: Nil) units	39,723	-
Redemption of (2019: 53,685) units	-	28,096,956

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		For the Nine Months Ended 31 March	
		2020	2019
		Un-audited	Un-audited
		----- Rupees -----	
<b>15.1</b>	<b>Transactions during the period (Continued....)</b>		
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration of the Trustee	1,762,813	2,055,525
	Sindh Sales Tax on remuneration of the Trustee	229,166	267,218
	Remuneration paid	1,774,715	2,125,992
	Settlement charges	30,164	136,196
	Sindh sales tax on settlement charges	3,764	17,706
	<b>Atlas Battery Limited (Group Company)</b>		
	Redemption of Nil (2019: 871,997) units	-	471,388,683
	<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
	Issue of 24,066 (2019: Nil) units	11,000,000	-
	Redemption of 30,082 (2019: Nil) units	15,500,000	-
	<b>Atlas Honda Limited (Group Company)</b>		
	Issue of 534 (2019: Nil) units	214,321	-
	Redemption of Nil (2019: 584,537) units	-	300,000,000
	<b>Atlas Insurance Limited (Group Company)</b>		
	Issue of 325,917 (2019: 463,399) units	120,000,000	230,000,000
	Redemption of Nil (2019: 780,699) units	-	384,469,551
	<b>Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of a Group Company)</b>		
	Redemption of Nil (2019: 11,314) units	-	5,743,918
	<b>Atlas Insurance Limited Window Takaful Operation</b>		
	Issue of Nil (2019: 40,469) units	-	20,000,000
	Redemption of Nil (2019: 42,472) units	-	20,473,013
	<b>Directors and their close family members and key management personnel of the Management Company</b>	15.3	
	Issue of 14,831 (2019: 26,522) units	6,246,386	13,473,858
	Redemption of 14,113 (2019: 27,795) units	6,361,155	15,098,412
		<b>31 March 2020</b>	<b>30 June 2019</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- Rupees -----	
<b>15.2</b>	<b>Balances as at period / year end</b>		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	2,576,172	2,432,078
	Sindh Sales Tax payable on remuneration of the management company	1,891,462	1,872,730
	Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
	Accounting and operational charges payable	179,215	121,602
	Outstanding 179 (30 June 2019:80) units at net asset value	67,171	34,266
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	191,894	203,796
	Sindh sales tax payable on remuneration of the Trustee	24,945	26,493
	Settlement charges payable	3,000	5,000
	Sindh sales tax payable on settlement charges	390	650
	<b>Atlas Foundation (Group company)</b>		
	Outstanding 103,650 (2019: 103,650) units - at net asset value	38,983,695	44,556,940

# Atlas Islamic Stock Fund

15.2 Balances as at period / year end (Continued...)	Note	31 March 2020	30 June 2019
		Un-audited	Audited
		----- Rupees -----	
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>			
Outstanding 130,758 (2019:136,774) units - at net asset value		49,179,264	58,796,279
<b>Atlas Honda Limited (Group Company)</b>			
Outstanding 175,943 (2019: 175,409) units - at net asset value		66,173,823	75,404,914
<b>Atlas Insurance Limited</b>			
Outstanding 325,917 (2019: Nil) units - at net asset value		122,580,462	-
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>			
Outstanding 109,377 (2019: 109,377) units - at net asset value		41,137,771	47,018,970
<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)</b>			
Outstanding 114,549 (2019:114,549 ) units - at net asset value		43,082,982	49,242,276
<b>Shirazi Investments (Private) Limited -Employee Provident Fund</b>			
Outstanding 25,607 (2019: 25,607) units - at net asset value		9,631,020	11,007,904
<b>Directors and their close family members and key management personnel of the Management Company</b>	15.3		
Outstanding 128,821 (2019: 143,381) units - at net asset value		48,450,905	61,636,372

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 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.

### 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).

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As at 31 March 2020 and 30 June 2020, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	----- Rupees -----		
<b><u>31 March 2020</u></b>			
At fair value through profit or loss	1,148,192,787	-	-
	<u>1,148,192,787</u>	<u>-</u>	<u>-</u>
<b><u>30 June 2019</u></b>			
At fair value through profit or loss	1,193,804,060	-	-
	<u>1,193,804,060</u>	<u>-</u>	<u>-</u>

## 17 GENERAL

- 17.1 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.
- 17.2 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 March 2020 and 31 March 2019 have not been subjected to limited scope review by the statutory auditors of the Fund.
- 17.3 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 2020.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## Corporate Information

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### **Trustee**

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

### **Shariah Advisor**

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Dr. Mufti Muhammad Wasih Fasih Butt

### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

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Bawancy & Partners

### **Bankers**

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

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## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2020

	31 March 2020 (Un Audited)						30 June 2019 (Audited)					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Total	
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan		
<b>ASSETS</b>	-----Rupees-----						-----Rupees-----					
Bank balances	4	525,695	746,703	370,995	6,840,849	15,795,000	24,279,242	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
Investments - net	5	87,886,938	103,540,036	125,492,648	433,059,574	109,724,914	859,704,110	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110
Profit receivable on deposit with banks		40,151	38,022	62,451	218,684	117,838	477,146	28,826	29,473	39,541	235,529	333,369
Prepaid and other receivables		11,523	10,027	11,423	44,489	-	77,462	10,673	9,063	10,318	40,550	70,604
Deferred Formation cost	6	182,099	182,557	182,098	182,099	-	728,853	224,215	224,215	224,215	224,215	896,860
<b>Total assets</b>		<b>88,646,406</b>	<b>104,517,345</b>	<b>126,119,615</b>	<b>440,345,695</b>	<b>125,637,752</b>	<b>885,266,813</b>	<b>93,301,308</b>	<b>103,663,969</b>	<b>121,263,242</b>	<b>431,454,893</b>	<b>749,683,412</b>
<b>LIABILITIES</b>												
Payable to Atlas Asset Management Company - Management Company	7	14,479	16,549	19,786	82,434	16,005	149,253	289,269	290,209	293,107	328,355	1,200,940
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	6,535	7,474	8,701	30,685	4,026	57,421	8,847	9,747	11,246	40,315	70,155
Payable to the Securities and Exchange Commission of Pakistan	9	14,769	16,601	19,124	68,185	1,018	119,697	46,308	49,506	54,200	141,709	291,723
Accrued expenses and other liabilities	10	24,716	26,325	150,740	260,570	104,110	566,461	32,520	35,311	37,080	82,617	187,528
<b>Total liabilities</b>		<b>60,499</b>	<b>66,949</b>	<b>198,351</b>	<b>441,874</b>	<b>125,159</b>	<b>892,832</b>	<b>376,944</b>	<b>384,773</b>	<b>395,633</b>	<b>592,996</b>	<b>1,750,346</b>
<b>NET ASSETS</b>		<b>88,585,907</b>	<b>104,450,396</b>	<b>125,921,264</b>	<b>439,903,821</b>	<b>125,512,593</b>	<b>884,373,981</b>	<b>92,924,364</b>	<b>103,279,196</b>	<b>120,867,609</b>	<b>430,861,897</b>	<b>747,933,066</b>
<b>UNIT HOLDER'S FUND (AS PER STATEMENT ATTACHED)</b>		<b>88,585,907</b>	<b>104,450,396</b>	<b>125,921,264</b>	<b>439,903,821</b>	<b>125,512,593</b>	<b>884,373,981</b>	<b>92,924,364</b>	<b>103,279,196</b>	<b>120,867,609</b>	<b>430,861,897</b>	<b>747,933,066</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<b>209,591</b>	<b>225,178</b>	<b>241,970</b>	<b>882,342</b>	<b>251,025</b>		<b>209,341</b>	<b>221,897</b>	<b>244,021</b>	<b>882,926</b>	
<b>NET ASSET VALUE PER UNIT</b>		<b>422.66</b>	<b>463.86</b>	<b>520.40</b>	<b>498.56</b>	<b>500.00</b>		<b>443.89</b>	<b>465.44</b>	<b>495.32</b>	<b>487.99</b>	
<b>FACE VALUE PER UNIT</b>		<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>		<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	

Contingencies and commitments 11

The annexed notes 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTH ENDED 31 MARCH 2020

	-----31 MARCH 2020-----					For the period from March 16 to 31, 2020	For the period from 7 January 2019 to 31 March 2020					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	
<b>INCOME</b>	Rupees						Rupees					
Profit on deposits with banks	62,485	66,709	77,603	708,847	117,838	1,033,482	159,520	154,363	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	2,439,295	2,835,395	3,229,521	1,853,463	-	10,357,674	32,398	(29,961)	(380)	-	2,057	
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets' at fair value through profit or loss'	(6,633,935)	(2,928,365)	3,295,303	8,077,406	524,914	2,335,323	(2,437,951)	(2,249,120)	(1,863,405)	(1,991,027)	(8,561,409)	
<b>Total income</b>	<b>(4,194,640)</b>	<b>(92,970)</b>	<b>6,524,824</b>	<b>9,930,869</b>	<b>524,914</b>	<b>12,692,997</b>	<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>(4,132,155)</b>	<b>(26,261)</b>	<b>6,602,427</b>	<b>10,639,716</b>	<b>642,752</b>	<b>13,726,479</b>	<b>(1,325,355)</b>	<b>(407,206)</b>	<b>998,728</b>	<b>(1,161,853)</b>	<b>(1,695,686)</b>	
<b>EXPENDITURE</b>	Rupees						Rupees					
Payable to Atlas Asset Management Company - Management Company	5,837	6,314	7,228	51,803	6,517	77,699	17,233	17,729	18,965	54,836	108,763	
Sindh sales tax on remuneration of the Management Company	759	821	940	6,734	835	10,089	2,240	2,305	2,465	7,129	14,139	
Accounting & Operational charges	101,902	113,669	130,235	464,689	8,653	819,208	24,591	25,698	26,877	40,705	117,871	
Remuneration to the Central Depository Company of Pakistan Limited	52,120	58,189	66,935	238,733	3,363	419,540	24,591	25,698	26,877	40,705	117,871	
Sindh sales tax on remuneration of the Trustee	6,776	7,565	8,702	31,055	463	54,541	3,197	3,341	3,494	5,292	15,324	
Annual fee - Securities and Exchange Commission of Pakistan	14,769	16,625	19,124	68,209	1,018	119,745	23,362	24,413	25,534	38,670	111,979	
Auditor's remuneration	20,043	22,398	25,813	92,044	-	160,298	23,397	24,262	24,810	17,156	89,625	
Amortization of preliminary expenses and flotation costs	42,116	41,658	42,117	42,116	-	168,007	15,361	15,361	15,361	15,816	61,899	
Annual Listing fee	2,567	2,832	3,339	11,905	-	20,641	27,314	28,385	29,232	28,027	112,958	
Printing charges	2,570	2,500	2,585	2,500	-	10,155	-	-	-	-	-	
Legal and Professional Charges	72,433	72,433	72,433	72,433	-	289,732	-	-	-	-	-	
Shariah advisory fee	4,661	5,209	6,003	21,406	271	37,550	2,884	2,997	3,086	2,959	11,926	
Bank charges	-	3,621	2,558	2,684	-	8,863	2,413	2,484	1,933	17,085	23,915	
Provision for Sindh Workers' Welfare Fund	-	-	124,288	190,669	12,429	327,386	-	-	16,402	-	16,402	
	<b>326,613</b>	<b>353,854</b>	<b>512,300</b>	<b>1,296,958</b>	<b>33,749</b>	<b>2,523,454</b>	<b>166,583</b>	<b>172,673</b>	<b>195,036</b>	<b>268,380</b>	<b>802,672</b>	
<b>Net (loss) / income for the period before taxation</b>	<b>(4,458,768)</b>	<b>(380,995)</b>	<b>6,090,127</b>	<b>9,342,758</b>	<b>609,003</b>	<b>11,203,025</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>Taxation</b>	-	-	-	-	-	-	-	-	-	-	-	
<b>Net (loss) / income for the period after taxation</b>	<b>(4,458,768)</b>	<b>(380,995)</b>	<b>6,090,127</b>	<b>9,342,758</b>	<b>609,003</b>	<b>11,203,025</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>(Loss) / earnings per unit</b>	<b>(21.27)</b>	<b>(1.69)</b>	<b>25.17</b>	<b>10.59</b>	<b>2.43</b>	-	<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			6,090,127	9,342,758	609,003				803,692			
Income already paid on units redeemed			(16,512)	(14,517)	-				(4,262)			
			<b>6,073,615</b>	<b>9,328,241</b>	<b>609,003</b>				<b>799,430</b>			
<b>Accounting income available for distribution:</b>												
- Relating to capital gains			6,524,824	9,930,869	524,914				-			
- Excluding capital gains			(451,209)	(602,628)	84,089				799,430			
			<b>6,073,615</b>	<b>9,328,241</b>	<b>609,003</b>				<b>799,430</b>			

The annexed notes 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2020

Note	For the period from March 16 to 31, 2020						For the period from March 16 to 31, 2019					
	31 MARCH 2020			2020			31 MARCH 2019		2019			
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	
	Rupees						Rupees					
<b>INCOME</b>												
Profit on deposits with banks	91	(4,851)	(5,897)	227,494	117,838	334,675	159,520	154,363	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	1,634,384	1,893,423	2,079,735	1,358,779	-	6,966,321	32,398	(29,961)	(380)	-	2,057	
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets' at fair value through profit or loss	(23,486,648)	(18,469,539)	(9,734,122)	(42,175,993)	524,914	(93,341,390)	(2,457,951)	(2,249,026)	(1,863,403)	(1,991,027)	(8,561,409)	
<b>Total income</b>	<b>(21,852,264)</b>	<b>(16,576,116)</b>	<b>(7,654,387)</b>	<b>(40,817,216)</b>	<b>524,914</b>	<b>(86,375,069)</b>	<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>(21,852,173)</b>	<b>(16,580,967)</b>	<b>(7,660,284)</b>	<b>(40,589,722)</b>	<b>642,752</b>	<b>(86,040,394)</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>												
Payable to Atlas Asset Management Company - Management Company	7.1	1,216	789	946	15,464	6,517	24,932	17,233	17,729	18,965	54,836	108,763
Sindh sales tax on remuneration of the Management Company	7.2	158	103	123	2,010	835	3,229	2,240	2,305	2,465	7,129	14,139
Accounting & Operational charges		41,287	45,755	51,654	184,234	8,653	331,583	24,591	25,698	26,877	40,705	117,871
Remuneration to the Central Depository Company of Pakistan Limited		18,606	20,592	23,215	82,843	3,563	148,819	24,591	25,698	26,877	40,705	117,871
Sindh sales tax on remuneration of the Trustee		2,419	2,677	3,018	10,769	463	19,346	3,197	3,341	3,494	5,292	15,324
Annual fee - Securities and Exchange Commission of Pakistan		5,254	5,883	6,632	23,669	1,018	42,456	23,362	24,413	25,534	38,670	111,979
Auditor's remuneration		6,761	7,484	8,439	30,113	-	52,797	23,397	24,262	24,810	17,156	89,625
Amortization of preliminary expenses and flotation costs		13,937	13,631	13,937	13,937	-	55,442	15,361	15,361	15,361	15,816	61,899
Annual Listing fee		849	922	1,105	3,938	-	6,814	27,314	28,385	29,232	28,027	112,958
Printing charges		-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Charges		44,133	44,133	44,133	44,133	-	176,532	-	-	-	-	-
Shariah advisory fee		1,572	1,740	1,962	7,004	271	12,549	2,884	2,997	3,086	2,959	11,926
Bank charges		-	1,195	596	848	-	2,639	2,413	2,484	1,933	17,085	23,915
Provision for Sindh Workers' Welfare Fund	10.1	(350,592)	(326,916)	(156,321)	(820,173)	12,429	(1,641,573)	-	-	16,402	-	16,402
		<b>(214,400)</b>	<b>(182,012)</b>	<b>(561)</b>	<b>(401,211)</b>	<b>33,749</b>	<b>(764,435)</b>	<b>166,583</b>	<b>172,673</b>	<b>195,036</b>	<b>268,380</b>	<b>802,672</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(21,637,773)</b>	<b>(16,398,955)</b>	<b>(7,659,723)</b>	<b>(40,188,511)</b>	<b>609,003</b>	<b>(85,275,959)</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>Taxation</b>	13	-	-	-	-	-	-	-	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(21,637,773)</b>	<b>(16,398,955)</b>	<b>(7,659,723)</b>	<b>(40,188,511)</b>	<b>609,003</b>	<b>(85,275,959)</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>(Loss) / earnings per unit</b>	15	<b>(103.24)</b>	<b>(72.83)</b>	<b>(31.66)</b>	<b>(45.55)</b>	<b>2.43</b>	<b>(7.12)</b>	<b>(2.61)</b>	<b>3.29</b>	<b>(1.62)</b>	<b>(1.62)</b>	<b>(1.62)</b>
<b>Allocation of net income for the period:</b>												
Net income for the period after taxation					609,003					803,692		
Income already paid on units redeemed										(4,202)		
					<b>609,003</b>					<b>799,430</b>		
<b>Accounting income available for distribution:</b>												
- Relating to capital gains					524,914					-		
- Excluding capital gains					84,089					799,431		
					<b>609,003</b>					<b>799,430</b>		

The annexed notes 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH ENDED 31 MARCH 2020

	For the period from March 16 to 31, 2020					For the period from 7 January 2019 to 31 March 2020					
	-----31 MARCH 2020-----										
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----					-----Rupees-----					
Net (loss) / income for the period after taxation	(4,458,768)	(380,095)	6,090,127	9,342,758	609,003	11,203,025	(1,491,938)	(579,879)	803,692	(1,430,233)	(2,698,358)
Other Comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(4,458,768)	(380,095)	6,090,127	9,342,758	609,003	11,203,025	(1,491,938)	(579,879)	803,692	(1,430,233)	(2,698,358)

The annexed notes 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2020

	For the period from March 16 to 31, 2020					For the period from 7 January 2019 to 31 March 2020					
	-----31 MARCH 2020-----										
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----					-----Rupees-----					
Net (loss) / income for the period after taxation	(21,637,773)	(16,398,955)	(7,659,723)	(40,188,511)	609,003	(85,275,959)	(1,491,938)	(579,879)	803,692	(1,430,233)	(2,698,358)
Other Comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(21,637,773)	(16,398,955)	(7,659,723)	(40,188,511)	609,003	(85,275,959)	(1,491,938)	(579,879)	803,692	(1,430,233)	(2,698,358)

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTH ENDED 31 MARCH 2020

	For the period from March 16 to 31, 2020					For the period from 07 January 2019 to 31 March 2019				
	-----31 MARCH 2020-----									
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan
	-----Rupees-----					-----Rupees-----				
Capital Value	104,540,396	110,899,450	122,090,277	445,401,742	-	782,931,865	-	-	-	-
Un distributed Income										
- Realised income	2,080,513	3,831,669	6,563,967	13,706,840	-	26,182,989	-	-	-	-
- Unrealised loss	(13,696,545)	(11,451,923)	(7,786,633)	(28,246,685)	-	(61,181,788)	-	-	-	-
Net assets at the beginning of the period	92,924,364	103,279,196	120,867,609	430,861,897	-	747,933,066	-	-	-	-
(Units: AAAP 209,341, AMAIP 221,897, ACAIP 244,021 & AICPP 882,926)										
Issue of units										
Capital value (at net assets value per unit at the beginning of period)										
Aggressive - units 335 (2019: 224,514)	160,461	-	-	-	-	160,461	112,254,489	-	-	112,254,489
Moderate - units 3,583 (2019: 231,778)	-	1,703,695	-	-	-	1,703,695	-	115,896,328	-	115,896,328
Conservative - units 1 (2019: 251,829)	-	-	304	-	-	304	-	-	126,039,468	126,039,468
Preservation - units 1,987 (2019: 882,930)	-	-	-	1,070,134	-	1,070,134	-	-	-	445,403,437
Dividend - units 251,025	-	-	-	-	125,512,593	125,512,593	-	-	-	445,403,437
Total proceed on issuance of units	160,461	1,703,695	304	1,070,134	125,512,593	128,447,187	112,254,489	115,896,328	126,039,468	445,403,437
Redemption of units										
Capital value (at net assets value per unit at the beginning of period)										
Aggressive - units 85 (2019: 15,108)	(39,824)	-	-	-	-	(39,824)	(7,686,070)	-	-	(7,686,070)
Moderate - units 302 (2019: 9,989)	-	(152,397)	-	-	-	(152,397)	-	(5,050,151)	-	(5,050,151)
Conservative - units 2,162 (2019: 7,907)	-	-	(1,000,264)	-	-	(1,000,264)	-	-	(3,990,243)	(3,990,243)
Preservation - units 2,571 (2019: Nil)	-	-	-	(1,356,451)	-	(1,356,451)	-	-	-	-
Dividend - units Nil	-	-	-	-	-	-	-	-	-	-
Income paid on redemption of unit	(326)	3	(16,512)	(14,517)	-	(31,358)	-	-	(4,202)	(976,780)
	(40,150)	(152,400)	(1,036,776)	(1,370,968)	-	(2,600,294)	(7,686,070)	(5,050,151)	(3,994,505)	(17,033,244)
Total Comprehensive income for the period	(4,458,768)	(380,095)	6,090,127	9,342,758	609,003	11,203,025	(1,491,938)	(579,879)	803,692	(1,430,233)
Distributions during the period										
	(4,458,768)	(380,095)	6,090,127	9,342,758	(609,003)	10,594,022	(1,491,938)	(579,879)	803,692	(2,698,358)
Net income for the period less distribution										
	(4,458,768)	(380,095)	6,090,127	9,342,758	-	10,594,022	(1,491,938)	(579,879)	803,692	(1,430,233)
Net assets at the end of the period	88,585,907	104,450,396	125,921,264	439,903,821	125,512,593	884,373,981	103,076,481	110,266,298	122,848,655	443,973,204
(Units: AAAP 209,591, AMAIP 225,178, ACAIP 241, 970 & AICPP 882,342, AIDP 251,025) (2019: Units: AAAP 209,406, AMAIP 221,789, ACAIP 243,922 & AICPP 882,930)										
Capital Value	104,661,033	112,450,748	121,070,317	445,115,425	125,512,593	908,800,116	104,568,419	110,846,177	122,049,225	445,403,437
Un distributed Income										
- Realised income	2,487,031	4,417,865	7,488,533	14,565,490	(524,914)	28,434,005	966,013	1,660,147	2,662,835	5,658,789
- Unrealised (loss) / gain	(18,562,157)	(12,418,217)	(2,637,586)	(19,777,094)	524,914	(52,870,140)	(2,457,051)	(2,249,026)	(1,863,405)	(8,561,409)
Net assets at the end of the period	88,585,907	104,450,396	125,921,264	439,903,821	125,512,593	884,373,981	103,076,481	110,266,298	122,848,655	443,973,204
Net assets value per unit at beginning of the period	443.89	465.44	495.32	487.99	-	-	-	-	-	-
Net assets value per unit at end of the period	422.66	536.72	520.40	498.56	500.00	-	492.23	497.17	503.64	502.84

The annexed notes 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2020

	31 MARCH 2020						For the period from 07 January 2019 to 31 March 2019				
	For the period from March 16 to 31, 2020					Total	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	Islamic Dividend Plan		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	Rupees						Rupees				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
Net (loss) / income for the period after taxation	(4,458,768)	(380,095)	6,090,127	9,342,758	609,003	11,203,025	(1,491,938)	(579,879)	803,692	(1,430,233)	(2,698,358)
<b>Adjustments for:</b>											
Profit on deposits with banks	(62,485)	(66,709)	(77,603)	(708,847)	(117,838)	(1,033,482)	(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	(2,439,295)	(2,835,395)	(3,229,521)	(1,853,463)	-	(10,357,674)	(32,398)	29,961	380	-	(2,057)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss	6,633,935	2,928,365	(3,295,303)	(8,077,406)	(524,914)	(2,335,323)	2,457,950	2,249,026	1,863,405	1,991,027	8,561,408
Provision for Sindh Workers' Welfare Fund	-	-	124,288	190,669	12,429	327,386	-	-	16,402	-	16,402
	(326,613)	(353,834)	(388,012)	(1,106,289)	(21,320)	(2,196,068)	(166,584)	(172,672)	(178,634)	(268,381)	(786,270)
<b>Decrease / (increase) in assets</b>											
Prepaid and other receivables	(850)	(964)	(1,105)	(3,939)	-	(6,858)	(59,216)	(57,834)	(57,950)	(4,001)	(179,001)
Deferred Formation cost	42,116	41,658	42,117	42,116	-	168,007	(264,908)	(264,908)	(264,908)	(264,453)	(1,059,177)
	41,266	40,694	41,012	38,177	-	161,149	(334,124)	(322,742)	(322,858)	(268,454)	(1,238,178)
<b>(Decrease) / increase in liabilities</b>											
Payable to Atlas Asset Management Company - Management Company	(274,790)	(273,660)	(273,321)	(245,921)	16,005	(1,051,687)	310,347	310,875	312,687	378,126	1,312,035
Payable to Central Depository Company of Pakistan Limited - Trustee	(2,312)	(2,273)	(2,545)	(9,630)	4,026	(12,734)	9,938	10,605	11,766	42,591	74,898
Payable to the Securities and Exchange Commission of Pakistan	(31,539)	(32,905)	(35,076)	(73,524)	1,018	(172,026)	23,363	24,413	25,534	38,670	111,980
Accrued expenses and other liabilities	(7,804)	(8,986)	(10,628)	(12,716)	91,681	51,547	17,917	18,619	19,198	46,252	101,986
	(316,445)	(317,824)	(321,570)	(341,791)	112,730	(1,884,908)	361,565	364,510	369,185	505,640	1,600,899
Interest received	51,160	58,160	54,693	725,691	-	889,704	147,501	143,029	166,272	233,811	690,613
Dividend received	-	-	-	-	-	-	940,678	1,717,418	2,683,325	-	5,341,421
Investments made during the period	(25,040,000)	(30,270,000)	(30,440,000)	(34,000,000)	-	(119,750,000)	(112,218,292)	(116,290,932)	(125,510,490)	(438,000,000)	(792,097,714)
Investments sold during the period	24,780,000	28,770,000	30,440,000	34,000,000	15,703,590	117,393,590	8,000,000	5,000,000	2,400,000	-	15,400,000
	(208,840)	(1,441,840)	54,693	725,691	15,703,590	(1,466,706)	(103,130,113)	(109,430,485)	(120,260,893)	(437,766,189)	(770,587,679)
<b>Net cash (used in) / generated operating activities</b>	(810,632)	(2,072,804)	(613,877)	(684,212)	15,795,000	(4,686,525)	(103,259,256)	(109,561,389)	(120,393,200)	(437,797,384)	(771,011,228)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts against issuance of units	160,459	1,703,695	303	1,070,134	-	2,934,591	112,254,489	115,896,328	126,039,468	445,403,437	799,593,722
Payments against redemption of units	(40,130)	(152,400)	(1,036,776)	(1,370,967)	-	(2,600,293)	(7,686,070)	(5,050,151)	(3,994,505)	-	(16,730,726)
	120,329	1,551,295	(1,036,473)	(300,833)	-	334,298	104,568,419	110,846,177	122,044,963	445,403,437	782,862,996
<b>Net cash generated from / (used in) financing activities</b>	120,329	1,551,295	(1,036,473)	(300,833)	-	334,298	104,568,419	110,846,177	122,044,963	445,403,437	782,862,996
<b>Net decrease in cash and cash equivalents</b>	(690,323)	(521,509)	(1,650,350)	(985,045)	15,795,000	(4,352,227)	1,309,163	1,284,788	1,651,763	7,606,054	11,851,768
Cash and cash equivalents at the beginning of the period	1,216,018	1,268,212	2,021,345	7,825,894	-	12,331,469	-	-	-	-	-
Cash and cash equivalents at the end of the period	525,695	746,703	370,995	6,840,849	15,795,000	7,979,242	1,309,163	1,284,788	1,651,763	7,606,054	11,851,768

The annexed notes 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

**Ifitikhar 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 NINE MONTHS ENDED 31 MARCH 2020

### 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 offering document of the Fund has been revised through the First and Second supplements dated 05 September 2019 and 14 February 2020 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML is situated at Ground Floor, Federation House, Shahrae 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.

During the period, Atlas Islamic Dividend Plan (AIDP) was launched on March 16, 2020 through one day IPO. It is also a Shariah Compliant Allocation Plan under Atlas Islamic Fund of Funds,

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.

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## **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.

## **Atlas Islamic Dividend Plan (AIDP)**

The Atlas Islamic Dividend Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide competitive return along with dividend through dynamic asset allocation between Shariah Compliant Income and Shariah Compliant Money Market based Collective Investment Schemes and Shariah Compliant/Islamic Banks/Islamic banks window saving Accounts, while aiming to provide Dividend to the investors on the daily basis of profit earned/appreciation in NAV if any. Dividend received by Unit holder shall be reinvested., This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

- 1.3 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 26 December 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund..
- 1.5 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 2020.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the 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 VIII A 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

# Atlas Islamic Fund of Funds

directives issued under the Companies Act, 2017, part VIII A 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 VIII A 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 2019.

## 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

3.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2019..

## 3.3 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 - Prepayment Features with Negative Compensation (Amendments)

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

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

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IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

		31 March 2020 (Un Audited)						
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
4	<b>BANK BALANCES</b>	-----Rupees-----						
	In local currency	-----Rupees-----						
	Profit and loss sharing accounts	4.1	525,695	746,703	370,995	6,840,849	15,795,000	24,279,242
			<u>525,695</u>	<u>746,703</u>	<u>370,995</u>	<u>6,840,849</u>	<u>15,795,000</u>	<u>24,279,242</u>

		30 June 2019 (Audited)					
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	Profit and loss sharing accounts	4.1	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
			-	-	-	-	-
			<u>1,216,018</u>	<u>1,268,212</u>	<u>2,021,345</u>	<u>7,825,894</u>	<u>12,331,469</u>

4.1 These carry interest rate ranging between 6.00% to 12.15% (30 June 2019: 4.00% to 12.30%) per annum.

		31 March 2020 (Un Audited)						
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
5	<b>INVESTMENTS - NET</b>	-----Rupees-----						
	At fair value through profit or loss - Held for Trading	-----Rupees-----						
	Units of Mutual Funds - listed	5.1	87,886,938	103,540,036	125,492,648	433,059,574	109,724,914	859,704,110
			<u>87,886,938</u>	<u>103,540,036</u>	<u>125,492,648</u>	<u>433,059,574</u>	<u>109,724,914</u>	<u>859,704,110</u>
		30 June 2019 (Audited)						
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
	At fair value through profit or loss - Held for Trading	-----Rupees-----						
	Units of Mutual Funds - listed	5.1	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110	
			<u>91,821,576</u>	<u>102,133,006</u>	<u>118,967,823</u>	<u>423,128,705</u>	<u>736,051,110</u>	

# Atlas Islamic Fund of Funds

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

### 5.1.1 Units of Mutual Funds

Name of the investee company	As at 01 July 2019	Purchases during the period	Sales during the period	As at 31 March 2020	Carrying Value as at 31 March 2020	Market Value as at 31 March 2020	Appreciation/ (diminution) as at 31 March 2020	Market Value as a % of net assets of Plan	Market Value as a % of total value of investments of Plan
	-----Number of shares-----				-----Rupees-----			-----%age-----	
<b>Aggressive Allocation Plan</b>									
Atlas Islamic Income Fund	57,950	18,044	28,861	47,133	24,152,052	26,044,608	1,892,556	29.40	29.63
Atlas Islamic Dedicated Stock Fund	151,414	37,469	18,725	170,158	70,368,821	61,842,330	(8,526,491)	69.81	70.37
	<b>209,364</b>	<b>55,513</b>	<b>47,586</b>	<b>217,291</b>	<b>94,520,873</b>	<b>87,886,938</b>	<b>(6,633,935)</b>	<b>99.21</b>	<b>100.00</b>
<b>Moderate Allocation Plan</b>									
Atlas Islamic Income Fund	106,325	22,746	34,049	95,022	48,412,703	52,507,143	4,094,440	50.27	50.71
Atlas Islamic Dedicated Stock Fund	117,448	44,273	21,305	140,416	58,055,698	51,032,893	(7,022,805)	48.86	49.29
	<b>223,773</b>	<b>67,019</b>	<b>55,354</b>	<b>235,438</b>	<b>106,468,401</b>	<b>103,540,036</b>	<b>(2,928,365)</b>	<b>99.13</b>	<b>100.00</b>
<b>Conservative Allocation Plan</b>									
Atlas Islamic Income Fund	182,885	22,166	34,900	170,151	86,302,985	94,021,355	7,718,370	74.67	74.92
Atlas Islamic Dedicated Stock Fund	64,938	45,344	23,689	86,593	35,894,360	31,471,293	(4,423,067)	24.99	25.08
	<b>247,823</b>	<b>67,510</b>	<b>58,589</b>	<b>256,744</b>	<b>122,197,345</b>	<b>125,492,648</b>	<b>3,295,303</b>	<b>99.66</b>	<b>100.00</b>
<b>Islamic Capital Preservation Plan</b>									
Atlas Islamic Income Fund	604,937	-	63,831	541,106	272,512,036	299,004,608	26,492,572	67.97	69.04
Atlas Islamic Dedicated Stock Fund	286,381	82,469	-	368,850	152,470,132	134,054,966	(18,415,166)	30.47	30.96
	<b>891,318</b>	<b>82,469</b>	<b>63,831</b>	<b>909,956</b>	<b>424,982,168</b>	<b>433,059,574</b>	<b>8,077,406</b>	<b>98.44</b>	<b>100.00</b>
<b>Islamic Dividend Plan</b>									
Atlas Islamic Income Fund	-	198,568	-	198,568	109,200,000	109,724,914	524,914	87.42	100.00
	<b>-</b>	<b>198,568</b>	<b>-</b>	<b>198,568</b>	<b>109,200,000</b>	<b>109,724,914</b>	<b>524,914</b>	<b>87.42</b>	<b>100.00</b>
<b>Total as at 31 March 2020</b>	<b>1,572,278</b>	<b>471,079</b>	<b>225,360</b>	<b>1,817,997</b>	<b>857,368,787</b>	<b>859,704,110</b>	<b>2,335,323</b>		
<b>Total as at 30 June 2019</b>	<b>-</b>	<b>1,632,450</b>	<b>60,172</b>	<b>60,172</b>	<b>797,232,898</b>	<b>736,051,110</b>	<b>(61,181,788)</b>		

## 6 DEFERRED FORMATION COST

31 March 2020 (Un Audited)

		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note		-----Rupees-----					
Opening balance	6.1	224,215	224,215	224,215	224,215	-	896,860
Less: Amortisation for the period		42,116	41,658	42,117	42,116	-	168,007
		<b>182,099</b>	<b>182,557</b>	<b>182,098</b>	<b>182,099</b>	<b>-</b>	<b>728,853</b>

30 June 2019 (Audited)

		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	
		-----Rupees-----					
Opening balance	6.1		280,268	280,268	280,268	280,268	1,121,072
Less: Amortisation for the period			56,053	56,053	56,053	56,053	224,212
			<b>224,215</b>	<b>224,215</b>	<b>224,215</b>	<b>224,215</b>	<b>896,860</b>

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6.1 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.

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

31 March 2020 (Un Audited)

		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	Note	-----Rupees-----					
Remuneration of the Management Company	7.1	491	661	318	5,519	6,517	13,506
Sindh Sales Tax on remuneration of the Management Company	7.2	64	86	42	717	835	1,744
Front and backend load payable to the Management Company		113	-	1,017	11,294	-	12,424
Accounting and operational charges reimbursable by the Fund		13,811	15,802	18,409	64,904	8,653	121,579
		<b>14,479</b>	<b>16,549</b>	<b>19,786</b>	<b>82,434</b>	<b>16,005</b>	<b>149,253</b>

30 June 2019 (Audited)

		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	
		-----Rupees-----					
Remuneration of the Management Company	7.1		1,037	1,162	1,656	7,483	11,338
Sindh Sales Tax on remuneration of the Management Company	7.2		134	152	214	972	1,472
Front and backend load payable to the Management Company			-	-	1,016	3,955	4,971
Preliminary expenses and floatation charges payable			280,268	280,268	280,268	280,268	1,121,072
Accounting and operational charges reimbursable by the Fund			7,830	8,627	9,953	35,677	62,087
			<b>289,269</b>	<b>290,209</b>	<b>293,107</b>	<b>328,355</b>	<b>1,200,940</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. 10,089 (2019: 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. 8,846 (2019: 10,474) has been paid to the Management Company which acts as a collecting agent.

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

The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.070% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. However, during the period ended June 30, 2019, the trustee fee was charged in accordance with the following slab rates:

Net assets	Fee
- upto Rs 1,000 million	0.1% per annum of net assets
- On an amount exceeding Rs. 1,000 million	Rs 1.0 million plus 0.075% per annum of net assets exceeding Rs. 1,000 million

# Atlas Islamic Fund of Funds

## 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

31 March 2020 (Un Audited)

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	-----Rupees-----					
Annual fee payable	14,769	16,601	19,124	68,185	1,018	119,697
	<b>14,769</b>	<b>16,601</b>	<b>19,124</b>	<b>68,185</b>	<b>1,018</b>	<b>119,697</b>

Note

9.1

30 June 2019 (Audited)

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----				
Annual fee payable	46,308	49,506	54,200	141,709	291,723
	<b>46,308</b>	<b>49,506</b>	<b>54,200</b>	<b>141,709</b>	<b>291,723</b>

9.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as an equity scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

31 March 2020 (Un Audited)

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	-----Rupees-----					
Auditors' remuneration payable	19,681	20,709	21,452	29,279	-	91,121
Withholding tax payable	904	1,598	1,024	34,675	91,410	129,611
Shariah advisory fee payable	1,927	2,091	2,314	5,947	271	12,550
Printing charges payable	2,204	1,927	1,662	-	-	5,793
Provision for Sindh Workers' Welfare Fund	-	-	124,288	190,669	12,429	327,386
	<b>24,716</b>	<b>26,325</b>	<b>150,740</b>	<b>260,570</b>	<b>104,110</b>	<b>566,461</b>

Note

10.1

30 June 2019 (Audited)

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	
	-----Rupees-----					
Auditors' remuneration payable		27,503	29,153	31,314	64,627	152,597
Withholding tax payable		302	1,126	261	4,116	5,805
Shariah advisory fee payable		1,960	2,113	2,336	6,088	12,497
Printing charges payable		2,755	2,919	3,169	7,786	16,629
		<b>32,520</b>	<b>35,311</b>	<b>37,080</b>	<b>82,617</b>	<b>187,528</b>

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**10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, 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).

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 2020 would have been higher by Rs. Nil per unit (30 June 2019: Rs. Nil per unit), Rs. Nil per unit (30 June 2019: Rs. Nil per unit), Rs. 0.51 per unit (30 June 2019: Rs. Nil per unit), Rs. 0.22 per unit (30 June 2019: Rs. Nil per unit) and Rs. 0.05 per unit (30 June 2019: Rs. Nil per unit) for AAAIP, AMAIP, ACAIP, AICPP and AIDP respectively.

## 11 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 March 2020 and 30 June 2019.

## 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 is as follows :

	31 March 2020 (Un Audited)				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan
Total expense ratio	0.46	0.45	0.55	0.38	0.04
Government Levies and SECP Fee	0.03	0.03	0.16	0.09	0.01

	30 June 2019 (Audited)			
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan
Total expense ratio		0.35	0.34	0.32
Government Levies and SECP Fee		0.06	0.06	0.05

# Atlas Islamic Fund of Funds

## 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 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.

## 14 ACCOUNTING AND OPERATIONAL CHARGES

Uptil 19 June 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 (I) /2019 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 for allocation of such expenses to the Fund.

## 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 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:

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		-----31 MARCH 2020-----				For the period from March 16 to 31, 2020	
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
		-----Rupees-----					
16.1	Details of transaction with related parties during the period are as follows: Note						
<b>Atlas Asset Management Limited (Management Company)</b>							
	Remuneration for the period	5,837	6,314	7,228	51,803	6,517	77,699
	Sindh sales tax on remuneration of the Management Company	759	821	940	6,734	835	10,089
	Remuneration paid	6,383	6,815	8,566	53,767	-	75,531
	Formation cost	42,116	41,658	42,117	42,116	-	168,007
	Accounting & operational charges	101,962	113,669	130,235	464,689	8,653	819,208
	Issuance in amounts	4,045	3,695	-	-	20,078,461	20,086,201
	Issue of units	9	8	-	-	40,157	40,174
<b>Central Depository Company of Pakistan Limited</b>							
	Remuneration of the Trustee	52,120	58,189	66,935	238,733	3,563	419,540
	Sindh Sales Tax on remuneration of the Trustee	6,776	7,565	8,702	31,035	463	54,541
	Remuneration paid	54,167	60,201	69,188	247,255	-	430,811
	<b>Lucky Commodities (Private) Limited</b>						
	(Unit Holder with more than 10% holding)						
	Issuance in amounts	-	-	-	-	100,392,307	-
	Issue of units	-	-	-	-	200,785	-
	<b>Atlas Islamic Dedicated Stock Fund</b>						
	Purchase in Rupees	15,400,000	18,150,000	18,600,000	34,000,000	-	86,150,000
	Purchase of units	37,469	44,273	45,344	82,469	-	209,555
	Redemption in Rupees	9,380,000	10,620,000	11,840,000	-	-	31,840,000
	Redemption of units	18,725	21,305	23,689	-	-	63,719
	<b>Atlas Islamic Income Fund</b>						
	Purchase in Rupees	9,640,000	12,120,000	11,840,000	-	109,200,000	142,800,000
	Purchase of units	18,044	22,746	22,166	-	198,568	261,524
	Redemption in Rupees	15,400,000	18,150,000	18,600,000	34,000,000	-	86,150,000
	Redemption of units	28,861	34,049	34,900	63,831	-	161,641
	<b>Directors and their close family members and key management personnel of the Management Company</b>						
	Redemption in Rupees	2,998	-	-	-	-	2,998
	Redemption of units	7	-	-	-	-	7

		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>Atlas Asset Management Limited (Management Company)</b>						
	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	61,899
	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

# Atlas Islamic Fund of Funds

		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		
		-----Rupees-----					
16.1	Details of transaction with related parties during the period are as follows: (Continued...)	Note					
	<b>Central Depository Company of Pakistan Limited</b>						
	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	
	<b>Shirazi Investments (Private) Limited - Group Company</b>						
	Issuance in amounts	99,039,349	99,735,352	99,819,514	200,000,000	498,594,215	
	Issue of units	198,0791	199,47	199,639	396,267	993,456	
	<b>Atlas Honda Limited - Group Company</b>						
	Issuance in amounts	-	-	-	200,000,000	200,000,000	
	Issue of units	-	-	-	396,267	396,267	
	<b>Atlas Islamic Dedicated Stock Fund</b>						
	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	
	<b>Atlas Islamic Income Fund</b>						
	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	
	<b>Directors and their close family members and key management personnel of the Management Company</b>	16.4					
	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	
16.2	Details of balances with related parties as at the period / year end are as follows:	31 March 2020 (Un Audited)					
		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend	Total
		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	
		-----Rupees-----					
	<b>Atlas Asset Management Limited (Management Company)</b>						
	Remuneration payable to the management company	491	661	318	5,519	6,517	13,506
	Sindh Sales tax payable on remuneration of the Management Company	64	86	42	717	835	1,744
	Sales Load Payable	113	-	1,017	11,294	-	12,424
	Accounting and operational charges payable	13,811	15,802	18,409	64,904	8,653	121,579
	Outstanding amount - at net asset value	4,285,467	4,697,122	20,679,042	-	20,078,461	49,740,092
	Outstanding units	10,139	10,126	39,737	-	40,157	100,159
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>						
	Trustee fee payable	5,783	6,614	7,700	27,155	3,563	50,815
	Sindh Sales tax payable on remuneration of trustee	752	860	1,001	3,530	463	6,606
	<b>Shirazi Investments (Private) Limited - Group Company</b>						
	Outstanding amount - at net asset value	83,719,942	92,524,486	103,892,150	197,562,957	-	477,699,536
	Outstanding units	198,079	199,471	199,639	396,267	-	993,456



# Atlas Islamic Fund of Funds

16.3 Holding being more than 10% in the reporting period, disclosure is required.

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

## 17 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.

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

### 17.1 Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value on the following financial instruments by valuation technique:

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

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

Level 3: Input for the asset or liability that are not based on observable market data.

Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days which is considered as Level 2 valuation. Fair value of remaining financial assets is not significantly different from their carrying value.

## 18 GENERAL

Figures have been rounded off to the nearest Rupee.

## 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 2020.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## Atlas Islamic Dedicated Stock Fund

### Corporate Information

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#### **Trustee**

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

#### **Shariah Advisor**

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Dr. Mufti Muhammad Wasih Fasih Butt

#### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

#### **Legal Advisers**

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Bawaney & Partners

#### **Bankers**

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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 2020

		31 March 2020 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
<b>ASSETS</b>			
Bank balances	4	4,945,063	4,490,047
Investments	5	322,013,915	248,332,196
Receivable against sale of investments		-	932,900
Profit receivable on bank balances		100,693	21,465
Dividend receivable		2,828,720	431,875
Deferred formation cost		721,895	888,860
Advances, deposits, prepayment and other receivables	6	3,444,144	3,515,578
<b>Total assets</b>		<b>334,054,430</b>	<b>258,612,921</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	7	871,378	1,624,414
Payable to Central Depository Company of Pakistan Limited - Trustee		71,787	54,810
Payable to the Securities and Exchange Commission of Pakistan	8	50,010	104,474
Payable against redemption of units		-	-
Accrued expenses and other liabilities	9	754,596	302,079
<b>Total liabilities</b>		<b>1,747,771</b>	<b>2,085,777</b>
<b>NET ASSETS</b>		<b>332,306,659</b>	<b>256,527,144</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>332,306,659</b>	<b>256,527,144</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>914,348</b>	<b>620,181</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>363.44</b>	<b>413.63</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTH AND QUARTER ENDED 31 MARCH 2020

		For the Nine Months Ended 31 March 2020	For the period from 10 January 2019 to 31 March 2019	For the Quarter Ended 31 March 2020
	Note	----- Rupees -----		
<b>INCOME</b>				
Profit on bank balances		532,951	602,280	244,872
Dividend income		13,943,943	2,062,010	3,035,163
Capital gain on sale of investments - net		22,495,108	(372,614)	6,421,589
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(74,613,341)	(9,542,236)	(130,395,580)
		<b>(52,118,233)</b>	<b>(9,914,850)</b>	<b>(123,973,991)</b>
<b>Total income</b>		<b>(37,641,339)</b>	<b>(7,250,560)</b>	<b>(120,693,956)</b>
<b>EXPENSES</b>				
Remuneration of Atlas Asset Management Limited - Management Company	7.1	5,122,092	863,485	2,078,487
Sindh Sales Tax on remuneration of the Management Company	7.2	665,872	112,252	270,203
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		500,102	86,348	195,743
Sindh Sales Tax on remuneration of the Trustee		65,013	11,224	25,446
Annual fee to the Securities and Exchange Commission of Pakistan		50,010	41,017	19,569
Accounting and operational charges	11	349,523	43,174	152,016
Shariah advisory fee		37,500	11,696	12,500
Auditors' remuneration		241,484	58,479	67,670
Annual listing fee		94,212	-	31,404
Securities transaction cost		1,075,306	445,680	389,156
Printing and postage charges		20,601	2,483	-
Legal and professional charges		223,067	-	109,867
Amortization of formation cost		166,965	49,581	55,250
Bank charges		1,639	8,813	(1,539)
Provision for Sindh Workers Welfare Fund	9.2	-	-	(1,556,900)
<b>Total expenses</b>		<b>8,613,386</b>	<b>1,734,232</b>	<b>1,848,872</b>
<b>Net loss for the period before taxation</b>		<b>(46,254,725)</b>	<b>(8,984,792)</b>	<b>(122,542,828)</b>
Taxation	13	-	-	-
<b>Net loss for the period after taxation</b>		<b>(46,254,725)</b>	<b>(8,984,792)</b>	<b>(122,542,828)</b>

The annexed notes from 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

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Dedicated Stock Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH AND QUARTER ENDED 31 MARCH 2020

	For the Nine Months Ended 31 March 2020	For the period from 10 January 2019 to 31 March 2019	For the Quarter Ended 31 March 2020
	----- Rupees -----		
Net loss for the period after taxation	(46,254,725)	(8,984,792)	(122,542,828)
Other comprehensive income / (loss)	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(46,254,725)</b>	<b>(8,984,792)</b>	<b>(122,542,828)</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Atlas Islamic Dedicated Stock Fund

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTH ENDED 31 MARCH 2020

	For the Nine Months Ended 31 March 2020	For the period from 10 January 2019 to 31 March 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(46,254,725)	-
<b>Adjustments for:</b>		
Mark-up on bank deposits with banks	(532,951)	(602,280)
Dividend income	(13,943,943)	(2,062,010)
Capital gain on sale of investments - net	(22,495,108)	372,614
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	74,613,341	9,542,236
Amortization of formation cost	166,965	-
Provision for Sindh Workers Welfare Fund	-	-
	<b>37,808,304</b>	<b>7,250,560</b>
<b>Decrease / (increase) in assets</b>		
Receivable against sale of investments	932,900	-
Advances, deposits, prepayment and other receivables	71,434	(3,716,893)
	<b>1,004,334</b>	<b>(3,716,893)</b>
<b>(Decrease) / Increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(753,036)	1,677,744
Payable to the Central Depository Company of Pakistan Limited - Trustee	16,977	53,823
Payable to the Securities and Exchange Commission of Pakistan	(54,464)	41,017
Payable against purchase of investments	-	6,187,713
Accrued expenses and other liabilities	176,757	270,048
	<b>(613,766)</b>	<b>8,230,345</b>
Profit received on bank balances	453,723	273,064
Dividend received	11,547,098	119,760
Investments made during the period	(322,458,420)	(296,683,611)
Investments sold during the period	196,658,468	13,145,976
	<b>(113,799,131)</b>	<b>(283,144,811)</b>
<b>Net cash used in operating activities</b>	<b>(121,854,984)</b>	<b>(271,380,799)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	157,150,000	302,893,987
Payment against redemption of units	(34,840,000)	(9,100,000)
<b>Net cash generated from financing activities</b>	<b>122,310,000</b>	<b>293,793,987</b>
<b>Net increase in cash and cash equivalents</b>	<b>455,016</b>	<b>22,413,188</b>
Cash and cash equivalents at the beginning of the period	4,490,047	-
<b>Cash and cash equivalents at the end of the period</b>	<b>4,945,063</b>	<b>22,413,188</b>

The annexed notes from 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Third Quarter Report 2019-20

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

FOR THE NINE MONTH ENDED 31 MARCH 2020

### 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 03 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 offering document of the Fund has been revised through the First, Second and Third supplements date 8 August 2019, 5 September 2019 and 25 November 2019 respectively with the approval of 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. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on 09 October 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 According to the Trust Deed, 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) on 26 December 2019.
- 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 2020.

### 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.

- 2.1.2 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 2019.

#### 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.

# Atlas Islamic Dedicated Stock Fund

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2019.
- 3.2 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2019.
- 3.3 **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 3 - Business Combinations - Previously held interests in a joint operation

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

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

		31 March 2020	30 June 2019
	Note	Un-audited	Audited
		-----Rupees -----	
<b>4 BANK BALANCES</b>			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	4,945,063	4,490,047
		<u>4,945,063</u>	<u>4,490,047</u>
4.1			
The rate of return on these accounts range between 6.00% to 12.15% (30 June 2019: 6.00% to 11.00%) per annum.			

## 5 INVESTMENTS

### Financial assets at fair value through profit or loss account

- Listed equity securities	5.1	322,013,915	248,332,196
		<u>322,013,915</u>	<u>248,332,196</u>

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## 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	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2020	Average cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
		----- Number of shares -----					----- Rupees -----		----- % age -----		
<b>Inv. Bank/Inv. Companies/Securities Co.</b>											
Dawood Hercules Corporation Limited		23,800	-	-	23,800	-	-	-	-	-	-
		<b>23,800</b>	<b>-</b>	<b>-</b>	<b>23,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Banks</b>											
Bankislami Pakistan Limited		241,000	805,000	48,100	275,000	819,100	9,560,617	7,388,282	2.29	2.22	0.07
Meezan Bank Limited	5.3	308,400	237,500	-	92,500	453,400	38,288,178	29,511,806	9.16	8.88	0.04
		<b>549,400</b>	<b>1,042,500</b>	<b>48,100</b>	<b>367,500</b>	<b>1,272,500</b>	<b>47,848,795</b>	<b>36,900,088</b>	<b>11.45</b>	<b>11.10</b>	
<b>Textile Composite</b>											
Interloop Limited		67,500	92,500	-	160,000	-	-	-	-	-	-
Kohinoor Textile Mills Limited		140,000	20,000	-	69,000	91,000	2,440,761	2,355,080	0.73	0.71	0.03
Nishat Mills Limited		26,100	113,000	-	137,100	2,000	210,394	117,460	0.04	0.04	-
		<b>233,600</b>	<b>225,500</b>	<b>-</b>	<b>366,100</b>	<b>93,000</b>	<b>2,651,155</b>	<b>2,472,540</b>	<b>0.77</b>	<b>0.75</b>	
<b>Cement</b>											
Attock Cement Pakistan Limited		21,600	54,000	-	21,500	54,100	6,016,741	4,672,617	1.45	1.41	0.04
Cherat Cement Company Limited		48,500	142,000	4,850	36,500	158,850	8,158,703	8,798,702	2.73	2.65	0.08
D.G. Khan Cement Company Limited		80,500	210,000	-	102,000	188,500	14,182,957	11,168,625	3.47	3.36	0.04
Fauji Cement Company Limited		-	59,000	-	59,000	-	-	-	-	-	-
Kohat Cement Company Limited		-	40,000	-	40,000	-	-	-	-	-	-
Lucky Cement Limited		37,900	33,200	-	14,500	56,600	22,406,053	20,981,620	6.52	6.31	0.02
Maple Leaf Cement Factory Limited		35,000	40,000	-	75,000	-	-	-	-	-	-
		<b>223,500</b>	<b>578,200</b>	<b>4,850</b>	<b>348,500</b>	<b>458,050</b>	<b>50,764,454</b>	<b>45,621,564</b>	<b>14.17</b>	<b>13.73</b>	
<b>REFINERY</b>											
National Refinery Limited		-	5,500	-	5,500	-	-	-	-	-	-
		<b>-</b>	<b>5,500</b>	<b>-</b>	<b>5,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (face value Rs. 3.5)		528,500	-	-	23,000	505,500	2,219,145	1,430,565	0.44	0.43	-
The Hub Power Company Limited		263,903	234,000	-	22,000	475,903	37,855,571	32,489,898	10.09	9.78	0.04
		<b>792,403</b>	<b>234,000</b>	<b>-</b>	<b>45,000</b>	<b>981,403</b>	<b>40,074,716</b>	<b>33,920,463</b>	<b>10.53</b>	<b>10.21</b>	
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited		14,400	4,000	-	18,400	-	-	-	-	-	-
Hi-Tech Lubricants Limited		-	50,000	-	50,000	-	-	-	-	-	-
Pakistan State Oil Company Limited		69,500	38,500	13,900	38,500	83,400	12,731,056	10,133,100	3.15	3.05	0.02
Sui Northern Gas Pipelines Limited		43,000	67,500	-	28,000	82,500	5,718,861	3,044,250	0.95	0.92	0.01
		<b>126,900</b>	<b>160,000</b>	<b>13,900</b>	<b>134,900</b>	<b>165,900</b>	<b>18,449,917</b>	<b>13,177,350</b>	<b>4.10</b>	<b>3.97</b>	
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited		13,280	14,360	2,088	6,360	23,368	22,585,866	20,823,225	6.47	6.27	0.02
Oil & Gas Development Company Limited	5.3	234,500	100,000	-	93,100	241,400	31,250,586	18,585,386	5.77	5.59	0.01
Pakistan Oilfields Limited		41,000	19,900	-	10,600	50,300	20,013,829	13,189,163	4.10	3.97	0.02
Pakistan Petroleum Limited	5.3	167,200	143,400	38,440	75,200	273,840	32,383,883	19,664,450	6.11	5.92	0.01
		<b>455,980</b>	<b>277,660</b>	<b>40,528</b>	<b>185,260</b>	<b>588,908</b>	<b>106,234,164</b>	<b>72,262,224</b>	<b>22.45</b>	<b>21.75</b>	
<b>Engineering</b>											
International Industries Limited		56,800	49,800	7,980	97,700	16,880	1,942,735	1,275,622	0.40	0.38	0.01
International Steels Limited		21,000	40,000	-	61,000	-	-	-	-	-	-
		<b>77,800</b>	<b>89,800</b>	<b>7,980</b>	<b>158,700</b>	<b>16,880</b>	<b>1,942,735</b>	<b>1,275,622</b>	<b>0.40</b>	<b>0.38</b>	
<b>AUTOMOBILE ASSEMBLER</b>											
Millat Tractors Limited		-	6,200	-	-	6,200	4,040,132	3,368,212	1.05	1.01	0.01
		<b>-</b>	<b>6,200</b>	<b>-</b>	<b>-</b>	<b>6,200</b>	<b>4,040,132</b>	<b>3,368,212</b>	<b>1.05</b>	<b>1.01</b>	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Thal Limited (face value Rs. 5)		-	6,200	-	6,200	-	-	-	-	-	-
		<b>-</b>	<b>6,200</b>	<b>-</b>	<b>6,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Atlas Islamic Dedicated Stock Fund

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 March 2020	Average cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
		----- Number of shares -----			----- Rupees -----			----- % age -----			
<b>TRANSPORT</b>											
Pakistan Int Bulk Terminal Limited		-	90,000	-	90,000	-	-	-	-	-	-
		-	90,000	-	90,000	-	-	-	-	-	-
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Pakistan Telecommunication Company Limited		-	400,000	-	400,000	-	-	-	-	-	-
Systems Limited		-	115,500	-	2,500	113,000	14,292,184	12,558,820	3.90	3.77	0.09
		-	515,500	-	402,500	113,000	14,292,184	12,558,820	3.90	3.77	
<b>Fertilizer</b>											
Engro Corporation Limited	5.3	95,420	72,500	-	57,000	110,920	31,248,740	29,604,548	9.19	8.90	0.02
Engro Fertilizers Limited		279,000	306,500	-	246,000	339,500	22,665,924	19,575,570	6.08	5.89	0.03
		374,420	379,000	-	303,000	450,420	53,914,664	49,180,118	15.27	14.79	
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited		-	11,200	-	700	10,500	3,560,255	3,341,835	1.04	1.01	0.01
AGP Limited		8,500	8,500	-	-	17,000	1,209,005	1,402,500	0.44	0.42	0.01
Ferozsons Laboratories Limited		14,000	3,100	-	5,000	12,100	1,518,516	2,103,948	0.65	0.63	0.04
Glaxosmithkline Pakistan Limited		12,500	11,200	-	3,500	20,200	2,311,423	3,414,608	1.06	1.03	0.01
Highnoon Laboratories Limited		-	9,450	-	-	9,450	4,404,714	4,711,392	1.46	1.42	0.05
The Searle Company Limited		25,000	31,900	-	17,500	39,400	6,649,778	6,179,890	1.92	1.86	0.02
		60,000	75,350	-	26,700	108,650	19,653,691	21,154,173	6.57	6.37	
<b>Chemicals</b>											
Archroma Pakistan Limited		-	8,700	-	2,350	6,350	4,068,628	3,282,950	1.02	0.99	0.02
Engro Polymer & Chemicals Limited		50,000	353,000	-	48,000	355,000	10,628,746	8,704,600	2.70	2.61	0.04
ICI Pakistan Limited		-	16,250	-	11,200	5,050	3,363,840	2,556,916	0.79	0.77	0.01
		50,000	377,950	-	61,550	366,400	18,061,214	14,544,466	4.51	4.37	
<b>Paper &amp; Board</b>											
Cherat Packaging Limited		5,400	-	-	5,400	-	-	-	-	-	-
Packages Limited		-	6,800	-	300	6,500	2,337,191	1,484,015	0.46	0.45	0.01
		5,400	6,800	-	5,700	6,500	2,337,191	1,484,015	0.46	0.45	
<b>VANASPATI &amp; ALLIED INDUSTRIES</b>											
Unity Foods Limited		-	320,000	-	320,000	-	-	-	-	-	-
		-	320,000	-	320,000	-	-	-	-	-	-
<b>Leather &amp; Tanneries</b>											
Bata Pakistan Limited		-	4,420	-	-	4,420	6,678,655	6,497,400	2.02	1.96	0.06
		-	4,420	-	-	4,420	6,678,655	6,497,400	2.02	1.96	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
At-Tahur Limited		-	228,500	-	-	228,500	4,505,990	3,585,165	1.11	1.08	0.07
National Foods Limited (face value Rs. 5)		-	5,000	-	2,500	2,500	562,915	496,825	0.15	0.15	-
		-	233,500	-	2,500	231,000	5,068,905	4,081,990	1.26	1.23	
<b>GLASS &amp; CERAMICS</b>											
Tariq Glass Industries Limited		-	67,000	13,500	40,000	40,500	2,614,784	2,046,870	0.64	0.62	0.02
		-	67,000	13,500	40,000	40,500	2,614,784	2,046,870	0.64	0.62	
<b>Miscellaneous</b>											
Synthetic Products Enterprises Limited		-	50,000	-	-	50,000	1,999,900	1,468,000	0.46	0.44	0.03
		-	50,000	-	-	50,000	1,999,900	1,468,000	0.46	0.44	
<b>Total as at 31 March 2020</b>							<b>396,627,256</b>	<b>322,013,915</b>	<b>100.00</b>	<b>96.90</b>	
<b>Total as at 30 June 2019</b>							<b>296,859,710</b>	<b>248,332,196</b>			

5.2 The cost of listed equity securities as at 31 March 2020 is Rs. 422,497,671 (30 June 2019: 296,859,710).

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- 5.3 The above investments include following shares which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP:

	31 March 2020	30 June 2019	31 March 2020	30 June 2019
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Engro Corporation Limited	4,500	4,500	1,201,050	1,195,200
Oil & Gas Development Company Limited	50,000	50,000	3,849,500	6,574,500
Meezan Bank Limited	1,000	-	65,090	-
Pakistan Petroleum Limited	30,000	30,000	2,154,300	4,332,900
	<b>85,500</b>	<b>84,500</b>	<b>7,269,940</b>	<b>12,102,600</b>

	31 March 2020	30 June 2019
	Un-audited	Audited
	-----Rupees -----	

## 6 SECURITY DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

Security deposit held with:

- National Clearing Company of Pakistan Limited (NCCPL)

- Central Depository Company of Pakistan Limited (CDC)

Margin deposit with NCCPL

Prepaid listing fees

Other receivable

2,500,000	2,500,000
100,000	102,534
-	152,423
31,398	-
812,746	760,621
<b>3,444,144</b>	<b>3,515,578</b>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted from profit on bank deposits by the Funds has been shown as other receivable as at 31 March 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

# Atlas Islamic Dedicated Stock Fund

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees -----	
<b>7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)</b>			
Remuneration of the Management Company	7.1	726,343	453,033
Sindh Sales Tax payable on remuneration of the Management Company	7.2	94,425	56,554
Formation cost payable		-	1,111,075
Accounting and operational charges	11	50,610	21,752
		<b>871,378</b>	<b>1,642,414</b>

7.1 During the nine months ended 31 March 2020, the Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund for the period. On March 01, 2020 Management Company decided to revise the management fee from 2.00% to 2.40% The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs. 665,872 (2019: 112,252) 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. 628,001 (2019: 54,230) has been paid to the Management Company which acts as the collecting agent.

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees -----	
<b>8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fees payable	8.1	50,010	104,474
		<b>50,010</b>	<b>104,474</b>

8.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as equity scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

		31 March 2020	30 June 2019
		Un-audited	Audited
	Note	-----Rupees -----	
<b>9 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		154,921	134,999
Printing charges payable		17,658	5,959
Charity payable	9.1	56,850	90,950
Transaction charges payable		415,449	44,263
Withholding tax payable		97,218	13,408
Payable to Shariah Advisor		12,500	12,500
Provision for Sindh Workers' Welfare Fund	9.2	-	-
		<b>754,596</b>	<b>302,079</b>

9.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 275,760 (30 June 2019: Rs. 108,857) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

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9.2 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, 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).

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 2020 would have been higher by Re. Nil per unit (30 June 2019: Re. Nil per unit).

## 10 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 March 2020 and 30 June 2019.

## 11 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 for allocation of such expenses to the Fund.

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2020 is 3.45% (30 June 2019: 1.67%) which includes 0.37% (30 June 2019: 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 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 13 TAXATION

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

## 14 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 loss per unit is not practicable.

## 15 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.

# Atlas Islamic Dedicated Stock Fund

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:

	<b>For the Nine Months Ended 31 March 2020 Un-audited</b>	<b>For the period from 10 January 2019 to 31 March 2019 Un-audited</b>
	----- Rupees -----	
<b>15.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	5,122,092	863,485
Sindh Sales Tax on remuneration of the Management Company	665,872	112,252
Remuneration paid	4,848,782	417,154
Formation cost	166,965	49,581
Accounting and operational charges	349,523	43,174
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	500,102	86,348
Sindh Sales Tax on remuneration of the Trustee	65,013	11,224
Remuneration paid	483,078	41,714
Settlement charges	8,490	12,465
Sindh sales tax on settlement charges	1,104	1,620
<b>Atlas Group of Companies Management Staff Gratuity Fund</b>		
Issue of 143,485 (2019: Nil) units	66,000,000	-
Redemption of 5,616 (2019: Nil) units	3,000,000	-
<b>M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>		
Issue of 10,461 (2019: Nil) units	5,000,000	-
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Issue of 37,469 (2019: 155,900) units	15,400,000	78,028,277
Redemption of 18,725 (2019: 11,029) units	9,380,000	5,600,000
<b>Atlas Moderate Allocation Islamic Plan</b>		
Issue of 44,273 (2019: 113,676) units	18,150,000	56,936,757
Redemption of 21,305 (2019: 4,951) units	10,620,000	2,500,000
<b>Atlas Conservative Allocation Islamic Plan</b>		
Issue of 45,344 (2019: 59,650) units	18,600,000	29,928,953
Redemption of 23,689 (2019: 1,926) units	11,840,000	1,000,000
<b>Atlas Islamic Capital Preservation Plan</b>		
Issue of 82,469 (2019: 275,477) units	34,000,000	138,000,000

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	31 March 2020 Un-audited	30 June 2019 Audited
	-----Rupees -----	
<b>15.2 Balances as at period / year end (Continued.....)</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	726,343	453,033
Sindh Sales Tax payable on remuneration of the management company	94,425	56,554
Formation cost payable	-	1,111,075
Accounting and operational charges payable	50,610	21,752
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	60,528	43,504
Sindh sales tax payable on remuneration of the Trustee	7,869	5,656
Settlement charges payable	3,000	5,000
Sindh sales tax payable on settlement charges	390	650
<b>Atlas Group of Companies Management Staff Gratuity Fund</b>		
Outstanding 137,869 (30 June 2019: Nil) units at net asset value	50,107,202	-
<b>M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>		
Outstanding 10,463 (30 June 2019: Nil) units at net asset value	3,801,912	-
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Outstanding 170,158 (30 June 2019: 151,414) units at net asset value	61,842,330	62,629,378
<b>Atlas Moderate Allocation Islamic Plan</b>		
Outstanding 140,416 (30 June 2019: 117,448) units at net asset value	51,032,893	48,579,954
<b>Atlas Conservative Allocation Islamic Plan</b>		
Outstanding 86,593 (30 June 2019: 64,938) units at net asset value	31,471,293	26,860,400
<b>Atlas Islamic Capital Preservation Plan</b>		
Outstanding 368,850 (30 June 2019: 286,381) units at net asset value	134,054,966	118,455,813

**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 amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

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

### 16.1 Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

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

# Atlas Islamic Dedicated Stock 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.

The Fund recognises equity securities at fair value which is determined using the rate at which they are quoted on Pakistan Stock Exchange Limited (Level 1). Fair value of remaining financial assets is not significantly different from their carrying 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 2020.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman








**Tariq Amin**  
Director










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**Head Office- Karachi**

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

**Savings Center- Karachi**

Faiyaz Center, 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, Ext. 186

**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

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