



**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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**QUARTERLY REPORT**

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**30 SEPTEMBER 2020**

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**(UN-AUDITED)**

**Atlas  
funds**  
*Nurturing your investments*



**Managed By**

**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**

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  
Mr. M. Kamran Ahmed  
Mr. Najam Shehzad  
**Secretary** Mr. Muhammad Umar Khan

### Risk Management Committee

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

### Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

### Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

### Registered Office

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

# First Quarter Report 2020-21

## 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 quarter ended September 30, 2020 of FY 2020-21.

## THE ECONOMY

The gradual re-opening of nationwide lockdowns due to significant decline in active COVID cases and monetary easing by State Bank of Pakistan resulted in improved economic activity reflecting a partial yet encouraging pick-up in demand indicators. During Jul-Aug FY21, the Current Account Balance posted a surplus of US \$0.81 billion as compared to a deficit of US \$1.21 billion in same period last year. The Current Account largely benefitted from 31.19% YoY increase in Jul-Sep FY21 Worker's Remittances that stood at US \$7.15 billion. The Jul-Sep FY21 Imports increased by 0.56% YoY to US \$11.26 billion while Jul-Sep FY21 Exports fell by 0.94% YoY to stand at US \$5.46 billion. Total Liquid Foreign Exchange Reserves increased by 28.28% YoY to US \$19.53 billion as of Sept 25, 2020 (SBP's share stood at US \$12.36 billion) primarily due to significant improvement in Current Account Balance, multilateral inflows from IMF and World Bank to avert COVID based economic erosion and approval of debt suspension as part of G-20 debt relief deal. Average CPI inflation remained at 8.84% during Jul-Sep FY21, in line with SBP projected range of 7% to 9% for FY21. The State Bank of Pakistan kept policy rate unchanged at 7.00% in its latest Monetary Policy Committee meeting in order to support economic recovery and ensure funding availability for households and businesses.

## FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 1.54% to Rs. 505.84 as on September 30, 2020, providing an annualized total return of 6.15%. The AMF's total exposure in Short-Term Deposits with Banks/Cash, Treasury Bills and Others stood at 72.68%, 27.28% and 0.04%, 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. 17.67 billion, with 34.93 million units outstanding as of September 30, 2020.

## FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 1.08% to Rs. 102.05 as on September 30, 2020, providing an annualized total return of 4.33%. The ASF's total exposure in Pakistan Investment Bonds, Treasury Bills and Short-Term Deposits with Banks/Others stood at 62.40%, 9.15% and 28.45%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 1.97 billion, with 19.28 million units outstanding as of September 30, 2020.

## FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 2.25% to Rs. 531.23 as on September 30, 2020, providing an annualized total return of 8.93%. AIF's total exposure in Pakistan Investment Bonds, Term Finance Certificates, Sukuks, Treasury Bills and Bank Deposits/MTS/Others stood at 25.43%, 15.68%, 8.77%, 17.02% and 33.10% 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. 3.85 billion with 7.24 million units outstanding as of September 30, 2020.

## FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 20.63% to Rs. 623.33 as on September 30, 2020. The benchmark KSE-100 index increased by 17.87% during the same period. The KSE-100 index increased from 34,421.92 points as on June 30, 2020 to 40,571.48 points as on September 30, 2020. The ASMF's equity portfolio exposure stood at 95.79% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer 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. 8.71 billion, with 13.98 million units outstanding as of September 30, 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

# First Quarter Report 2020-21

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

- **Fund Stability Rating - AMF**

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

- **Fund Stability Rating - 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 State Bank of Pakistan has slightly increased its inflation forecast for FY21 (7% to 9%) primarily due to supply side shocks in food prices on the back of recent flood-related damages whereas demand-side inflationary risks remain well contained. The future direction of international crude oil prices, likely to remain subdued, will have an important bearing on the local inflation outlook. On the external front, the Current Account Deficit is expected to remain under 2% of GDP in FY21. The economy is expected to grow over 2% in FY21 driven primarily by manufacturing and construction related activities taking support from the State Bank's financing incentives and the government's construction sector package. Declining trajectory of number of daily COVID cases will eventually lead towards resumption of full-scale economic activity that will stimulate growth. Going forward, government's focus towards widening tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, safeguarding jobs and addressing social needs.

## ACKNOWLEDGEMENT

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

# 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 Bank Limited  
MCB Bank Limited  
Samba Bank Limited  
Zarai Taraqati Bank Limited

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## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2020

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Cash and bank balances	4	12,928,372,961	7,522,447,993
Investments	5	4,852,347,686	2,617,567,408
Profit receivable on bank balances		3,388,386	1,373,040
Prepayment and other receivables		3,688,808	3,683,919
<b>Total assets</b>		<b>17,787,797,841</b>	<b>10,145,072,360</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	6	30,977,850	28,444,987
Payable to Central Depository Company of Pakistan Limited - Trustee		1,059,253	635,959
Payable to the Securities & Exchange Commission of Pakistan		794,692	2,295,677
Payable against redemption of units		16,431	16,431
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	7	86,266,457	82,173,939
<b>Total liabilities</b>		<b>119,139,835</b>	<b>113,592,145</b>
<b>NET ASSETS</b>		<b>17,668,658,006</b>	<b>10,031,480,215</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>17,668,658,006</b>	<b>10,031,480,215</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>34,929,162</b>	<b>19,854,239</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>505.8426</b>	<b>505.2600</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Money Market Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020	2019
		-----Rupees-----	
<b>Income</b>			
Profit on saving and term deposits		66,135,690	162,021,099
Income from government securities		210,616,050	190,647,119
Capital (loss) / gain on sale of investments - net		(3,900,185)	1,935,490
Net unrealised diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(2,070,187)	-
		<b>(5,970,372)</b>	<b>1,935,490</b>
<b>Total income</b>		<b>270,781,368</b>	<b>354,603,708</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	13,907,107	11,683,833
Sindh Sales Tax on Remuneration of the Management Company	6.2	1,807,924	1,518,898
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,582,749	1,687,665
Sindh Sales Tax on Remuneration of the trustee		335,757	219,396
Annual fees to the Securities & Exchange Commission of Pakistan		794,692	519,257
Accounting and operational charges	9	4,768,151	2,596,407
Annual rating fee		119,469	108,297
Annual listing fee		6,856	6,913
Securities transaction cost		34,905	7,218
Auditors' remuneration		183,884	155,420
Printing charges		-	10,000
Legal and professional charges		30,780	64,416
Bank charges		19,518	50,223
Provision for Sindh Workers' Welfare Fund		4,923,792	6,719,515
		<b>29,515,584</b>	<b>25,347,458</b>
<b>Net income for the period before taxation</b>		<b>241,265,784</b>	<b>329,256,250</b>
<b>Taxation</b>	11	-	-
<b>Net income for the period after taxation</b>		<b>241,265,784</b>	<b>329,256,250</b>
<b>Earning per units</b>	12		
<b>Allocation of net income for the period:</b>			
- Net income for the period after taxation		241,265,784	329,256,250
- Income already paid on units redeemed		(12,522,784)	(16,115,466)
		<b>228,743,000</b>	<b>313,140,784</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	1,935,490
- Excluding capital gains		228,743,000	311,205,294
		<b>228,743,000</b>	<b>313,140,784</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	-----Rupees-----	
Net income for the period after taxation	241,265,784	329,256,250
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>241,265,784</b>	<b>329,256,250</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
Note	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	241,265,784	329,256,250
<b>Adjustments for:</b>		
Profit on saving and term deposits	(66,135,690)	(162,021,099)
Income from government securities	(210,616,050)	(190,647,119)
Capital loss / (gain) on sale of investments - net	3,900,185	(1,935,490)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,070,187	-
Provision for Sindh Workers Welfare Fund	4,923,792	6,719,515
	<b>(265,857,576)</b>	<b>(347,884,193)</b>
<b>(Increase) / decrease in assets</b>		
Prepayment and other receivables	(4,889)	2,442,627
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	2,532,863	(898,320)
Payable to Central Depository Company of Pakistan Limited - Trustee	423,294	(263,389)
Payable to the Securities & Exchange Commission of Pakistan	(1,500,985)	(10,419,449)
Unclaimed dividend	-	(5,369,763)
Accrued expenses and other liabilities	(831,274)	(5,366,836)
	<b>623,898</b>	<b>(22,317,757)</b>
	<b>(23,972,783)</b>	<b>(38,503,073)</b>
Interest received	64,120,344	85,845,465
Investments made during the period	(25,897,628,556)	(15,020,623,072)
Investments sold / matured during the period	23,867,493,956	15,213,205,681
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,989,987,039)</b>	<b>239,925,001</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	11,666,816,503	2,402,005,351
Net payments against redemption of units	(4,034,387,780)	(3,452,873,804)
Refund of capital	(27,809,203)	(7,325,489)
First interim distribution of Rs. 4.25 per unit declared on 26 July 2019	-	(90,150,581)
Second interim distribution of Rs. 4.85 per unit declared on 23 August 2019	-	(93,826,792)
Third interim distribution of Rs. 4.90 per unit declared on 20 September 2019	-	(91,424,999)
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020	(49,826,179)	-
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020	(73,589,308)	-
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020	(85,292,026)	-
<b>Net cash generated from / (used in) financing activities</b>	<b>7,395,912,007</b>	<b>(1,333,596,314)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5,405,924,968</b>	<b>(1,093,671,313)</b>
Cash and cash equivalents at the beginning of the period	7,522,447,993	10,339,271,465
<b>Cash and cash equivalents at the end of the period</b>	<b>4 12,928,372,961</b>	<b>9,245,600,152</b>

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**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 QUARTER ENDED 30 SEPTEMBER 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, Sixth and Seventh Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019, 30 October 2019 and 1 April 2020 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The 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 has maintained the stability rating of the Fund at "AA+ (f)" [2019: "AA (f)"] on 17 October 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.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with 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 (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008,

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the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2019.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2019.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

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 2020.

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	
<b>4 CASH AND BANK BALANCES</b>			
Balances with banks in saving accounts	4.1	12,928,372,961	7,458,580,094
Cheques in hand	4.2	-	63,867,899
		<b>12,928,372,961</b>	<b>7,522,447,993</b>

4.1 The rate of return on these accounts ranges between 3.00% and 7.65% (30 June 2020: 6.00% and 12.50%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on Nil (30 June 2020: 02 October 2019).

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Investment in Government securities - Market Treasury Bills	5.1	4,852,347,686	2,617,567,408

# Atlas Money Market Fund

## 5.1 Market Treasury Bills

Particulars	-----Face Value (Rupees)-----				Amortised cost as at 30 September 2020	Market Value as at 30 September 2020	Market value as a Percentage of	
	As at 01 July 2020	Purchased during the period	Sold / Matured during the period	As at 30 September 2020			Total Investments	Net Assets
	-----Rupees-----						-----%age-----	
3 Months	125,000,000	10,000,085,000	9,325,085,000	800,000,000	792,085,840	792,046,200	16.32	4.48
6 Months	1,950,000,000	4,035,000,000	4,700,000,000	1,285,000,000	1,274,230,484	1,273,506,525	26.25	7.21
9 Months	592,780,000	12,135,670,000	9,914,855,000	2,813,595,000	2,788,101,549	2,786,794,961	57.43	15.77
30 September 2020	<u>2,667,780,000</u>	<u>26,170,755,000</u>	<u>23,939,940,000</u>	<u>4,898,595,000</u>	<u>4,854,417,873</u>	<u>4,852,347,686</u>	<u>100.00</u>	<u>27.46</u>
30 June 2020					<u>2,605,924,677</u>	<u>2,617,567,408</u>	<u>100.00</u>	<u>26.10</u>

5.1.2 The cost of investments as on 30 September 2020 is Rs. 4,805,104,755 (30 June 2020: Rs. 2,559,416,610).

5.1.3 These Market Treasury Bills carry purchase yields ranging from 6.52% to 7.84% (30 June 2020: 7.48% to 11.24%) per annum and will mature between 05 November 2020 to 14 January 2021 (30 June 2020: 10 September 2020 to 17 December 2020).

	30 September 2020	30 June 2020
	Un-audited	Audited
Note	----- Rupees -----	

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

Remuneration of the Management Company	6.1	5,044,063	3,030,437
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	3,775,891	3,514,120
Federal Excise Duty payable on Remuneration of the Management Company	6.3	20,428,502	20,428,502
Accounting and operational charges payable	9	1,729,394	1,471,928
		<u>30,977,850</u>	<u>28,444,987</u>

6.1 During the quarter ended 30 September 2020, the Management Company has charged its remuneration at the rate of 0.35% (30 June 2020: 0.35%) per annum of the average net assets for the year. The fee is payable to the Management Company monthly in arrears.

6.2 During the year, an amount of Rs. 1,807,924 (2019: Rs. 1,518,898) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1,546,153 (2019: Rs. 1,605,261) was paid to the Management Company which acts as a collecting agent.

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

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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.

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 till 30 June 2016 amounting to Rs 20.429 million (30 June 2020: 20.429 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 maintained, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 0.58 (30 June 2020: Rs. 1.03) per unit.

		<b>30 September 2020</b>	<b>30 June 2020</b>
		<b>Un-audited</b>	<b>Audited</b>
	<b>Note</b>	----- Rupees -----	----- Rupees -----
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		684,734	500,850
Annual Rating Fee Payable		119,470	-
Annual Listing Fee Payable		6,856	-
Withholding tax payable		12,563,425	10,043,989
Capital Gain Tax payable		544,015	4,217,082
Provision for Sindh Workers' Welfare Fund	7.1	72,297,369	67,373,577
Zakat payable		50,588	38,441
		<b>86,266,457</b>	<b>82,173,939</b>

**7.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, 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 the financial statements of the Fund for the period from May 21, 2015 to September 30, 2020, the net asset value of the Fund as at September 30, 2019 would have been higher by Rs. 2.07 per unit (30 June 2020: Rs. 3.39 per unit).

# Atlas Money Market Fund

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

## 9 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.

However, the management continued to charge expenses at the rate of 0.12% of the average annual net assets of the Fund, being lower than actual expenses.

## 10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 0.74% (30 June 2020: 0.98%) which includes 0.20% (30 June 2020: 0.33%) 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

## 11 TAXATION

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

## 12 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.

## 13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

### 13.1 Transactions for the period:

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

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
Reumeration of the Management Company	13,907,107	11,683,833
Sindh Sales tax on Remuneration of Management Company	1,807,924	1,518,898
Remuneration paid	11,893,481	12,348,162
Accounting and operational charges	4,768,151	2,596,407
Issue of 130,422 (2019: Nil) units	66,050,063	-
Redemption of 49,402 (2019: 1) units	25,000,000	304
Dividend declared	1,356,920	67,710

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

Remuneration of the Trustee	2,582,749	1,687,665
Sindh Sales Tax on Remuneration of the Trustee	335,757	219,396
Remuneration paid	2,208,790	2,078,243

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	For the Quarter Ended	
	30 September	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>Atlas Fund of Funds (Fund under common management)</b>		
Issue of 171,933 (2019: 155,741) units	87,005,000	78,360,000
Redemption of 128,670 (2019: 116,366) units	65,329,199	59,094,074
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 87,072 (2019: 57,045) units	44,048,197	28,777,475
Redemption of 14,841 (2019: 122,309) units	7,500,000	62,000,000
Dividend declared	1,048,197	1,777,475
<b>Atlas Engineering Limited (Employees Provident Fund)</b>		
Issue of 83 (2019: Nil) units	41,695	-
Dividend declared	41,695	-
<b>Atlas Metals (Private) Limited</b>		
Issue of 49,633 (2019: Nil) units	25,114,739	-
Dividend declared	91,450	-
<b>Atlas Foundation (Group Company)</b>		
Issue of 44,941 (2019: 44,812) units	22,742,941	22,741,591
Redemption of 9,847 (2019: Nil) units	5,000,000	-
Dividend declared	2,007,886	3,191,349
<b>Atlas Battery Limited (Group Company)</b>		
Issue of 1,000,299 (2019: 30) units	506,192,756	14,912
Redemption of Nil (2019: 4,157) units	-	2,100,307
Dividend declared	6,358,795	17,543
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of 79,942 (2019: 287) units	40,535,677	144,657
Dividend declared	461,085	170,184
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 2,240,822 (2019: 128,790) units	1,135,964,109	64,801,673
Redemption of Nil (2019: 1,379,291) units	-	700,000,000
Dividend declared	37,879,965	76,236,873
<b>Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
Issue of 2,251 (2019: 4,023) units	1,137,493	2,024,327
Dividend declared	1,137,493	2,024,327
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 261,289 (2019: 952,793) units	132,371,693	481,144,551
Redemption of 479,618 (2019: 473,317) units	242,710,940	240,000,000
Dividend declared	2,374,310	10,444,953

# Atlas Money Market Fund

	For the Quarter Ended	
	30 September	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>Atlas Honda Limited Non Management Staff Gratuity Fund</b>		
<b>(Retirement benefit plan of a Group Company)</b>		
Issue of 216 (2019: 609) units	109,132	306,245
Redemption of 1,972 (2019: Nil units)	1,000,000	-
Dividend declared	109,132	306,245
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Dividend declared	10,396,679	13,926,728
<b>Fauji Fertilizer Company Limited</b>		
<b>(Unit Holder with more than 10% holding)</b>		
Issue of 9,087,018 (2019: 332,862) units	4,602,072,851	162,685,360
Dividend declared	45,158,375	73,700,870
<b>Shirazi Investment (Private) Limited (Employee Provident Fund)</b>		
<b>(Retirement benefit plan of a Group Company)</b>		
Issue of 413 (2019: Nil) units	208,769	-
Redemption 10,667 of (2019: Nil units)	5,401,157	-
Dividend declared	208,769	770,357
<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
Issue of 1 (2019: 98) units	326	49,212
Dividend declared	384	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 54,121 (2019: 57,305) units	27,395,635	28,875,940
Redemption of 161,337 (2019: 40,612) units	81,663,408	20,526,489
Dividend declared	5,254,005	4,522,196
	<b>30 September</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>Un-audited</b>	<b>Audited</b>
<b>Note</b>	<b>----- Rupees -----</b>	<b>-----</b>

## 13.2 Investments / outstanding balances as at period end

<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	5,044,063	3,030,437
Sindh Sales Tax payable on Remuneration of the Management Company	3,775,891	3,514,120
Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
Accounting and operational charges payable	1,729,394	1,471,928
Outstanding 257,281 (30 June 2020: 176,189) units - at net asset value	130,143,772	89,020,759
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	936,755	562,796
Sindh Sales Tax payable on Remuneration of the trustee	121,778	73,163

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		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	Rupees -----	
<b>Atlas Fund of Funds (Fund under common management)</b>			
Outstanding 43,263 (30 June 2020: Nil) units - at net asset value		21,884,270	-
<b>Atlas Foundation (Group Company)</b>			
Outstanding 294,907 (30 June 2020: 259,800) units - at net asset value		149,176,446	131,265,678
<b>Atlas Honda Limited (Group Company)</b>			
<b>(Unit Holder with more than 10% holding)</b>	13.3		
Outstanding 6,337,155 (30 June 2020: Nil) units - at net asset value		3,205,603,103	-
<b>Atlas Insurance Limited (Group Company)</b>			
Outstanding Nil (30 June 2020: 216,810) units - at net asset value		-	109,544,551
<b>Atlas Honda Limited Employees Provident Fund</b>			
<b>(Retirement benefit plan of a Group Company)</b>			
Outstanding 159,491 (30 June 2020: 157,231) units - at net asset value		80,677,469	79,441,919
<b>Atlas Battery Limited (Group Company)</b>			
Outstanding of 1,000,299 (30 June 2020: Nil) units - at net asset value		505,994,055	-
<b>Shirazi Investments (Private) Limited - Employees Provident Fund</b>			
<b>(Retirement benefit plan of a Group Company)</b>			
Outstanding 26,976 (30 June 2020: 37,227) units - at net asset value		13,645,633	18,809,076
<b>Shirazi Investments (Private) Limited (Group Company)</b>			
Outstanding 1,443,983 (30 June 2020: 1,443,983) units - at net asset value		730,428,210	729,580,878
<b>Atlas Engineering Limited (Employees Provident Fund)</b>			
Outstanding 5,846 (30 June 2020: Nil) units - at net asset value		2,957,290	-
<b>Atlas Group of Companies Management Staff Gratuity Fund</b>			
<b>(Retirement benefit plan of a Group Company)</b>			
Outstanding 189,919 (30 June 2020: 117,461) units - at net asset value		96,068,879	59,347,713
<b>Atlas Die Casting (Private) Limited (Group Company)</b>			
Outstanding 54 (30 June 2020: 53) units - at net asset value		27,210	26,851
<b>Atlas Metals (Private) Limited</b>			
Outstanding 49,633 (30 June 2020: Nil) units - at net asset value		25,106,678	-
<b>Atlas Honda Limited Non Management Staff Gratuity Fund</b>			
<b>(Retirement benefit plan of a Group Company)</b>			
Outstanding 15,302 (30 June 2020: 17,056) units - at net asset value		7,740,496	8,617,857
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>			
Outstanding 135,240 (30 June 2020: 55,295) units - at net asset value		68,410,048	27,938,122
<b>Fauji Fertilizer Company Limited</b>			
<b>(Unit Holder with more than 10% holding)</b>	13.3		
Outstanding 9,087,018 (30 June 2020: Nil) units - at net asset value		4,596,600,787	-
<b>Directors and their close family members and key management personnel of the Management Company</b>			
Outstanding 695,563 (30 June 2020: 798,559) units - at net asset value		351,845,329	403,476,734

# Atlas Money Market Fund

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

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

## 14 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 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 to be significantly different from the respective book values.

### Fair value hierarchy

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

- Level 1: quoted 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 30 September 2020, the Fund has investments 'at fair value through profit and loss' measured using level 2 valuation technique. Particulars regarding their cost and market value are given note 5.1.

## 15 GENERAL

Figures have been rounded off to the nearest Rupee.

## 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 26 October 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**

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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

# Atlas Sovereign Fund

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

AS AT 30 SEPTEMBER 2020

		30 September 2020	30 June 2020
	Note	Un-audited ----- Rupees -----	Audited
<b>Assets</b>			
Bank balances	4	546,403,374	301,477,720
Investments	5	1,419,076,781	1,867,851,534
Receivable against sale of units		3,000,000	-
Profit receivable		14,211,410	14,446,366
Other receivables		485,836	479,185
<b>Total assets</b>		<b>1,983,177,401</b>	<b>2,184,254,805</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	6	2,512,643	3,660,853
Payable to the Central Depository Company of Pakistan Limited - Trustee		127,847	139,491
Payable to the Securities and Exchange Commission of Pakistan		107,856	495,192
Payable against redemption of units		31,642	-
Accrued expenses and other liabilities	7	12,518,259	96,487,696
<b>Total liabilities</b>		<b>15,298,247</b>	<b>100,783,232</b>
<b>NET ASSETS</b>		<b>1,967,879,154</b>	<b>2,083,471,573</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,967,879,154</b>	<b>2,083,471,573</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>19,283,148</b>	<b>20,635,634</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>102.0518</b>	<b>100.9600</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 ----- Rupees -----	2019
<b>Income</b>			
Interest income	10	41,811,886	76,175,509
Capital (loss) / gain on sale of investments - net		(2,482,306)	9,853,357
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(10,369,240)	18,216,120
		<b>(12,851,546)</b>	<b>28,069,477</b>
<b>Total income</b>		<b>28,960,340</b>	<b>104,244,986</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	3,796,742	4,560,348
Sindh Sales Tax on remuneration of management company	6.2	493,576	592,845
Remuneration of Central Depository Company of Pakistan Limited - Trustee		350,549	397,029
Sindh Sales Tax on remuneration of Trustee		45,571	51,614
Annual fees to the Securities & Exchange Commission of Pakistan		107,856	122,136
Accounting and operational charges	9	916,828	610,815
Annual rating fee		65,429	83,677
Annual listing fee		6,465	6,913
Securities transaction cost		-	7,409
Auditors' remuneration		92,010	62,857
Printing charges		-	10,000
Legal and professional charges		30,780	64,416
Bank charges		55,984	16,299
Provision for Sindh Workers' Welfare Fund		459,971	1,953,173
<b>Total expenses</b>		<b>6,421,761</b>	<b>8,539,531</b>
<b>Net income for the period before taxation</b>		<b>22,538,579</b>	<b>95,705,455</b>
<b>Taxation</b>	12	-	-
<b>Net income for the period after taxation</b>		<b>22,538,579</b>	<b>95,705,455</b>
<b>Earning per unit</b>	13		
<b>Allocation of net income for the year:</b>			
- Net income for the period after taxation		22,538,579	95,705,455
- Income already paid on units redeemed		(2,182,926)	(281,354)
		<b>20,355,653</b>	<b>95,424,101</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	28,069,477
- Excluding capital gains		20,355,653	67,354,624
		<b>20,355,653</b>	<b>95,424,101</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	----- Rupees -----	
Net income for the period after taxation	22,538,579	95,705,455
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b><u>22,538,579</u></b>	<b><u>95,705,455</u></b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,073,891,942	-	2,073,891,942
<b>Undistributed income brought forward</b>			
- Realised income	-	-	-
- Unrealised loss	-	9,579,631	9,579,631
<b>Net assets at the beginning of the period (Units outstanding: 20,635,634) (Rs. 100.96 per unit)</b>	<b>2,073,891,942</b>	<b>9,579,631</b>	<b>2,083,471,573</b>
Issue of 1,830,301 units	185,781,183	-	185,781,183
Redemption of 3,182,787 units	(321,729,255)	(2,182,926)	(323,912,181)
Total comprehensive income for the period	-	22,538,579	22,538,579
<b>Net assets at end of the period (Units outstanding: 19,283,148) (Rs. 102.0518 per unit)</b>	<b>1,937,943,870</b>	<b>29,935,284</b>	<b>1,967,879,154</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	(3,074,913)	-
- Unrealised loss	-	33,010,197	-
	<b>-</b>	<b>29,935,284</b>	<b>-</b>
	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,298,220,458	-	2,298,220,458
<b>Undistributed income brought forward</b>			
- Realised income	-	4,865,277	4,865,277
- Unrealised income	-	(1,849,044)	(1,849,044)
<b>Net assets at the beginning of the period (Units outstanding: 22,936,104) (Rs. 100.33 per unit)</b>	<b>2,298,220,458</b>	<b>3,016,233</b>	<b>2,301,236,691</b>
Issue of 6,595,238 units	683,100,289	-	683,100,289
Redemption of 241,499 units	(24,266,710)	(281,354)	(24,548,064)
Total comprehensive income for the period	-	95,705,455	95,705,455
<b>Net assets at end of the period (Units outstanding: 29,289,843) (Rs. 104.32 per unit)</b>	<b>2,957,054,037</b>	<b>98,440,334</b>	<b>3,055,494,371</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	81,397,581	-
- Unrealised income	-	17,042,753	-
	<b>-</b>	<b>98,440,334</b>	<b>-</b>

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	22,538,579	95,705,455
<b>Adjustments for:</b>		
Interest income	(22,198,744)	(59,955,451)
Capital loss / (gain) on sale of investments - net	2,482,306	(9,853,357)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	10,369,240	(18,216,120)
Provision for Sindh Workers' Welfare Fund	459,971	1,953,173
	<b>(8,887,227)</b>	<b>(86,071,755)</b>
<b>Increase in assets</b>		
Other receivables	(6,651)	(26,360)
Receivable against sale of units	(3,000,000)	-
	<b>(3,006,651)</b>	<b>(26,360)</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(1,148,210)	2,818,140
Payable to the Central Depository Company of Pakistan Limited - Trustee	(11,644)	(95,496)
Payable to the Securities and Exchange Commission of Pakistan	(387,336)	(308,286)
Payable against redemption of units	31,642	-
Accrued expenses and other liabilities	(84,429,408)	(14,168,990)
	<b>(85,944,956)</b>	<b>(11,754,632)</b>
	<b>(75,300,255)</b>	<b>(2,147,292)</b>
Interest received	3,817,259	9,613,230
Investments made during the period	(963,110,281)	(5,367,625,695)
Investments sold / matured during the period	1,417,649,929	4,538,683,801
<b>Net cash generated from / (used in) operating activities</b>	<b>383,056,652</b>	<b>(821,475,956)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	185,781,183	683,100,289
Amount paid against redemption of units	(323,912,181)	(24,548,064)
Refund of Capital	-	-
Cash payout against distribution	-	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(138,130,998)</b>	<b>658,552,225</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>244,925,654</b>	<b>(162,923,731)</b>
Cash and cash equivalents at the beginning of the period	301,477,720	1,786,431,695
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b> <b>546,403,374</b>	<b>1,623,507,964</b>

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated 23 May 2017 and 3 September 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated 24 March 2015, 3 August 2015, 23 June 2016, 13 October 2016, 2 June 2017, 18 April 2018, 20 August 2018, 2 October 2019, 30 October 2019 and 1 April 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is 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 Pakistan Stock Exchange. The units of the Fund are being offered for public subscription on a continuous basis from 01 December 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 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 has maintained the stability rating of the Fund at "AA- (f)" [2019: "AA (f)"] on 16 October 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 as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement Of Compliance

These condensed interim financial statements have been prepared in accordance with 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 (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

# Atlas Sovereign Fund

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended 30 September 2019.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended 30 June 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

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 2020.

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	----- Rupees -----	
<b>4 BANK BALANCES</b>			
Balances with banks in:			
- Saving accounts	4.1	546,403,374	301,477,720
		<u>546,403,374</u>	<u>301,477,720</u>

4.1 The rate of return on these accounts ranges between 3.00% to 7.65% (30 June 2020: 6.50% to 8.80%) per annum.

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	----- Rupees -----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss - held for trading</b>			
<b>Government securities</b>			
- Government Treasury Bills	5.1	181,557,575	1,287,200,883
- Pakistan Investment Bonds	5.2	1,237,519,206	580,650,651
		<u>1,419,076,781</u>	<u>1,867,851,534</u>

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## 5.1 Market Treasury Bills

Treasury bills	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 30 September 2020	Amortised Cost as at 30 September 2020	Market Value as at 30 September 2020	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
3 Months - T-bills	-	75,000,000	75,000,000	-	-	-	-	-
6 Months - T-bills	175,000,000	-	40,000,000	135,000,000	133,133,685	133,087,675	9.38	6.76
12 Months - T-bills	1,143,045,000	-	1,093,045,000	50,000,000	48,517,591	48,469,900	3.42	2.46
30 September 2020	<u>1,318,045,000</u>	<u>75,000,000</u>	<u>1,208,045,000</u>	<u>185,000,000</u>	<u>181,651,276</u>	<u>181,557,575</u>	<u>12.80</u>	<u>9.22</u>
30 June 2020					<u>1,271,027,821</u>	<u>1,287,200,883</u>	<u>68.91</u>	<u>61.78</u>

5.1.1 The cost of investments as on 30 September 2020 is Rs.174,794,310.00 (30 June 2020: Rs. 1,198,569,569).

5.1.2 These Market Treasury Bills carry purchase yields ranging from 7.48% to 11.98% (30 June 2020: 7.48% to 14.19%) per annum and will mature between 05 November 2020 and 11 March 2021 (30 June 2020: 27 August 2020 and 11 March 2021).

## 5.2 Pakistan Investment Bonds

PIBs	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 30 September 2020	Amortised Cost as at 30 September 2020	Market Value as at 30 September 2020	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
3 Years PIB	470,500,000	175,000,000	215,000,000	430,500,000	439,513,088	435,411,828	30.68	22.13
5 Years PIB	90,000,000	627,500,000	-	717,500,000	732,792,279	726,627,378	51.20	36.92
10 Years PIB	-	75,000,000	-	75,000,000	75,489,375	75,480,000	5.32	3.84
30 September 2020	<u>560,500,000</u>	<u>877,500,000</u>	<u>215,000,000</u>	<u>1,223,000,000</u>	<u>1,247,794,742</u>	<u>1,237,519,206</u>	<u>87.20</u>	<u>62.89</u>
30 June 2020					<u>520,932,679</u>	<u>580,650,651</u>	<u>31.09</u>	<u>27.87</u>

5.2.1 The cost of investments as on 30 September 2020 is Rs.1,211,272,274 (30 June 2020: Rs. 520,932,679).

5.2.2 These Pakistan Investment Bonds carry purchase yields ranging from 8.12% to 12.38% (30 June 2020: 11.52% to 14.59%) per annum and will mature between 19 September 2022 and 18 June 2030 (30 June 2020: 19 September 2022 and 19 September 2024).

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	30 September 2020	30 June 2020
		Un-audited Rupees	Audited Rupees
Remuneration of the Management Company	6.1	1,044,360	2,036,614
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	267,046	396,036
Federal Excise Duty payable on Remuneration of the Management Company	6.3	905,341	905,341
Accounting and operational charges payable	9	295,896	322,862
		<u>2,512,643</u>	<u>3,660,853</u>

# Atlas Sovereign Fund

- 6.1 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 0.60% 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.
- 6.2 During the period, an amount of Rs. 493,576 (2019: Rs.592,845) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs. 622,566 (2019: Rs. 272,564) has been paid to the Management Company which acts as a collecting agent.
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company was of the view that further levy of FED was not justified.
- 6.4 On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.905 million (30 June 2020: 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 said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2020 would have been higher by Re. 0.05 per unit (30 June 2020: Re. 0.04 per unit).

	30 September 2020	30 June 2020
	Un-audited	Audited
Note	----- Rupees -----	-----
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	344,460	252,450
Printing charges payable	8,025	8,025
Transaction charges payable	2,132	1,204
Annual listing fee payable	6,115	-
Fund rating fee payable	61,994	-
Withholding tax payable	1,624,254	31,010,400
Capital Gain Tax payable	43,060	511,711
Dividend payable	-	54,735,658
Provision for Sindh Workers' Welfare Fund	7.1 10,417,235	9,957,264
Other payable	10,984	10,984
	<b>12,518,259</b>	<b>96,487,696</b>

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

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it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

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

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

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

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

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Re. 0.54 per unit (30 June 2020: Re. 0.48 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

## 9 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

## 10 INTEREST INCOME

PLS savings and term deposit accounts  
Government securities - Market Treasury Bills  
Government securities - Pakistan Investment Bonds

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	-----
	3,582,303	10,504,453
	18,616,441	49,450,998
	19,613,142	16,220,058
	<b>41,811,886</b>	<b>76,175,509</b>

# Atlas Sovereign Fund

## 11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 1.19% (30 June 2020: 1.61%) which includes 0.20% (30 June 2020: 0.45%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

## 12 TAXATION

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

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.

## 13 EARNING PER UNIT

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

## 14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For Quarter Ended 30 September	
	2020 Un-audited	2019 Un-audited
	-----Rupees-----	
<b>14.1 Transactions for the period:</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	3,796,742	4,560,348
Remuneration paid	4,788,996	2,096,643
Sindh Sales tax on Remuneration of Management Company	493,576	592,845
Accounting and operation charges	916,828	610,815
Redemption of Nil (2019: 58,617) units	-	6,000,000
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of Trustee	350,549	397,029
Remuneration paid	360,852	481,539
Sindh Sales tax on Remuneration of the trustee	45,571	51,614
<b>Atlas Foundation (Group Company)</b>		
Issue of 108,423 (2019: 192,400) units	11,000,000	20,000,000
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of 187,565 (2019: Nil) units	19,000,000	-
Redemption of 343,763 (2019: Nil) units	35,000,000	-
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 986,539 (2019: 3,043,173) units	100,000,000	315,000,000
Redemption of 1,813,662 (2019: Nil) units	184,784,214	-

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	For Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
<b>Atlas Honda Limited (Group Company)</b> Issue of 49,072 (2019: 2,894,635) units	5,005,257	300,000,000
<b>Atlas Metals (Private) Limited</b> Issue of 147,471 (2019: Nil) units	15,000,000	-
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b> Issue of 181,492 (2019: Nil) units	18,500,000	-
<b>Shirazi Investments (Private) Limited (Group Company)</b> Issue of 50,535 (2019: Nil) units	5,154,393	-
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b> Issue of 13,400 (2019: 7,719) units Redemption of 9,491 (2019: Nil) units	1,360,000 962,020	800,000 -
<b>Directors and their close family members and key management Personnel and executive of the Management Company</b> Issue of 11,362 (2019: 241,625) units	1,158,869	24,865,404
	<b>30 September 2020</b>	<b>30 June 2020</b>
	<b>Un-audited</b>	<b>Audited</b>
	-----Rupees-----	
<b>14.2 Investments / outstanding balances as at period / year end</b>		
<b>Atlas Asset Management Limited (Management Company)</b> Remuneration payable to the Management Company Sindh Sales Tax payable on Remuneration of the Management Company Federal Excise Duty payable on Remuneration of the Management Company Accounting and operation charges payable	1,044,360 267,046 905,341 295,896	2,036,614 396,036 905,341 322,862
<b>Central Depository Company of Pakistan Limited (Trustee)</b> Remuneration payable to the Trustee Sindh Sales Tax payable on remuneration of the trustee	113,140 14,707	123,443 16,048
<b>Atlas Honda Limited (Group Company)</b> Outstanding 10,231,645 (30 June 2020: 10,182,572) units - at net asset value	1,044,157,752	1,028,032,469
<b>Shirazi Investments (Private) Limited (Group Company)</b> Outstanding 2,959,371 (30 June 2020: 2,908,836) units - at net asset value	302,009,142	293,676,083
<b>Batool Benefit Trust</b> Outstanding 181,492 (30 June 2020: Nil) units - at net asset value	18,521,634	-
<b>Atlas Foundation (Group Company)</b> Outstanding 936,644 (30 June 2020: 828,222) units - at net asset value	95,586,240	83,617,293
<b>Atlas Metals (Private) Limited</b> Outstanding 147,471 (30 June 2020: Nil) units - at net asset value	15,049,653	-

# Atlas Sovereign Fund

	30 September 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	
<b>Shirazi Investments (Private) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
Outstanding 112,125 (30 June 2020: 108,216) units - at net asset value	11,442,606	10,925,487
<b>Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)</b>		
Outstanding 552,692 (30 June 2020: 552,692) units - at net asset value	56,403,177	55,799,784
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Outstanding 846,910 (30 June 2020: 1,003,109) units - at net asset value	86,428,721	101,273,885
<b>Atlas Insurance Limited (Group Company)</b>		
Outstanding Nil (30 June 2020: 827,123) units - at net asset value	-	83,506,338
<b>Directors and their close family members and key management Personnel and executive of the Management Company</b>		
Outstanding 731,808 (30 June 2020: 720,446) units - at net asset value	74,682,333	72,736,228

14.3 Holding being less than 10% in comparative period, disclosure is not applicable.

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

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

### Fair value hierarchy

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

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

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

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

As at 30 September 2020, the Fund has investments at 'at fair value through profit or loss' measured using level 2 valuation technique. The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

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## 16 GENERAL

16.1 Figures have been rounded off to the nearest Rupee.

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

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 26 October 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 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

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## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2020

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
<b>ASSETS</b>			
Cash and Bank balances	4	641,587,826	1,318,246,149
Investments	5	2,623,334,439	2,762,821,946
Receivable against Margin Trading System		602,946,110	-
Interest / profit accrued		41,836,745	49,575,012
Deposits, prepayment and other receivables		11,454,251	11,555,833
<b>Total assets</b>		<b>3,921,159,371</b>	<b>4,142,198,940</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	6	31,153,997	31,165,608
Payable to the Central Depository Company of Pakistan Limited - Trustee		267,616	265,807
Payable to the Securities and Exchange Commission of Pakistan		185,462	665,764
Payable against redemption of units		-	114,638
Unclaimed dividend		-	291,511,586
Accrued expenses and other liabilities	7	43,580,289	103,021,494
<b>Total liabilities</b>		<b>75,187,364</b>	<b>426,744,897</b>
<b>NET ASSETS</b>		<b>3,845,972,007</b>	<b>3,715,454,043</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,845,972,007</b>	<b>3,715,454,043</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>7,239,749</b>	<b>7,151,571</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>531.2300</b>	<b>519.5300</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
<b>INCOME</b>			
Interest income	10	104,155,526	94,834,474
Capital gain on sale / maturity of investments - net		2,371,078	10,668,573
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(11,302,643)	17,868,259
		<b>(8,931,565)</b>	<b>28,536,832</b>
<b>Total income</b>		<b>95,223,961</b>	<b>123,371,306</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	9,274,339	6,094,369
Sindh Sales Tax on remuneration of the Management Company	6.2	1,205,664	792,268
Remuneration of Central Depository Company of Pakistan Limited - Trustee		695,575	571,347
Sindh Sales Tax on Remuneration of the trustee		90,425	74,275
Annual fees to the Securities and Exchange Commission of Pakistan		185,487	152,359
Accounting and operational charges	9	1,576,637	761,796
Auditors' remuneration		184,238	152,841
Annual rating fee		109,819	108,691
Annual listing fee		6,931	6,912
Securities transaction cost		591,444	187,388
Printing charges		-	10,000
Legal and professional charges		50,760	151,669
Bank charges		10,054	42,153
Provision for Sindh Workers' Welfare Fund		1,624,852	2,285,305
<b>Total expenses</b>		<b>15,606,225</b>	<b>11,391,373</b>
<b>Net income for the period before taxation</b>		<b>79,617,736</b>	<b>111,979,933</b>
<b>Taxation</b>	12	-	-
<b>Net income for the period after taxation</b>		<b>79,617,736</b>	<b>111,979,933</b>
<b>Earning per unit</b>	13		
<b>Allocation of net income for the period:</b>			
- Net income for the period after taxation		79,617,736	111,979,933
- Income already paid on units redeemed		(2,210,258)	(893,810)
		<b>77,407,478</b>	<b>111,086,123</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	28,536,832
- Excluding capital gains		77,407,478	82,549,291
		<b>77,407,478</b>	<b>111,086,123</b>

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

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Iftikhar H. Shirazi  
Chairman

Tariq Amin  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	-----Rupees-----	
Net income for the period after taxation	79,617,736	111,979,933
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the period</b>	<b>79,617,736</b>	<b>111,979,933</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	3,527,040,520	-	3,527,040,520
<b>Undistributed income brought forward</b>			
- Realised income	-	104,252,481	104,252,481
- Unrealised gain	-	84,161,043	84,161,043
<b>Net assets at the beginning of the period (Units outstanding: 7,151,571) (Rs. 519.53 per unit)</b>	<b>3,527,040,520</b>	<b>188,413,524</b>	<b>3,715,454,043</b>
Issue of 2,583,261 units	1,356,562,258	-	1,356,562,258
Redemption of 2,495,083 units	(1,303,451,772)	(2,210,258)	(1,305,662,030)
Total comprehensive income for the period	-	79,617,736	79,617,736
<b>Net assets at end of the period (Units outstanding: 7,239,749) (Rs. 531.2300 per unit)</b>	<b>3,580,151,006</b>	<b>265,821,002</b>	<b>3,845,972,007</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	280,201,020	-
- Unrealised loss	-	(14,380,018)	-
	<b>-</b>	<b>265,821,002</b>	<b>-</b>
	30 September 2019		
	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 (Units outstanding: 5,820,926) (Rs. 513.41 per unit)</b>	<b>2,848,807,829</b>	<b>139,687,314</b>	<b>2,988,495,143</b>
Issue of 116,581 units	61,342,510	-	61,342,510
Redemption of 118,039 units	(60,959,974)	(893,810)	(61,853,784)
Total comprehensive income for the period	-	111,979,933	111,979,933
<b>Net assets at end of the period (Units outstanding: 5,819,468) (Rs. 532.69 per unit)</b>	<b>2,849,190,365</b>	<b>250,773,437</b>	<b>3,099,963,802</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	236,167,995	-
- Unrealised income	-	14,605,442	-
	<b>-</b>	<b>250,773,437</b>	<b>-</b>

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	79,617,736	111,979,933
<b>Adjustments for:</b>		
Interest income	(104,155,526)	(94,834,474)
Capital gain on sale / maturity of investments - net	(2,371,078)	(10,668,573)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	11,302,643	(17,868,259)
Provision for Sindh Workers' Welfare Fund	1,624,852	2,285,305
	<b>(93,599,109)</b>	<b>(121,086,001)</b>
<b>(Increase) / decrease in assets</b>		
Receivable against Margin Trading System	(602,946,110)	4,041,602
Deposits, prepayment and other receivables	101,582	(159,032)
	<b>(602,844,528)</b>	<b>3,882,570</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(11,611)	(81,294)
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,809	(117,485)
Payable to the Securities and Exchange Commission of Pakistan	(480,302)	(3,063,777)
Unclaimed dividend	(291,511,586)	(61,527,790)
Accrued expenses and other liabilities	(61,066,057)	(15,270,207)
	<b>(353,067,747)</b>	<b>(80,060,553)</b>
	<b>(969,893,648)</b>	<b>(85,284,051)</b>
Interest received	94,230,277	98,570,983
Investments made during the period	(2,446,170,078)	(3,150,996,270)
Investment sold / redeemed / matured during the period	2,594,389,536	2,768,178,254
<b>Net cash used in operating activities</b>	<b>(727,443,913)</b>	<b>(369,531,084)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,356,562,258	61,342,510
Net payments against redemption of units	(1,305,776,668)	(62,329,222)
<b>Net cash generated from / (used in) financing activities</b>	<b>50,785,590</b>	<b>(986,712)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(676,658,323)</b>	<b>(370,517,796)</b>
Cash and cash equivalents at the beginning of the period	1,318,246,149	1,426,198,107
<b>Cash and cash equivalents at the end of the period</b>	<b>4 641,587,826</b>	<b>1,055,680,311</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**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 QUARTER ENDED 30 SEPTEMBER 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, Twelfth, Thirteen and Fourteen Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016, 29 September 2016, 02 June 2017, 02 October 2019, 30 October 2019 and 01 April 2020 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [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 16 October 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.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

# First Quarter Report 2020-21

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2019.

## 3 ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

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 2020.

4 CASH AND BANK BALANCES	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
Balances with banks in:			
- Savings accounts	4.1	641,582,826	1,188,844,960
- Current account		5,000	5,000
Cheques in hand	4.2	-	129,396,189
		<b>641,587,826</b>	<b>1,318,246,149</b>

4.1 The rate of return on these accounts ranges between 5.75% and 7.65% (30 June 2020: 6.00% to 7.80%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on Nil (30 June 2020: 08 July 2020)

5 INVESTMENTS	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
<b>At fair value through profit or loss</b>			
Term finance certificates - listed	5.1 & 5.6	322,234,402	324,639,911
Term finance certificates - unlisted	5.2 & 5.6	292,746,932	185,418,554
Sukuk certificates	5.3 & 5.6	343,729,637	364,308,040
Government Securities - Market Treasury Bills	5.4	667,516,100	1,103,202,480
Government Securities - Pakistan Investment Bonds	5.5	997,107,368	785,252,961
		<b>2,623,334,439</b>	<b>2,762,821,946</b>

# Atlas Income Fund

## 5.1 Term finance certificates - listed

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

Name of investee company	-----Number of Certificates-----				-----Rupees-----		Market Value as a Percentage of		
	As at 01 July 2020	Purchased during the period	Disposed during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Total Investment	Net Assets	Total Issue Size
<b>BANKS</b>									
Habib Bank Limited Tier - II (face value of Rs. 100,000 per certificate)	2,945	-	-	2,945	287,741,530	285,903,954	10.90	7.43	2.94
Soneri Bank Limited	7,428	-	-	7,428	36,833,317	36,330,448	1.38	0.94	1.11
	10,373	-	-	10,373	324,574,847	322,234,402	12.28	8.37	4.05
<b>TELECOMMUNICATION</b>									
Telecard Limited 5.7.1	4,000	-	-	4,000	-	-	-	-	-
<b>PERSONAL GOODS</b>									
Azgard Nine Limited 5.7.1	5,000	-	-	5,000	-	-	-	-	-
Total - 30 September 2020					324,574,847	322,234,402	12.28	8.38	
Total - 30 June 2020					325,351,311	324,639,911	11.75	8.74	

## 5.2 Term finance certificates - Unlisted

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

Name of investee company	-----Number of Certificates-----				-----Rupees-----		Market Value as a Percentage of		
	As at 01 July 2020	Purchased during the period	Disposed during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Total Investment	Net Assets	Total Issue Size
<b>BANKS</b>									
Askari Bank Limited - V	20,000	-	20,000	-	-	-	-	-	-
Bank AL Habib Limited	20,000	-	-	20,000	91,589,979	90,068,086	3.43	2.34	2.50
The Bank of Punjab Limited (Face Value of Rs. 100,000 per certificate)	-	527	-	527	49,994,909	52,678,846	2.01	1.57	2.11
Askari Bank Limited - VII (Face Value of Rs. 1000,000 per certificate)	-	150	-	150	150,075,000	150,000,000	5.72	3.90	2.14
<b>CHEMICALS</b>									
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	-	-	-	-	-
	12,203	-	-	12,203	-	-	-	-	-
<b>PERSONAL GOODS</b>									
Azgard Nine Limited-V 5.6.1	1,075	-	-	1,075	-	-	-	-	-
Total - 30 September 2020					291,659,888	292,746,932	11.16	7.61	
Total - 30 June 2020					196,372,744	185,418,554	6.71	4.99	

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## 5.3 Sukuk certificates

Name of investee company	-----Number of Certificates-----				-----Rupees-----		Market Value as a Percentage of		
	As at 01 July 2020	Purchased during the period	Disposed during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Total Investment	Net Assets	Total Issue Size
<b>CHEMICALS</b>									
Agritech Limited	4,060	-	-	4,060	-	-	-	-	-
<b>BANKS</b>									
Meezan Bank Limited Tier - II - Unlisted (face value of Rs. 1,000,000 per certificate)	47	-	-	47	48,175,000	48,290,197	1.84	1.26	0.67
<b>FERTILIZERS</b>									
Dawood Hercules Corporation Limited Sukuk 2 - Listed (Face Value Rs. 80,000)	2,000	-	-	2,000	142,551,360	141,801,940	5.41	3.69	2.33
<b>POWER GENERATION AND DISTRIBUTION</b>									
The Hub Power Company Limited - Listed (face value of Rs. 100,000 per certificate)	1,500	-	-	1,500	153,217,200	153,637,500	5.86	3.99	2.14
<b>Total - 30 September 2020</b>					<b>343,943,560</b>	<b>343,729,637</b>	<b>13.10</b>	<b>8.94</b>	
<b>Total - 30 June 2020</b>					<b>356,678,872</b>	<b>364,308,040</b>	<b>13.19</b>	<b>9.81</b>	

## 5.4 Government Securities - Market Treasury Bills

Tenor	-----Face value (Rupees)-----				-----Rupees-----		Market value as a percentage of	
	As at 01 July 2020	Purchased during the period	Disposed / Matured during the period	As at 30 September 2020	Carrying Value as at 30 September 2020	Market Value as at 30 September 2020	Total Investments	Net Assets
3 months - T- Bills	-	865,000,000	565,000,000	300,000,000	297,051,983	297,033,200	11.32	7.72
6 months - T- Bills	300,000,000	275,000,000	425,000,000	150,000,000	149,394,733	149,389,350	5.69	3.88
12 months - T- Bills	835,000,000	550,000,000	1,160,000,000	225,000,000	221,210,371	221,093,550	8.43	5.75
<b>Total - 30 September 2020</b>	<b>1,135,000,000</b>	<b>1,690,000,000</b>	<b>2,150,000,000</b>	<b>675,000,000</b>	<b>667,657,087</b>	<b>667,516,100</b>	<b>25.45</b>	<b>17.36</b>
<b>Total - 30 June 2020</b>					<b>1,088,005,268</b>	<b>1,103,202,480</b>	<b>39.93</b>	<b>29.69</b>

5.4.1 Market treasury bills carry purchase yield of 7.05% to 13.3% (30 June 2020: 7.48% to 13.30%) per annum and will mature between 22 October 2020 and 11 March 2021 (30 June 2020: 24 September 2020 and 25 March 2021). The cost of these investments as on 30 September 2020 is Rs. 645,381,700 (30 June 2020: Rs. 1,045,141,985).

## 5.5 Government Securities - Pakistan Investment Bonds

Tenor	-----Face value (Rupees)-----				-----Rupees-----		Market value as a percentage of	
	As at 01 July 2020	Purchased during the period	Disposed / Matured during the period	As at 30 September 2020	Carrying Value as at 30 September 2020	Market Value as at 30 September 2020	Total Investments	Net Assets
3 Years	684,000,000	50,000,000	335,000,000	399,000,000	410,521,828	404,960,791	15.44	10.53
5 Years	75,000,000	435,000,000	-	510,000,000	520,790,496	516,666,577	19.70	13.43
10 Years	-	75,000,000	-	75,000,000	75,489,375	75,480,000	2.88	1.96
<b>Total - 30 September 2020</b>	<b>759,000,000</b>	<b>560,000,000</b>	<b>335,000,000</b>	<b>984,000,000</b>	<b>1,006,801,699</b>	<b>997,107,368</b>	<b>38.01</b>	<b>25.93</b>
<b>Total - 30 June 2020</b>					<b>702,441,841</b>	<b>785,252,961</b>	<b>28.42</b>	<b>21.13</b>

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5.5.1 Pakistan Investment Bonds carry purchase yield of 8.12% to 12.29% (30 June 2020: 11.52% to 12.65%) per annum and will mature between 12 July 2021 and 18 June 2030 (30 June 2020: 12 July 2021 and 19 September 2024). The cost of these investments is Rs. 963,196,627 (2020: Rs. 702,513,897).

## 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	Percentage of	
					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>30 September 2020</b>		<b>81,625,501</b>	<b>81,625,501</b>	-	-	-
<b>30 June 2020</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 2020: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

	30 September 2020	30 June 2020
	Un-audited	Audited
Note	----- Rupees -----	----- Rupees -----

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

Remuneration of the Management Company	6.1	3,114,098	3,123,029
Sindh Sales Tax payable on remuneration of the Management Company	6.2	3,927,531	3,928,692
Federal Excise Duty payable on remuneration of the Management Company	6.3	23,582,971	23,582,971
Accounting and operational charges payable		529,397	530,916
		<b>31,153,997</b>	<b>31,165,608</b>

6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable

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to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 1.00% of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

- 6.2 During the year, an amount of Rs. 1,205,664 (2019: Rs. 792,268) was charged on account of sales tax on remmuration of the Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,206,825 (2019: Rs. 800,689) has been paid to the Management Company which acts as a collecting agent.
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board (as explained in note 6.2 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 01 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 2020: 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. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 3.26 per unit (30 June 2020: Rs. 3.30 per unit).

	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
<b>7 ACCRUED AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		683,884	499,646
NCCPL charges payable		61,366	61,366
Printing charges payable		5,294	5,294
Transaction charges payable		209,715	84,374
Annual rating fee payable		109,819	-
Annual listing fee payable		6,931	-
Withholding tax payable		1,534,179	62,697,926
Capital gain tax Payable		126,634	513,001
Zakat payable		1,649	1,649
Other Payable		392,071	334,343
Provision for Sindh Workers' Welfare Fund	7.1	40,448,747	38,823,895
		<b>43,580,289</b>	<b>103,021,494</b>

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) was 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

# Atlas Income Fund

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 the Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP took up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

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

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

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

Accordingly, necessary adjustments in this respect were recorded in the books of the Fund on 12 January 2017 whereby the entire provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made by the Fund on a daily basis going forward.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 5.59 per unit (30 June 2020: Rs. 5.43 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

8.1 There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

## 9 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

	Note	For the Quarter Ended 30 September	
		2020	2019
		Un-audited	Un-audited
		----- Rupees -----	-----
<b>10 INTEREST INCOME</b>			
Interest on:			
Saving and term deposits		10,339,436	24,008,078
Margin Trading System		27,927,050	1,384
Term finance certificates	10.1	18,406,070	23,784,188
Sukuk certificates		8,467,703	11,841,429
Government Securities - Market Treasury Bills		17,663,516	19,131,955
Government Securities - Pakistan Investment Bonds		21,351,751	16,067,440
		<b>104,155,526</b>	<b>94,834,474</b>

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10.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (2019: Rs. Nil). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 70.74 million (2019: Rs. 70.74 million) based on outstanding principal has not been recognised during the period.

## 11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 1.68% (30 June 2020: 1.67%) which includes 0.33% (30 June 2020: 0.45%) 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.

## 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 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.

## 13 EARNINGS PER UNIT

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

## 14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
<b>14.1 Transactions for the period:</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration charged	9,274,339	6,094,369
Remuneration paid	9,283,270	6,159,145
Sindh Sales Tax on remuneration of the Management Company	1,205,664	792,268
Accounting and operational charges	1,576,637	761,796
Issue of Nil (2019: 1) units	-	304
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the Trustee	695,575	571,347
Remuneration paid	696,245	673,316
Sindh Sales Tax on remuneration of the Trustee	90,425	74,275
Settlement charges	-	3,012
Sindh Sales Tax on settlement charges	-	392
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Issue of 63,320 (2019: 615) units	33,000,000	326,805
Redemption of Nil (2019: 23,074) units	-	12,000,000
<b>Atlas Honda Limited</b>		
Issue of Nil (2019: 135) units	-	71,923

# Atlas Income Fund

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of 56,853 (2019: Nil) units	30,041,703	-
Redemption of 5,814 (2019: 14,079) units	3,036,000	7,296,001
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 3,868 (2019: 1,983) units	2,015,774	1,054,011
<b>Atlas Metals (Private) Limited</b>		
Issue of 28,557 (2019: Nil) units	15,000,000	-
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Issue of 43,791(2019: Nil) units	23,000,000	-
<b>Key Management Personnel of Management Company</b>		
Issue of 20,291 (2019: Nil) units	10,751,301	-
	<b>30 September 2020</b>	<b>30 June 2020</b>
<b>14.2 Details of balances with related parties as at the period / year end are as follows:</b>	<b>Un-audited</b>	<b>Audited</b>
	-----Rupees-----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	3,114,098	3,123,029
Sindh Sales Tax payable on remuneration of the Management Company	3,927,531	3,928,692
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	529,397	530,916
Outstanding 100,335 (30 June 2020: 100,335) units - at net asset value	53,300,777	52,126,862
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	233,557	234,227
Sindh Sales Tax payable on remuneration of the trustee	30,669	30,450
Settlement charges payable	3,000	1,000
Sindh Sales Tax payable on Settlement Charges	390	130
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Outstanding 586,253 (30 June 2020 : 522,933) units - at net asset value	311,435,151	271,679,336
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 564,023 (30 June 2020: 564,023) units - at net asset value	299,625,989	293,026,919
<b>Atlas Metals (Private) Limited</b>		
Outstanding 28,557 (30 June 2020: Nil) units - at net asset value	15,170,455	-
<b>Atlas Insurance Limited (Group Company)</b>		
Outstanding 98,569 (30 June 2020: 98,569) units - at net asset value	52,363,027	51,209,765
<b>Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 32,779 (30 June 2020: 32,779) units - at net asset value	17,413,225	17,029,710
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 67,449 (30 June 2020: 67,449) units - at net asset value	35,830,973	35,041,818

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	30 September 2020 Un-audited	30 June 2020 Audited
-----Rupees-----		
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 43,791 (30 June 2020: Nil) units - at net asset value	23,263,200	-
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 67,448 (30 June 2020: 16,408 ) units - at net asset value	35,830,245	8,524,427
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 37,012 (30 June 2020: 37,012) units - at net asset value	19,662,139	19,229,093
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 152,336 (30 June 2020: 152,336) units - at net asset value	80,925,193	79,142,868
<b>Shirazi Investments (Private) Limited (Group company)</b>		
Outstanding 3,925,631 (30 June 2020: 3,921,763) units - at net asset value	2,085,412,764	2,037,473,329
<b>Key Management Personnel of Management Company</b>		
Outstanding 175,226 (30 June 2020: 154,935) units -at net asset value	93,085,270	80,493,240

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

## 15 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.

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 to be significantly different from the respective book values.

### Fair value hierarchy

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

- Level 1: quoted 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 30 September 2020, the Fund has investments 'at fair value through profit and loss' measured using level 2 valuation technique. Particulars regarding their cost and market value are given note 5.

# Atlas Income Fund

## 16 GENERAL

Figures have been rounded off to the nearest Rupee.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 26, 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 30 SEPTEMBER 2020

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>ASSETS</b>			
Cash and bank balances	4	349,924,451	75,706,293
Investments	5	8,622,717,372	6,990,442,843
Dividend receivable		10,179,236	-
Receivable against sale of units		3,995,783	-
Profit receivable on bank balances		1,138,002	413,904
Advances, deposits, prepayment and other receivables		13,529,987	13,529,987
<b>Total assets</b>		<b>9,001,484,831</b>	<b>7,080,093,027</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	6	44,433,714	39,612,278
Payable to the Central Depository Company of Pakistan Limited		926,030	736,735
Payable to the Securities and Exchange Commission of Pakistan		416,165	1,245,447
Payable against purchase of investments		159,802,736	-
Payable against redemption of units		2,332,275	132,732,432
Unclaimed dividend		401,955	401,733
Accrued expenses and other liabilities	7	80,002,259	63,694,863
<b>Total liabilities</b>		<b>288,315,134</b>	<b>238,423,488</b>
<b>NET ASSETS</b>		<b>8,713,169,697</b>	<b>6,841,669,539</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>8,713,169,697</b>	<b>6,841,669,539</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>13,978,476</b>	<b>13,240,837</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>623.3276</b>	<b>516.7100</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
<b>INCOME</b>			
Profit on bank balances		2,302,553	3,538,317
Dividend income		35,337,204	80,899,025
Capital gain / (loss) on sale of investments - net		151,075,836	(8,276,048)
Net unrealised appreciation / (diminution) on re-measurement of investments / classified as 'financial assets at fair value through profit or loss'		1,344,544,991	(329,838,830)
		<b>1,495,620,827</b>	<b>(338,114,878)</b>
<b>Total income</b>		<b>1,533,260,584</b>	<b>(253,677,536)</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	49,939,860	23,809,239
Sindh sales tax on remuneration of the Management Company	6.2	6,492,182	3,095,201
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,332,882	1,441,828
Sindh sales tax on remuneration of the trustee		303,275	187,438
Annual fee to the Securities and Exchange Commission of Pakistan		416,165	238,092
Accounting and operational charges	9	3,537,407	1,190,462
Auditors' remuneration		169,817	136,213
Annual listing fee		6,428	6,913
Securities transaction cost		3,285,712	1,489,545
Printing charges		-	10,000
Legal and professional charges		30,780	98,053
Provision for Sindh Workers' Welfare Fund		29,334,757	-
Bank charges		8,244	8,372
<b>Total expenses</b>		<b>95,857,509</b>	<b>31,711,356</b>
<b>Net income / (loss) for the period before taxation</b>		<b>1,437,403,075</b>	<b>(285,388,892)</b>
<b>Taxation</b>	11	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>1,437,403,075</b>	<b>(285,388,892)</b>
<b>Earnings per unit</b>	12		
<b>Allocation of net income for the period:</b>			
- Net income for the period after taxation		1,437,403,075	-
- Income already paid on units redeemed		(54,113,001)	-
		<b>1,383,290,074</b>	<b>-</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		1,495,620,827	-
- Excluding capital gains		(112,330,753)	-
		<b>1,383,290,074</b>	<b>-</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	-----Rupees-----	
Net income / (loss) for the period after taxation	1,437,403,075	(285,388,892)
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>1,437,403,075</u></b>	<b><u>(285,388,892)</u></b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	6,499,701,211	-	6,499,701,211
<b>Undistributed income brought forward</b>			
- Realised income	-	909,302,970	909,302,970
- Unrealised loss	-	(567,334,642)	(567,334,642)
<b>Net assets at the beginning of the period (Units outstanding: 13,240,837) (Rs. 516.71 per unit)</b>	<b>6,499,701,211</b>	<b>341,968,328</b>	<b>6,841,669,539</b>
Issue of 2,104,537 units	1,267,865,487	-	1,267,865,487
Redemption of 1,366,898 units	(779,655,403)	(54,113,001)	(833,768,404)
Total comprehensive income for the period	-	1,437,403,075	1,437,403,075
<b>Net assets at end of the period (Units outstanding: 13,978,476) (Rs. 623.3276 per unit)</b>	<b>6,987,911,295</b>	<b>1,725,258,402</b>	<b>8,713,169,697</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	976,452,912	-
- Unrealised income	-	748,805,490	-
	-	<b>1,725,258,402</b>	-
	30 September 2019		
	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 income	-	(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 1,193,384 units	547,662,817	-	547,662,817
Redemption of 333,961 units	(154,254,846)	-	(154,254,846)
Total comprehensive loss for the period	-	(285,388,892)	(285,388,892)
<b>Net assets at end of the period (Units outstanding: 10,868,972) (Rs. 474.05 per unit)</b>	<b>5,234,957,763</b>	<b>(82,500,802)</b>	<b>5,152,456,961</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	1,017,507,001	-
- Unrealised loss	-	(1,100,007,803)	-
	-	<b>(82,500,802)</b>	-

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the period after taxation		1,437,403,075	(285,388,892)
<b>Adjustments:</b>			
Profit on bank balances		(2,302,553)	(3,538,317)
Dividend income		(35,337,204)	(80,899,025)
Capital (gain) / loss on sale of investments - net		(151,075,836)	8,276,048
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(1,344,544,991)	329,838,830
Provision for Sindh Workers' Welfare Fund		29,334,757	-
		<b>(66,522,752)</b>	<b>(31,711,356)</b>
<b>(Increase) / Decrease in assets</b>			
Receivable against sale of units		(3,995,783)	52,821,580
Advances, deposits, prepayment and other receivables		-	(20,587)
		<b>(3,995,783)</b>	<b>52,800,993</b>
<b>Increase / (Decrease) in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		4,821,436	(1,189,483)
Payable to the Central Depository Company of Pakistan Limited		189,295	(57,262)
Payable to the Securities and Exchange Commission of Pakistan		(829,282)	(5,197,557)
Payable against purchase of investments		159,802,736	1,320,000
Unclaimed dividend		222	-
Accrued expenses and other liabilities		(13,027,361)	21,334
		<b>150,957,046</b>	<b>(5,102,968)</b>
Profit received on bank balances		1,578,455	2,558,027
Dividend received		25,157,968	19,328,200
Investments made during the period		(1,486,091,949)	(847,880,900)
Investments sold during the period		1,349,438,247	385,976,361
<b>Net cash used in operating activities</b>		<b>(29,478,768)</b>	<b>(424,031,643)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		1,267,865,487	547,662,817
Net payments against redemption of units		(964,168,561)	(350,794,972)
<b>Net cash generated from financing activities</b>		<b>303,696,926</b>	<b>196,867,845</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>274,218,158</b>	<b>(227,163,798)</b>
Cash and cash equivalents at the beginning of the period		75,706,293	266,018,200
<b>Cash and cash equivalents at the end of the period</b>	4	<b>349,924,451</b>	<b>38,854,402</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

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

FOR THE QUARTER ENDED 30 SEPTEMBER 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, 06 March 2008, 04 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, Thirteenth and Fourteenth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009, 14 October 2013, 24 March 2015, 03 August 2015, 29 September 2016, 02 June 2017, 25 May 2018, 5 September 2019, 25 November 2019 and 1 April 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 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.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

# Atlas Stock Market Fund

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended 30 September 2019.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

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 2020.

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>4 CASH AND BANK BALANCES</b>			
Balances with banks:			
- in saving accounts	4.1	349,919,451	74,051,293
- in current account		5,000	5,000
- Cheques in hand	4.2	-	1,650,000
		<b>349,924,451</b>	<b>75,706,293</b>

4.1 The rate of return on these accounts ranges between 3.00% and 5.50% (30 June 2020: 6.00% and 6.50%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequent to the year end by Nil (30 June 2020: 06 July 2020)

## 5 INVESTMENTS

<b>At fair value through profit or loss</b>			
-Investment in listed equity securities	5.1	<b>8,622,717,372</b>	<b>6,990,442,843</b>

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## 5.1 Listed equity securities

At fair value through profit or loss - equity securities

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

Name of Investee Company	-----Number of Shares-----				-----Rupees-----		-----Percentage-----		
	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets

### COMMERCIAL BANKS

Bank Al Habib Limited	5,975,175	500,000	-	2,274,500	4,200,675	226,255,799	271,237,585	3.15	3.11	0.38
Bank Alfalah Limited	3,307,500	-	-	3,305,735	1,765	59,251	61,387	0.00	0.00	0.00
Bankislami Pakistan Limited	8,284,250	-	-	-	8,284,250	62,628,930	85,410,618	0.99	0.98	0.75
Faysal Bank Limited	5,100,943	-	-	-	5,100,943	71,056,136	87,379,154	1.01	1.00	0.34
Habib Bank Limited (see note 5.3)	3,633,600	603,800	-	27,000	4,210,400	425,211,110	550,467,696	6.38	6.32	0.29
Habib Metropolitan Bank Limited	4,211,500	628,000	-	-	4,839,500	139,232,405	162,171,645	1.88	1.86	0.46
MCB Bank Limited	415,300	50,000	-	-	465,300	75,957,881	80,878,446	0.94	0.93	0.04
Meezan Bank Limited	3,161,135	400,000	200,063	1,160,500	2,600,698	170,265,340	213,803,383	2.48	2.45	0.18
The Bank Of Punjab	5,174,500	-	-	-	5,174,500	43,465,800	51,124,060	0.59	0.59	0.20
United Bank Limited (see note 5.3)	2,078,325	1,956,138	-	-	4,034,463	438,045,041	464,407,056	5.39	5.33	0.33
	<b>41,342,228</b>	<b>4,137,938</b>	<b>200,063</b>	<b>6,767,735</b>	<b>38,912,494</b>	<b>1,652,177,693</b>	<b>1,966,941,010</b>	<b>22.81</b>	<b>22.57</b>	<b>2.96</b>

### INSURANCE

Adamjee Insurance Company Limited	1,576,500	-	-	176,500	1,400,000	46,354,000	56,140,000	0.65	0.64	0.40
EFU Life Assurance Limited	-	173,700	-	-	173,700	35,238,308	35,589,393	0.41	0.41	0.09
Jubilee Life Insurance Company Limited	-	48,100	-	11,000	37,100	13,302,755	16,477,223	0.19	0.19	0.02
Pakistan Reinsurance Company Limited	1,028,500	150,000	-	-	1,178,500	28,170,840	31,890,210	0.37	0.37	0.39
	<b>2,605,000</b>	<b>371,800</b>	<b>-</b>	<b>187,500</b>	<b>2,789,300</b>	<b>123,065,903</b>	<b>140,096,826</b>	<b>1.62</b>	<b>1.61</b>	<b>0.90</b>

### TEXTILE COMPOSITE

Gul Ahmed Textile Mills Limited	1,850,000	-	-	1,150,000	700,000	20,041,000	26,124,000	0.30	0.30	0.16
Interloop Limited	3,000	-	-	3,000	-	-	-	-	-	-
Kohinoor Textile Mills Limited	1,507,500	481,000	-	57,000	1,931,500	75,324,872	104,513,465	1.21	1.20	6.37
Nishat (Chunian) Limited	869,500	-	-	-	869,500	28,215,275	34,249,605	0.40	0.39	0.36
Nishat Mills Limited	650,000	600,000	-	-	1,250,000	104,431,195	126,337,500	1.47	1.45	0.36
	<b>4,880,000</b>	<b>1,081,000</b>	<b>-</b>	<b>1,210,000</b>	<b>4,751,000</b>	<b>228,012,342</b>	<b>291,224,570</b>	<b>3.38</b>	<b>3.34</b>	<b>7.26</b>

### CEMENT

Attock Cement Pakistan Limited	388,600	198,500	-	1,500	585,600	77,963,656	89,409,408	1.04	1.03	0.43
Cherat Cement Company Limited	1,309,400	-	-	665,000	644,400	56,172,348	75,240,144	0.87	0.86	0.33
D.G. Khan Cement Company Limited	987,500	-	-	-	987,500	84,263,375	101,821,125	1.18	1.17	0.23
Fauji Cement Company Limited	30,500	1,850,000	-	-	1,880,500	33,146,840	37,384,340	0.43	0.43	0.14
Kohat Cement Company Limited	551,500	-	-	101,500	450,000	61,852,500	76,833,000	0.89	0.88	0.22
Lucky Cement Limited	740,500	12,000	-	-	752,500	349,020,447	486,920,175	5.65	5.59	0.23
Maple Leaf Cement Factory Limited	45,000	-	-	45,000	-	-	-	-	-	-
Pioneer Cement Limited	3,609,000	-	-	1,102,500	2,506,500	158,009,760	227,339,550	2.64	2.61	1.10
	<b>7,662,000</b>	<b>2,060,500</b>	<b>-</b>	<b>1,915,500</b>	<b>7,807,000</b>	<b>822,428,926</b>	<b>1,094,947,742</b>	<b>12.70</b>	<b>12.57</b>	<b>2.68</b>

### POWER GENERATION & DISTRIBUTION

K-Electric Limited (face value Rs. 3.5)	6,750,000	-	-	-	6,750,000	20,317,500	28,417,500	0.33	0.33	0.02
Lalpir Power Limited	2,950,000	900,000	-	-	3,850,000	47,026,500	50,589,000	0.59	0.58	1.01
Nishat Chunian Power Limited	619,000	-	-	619,000	-	-	-	-	-	-
Paikun Power Limited	4,208,500	-	-	-	4,208,500	50,544,085	75,753,000	0.88	0.87	1.13
The Hub Power Company Limited	6,148,820	300,000	-	-	6,448,820	471,046,879	505,974,417	5.87	5.81	0.50
	<b>20,676,320</b>	<b>1,200,000</b>	<b>-</b>	<b>619,000</b>	<b>21,257,320</b>	<b>588,934,964</b>	<b>660,733,917</b>	<b>7.66</b>	<b>7.58</b>	<b>2.67</b>

### OIL & GAS MARKETING COMPANIES

Hi-Tech Lubricants Limited	2,000	-	-	2,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	1,169,153	509,024	-	25,000	1,653,177	281,189,710	330,966,035	3.84	3.80	0.35
Shell Pakistan Limited	264,700	-	-	146,400	118,300	21,599,214	29,037,918	0.34	0.33	0.11
Sui Northern Gas Pipelines Limited	1,565,200	-	-	1,550,000	15,200	829,920	939,512	0.01	0.01	0.00
	<b>3,001,053</b>	<b>509,024</b>	<b>-</b>	<b>1,723,400</b>	<b>1,786,677</b>	<b>303,618,844</b>	<b>360,943,465</b>	<b>4.19</b>	<b>4.14</b>	<b>0.47</b>

# Atlas Stock Market Fund

Name of Investee Company	Number of Shares					Rupees		Percentage		
	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Limited	353,669	-	-	23,840	329,829	407,883,033	451,707,412	5.24	5.18	0.25
Oil & Gas Development Company Limited	3,003,100	740,000	-	-	3,743,100	411,710,132	387,785,160	4.50	4.45	0.09
Pakistan Oilfields Limited	533,020	-	-	-	533,020	186,892,803	224,577,317	2.60	2.58	0.19
Pakistan Petroleum Limited (see note 5.3)	2,148,602	890,000	-	-	3,038,602	275,861,023	279,733,700	3.24	3.21	0.11
	<b>6,038,391</b>	<b>1,630,000</b>	<b>-</b>	<b>23,840</b>	<b>7,644,351</b>	<b>1,282,346,991</b>	<b>1,343,803,589</b>	<b>15.58</b>	<b>15.42</b>	<b>0.63</b>
<b>ENGINEERING</b>										
Aisha Steel Mills Limited	-	3,000,000	-	-	3,000,000	31,994,451	47,160,000	0.55	0.54	6.76
International Industries Limited	300,000	70,000	-	-	370,000	37,993,125	53,627,800	0.62	0.62	0.09
Mughal Iron And Steel Industries Limited	213	-	-	-	213	8,494	13,692	0.00	0.00	0.00
	<b>300,213</b>	<b>3,070,000</b>	<b>-</b>	<b>-</b>	<b>3,370,213</b>	<b>69,996,070</b>	<b>100,801,492</b>	<b>1.17</b>	<b>1.16</b>	<b>6.85</b>
<b>AUTOMOBILE ASSEMBLER</b>										
Indus Motor Company Limited	71,060	1,400	-	-	72,460	72,509,989	92,758,944	1.08	1.06	0.09
Millat Tractors Limited	84,850	-	-	-	84,850	59,917,676	73,416,463	0.85	0.84	0.17
	<b>155,910</b>	<b>1,400</b>	<b>-</b>	<b>-</b>	<b>157,310</b>	<b>132,427,665</b>	<b>166,175,407</b>	<b>1.93</b>	<b>1.91</b>	<b>0.26</b>
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>										
Thal Limited (face value Rs. 5 per share)	248,000	32,000	-	-	280,000	92,507,268	117,692,400	1.36	1.35	0.35
	<b>248,000</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>280,000</b>	<b>92,507,268</b>	<b>117,692,400</b>	<b>1.36</b>	<b>1.35</b>	<b>0.35</b>
<b>CABLES &amp; ELECTRICAL GOODS</b>										
Pak Elektron Limited	-	1,200,000	-	-	1,200,000	33,950,248	39,672,000	0.46	0.46	0.24
TPL Corp Limited	-	1,198,500	-	1,198,500	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	611,500	-	-	611,500	18,567,100	16,002,955	0.19	0.18	0.33
	<b>-</b>	<b>3,010,000</b>	<b>-</b>	<b>1,198,500</b>	<b>1,811,500</b>	<b>52,517,348</b>	<b>55,674,955</b>	<b>0.65</b>	<b>0.64</b>	<b>0.57</b>
<b>TRANSPORT</b>										
Pakistan International Bulk Terminal Limited	4,897,500	-	-	397,500	4,500,000	39,600,000	55,620,000	0.65	0.64	0.25
	<b>4,897,500</b>	<b>-</b>	<b>-</b>	<b>397,500</b>	<b>4,500,000</b>	<b>39,600,000</b>	<b>55,620,000</b>	<b>0.65</b>	<b>0.64</b>	<b>0.25</b>
<b>TECHNOLOGY &amp; COMMUNICATIONS</b>										
Avanceon Limited	-	1,470,500	-	-	1,470,500	56,821,965	98,847,010	1.15	1.13	0.69
Pakistan Telecommunication Company Ltd. Systems Limited	-	3,250,000	-	-	3,250,000	33,187,572	35,132,500	0.41	0.40	0.09
TRG Pakistan Limited - Class 'A'	1,627,050	500	-	417,400	1,210,150	222,300,017	329,209,206	3.82	3.78	0.98
	<b>1,627,050</b>	<b>5,846,000</b>	<b>-</b>	<b>542,400</b>	<b>6,930,650</b>	<b>351,910,504</b>	<b>515,348,716</b>	<b>5.98</b>	<b>5.91</b>	<b>1.94</b>
<b>FERTILIZER</b>										
Engro Corporation Limited	1,126,700	200,001	-	360,000	966,701	285,912,418	291,006,002	3.57	3.34	0.17
Engro Fertilizers Limited (see note 5.3)	3,163,500	-	-	850,000	2,313,500	139,457,780	140,707,070	1.63	1.61	0.17
Fauji Fertilizer Bin Qasim Limited	1,520,500	-	-	-	1,520,500	24,267,180	30,638,075	0.36	0.35	0.16
Fauji Fertilizer Company Limited	1,146,000	200,000	-	21,000	1,325,000	145,770,677	143,086,750	1.66	1.64	0.10
	<b>6,956,700</b>	<b>400,001</b>	<b>-</b>	<b>1,231,000</b>	<b>6,125,701</b>	<b>595,408,055</b>	<b>605,437,897</b>	<b>7.02</b>	<b>6.95</b>	<b>0.61</b>
<b>PHARMACEUTICALS</b>										
Abbott Laboratories (Pakistan) Limited	129,200	-	-	88,950	40,250	26,685,750	30,857,260	0.36	0.35	0.04
AGP Limited	523,000	-	-	523,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	362,000	-	-	360,900	1,100	191,488	201,993	0.00	0.00	0.00
Highnoon Laboratories Limited	132,320	42,500	-	-	174,820	92,588,232	107,339,480	1.24	1.23	0.51
The Searle Company Limited	706,602	128,900	-	6,500	829,002	172,721,847	212,481,503	2.46	2.44	0.39
	<b>1,853,122</b>	<b>171,400</b>	<b>-</b>	<b>979,350</b>	<b>1,045,172</b>	<b>292,187,317</b>	<b>350,880,236</b>	<b>4.07</b>	<b>4.03</b>	<b>0.94</b>
<b>CHEMICALS</b>										
Archroma Pakistan Limited	113,450	-	-	33,400	80,050	47,181,470	45,385,148	0.53	0.52	0.23
Berger Paints Pakistan Limited	-	339,000	-	-	339,000	28,941,950	28,001,400	0.32	0.32	1.66
Engro Polymer & Chemicals Limited	5,340,000	-	-	840,000	4,500,000	112,410,000	181,170,000	2.10	2.08	0.50
ICI Pakistan Limited	72,000	20,000	-	17,000	75,000	52,871,301	54,269,250	0.63	0.62	0.08
Lotte Chemical Pakistan Limited	5,500,000	-	-	-	5,500,000	54,725,000	66,000,000	0.77	0.76	0.36
Sitara Chemical Industries Limited	-	121,300	-	-	121,300	39,377,694	39,017,358	0.45	0.45	0.57
	<b>11,025,450</b>	<b>480,300</b>	<b>-</b>	<b>890,400</b>	<b>10,615,350</b>	<b>335,507,415</b>	<b>413,843,156</b>	<b>4.80</b>	<b>4.75</b>	<b>3.40</b>

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Name of Investee Company	-----Number of Shares-----					-----Rupees-----		-----Percentage-----		
	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company

## PAPER & BOARD

Packages Limited	57,200	116,700	-	-	173,900	67,764,702	87,355,187	1.01	1.00	0.19
	57,200	116,700	-	-	173,900	67,764,702	87,355,187	1.01	1.00	0.19

## VANASPATI & ALLIED INDUSTRIES

Unity Foods Limited	53,000	-	-	53,000	-	-	-	-	-	-
	53,000	-	-	53,000	-	-	-	-	-	-

## LEATHER & TANNERIES

Bata Pakistan Limited	59,600	4,000	-	-	63,600	86,440,378	107,099,856	1.24	1.23	0.84
Service Industries Limited	80,475	-	20,118	-	100,593	65,646,677	76,119,729	0.88	0.87	0.43
	140,075	4,000	20,118	-	164,193	152,087,055	183,219,585	2.12	2.10	1.27

## FOODS & PERSONAL CARE PRODUCTS

As-Tahur Limited	2,462,500	-	-	-	2,462,500	42,428,875	52,081,871	0.60	0.60	1.53
National Foods Limited (face value Rs. 5 per share)	72,200	-	-	70,800	1,400	350,630	399,868	0.00	0.00	0.00
	2,534,700	-	-	70,800	2,463,900	42,779,505	52,481,739	0.61	0.60	1.53

## GLASS & CERAMICS

Tariq Glass Industries Limited	230,250	-	-	-	230,250	14,855,730	20,862,953	0.24	0.24	0.21
	230,250	-	-	-	230,250	14,855,730	20,862,953	0.24	0.24	0.21

## MISCELLANEOUS

Synthetic Products Enterprises Limited	900,000	-	-	896,000	4,000	166,320	178,240	0.00	0.00	0.00
TPL Properties Limited	-	3,857,000	-	-	3,857,000	37,871,764	38,454,290	0.45	0.44	1.18
Tri-Pack Films Limited	-	16,500	-	16,500	-	-	-	-	-	-
	900,000	3,873,500	-	912,500	3,861,000	38,038,084	38,632,530	0.45	0.44	1.18

Total as at 30 September 2020

7,278,172,381      8,622,717,372      100.00      98.96

Total as at 30 June 2020

7,113,226,257      6,990,442,843

- 5.2 The cost of listed equity securities as at 30 September 2020 is Rs. 7,873,911,882 (30 June 2020: Rs. 7,557,777,485).
- 5.3 The above investments include following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated 23 October 2007 issued by the SECP.

	Quantity		Market value	
	30 September 2020	30 June 2020	30 September 2020	30 June 2020
	Un-audited	Audited	Un-audited	Audited
	-----Number of Shares-----		-----Rupees-----	
Pakistan Petroleum Limited	297,000	297,000	27,341,820	25,773,660
Habib Bank Limited	60,000	60,000	7,844,400	5,812,200
Engro Fertilizers Limited	425,000	425,000	25,848,500	25,619,000
United Bank Limited	100,000	100,000	11,511,000	10,336,000
	<u>882,000</u>	<u>882,000</u>	<u>72,545,720</u>	<u>67,540,860</u>

# Atlas Stock Market Fund

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	30 September	30 June
		2020	2020
		Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	6.1	17,623,301	13,608,253
Sindh sales tax payable on remuneration of the Management Company	6.2	5,260,075	4,738,119
Federal Excise Duty payable on remuneration of the Management Company	6.3	20,301,988	20,301,988
Accounting and operational charges payable	9	1,248,350	963,918
		<b>44,433,714</b>	<b>39,612,278</b>

- 6.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. With effect from 01 January 2020 the Management Company decided to revise the management fee from 2% to 2.4%. Previously, the Management Company was entitled to an amount not exceeding 2% per annum of the average annual net assets and therefore charged 2% of the average annual net assets per annum. The fee is payable to the Management Company monthly in arrears.
- 6.2** During the year, an amount of Rs. 6,492,182 (2019: Rs. 3,095,201) 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. 5,970,226 (2019: Rs. 3,226,373) has been paid to the Management Company which acts as the collecting agent.
- 6.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

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

During the 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 2020: Rs 20.302 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 financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 1.45 (30 June 2020: Rs. 1.53) per unit.

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7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	30 September	30 June
		2020	2020
		Un-audited	Audited
		-----Rupees-----	
Auditors' remuneration payable		651,399	481,582
NCCPL charges payable		25,000	25,000
Withholding and capital gain tax payable		3,772,840	15,621,799
Zakat payable		48,633	48,075
Sales Load Payable		80,193	27,614
Transaction charges payable		1,511,636	2,919,420
Annual listing fee payable		6,428	-
Provision for Sindh Workers' Welfare Fund	7.1	73,906,130	44,571,373
		<b>80,002,259</b>	<b>63,694,863</b>

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

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.

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

Accordingly, necessary adjustments in this respect were recorded in the books of the Fund on 12 January 2017 whereby the entire provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made by the Fund on a daily basis going forward.

Had the provision for SWWF not been recorded in these financial statements, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 5.29 per unit (30 June 2020: Rs. 3.37 per unit)

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

# Atlas Stock Market Fund

## 9 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

## 10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 4.60% (30 June 2020: 3.13%) which includes 1.78% (30 June 2020: 0.46%) 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.

## 11 TAXATION

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

## 12 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 loss per unit is not practicable.

## 13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

	For the Quarter Ended	
	30 September	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
13.1 Details of transaction with related parties during the period are as follows:		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	49,939,860	23,809,239
Remuneration paid	45,924,812	24,818,241
Sindh Sales Tax on remuneration of the Management Company	6,492,182	3,095,201
Accounting and operational charges	3,537,407	1,190,462
Issue of 28,121 (2019: Nil) units	14,984,586	-
Redemption of 79,400 (2019: Nil) units	50,000,000	-
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	2,332,882	1,441,828
Remuneration paid	2,165,364	1,492,502
Sindh Sales Tax on remuneration of the trustee	303,275	187,438
Settlement charges	119,792	56,468
Sindh Sales Tax on settlement charges	15,573	7,341

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For the Quarter Ended  
30 September

2020	2019
Un-audited	Un-audited
-----Rupees-----	

**Atlas Battery Limited (Group Company)**

Redemption of Nil (2019: 5) units

-	2,347
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**Atlas Foundation (Group Company)**

Issue of 23,822 (2019: nil) units

14,000,000	-
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**Atlas Insurance Limited (Group Company)**

Issue of 162,851 (2019: nil) units

100,000,000	-
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**Atlas Group of Companies Management Staff Gratuity Fund  
(Retirement Benefit plan of a Group Company)**

Issue of Nil (2019: 10,521) units

-	5,000,000
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Redemption of 12,990 (2019: Nil) units

8,000,000	-
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**Atlas Honda Limited**

Redemption of Nil (2019: 1,146) units

-	537,873
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**Shirazi Investments (Private) Limited - Employees Provident Fund  
(Retirement Benefit plan of a Group Company)**

Redemption of 1,539 (2019: Nil) units

1,000,000	-
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**Atlas Metals (Private) Limited**

Issue of 30,727 (2019: Nil) units

20,000,000	-
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**Sindh General Provident Investment Fund**

Issue of Nil (2019: 1,099,069) units

-	504,000,000
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**Directors and their close family members and key management  
personnel of the Management Company**

Issue 15,719 (2019: 1,169) units

9,752,900	554,726
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Redemption of 1,594 (2019: 449) units

1,025,000	219,369
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30 September 2020	30 June 2020
Un-audited	Audited
-----Rupees-----	

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

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

Remuneration payable to the management company

17,623,301	13,608,253
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Sindh Sales tax payable on remuneration of the Management Company

5,260,075	4,738,119
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Federal Excise Duty payable on remuneration of the Management Company

20,301,988	20,301,988
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Accounting and operational charges payable

1,248,350	963,918
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Outstanding 155,282 (30 June 2020: 206,561) units - at net asset value

96,791,363	106,731,932
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**Central Depository Company of Pakistan Limited (Trustee)**

Trustee fee payable

816,496	648,978
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Sindh Sales tax payable on remuneration of trustee

106,144	84,367
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Settlement charges payable

3,000	3,000
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Sindh Sales tax payable on settlement charges

390	390
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# Atlas Stock Market Fund

	30 September 2020 Un-audited	30 June 2020 Audited
	-----Rupees-----	
<b>Atlas Honda Limited (Group Company)</b> Outstanding 28,216 (30 June 2020: 28,216) units - at net asset value	17,587,575	14,579,293
<b>Atlas Foundation (Group Company)</b> Outstanding 892,898 (30 June 2020: 869,076) units - at net asset value	556,567,927	449,060,074
<b>Atlas Insurance Limited (Group Company)</b> Outstanding 275,910 (30 June 2020: 113,329) units - at net asset value	171,982,592	58,558,370
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b> Outstanding 121,236 (30 June 2020: 134,226) units - at net asset value	75,569,768	69,355,779
<b>Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b> Outstanding 99,795 (30 June 2020: 99,795) units - at net asset value	62,204,937	51,565,041
<b>Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b> Outstanding 22,236 (30 June 2020: 22,236) units - at net asset value	13,860,501	11,489,720
<b>Atlas Metals (Private) Limited</b> Outstanding 30,727 (30 June 2020: Nil) units - at net asset value	19,153,139	-
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b> Outstanding 213,744 (30 June 2020: 213,744) units - at net asset value	133,232,599	110,443,716
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)</b> Outstanding 32,035 (30 June 2020: 32,035) units - at net asset value	19,968,575	16,553,033
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b> Outstanding 25,009 (30 June 2020: 26,549) units - at net asset value	15,589,101	13,717,917
<b>Shirazi Investments (Private) Limited (Group Company)</b> Outstanding 4,729,966 (30 June 2020: 4,729,966) units - at net asset value	2,948,318,096	2,444,020,517
<b>Sindh Province Pension Fund (10% Holding)</b> Outstanding 1,452,355 (30 June 2020: Nil) units - at net asset value	905,292,708	-
<b>Directors and their close family members and key management personnel of the Management Company</b> Outstanding 1,246,275 (30 June 2020: 1,232,151) units - at net asset value	776,837,630	636,664,632

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

## 14 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or 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.

# First Quarter Report 2020-21

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.

## **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).

The Fund only invests in listed equity securities the fair values of which are based on level 1 valuation technique.

## **15 GENERAL**

Figures have been rounded off to the nearest Rupee.

## **16 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 26 October 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

**Head Office- Karachi**

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**SITE Office- Karachi**

C/o. Atlas Honda Limited,  
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S.I.T.E.,  
Karachi.

**Landhi Office- Karachi**

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Landhi, Karachi.  
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**Hyderabad Office**

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**Savings Center - Lahore**

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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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**QUARTERLY REPORT**

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**30 SEPTEMBER 2020**

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**(UN-AUDITED)**



**Managed By**

**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**

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  
Mr. M. Kamran Ahmed  
Mr. Najam Shehzad  
**Secretary** Mr. Muhammad Umar Khan

### Risk Management Committee

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

### Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

### Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

### Registered Office

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

# First Quarter Report 2020-21

## CHAIRMAN'S REVIEWS

It is my pleasure to present to you the un-audited Financial Statements of Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Fund of Funds (AIFO) and Atlas Islamic Dedicated Stock Fund (AIDSF) for the quarter ended September 30, 2020 of FY 2020-21.

## THE ECONOMY

The gradual re-opening of nationwide lockdowns due to significant decline in active COVID cases and monetary easing by State Bank of Pakistan resulted in improved economic activity reflecting a partial yet encouraging pick-up in demand indicators. During Jul-Aug FY21, the Current Account Balance posted a surplus of US \$0.81 billion as compared to a deficit of US \$1.21 billion in same period last year. The Current Account largely benefitted from 31.19% YoY increase in Jul-Sep FY21 Worker's Remittances that stood at US \$7.15 billion. The Jul-Sep FY21 Imports increased by 0.56% YoY to US \$11.26 billion while Jul-Sep FY21 Exports fell by 0.94% YoY to stand at US \$5.46 billion. Total Liquid Foreign Exchange Reserves increased by 28.28% YoY to US \$19.53 billion as of Sept 25, 2020 (SBP's share stood at US \$12.36 billion) primarily due to significant improvement in Current Account Balance, multilateral inflows from IMF and World Bank to avert COVID based economic erosion and approval of debt suspension as part of G-20 debt relief deal. Average CPI inflation remained at 8.84% during Jul-Sep FY21, in line with SBP projected range of 7% to 9% for FY21. The State Bank of Pakistan kept policy rate unchanged at 7.00% in its latest Monetary Policy Committee meeting in order to support economic recovery and ensure funding availability for households and businesses.

## FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 1.43% to Rs. 512.09 as on September 30, 2020, providing an annualized total return of 5.66%. The AIIF's total exposure in Sukuks and high yielding Shariah Compliant Bank Deposits/Others stood at 34.10% and 65.90%, respectively. The Net Assets of the Fund stood at Rs. 2.13 billion, with 4.17 million units outstanding as of September 30, 2020.

## FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) increased by 17.43% to Rs. 535.09 as on September 30, 2020. The benchmark KMI-30 index increased by 17.72% during the same period. The KMI-30 index increased from 54,995.25 points as on June 30, 2020 to 64,738.07 points as on September 30, 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 94.48% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks. The Net Assets of the Fund stood at Rs. 2.21 billion, with 4.13 million units outstanding as of September 30, 2020.

## FUND OPERATIONS - AIFO

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 13.35% to Rs. 541.76 as on September 30. AAAIP was 26.18% and 73.18% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 10.05% to Rs. 545.12 as on September 30, 2020. AMAIP was 46.23% and 51.88% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 6.02% to Rs. 548.97 as on September 30, 2020. ACAIP was 71.13% and 28.51% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 5.38% to Rs. 525.31 as on September 30. AICPP was 74.87% and 23.46% invested in AIIF and AIDSF, respectively. During the period, Atlas Islamic Dividend Plan (AIDP) provided 1.29% return (5.12% annualized basis). AIDP was 86.34% invested in AIIF. The Net Assets of AIFO stood at Rs. 879.67 million as of September 30, 2020.

## FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) increased by 18.06% to Rs. 521.46 as on September 30, 2020. The benchmark KMI-30 index increased by 17.72% during the same period. The KMI-30 index increased from 54,995.25 points as on June 30, 2020 to 64,738.07 points as on September 30, 2020. AIDSF strategy will continue to 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 95.52% that mainly comprised of Oil & Gas Exploration, Cement,

# Atlas Meraj

Fertilizer and Islamic Commercial Banks. The Net Assets of your Fund stood at Rs. 388.75 million, with 0.75 million units outstanding as of September 30, 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 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.

# First Quarter Report 2020-21

## RATINGS

- **ASSET MANAGER RATING**

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

- **FUND STABILITY RATING - AIIF**

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 low exposure to risks.

## FUTURE OUTLOOK

The State Bank of Pakistan has slightly increased its inflation forecast for FY21 (7% to 9%) primarily due to supply side shocks in food prices on the back of recent flood-related damages whereas demand-side inflationary risks remain well contained. The future direction of international crude oil prices, likely to remain subdued, will have an important bearing on the local inflation outlook. On the external front, the Current Account Deficit is expected to remain under 2% of GDP in FY21. The economy is expected to grow over 2% in FY21 driven primarily by manufacturing and construction related activities taking support from the State Bank's financing incentives and the government's construction sector package. Declining trajectory of number of daily COVID cases will eventually lead towards resumption of full-scale economic activity that will stimulate growth. Going forward, government's focus towards widening tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, safeguarding jobs and addressing social needs.

## ACKNOWLEDGEMENT

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

Karachi: 26 October 2020

**Iftikhar H. Shirazi**  
Chairman

# Atlas Islamic Income Fund

## Corporate Information

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### **Trustee**

---

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

### **Shariah Advisor**

---

Dr. Mufti Hassan Usmani

### **Auditors**

---

EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

---

Mohsin Tayebaly & Co.

### **Bankers**

---

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

# First Quarter Report 2020-21

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2020

		30 September 2020 Un-Audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>ASSETS</b>			
Cash and Bank balances	4	1,395,699,017	1,584,796,999
Investments	5	734,430,370	555,713,327
Markup accrued	6	22,965,828	19,728,961
Security deposit, prepayment and other receivables		578,941	578,941
<b>Total assets</b>		<b>2,153,674,156</b>	<b>2,160,818,228</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	7	3,094,402	3,093,850
Payable to Central Depository Company of Pakistan Limited - Trustee		149,478	149,403
Payable to the Securities and Exchange Commission of Pakistan		106,631	373,481
Payable against redemption of units		6,813,743	-
Dividend payable		332,890	332,890
Accrued expenses and other liabilities	8	10,292,449	22,267,509
<b>Total liabilities</b>		<b>20,789,593</b>	<b>26,217,133</b>
<b>NET ASSETS</b>		<b>2,132,884,563</b>	<b>2,134,601,095</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>2,132,884,563</b>	<b>2,134,601,095</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,165,055</b>	<b>4,227,883</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>512.0904</b>	<b>504.8900</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 Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
<b>Income</b>			
Markup income	11	36,010,075	47,899,772
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(405,517)	310,653
<b>Total income</b>		<b>35,604,558</b>	<b>48,210,425</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	2,132,620	1,117,039
Sindh Sales Tax on remuneration of the Management Company	7.2	277,241	145,215
Remuneration of Central Depository Company of Pakistan Limited - Trustee		399,867	279,260
Sindh Sales Tax on Remuneration of the Trustee		51,983	36,304
Annual fees - Securities and Exchange Commission of Pakistan		106,631	74,469
Accounting and operational charges	10	906,363	372,346
Auditors' remuneration		102,218	65,154
Securities transaction cost		79,195	29,426
Annual listing fee		6,932	6,912
Annual rating fee		83,282	75,490
Printing charges		-	10,900
Shariah Advisory Fee		45,000	45,000
Bank charges		7,138	20,984
Legal and professional charges		50,760	118,033
Provision for Sindh Workers' Welfare Fund		627,107	916,278
<b>Total expenses</b>		<b>4,876,337</b>	<b>3,312,810</b>
<b>Net income for the period before taxation</b>		<b>30,728,221</b>	<b>44,897,615</b>
<b>Taxation</b>	13	-	-
<b>Net income for the period after taxation</b>		<b>30,728,221</b>	<b>44,897,615</b>
<b>Earning per unit</b>	14		
<b>Allocation of net income for the period:</b>			
- Net income for the period after taxation		30,728,221	44,897,615
- Income already paid on units redeemed		(2,870,767)	(5,175,319)
		<b>27,857,454</b>	<b>39,722,296</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	310,653
- Excluding capital gains		27,857,454	39,411,643
		<b>27,857,454</b>	<b>39,722,296</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

# First Quarter Report 2020-21

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	-----Rupees-----	
Net income for the period after taxation	30,728,221	44,897,615
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b><u>30,728,221</u></b>	<b><u>44,897,615</u></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



# First Quarter Report 2020-21

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period after taxation		30,728,221	44,897,615
<b>Adjustment for:</b>			
Markup income		(36,010,075)	(47,899,772)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		405,517	(310,653)
Provision for Sindh Workers' Welfare Fund		627,107	916,278
		<b>(34,977,451)</b>	<b>(47,294,147)</b>
<b>Increase in assets</b>			
Security deposit, prepayment and other receivables		-	(20,588)
<b>Increase in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		552	75,625
Payable to Central Depository Company of Pakistan Limited		75	(76,286)
Payable to the Securities and Exchange Commission of Pakistan		(266,850)	(626,804)
Dividend payable		-	(327,727)
Accrued expenses and other liabilities		(12,602,167)	(2,756,109)
		<b>(12,868,390)</b>	<b>(3,711,301)</b>
Markup received		32,773,208	41,468,819
Investments sold / matured during the period		10,000,000	5,000,000
<b>Net cash used in operating activities</b>		<b>(163,466,972)</b>	<b>(64,354,002)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		515,359,465	349,817,526
Net payments against redemption of units		(540,990,475)	(365,787,457)
<b>Net cash used in financing activities</b>		<b>(25,631,010)</b>	<b>(15,969,931)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(189,097,982)</b>	<b>(80,323,933)</b>
Cash and cash equivalents at the beginning of the period		1,584,796,999	1,308,448,955
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>1,395,699,017</b>	<b>1,228,125,022</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 Income Fund

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

FOR THE QUARTER ENDED 30 SEPTEMBER 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 was 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, Ninth, Tenth and Eleventh supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016, 02 June 2017, 2 October 2019, 30 October 2019, 1 April 2020 and 1 June 2020 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 28 December 2019.
- Moreover, PACRA has maintained the stability rating of the Fund at "AA- (f)" [2019: "AA- (f)"] on 16 October 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.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

# First Quarter Report 2020-21

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2019.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

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 2020.

	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
<b>4 CASH AND BANK BALANCES</b>			
<b>In local currency</b>			
- Profit and loss sharing accounts	4.1	1,391,599,259	1,574,256,099
- Current account		5,000	5,000
- Cheques in hand	4.2	4,094,758	10,535,900
		<b>1,395,699,017</b>	<b>1,584,796,999</b>

4.1 The rate of return on these profit & loss sharing accounts ranges between 4.00% to 6.50% (30 June 2020: 6.00% to 7.00%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on 02 October 2020 (30 June 2020: 07 July 2020).

	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Debt securities - Sukuk certificates	5.1	289,067,120	298,635,827
Government of Pakistan - Ijarah Sukuk		445,363,250	257,077,500
		<b>734,430,370</b>	<b>555,713,327</b>

# Atlas Islamic Income Fund

## 5.1 Debt securities - Sukuk certificates

Particulars	Note	As at 01 July 2020	Acquired during the period	Disposed during the period	As at 30 September 2020	Carrying Value as at 30 September 2020	Market Value as at 30 September 2020	Unrealised appreciation / (diminution) as at 30 September 2020	Market Value as a percentage of		
									Total Investment	Net Assets	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	51,250,000	51,372,550	122,550	6.99	2.41	0.71
Meezan Bank Limited - Tier II (unlisted) (Face Value Rs. 1,000,000)	5.1.1 & 5.1.2	50	-	-	50	50,717,800	51,250,000	532,200	6.98	2.40	1.25
<b>Fertilizers</b>											
Dawood Hercules Corporation Limited Sukuk 2 (listed) (Face Value Rs. 70,000)	5.1.1 & 5.1.2	1,000	-	-	1,000	71,275,680	70,900,970	(374,710)	9.65	3.32	16.67
Dawood Hercules Corporation Limited Sukuk 1 (listed) (Face Value Rs. 70,000)	5.1.1 & 5.1.2	835	-	-	835	59,030,467	59,209,850	179,383	8.06	2.78	16.06
<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	56,179,640	56,333,750	154,110	7.67	2.64	10.58
<b>Total - September 30, 2020</b>						<b>288,453,587</b>	<b>289,067,120</b>	<b>613,533</b>	<b>39.35</b>	<b>13.55</b>	
<b>Total - June 30, 2020</b>						<b>292,654,575</b>	<b>298,635,827</b>	<b>5,981,252</b>	<b>53.74</b>	<b>13.99</b>	

5.1.1 The Cost of these investments as at 30 September 2020 amounted to Rs. 324,243,025 (30 June 2020: 324,243,025).

5.1.2 These carry quarterly and semi annually rate of return ranging from "3 months Kibor + 1.00%" to "3 months Kibor + 1.90%" and "6 months Kibor + 0.50% to 6 month Kibor + 0.90%" respectively, having maturity upto 09 January 2030.

## 5.2 Government of Pakistan - Ijarah Sukuk

Particulars	Note	As at 01 July 2020	Acquired during the period	Disposed during the period	As at 30 September 2020	Carrying Value as at 30 September 2020	Market Value as at 30 September 2020	Unrealised appreciation as at 30 September 2020	Market Value as a percentage of	
									Total Investments	Net Assets
-----Face Value (Rupees)-----						-----Rupees-----			-----%age-----	
Government of Pakistan Ijarah Sukuks	5.2.1	262,500,000	190,000,000	-	452,500,000	446,382,300	445,363,250	(1,019,050)	60.64	20.88
<b>Total - September 30, 2020</b>						<b>446,382,300</b>	<b>445,363,250</b>	<b>(1,019,050)</b>	<b>60.64</b>	<b>20.88</b>
<b>Total - June 30, 2020</b>						<b>262,500,000</b>	<b>257,077,500</b>	<b>(5,422,500)</b>	<b>46.26</b>	<b>12.04</b>

5.2.1 Investment in GOP Ijarah Sukuks carried mark up ranging between 6.27% to 8.37% (30 June 2020: 6.63% to 7.65%) per annum and were due mature between 30 April 2025 to 29 July 2025. As at 30 September 2020, the cost of these investments amounted to Rs. 451,804,800 (30 June 2020: 262,500,000).

	30 September 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	

Mark-up accrued on:

- Profit and loss sharing accounts
- Sukuk certificates and GoP Ijarah

	7,170,590	9,257,007
	15,795,238	10,471,954
	<b>22,965,828</b>	<b>19,728,961</b>

# First Quarter Report 2020-21

		30 September 2020 Un-audited	30 June 2020 Audited
<b>7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)</b>	<b>Note</b>	<b>-----Rupees-----</b>	
Remuneration of the Management Company	7.1	702,835	702,479
Sindh Sales Tax payable on remuneration of the Management Company	7.2	358,962	358,916
Federal Excise Duty payable on remuneration of the Management Company	7.3	1,733,901	1,733,901
Accounting and operational charges payable	10	298,704	298,554
		<b><u>3,094,402</u></b>	<b><u>3,093,850</u></b>

**7.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 2% of average annual net assets, within allowed expense ratio. The management fee has charges management fee at the rate of 0.4% of the average annual net assets. The fee is payable to the Management Company monthly in arrears.

**7.2** During the year, an amount of Rs. 277,241 (2019: Rs. 145,215) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 277,195 (2019: Rs.138,496) has been paid to the Management Company which acts as the collecting agent.

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

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 1.734 million (30 June 2020: Rs 1.734 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Re. 0.42 per unit (30 June 2020: Re. 0.41 per unit).

# Atlas Islamic Income Fund

	30 September 2020	30 June 2020
	Un-audited	Audited
8 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	-----Rupees-----
Auditors' remuneration payable		320,490
Payable to Shariah Advisor		45,000
Withholding tax payable		13,172,128
Provision for Sindh Workers' Welfare Fund	8.1	8,134,880
Annual rating fee payable		-
Zakat payable		50,457
Other payable		544,554
Annual listing fee payable		-
		<b>10,292,449</b>
		<b>22,267,509</b>

**8.1** 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 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 01 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to September 30, 2019, the net asset value of the Fund as at September 30, 2020 would have been higher by Rs. 2.10 per unit (30 June 2020: Rs. 1.92 per unit).

## 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

## 10 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

# First Quarter Report 2020-21

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
-----Rupees-----		
<b>11 MARKUP INCOME</b>		
Mark-up income on:		
- Profit and loss sharing accounts	23,592,351	42,612,676
- Sukuk certificates	6,957,164	5,287,096
- Government of Pakistan (GoP) ijarah sukuku	5,460,560	-
	<b>36,010,075</b>	<b>47,899,772</b>

## 12 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 0.91% (30 June 2020: 0.96%) after netting off 0.19% (30 June 2020: 0.30%) 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.

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

## 14 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 loss per unit is not practicable.

## 15 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
-----Rupees-----		
<b>15.1 Details of transactions with related parties during the period are as follows:</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	2,132,620	1,117,039
Remuneration paid to the Management Company	2,132,264	1,065,359
Sindh Sales Tax on remuneration of the Management Company	277,241	145,215
Accounting and operational charges	906,363	372,346
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	399,867	279,260
Remuneration paid to the Trustee	399,801	346,770
Sindh Sales Tax on remuneration of the Trustee	51,983	36,304
Settlement charges	1,500	3,740
Sindh Sales Tax on settlement charges	195	486
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of Nil (2019: 32) units	-	16,628
Redemption of 3,983 (2020: Nil) units	2,019,812	-

# Atlas Islamic Income Fund

For the Quarter Ended  
30 September

	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
<b>Atlas Insurance Limited Window Takaful Operations</b>		
Issue of 98,415 (2019: 78,570) units	50,000,000	40,000,000
Redemption of 98,415 (2020: nil) units	50,388,503	-
<b>Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 41,236 (2020: Nil) units	21,000,000	-
Redemption of 34,559 (2019: 34,163) units	17,500,000	17,700,000
<b>Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 7,000 (2020: Nil) units	3,560,000	-
Redemption of 1,185 (2019: 13,208) units	600,000	6,800,000
<b>Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 10,691 (2020: Nil) units	5,440,000	-
Redemption of 4,147 (2019: 15,848) units	2,100,000	8,150,000
<b>Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 8,298 (2020: Nil) units	4,220,000	-
Redemption of 11,256 (2019: 16,881) units	5,700,000	8,700,000
<b>Directors and their close family members and key management personnel of the management company</b>		
Issue of 1,743 (2019: 393) units	890,727	200,000
Redemption of 5,495 (2019: 392) units	2,793,865	200,000

15.2 **Details of balances with related parties as at the period as follows:**

	30 September 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	702,835	702,479
Sindh Sales Tax payable on Remuneration of the Management Company	358,962	358,916
Federal Excise Duty payable on Remuneration of the Management Company	1,733,901	1,733,901
Accounting and operational charges payable	298,704	298,554
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	131,781	131,715
Sindh Sales Tax payable on Remuneration of the trustee	17,132	17,123
Settlement charges payable	500	500
Sindh Sales Tax payable on settlement charges	65	65
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 37 (30 June 2020: 37) units - at net asset value	18,807	18,543
<b>Honda Atlas Power Product (Pvt) Limited (Group Company)</b>		
Outstanding 72 (30 June 2020: 72) units - at net asset value	37,004	36,484

# First Quarter Report 2020-21

	30 September 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding Nil (30 June 2020: 3,983) units - at net asset value	-	2,010,840
<b>Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 58,325 (30 June 2020: 52,511) units - at net asset value	29,867,829	26,512,035
<b>Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 112,407 (30 June 2020: 105,864) units - at net asset value	57,562,719	53,449,498
<b>Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 186,605 (30 June 2020: 189,564) units - at net asset value	95,558,657	95,708,773
<b>Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 705,166 (30 June 2020: 698,489) units - at net asset value	361,108,731	352,660,251
<b>Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 45,449 (30 June 2020: 45,449) units - at net asset value	23,273,997	22,946,705
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 5,249 (30 June 2020: 9,001) units - at net asset value	2,687,829	4,544,698

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

15.4 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.

## 16 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.

### Fair value hierarchy

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

# Atlas Islamic Income Fund

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

## 17 GENERAL

Figures have been rounded off to the nearest Rupee.

## 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 26 October 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 Hassan Usmani

#### **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

# Atlas Islamic Stock Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2020

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>ASSETS</b>			
Bank balances	4	39,003,182	42,077,624
Investments	5	2,179,201,027	1,834,162,742
Profit receivable on bank balances		445,220	261,877
Receivable against sale of investments		74,900,777	-
Dividend receivable		7,742,992	138,000
Security deposits, prepayment and other receivables		5,197,419	5,197,419
<b>Total assets</b>		<b>2,306,490,617</b>	<b>1,881,837,662</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	6	17,640,454	16,364,057
Payable to Central Depository Company of Pakistan Limited - Trustee		317,832	266,731
Payable to the Securities and Exchange Commission of Pakistan		109,742	289,352
Payable against redemption of units		47,380,529	17,508,280
Accrued expenses and other liabilities	7	31,038,484	24,094,124
<b>Total liabilities</b>		<b>96,487,041</b>	<b>58,522,544</b>
<b>NET ASSETS</b>		<b>2,210,003,576</b>	<b>1,823,315,118</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>2,210,003,576</b>	<b>1,823,315,118</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,130,145</b>	<b>4,001,514</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>535.0910</b>	<b>455.6600</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
<b>INCOME</b>			
Profit on bank balances		433,392	1,825,976
Dividend income		8,553,392	18,726,350
Capital gain / (loss) on sale of investments - net		58,234,451	(3,469,254)
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		284,067,941	(76,396,456)
		<b>342,302,392</b>	<b>(79,865,710)</b>
<b>Total income</b>		<b>351,289,176</b>	<b>(59,313,384)</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	13,168,951	5,629,120
Sindh sales tax on remuneration of the Management Company	6.2	1,711,964	731,786
Remuneration of Central Depository Company of Pakistan Limited - Trustee		800,761	532,821
Sindh sales tax on remuneration of the Trustee		104,099	69,267
Annual fee - Securities and Exchange Commission of Pakistan		109,742	56,266
Accounting and operational charges	9	932,798	281,457
Shariah advisory fee		50,000	75,000
Auditors' remuneration		118,033	74,112
Securities transaction cost		1,059,254	295,872
Annual listing fee		6,912	6,912
Printing charges		-	10,000
Legal and professional charges		30,780	98,053
Bank charges		3,037	4,559
Provision for Sindh Workers Welfare Fund		6,663,857	-
		<b>24,760,188</b>	<b>7,865,225</b>
<b>Net income / (loss) for the year before taxation</b>		<b>326,528,988</b>	<b>(67,178,609)</b>
<b>Taxation</b>	11	-	-
<b>Net income / (loss) for the year after taxation</b>		<b>326,528,988</b>	<b>(67,178,609)</b>
<b>Earnings per unit</b>	12		
<b>Allocation of net income for the period:</b>			
- Net earnings for the year after taxation		326,528,988	
- Income already paid on units redeemed		(33,203,908)	
		<b>293,325,080</b>	
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		342,302,392	
- Excluding capital gains		(48,977,312)	
		<b>293,325,080</b>	

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	-----Rupees-----	
Net income / (loss) for the year after taxation	326,528,988	(67,178,609)
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income / (loss) for the year</b>	<b><u>326,528,988</u></b>	<b><u>(67,178,609)</u></b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,452,346,030	-	1,452,346,030
<b>Undistributed income brought forward</b>			
- Realised income	-	410,531,817	410,531,817
- Unrealised loss	-	(39,562,729)	(39,562,729)
<b>Net assets at the beginning of the period (Units outstanding: 4,001,514) (Rs. 455.66 per unit)</b>	<b>1,452,346,030</b>	<b>370,969,088</b>	<b>1,823,315,118</b>
Issue of 914,056 units	478,215,988	-	478,215,988
Redemption of 785,425 units	(384,623,584)	(33,203,908)	(417,827,492)
Total comprehensive income for the year	-	326,528,988	326,528,988
Shariah non-compliant income set-aside for charity	-	(229,026)	(229,026)
<b>Net assets at end of the period (Units outstanding: 4,130,145) (Rs. 535.0910 per unit)</b>	<b>1,545,938,434</b>	<b>664,065,142</b>	<b>2,210,003,576</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	436,438,665	-
- Unrealised income	-	227,626,477	-
	-	<b>664,065,142</b>	-
	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	982,676,383	-	982,676,383
<b>Undistributed income brought forward</b>			
- Realised income	-	429,780,302	429,780,302
- Unrealised loss	-	(207,463,077)	(207,463,077)
<b>Net assets at the beginning of the period (Units outstanding: 2,803,109) (Rs. 429.88 per unit)</b>	<b>982,676,383</b>	<b>222,317,225</b>	<b>1,204,993,608</b>
Issue of 273,898 units	108,535,176	-	108,535,176
Redemption of 180,267 units	(70,827,074)	-	(70,827,074)
Total comprehensive loss for the period	-	(67,178,609)	(67,178,609)
Shariah non-compliant income set-aside for charity	-	(392,035)	(392,035)
<b>Net assets at end of the period (Units outstanding: 2,896,740) (Rs. 405.67 per unit)</b>	<b>1,020,384,485</b>	<b>154,746,581</b>	<b>1,175,131,066</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	429,650,179	-
- Unrealised loss	-	(274,903,598)	-
	-	<b>154,746,581</b>	-

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the year after taxation		326,528,988	(67,178,609)
<b>Adjustments for:</b>			
Profit on bank balances		(433,392)	(1,825,976)
Dividend income		(8,553,392)	(18,726,350)
Capital (gain) / loss on sale of investments - net		(58,234,451)	3,469,254
Net unrealised (gain) / loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(284,067,941)	76,396,456
Provision for Sindh Workers Welfare Fund		6,663,857	-
		<b>(344,625,319)</b>	<b>59,313,384</b>
<b>(Increase) / decrease in assets</b>			
Receivable against sale of investments		(74,900,777)	72,714,091
Security deposits, prepayment and other receivables		(6,663,857)	(20,588)
		<b>(81,564,634)</b>	<b>72,693,503</b>
<b>Increase / (decrease) in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		1,276,397	(704,851)
Payable to Central Depository Company of Pakistan Limited - Trustee		51,101	(36,263)
Payable to the Securities and Exchange Commission of Pakistan		(179,610)	(1,506,933)
Accrued expenses and other liabilities		6,715,334	(260,420)
		<b>7,863,222</b>	<b>(2,508,467)</b>
Profit received on bank balances		250,049	2,128,829
Dividend received		948,400	1,156,798
Investments made during the period		(460,197,800)	(105,100,214)
Investments sold during the period		457,461,907	58,834,256
<b>Net cash (used in) / generated from operating activities</b>		<b>(93,335,187)</b>	<b>19,339,480</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		478,215,988	108,535,176
Net payments against redemption of units		(387,955,243)	(257,235,660)
<b>Net cash generated from / (used in) from financing activities</b>		<b>90,260,745</b>	<b>(148,700,484)</b>
<b>Net decrease in cash and cash equivalents during the period</b>		<b>(3,074,442)</b>	<b>(129,361,004)</b>
Cash and cash equivalents at the beginning of the period		42,077,624	156,269,884
<b>Cash and cash equivalents at the end of the period</b>	4	<b>39,003,182</b>	<b>26,908,880</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

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

FOR THE QUARTER ENDED 30 SEPTEMBER 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 was 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, Eleventh, Twelfth and Thirteenth 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, 25 November 2019, 01 April 2020 and 01 June 2020 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.
- 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. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008,

# Atlas Islamic Stock Fund

the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2019.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

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 2020.

	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
<b>4 BANK BALANCES</b>			
<b>In local currency</b>			
- Profit and loss sharing accounts	4.1	31,068,258	38,649,598
- Current account		5,000	79,208
- Cheque in hand	4.2	7,929,924	3,348,818
		<b>39,003,182</b>	<b>42,077,624</b>

4.1 The rate of return on these profit and loss sharing accounts ranges between 4.00% to 6.00% (30 June 2020: 7.35% to 7.75%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on 02 October 2020 (30 June 2020: 02 July 2020)

	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
-Listed equity securities	5.1	2,179,201,027	1,834,162,742
		<b>2,179,201,027</b>	<b>1,834,162,742</b>

# First Quarter Report 2020-21

## 5.1 Listed equity securities

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

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Right shares during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
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-----Number of shares-----      -----Rupees-----      -----%age-----

At fair value through profit or loss - Listed equity securities

### BANKS

BankIslami Pakistan Limited	3,122,100	-	-	500,000	2,622,100	19,823,076	27,033,851	1.24	1.22	0.24
Meezan Bank Limited	2,043,692	95,000	160,319	500,500	1,798,511	114,405,219	147,855,589	6.79	6.69	0.13
	<b>5,165,792</b>	<b>95,000</b>	<b>160,319</b>	<b>1,000,500</b>	<b>4,420,611</b>	<b>134,228,295</b>	<b>174,889,440</b>	<b>8.03</b>	<b>7.91</b>	

### TEXTILE COMPOSITE

Interloop Limited	438	-	-	-	438	19,237	29,368	-	-	-
Kohinoor Textile Mills Limited	400,500	269,500	-	-	670,000	27,521,630	36,253,700	1.66	1.64	0.22
Nishat Mills Limited	425,000	160,000	-	135,000	450,000	36,852,227	45,481,500	2.09	2.06	0.13
	<b>825,938</b>	<b>429,500</b>	<b>-</b>	<b>135,000</b>	<b>1,120,438</b>	<b>64,393,094</b>	<b>81,764,568</b>	<b>3.75</b>	<b>3.70</b>	

### CEMENT

Attock Cement Pakistan Limited	170,400	85,000	-	-	255,400	33,951,110	38,994,472	1.79	1.76	0.19
Cherat Cement Company Limited	333,500	-	-	190,000	143,500	12,508,895	16,755,060	0.77	0.76	0.07
D.G. Khan Cement Company Limited	356,500	-	-	150,000	206,500	17,620,645	21,292,215	0.98	0.96	0.05
Fauji Cement Company Limited	500,000	1,335,000	-	-	1,835,000	34,904,050	36,479,800	1.67	1.65	0.13
Gharibwal Cement Limited	-	806,500	-	542,500	264,000	4,591,486	6,328,080	0.29	0.29	0.07
Kohat Cement Company Limited	200,450	-	-	90,400	110,050	15,126,373	18,789,937	0.86	0.85	0.05
Lucky Cement Limited (see note 5.3)	343,000	39,500	-	40,500	342,000	163,842,576	221,297,940	10.16	10.01	0.11
	<b>1,903,850</b>	<b>2,266,000</b>	<b>-</b>	<b>1,013,400</b>	<b>3,156,450</b>	<b>282,545,135</b>	<b>359,937,504</b>	<b>16.52</b>	<b>16.28</b>	

### POWER GENERATION & DISTRIBUTION

K-Electric Limited (face value Rs.3.5)	3,200,000	500,000	-	-	3,700,000	11,782,000	15,577,000	0.71	0.70	0.01
The Hub Power Company Limited (see note 5.3)	2,393,280	-	-	395,000	1,998,280	144,875,300	156,785,049	7.19	7.09	0.15
	<b>5,593,280</b>	<b>500,000</b>	<b>-</b>	<b>395,000</b>	<b>5,698,280</b>	<b>156,657,300</b>	<b>172,362,049</b>	<b>7.90</b>	<b>7.79</b>	

### OIL & GAS MARKETING COMPANIES

Attock Petroleum Limited	66,800	-	-	6,800	60,000	18,312,000	20,488,800	0.94	0.93	0.06
Hi-Tech Lubricants Limited	37,000	-	-	37,000	-	-	-	-	-	-
Pakistan State Oil Company Limited (see note 5.3)	476,012	70,000	-	30,000	516,012	83,182,847	103,305,602	4.74	4.67	0.11
Shell Pakistan Limited	101,300	10,000	-	111,000	300	54,863	73,638	-	-	-
Sui Northern Gas Pipelines Limited	840,200	-	-	840,200	-	-	-	-	-	-
	<b>1,521,312</b>	<b>80,000</b>	<b>-</b>	<b>1,025,000</b>	<b>576,312</b>	<b>101,549,710</b>	<b>123,868,040</b>	<b>5.68</b>	<b>5.60</b>	

### OIL & GAS EXPLORATION COMPANIES

Mari Petroleum Company Limited	85,790	9,400	-	4,000	91,190	113,350,186	124,886,529	5.73	5.65	0.07
Oil & Gas Development Company Limited	1,973,712	240,000	-	50,000	2,163,712	237,445,187	224,160,563	10.29	10.14	0.05
Pakistan Oilfields Limited	165,700	47,800	-	19,000	194,500	69,678,050	81,948,685	3.76	3.71	0.07
Pakistan Petroleum Limited (see note 5.3)	882,970	777,500	-	60,000	1,600,470	150,006,346	147,339,268	6.76	6.67	0.06
	<b>3,108,172</b>	<b>1,074,700</b>	<b>-</b>	<b>133,000</b>	<b>4,049,872</b>	<b>570,479,769</b>	<b>578,335,045</b>	<b>26.54</b>	<b>26.17</b>	

# Atlas Islamic Stock Fund

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Right shares during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
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-----Number of shares-----      -----Rupees-----      -----%age-----

At fair value through profit or loss - Listed equity securities

## ENGINEERING

International Industries Limited	75,500	-	-	-	75,500	6,925,615	10,942,970	0.50	0.50	0.06
	<b>75,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,500</b>	<b>6,925,615</b>	<b>10,942,970</b>	<b>0.50</b>	<b>0.50</b>	

## AUTOMOBILE ASSEMBLER

Indus Motor Company Limited	-	29,000	-	-	29,000	34,503,907	37,124,060	1.70	1.68	0.04
Millat Tractors Limited	37,000	-	-	15,000	22,000	15,535,520	19,035,500	0.87	0.86	0.04
	<b>37,000</b>	<b>29,000</b>	<b>-</b>	<b>15,000</b>	<b>51,000</b>	<b>50,039,427</b>	<b>56,159,560</b>	<b>2.57</b>	<b>2.54</b>	

## Cables & Electrical Goods

Pak Elektron Limited	-	300,000	-	100,000	200,000	5,602,745	6,612,000	0.30	0.30	0.04
Waves Singer Pakistan Limited	-	250,000	-	-	250,000	7,633,740	6,542,500	0.30	0.30	0.13
	<b>-</b>	<b>550,000</b>	<b>-</b>	<b>100,000</b>	<b>450,000</b>	<b>13,236,485</b>	<b>13,154,500</b>	<b>0.60</b>	<b>0.60</b>	

## TECHNOLOGY & COMMUNICATIONS

Avanceon Limited	-	265,000	-	-	265,000	16,795,415	17,813,300	0.82	0.81	0.13
Pakistan Telecommunication Company Limited	-	900,000	-	-	900,000	9,551,905	9,729,000	0.45	0.44	0.02
Systems Limited	328,000	23,000	-	20,700	330,300	61,603,691	89,854,812	4.12	4.07	0.27
	<b>328,000</b>	<b>1,188,000</b>	<b>-</b>	<b>20,700</b>	<b>1,495,300</b>	<b>87,951,011</b>	<b>117,397,112</b>	<b>5.39</b>	<b>5.32</b>	

## FERTILIZER

Engro Corporation Limited	421,656	50,500	-	54,000	418,156	122,936,933	125,877,501	5.78	5.70	0.07
Engro Fertilizers Limited	1,284,681	141,760	-	525,850	900,591	54,686,973	54,773,945	2.51	2.49	0.07
Fatima Fertilizer Company Limited	69,000	-	-	69,000	-	-	-	-	-	-
	<b>1,775,337</b>	<b>192,260</b>	<b>-</b>	<b>648,850</b>	<b>1,318,747</b>	<b>177,623,906</b>	<b>180,651,446</b>	<b>8.29</b>	<b>8.19</b>	

## PHARMACEUTICALS

Abbott Laboratories (Pakistan) Limited	55,000	-	-	55,000	-	-	-	-	-	-
AGP Limited	500	-	-	-	500	54,870	54,500	-	-	-
Glaxosmithkline Pakistan Limited	85,000	-	-	85,000	-	-	-	-	-	-
Hignoon Laboratories Limited	59,855	29,000	-	-	88,855	47,812,622	54,556,970	2.50	2.47	0.26
The Searle Company Limited	187,872	14,000	-	-	201,872	41,312,258	51,741,812	2.38	2.34	0.10
	<b>388,227</b>	<b>43,000</b>	<b>-</b>	<b>140,000</b>	<b>291,227</b>	<b>89,179,750</b>	<b>106,353,282</b>	<b>4.88</b>	<b>4.81</b>	

## CHEMICALS

Berger Paints Pakistan Limited	-	120,000	-	-	120,000	10,656,840	9,912,000	0.45	0.45	0.59
Dyne Pakistan Limited (face value Rs. 5)	-	33,000	-	33,000	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	1,862,500	70,000	-	282,500	1,650,000	41,752,395	66,429,000	3.05	3.01	0.18
ICI Pakistan Limited	20,000	10,000	-	5,000	25,000	17,578,500	18,089,750	0.83	0.82	0.03
Lotte Chemical Pakistan Limited	1,000,000	-	-	-	1,000,000	9,950,000	12,000,000	0.55	0.54	0.07
Sitara Chemical Industries Limited	-	44,000	-	-	44,000	14,173,195	14,153,040	0.65	0.64	0.21
	<b>2,882,500</b>	<b>277,000</b>	<b>-</b>	<b>320,500</b>	<b>2,839,000</b>	<b>94,110,930</b>	<b>120,583,790</b>	<b>5.53</b>	<b>5.46</b>	

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Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Right shares during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
--------------------------	--------------------	-----------------------------	--	-------------------------	-------------------------	--	--------------------------------------	---	--	-------------------------------------

-----Number of shares-----      -----Rupees-----      -----%age-----

At fair value through profit or loss - Listed equity securities

## PAPER & BOARD

Packages Limited	33,500	46,000	-	10,300	69,200	26,380,754	34,761,236	1.60	1.57	0.08
	33,500	46,000	-	10,300	69,200	26,380,754	34,761,236	1.60	1.57	

## LEATHER & TANNERIES

Bata Pakistan Limited	16,000	-	-	-	16,000	21,489,600	26,943,360	1.25	1.22	0.21
	16,000	-	-	-	16,000	21,489,600	26,943,360	1.25	1.22	

## FOODS & PERSONAL CARE PRODUCTS

Ar-Tahur Limited	697,500	300,000	-	-	997,500	18,342,305	21,097,125	0.97	0.95	0.62
	697,500	300,000	-	-	997,500	18,342,305	21,097,125	0.97	0.95	

## MISCELLANEOUS

Synthetic Products Enterprises Limited	163,500	-	-	163,500	-	-	-	-	-	-
	163,500	-	-	163,500	-	-	-	-	-	-

## GLASS & CERAMICS

Tariq Glass Industries Limited	155,000	-	-	155,000	-	-	-	-	-	-
	155,000	-	-	155,000	-	-	-	-	-	-

Total as at 30 September 2020

1,895,133,086      2,179,201,027      100.00      98.61

Total as at 30 June 2020

1,781,020,716      1,834,162,742

5.2 The cost of listed equity securities as at 30 September 2020 is Rs. 1,951,574,550 (30 June 2020: Rs. 1,873,725,471).

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

	Number of shares		Market value	
	30 September 2020	30 June 2020	30 September 2020	30 June 2020
	Un-audited	Audited	Un-audited	Audited
			----- Rupees -----	
Lucky Cement Limited	75,000	75,000	48,530,250	34,618,500
Pakistan Petroleum Limited	135,000	135,000	12,428,100	11,715,300
Pakistan State Oil Company Limited	110,000	110,000	22,022,000	17,397,600
The Hub Power Company Limited	200,000	200,000	15,692,000	14,500,000
	<u>520,000</u>	<u>520,000</u>	<u>98,672,350</u>	<u>78,231,400</u>

30 September 2020      30 June 2020

Un-audited      Audited

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

Note      ----- Rupees -----

Remuneration of the Management Company	6.1	4,688,113	3,625,897
Sindh Sales Tax payable on remuneration of the Management Company	6.2	2,166,014	2,027,926
Federal Excise Duty payable on remuneration of the Management Company	6.3	10,453,385	10,453,385
Accounting and operational charges payable	9	332,942	256,849
		<u>17,640,454</u>	<u>16,364,057</u>

# Atlas Islamic Stock Fund

- 6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 2.4% per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.
- 6.2 During the year, an amount of Rs. 1,711,964 (2019: Rs. 731,786) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,573,876 (2019: Rs. 809,439) has been paid to the Management Company which acts as the collecting agent.
- 6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 10.453 million (30 June 2020: Rs 10.453 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 financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs 2.53 per unit (30 June 2020: Rs 2.61 per unit).

		30 September 2020	30 June 2020
	Note	Un-audited	Audited
		-----Rupees-----	
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		474,000	355,967
Annual listing fee payable		6,912	-
Ranking fee payable		140,000	140,000
Charity payable	7.1	490,025	261,000
Transaction charges payable		1,622,957	238,712
Withholding and capital gain tax payable		1,682,639	3,318,111
Payable to Shariah Advisor		116,667	66,667
Provision for Sindh Workers' Welfare Fund	7.2	26,034,780	19,370,923
Zakat payable		73,735	72,760
Sale load Payable		126,785	-
Others		269,984	269,984
		<b>31,038,484</b>	<b>24,094,124</b>

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- 7.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 229,026 (30 June 2020: Rs. 1,388,796) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.
- 7.2 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

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

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 01 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 30 September 2020 would have been higher by Rs. 6.31 per unit (30 June 2020: Rs. 4.84 per unit)

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2020 and as at 30 June 2020.

## 9 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 4.50% (30 June 2020: 3.46%) which includes 1.60% (30 June 2020: 0.64%) 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.

## 11 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced

# Atlas Islamic Stock Fund

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.

## 12 EARNING PER UNIT

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

## 13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

	<b>For the Quarter Ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>Un-audited</b>	<b>Un-audited</b>
	<b>-----Rupees-----</b>	
<b>13.1 Details of transactions with related parties during the period are as follows:</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	13,168,951	5,629,120
Remuneration paid	12,106,735	6,226,453
Sindh sales tax on remuneration of the Management Company	1,711,964	731,786
Accounting and operational charges	932,798	281,457
Issue of 21,235 (2019: 99) units	9,989,724	39,723
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	800,761	532,821
Remuneration paid	755,540	562,913
Sindh sales tax on remuneration of the Trustee	104,099	69,267
Settlement charges	36,641	22,525
Sindh sales tax on settlement charges	4,763	2,928
<b>Atlas Foundation</b>		
Issue of 1,183 (2019: Nil) units	600,000	-
<b>M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>		
Redemption of 1,786 (2019: Nil) units	1,000,000	-
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Redemption of 15,064 (2019: 12,294) units	8,000,000	5,000,000
<b>Atlas Honda Limited (Group Company)</b>		
Issue of Nil (2019: 534) units	-	214,321
<b>Atlas Insurance Limited Window Takaful Operation</b>		
Issue of 47,099 (2019: Nil) units	25,000,000	-
Redemption of 47,099 (2019: Nil) units	25,567,750	-
<b>Sindh General Provident Investment Fund</b>		
Issue of Nil (2019: 84,735) units	-	33,000,000
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of units 15,221 (2019: 8,845) units	7,764,623	3,563,529
Redemption of 5,256 (2019: 6,874) units	2,907,895	2,817,785

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		30 September 2020 Un-audited	30 June 2020 Audited
13.2	Details of balances with related parties as at the period / year end are as follows:	Note	-----Rupees-----
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	4,688,113	3,625,897
	Sindh Sales Tax payable on remuneration of the management company	2,166,014	2,027,926
	Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
	Accounting and operational charges payable	332,942	256,849
	Outstanding 58,081 (30 June 2020: 36,846) units at net asset value	31,078,470	16,789,185
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	278,267	233,046
	Sindh sales tax payable on remuneration of the Trustee	36,175	30,295
	Settlement charges payable	3,000	3,000
	Sindh sales tax payable on settlement charges	390	390
	<b>Atlas Foundation (Group company)</b>		
	Outstanding 104,883 (30 June 2020: 103,650) units - at net asset value	56,094,955	47,229,030
	<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
	Outstanding 139,144 (30 June 2020: 154,208) units - at net asset value	74,454,930	70,266,580
	<b>Atlas Honda Limited (Group Company)</b>		
	Outstanding 178,081 (30 June 2020: 178,081) units - at net asset value	95,289,450	81,144,311
	<b>Atlas Insurance Limited</b>		
	Outstanding 641,787 (30 June 2020: 641,787) units - at net asset value	343,414,393	292,436,618
	<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
	Outstanding 110,706 (30 June 2020: 110,706) units - at net asset value	59,237,857	50,444,358
	<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
	Outstanding 116,187 (30 June 2020: 116,187) units - at net asset value	62,170,383	52,941,568
	<b>Shirazi Investments (Private) Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
	Outstanding 29,039 (30 June 2020: 30,826) units - at net asset value	15,538,628	14,045,961
	<b>Shirazi Investments (Private) Limited (Group Company)</b>		
	Outstanding 442,192 (30 June 2020: 442,192) units - at net asset value	236,612,914	201,489,168
	<b>Sindh Province Pension Fund (10% Holding)</b>	13.4	
	Outstanding 450,638 (30 June 2020: Nil) units - at net asset value	241,132,529	205,337,711
	<b>Directors and their close family members and key management personnel of the Management Company</b>		
	Outstanding 144,685 (30 June 2020: 134,720) units - at net asset value	77,419,422	61,386,454

# Atlas Islamic Stock Fund

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

13.4 Holding more than 10% in current reporting period

## 14 FAIR VALUE MEASUREMENTS

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.

### Fair value hierarchy

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

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: 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 the Stock Exchange (level 1). Fair value of remaining financial assets is not significantly different from their carrying value.

## 15 GENERAL

Figures have been rounded off to the nearest Rupee.

## 16 DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors of the Management Company on October 26, 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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Bawaney & 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

# Atlas Islamic Fund of Funds

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

AS AT 30 SEPTEMBER 2020

	30 September 2020 (Un Audited)						30 June 2020 (Audited)						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend	Total	
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		
<b>ASSETS</b>	-----Rupees-----						-----Rupees-----						
Bank balances	4	556,977	2,197,826	289,962	7,679,808	3,658,053	14,382,626	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182
Investments - net	5	113,361,143	123,232,785	133,857,977	474,258,369	23,273,955	867,984,229	101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742
Profit receivable on deposit with banks		3,883	14,300	26,313	211,999	24,401	280,896	2,585	5,157	1,886	205,585	31,351	246,564
Prepayment and other receivables		10,674	9,063	10,318	40,550	-	70,605	10,674	9,063	10,318	40,550	-	70,605
Deferred Formation cost	6	153,114	153,114	153,114	153,114	-	612,456	168,162	168,162	168,162	168,162	-	672,648
<b>Total assets</b>		<b>114,085,791</b>	<b>125,607,088</b>	<b>134,337,684</b>	<b>482,343,840</b>	<b>26,956,409</b>	<b>883,330,812</b>	<b>102,573,798</b>	<b>117,415,046</b>	<b>134,650,009</b>	<b>475,515,623</b>	<b>26,335,265</b>	<b>856,489,741</b>
<b>LIABILITIES</b>													
Payable to Atlas Asset Management Company - Management Company	7	16,521	19,705	19,886	84,844	6,568	147,524	14,666	16,831	19,816	75,342	6,703	133,358
Payable to the Central Depository Company of Pakistan Limited - Trustee		7,584	8,300	8,779	31,486	1,642	57,791	6,614	7,522	8,673	30,639	1,696	55,144
Payable to the Securities and Exchange Commission of Pakistan		5,604	6,171	6,671	23,942	1,336	43,724	19,785	22,292	25,701	91,396	4,871	164,045
Accrued expenses and other liabilities	8	529,598	519,468	513,261	1,606,917	246,973	3,416,217	2,355,580	4,560,793	7,986,056	19,261,755	186,890	34,351,074
<b>Total liabilities</b>		<b>559,307</b>	<b>553,644</b>	<b>548,597</b>	<b>1,747,189</b>	<b>256,519</b>	<b>3,665,256</b>	<b>2,396,645</b>	<b>4,607,438</b>	<b>8,040,246</b>	<b>19,459,132</b>	<b>200,160</b>	<b>34,703,621</b>
<b>NET ASSETS</b>		<b>113,526,484</b>	<b>125,053,444</b>	<b>133,789,087</b>	<b>480,596,651</b>	<b>26,699,890</b>	<b>879,665,556</b>	<b>100,177,153</b>	<b>112,807,608</b>	<b>126,609,763</b>	<b>456,056,491</b>	<b>26,135,105</b>	<b>821,786,120</b>
<b>UNIT HOLDER'S FUND (AS PER STATEMENT ATTACHED)</b>		<b>113,526,484</b>	<b>125,053,444</b>	<b>133,789,087</b>	<b>480,596,651</b>	<b>26,699,825</b>	<b>879,665,491</b>	<b>100,177,153</b>	<b>112,807,608</b>	<b>126,609,763</b>	<b>456,056,491</b>	<b>26,135,105</b>	<b>821,786,120</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<b>209,550</b>	<b>229,404</b>	<b>243,710</b>	<b>914,884</b>	<b>53,400</b>		<b>209,596</b>	<b>227,735</b>	<b>244,525</b>	<b>914,884</b>	<b>52,270</b>	
<b>NET ASSET VALUE PER UNIT</b>		<b>541.7624</b>	<b>545.1232</b>	<b>548.9676</b>	<b>525.3088</b>	<b>500.0000</b>		<b>477.9525</b>	<b>495.3470</b>	<b>517.7779</b>	<b>498.4856</b>	<b>500.0000</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>	<b>500.00</b>	

Contingencies and commitments 9

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

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

Note	30 September 2020						30 September 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	Islamic Dividend Plan	Total
	Rupees						Rupees					
<b>INCOME</b>												
Profit on deposits with banks	27,552	37,461	42,831	148,924	50,116	306,884	36,913	42,308	61,319	244,594	-	385,134
Capital gain on sale of investments at fair value through income statement - net	568,937	910,603	699,469	3,114,927	-	5,293,936	148,365	168,766	198,367	494,684	-	1,010,182
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets' at fair value through profit or loss'	13,165,414	10,739,692	7,171,493	22,204,703	327,250	53,608,551	(2,639,412)	(1,030,064)	1,371,581	2,332,398	-	34,503
	<b>13,734,351</b>	<b>11,650,295</b>	<b>7,870,962</b>	<b>25,319,630</b>	<b>327,250</b>	<b>58,902,487</b>	<b>(2,491,047)</b>	<b>(861,298)</b>	<b>1,569,948</b>	<b>2,827,082</b>	<b>-</b>	<b>1,044,685</b>
	<b>13,761,903</b>	<b>11,687,756</b>	<b>7,913,793</b>	<b>25,468,554</b>	<b>377,366</b>	<b>59,209,371</b>	<b>(2,454,134)</b>	<b>(818,990)</b>	<b>1,631,267</b>	<b>3,071,676</b>	<b>-</b>	<b>1,429,819</b>
<b>EXPENDITURE</b>												
7.1 Payable to Atlas Asset Management Company 'a. Management Company	554	3,585	593	15,125	7,811	27,668	2,665	3,355	4,573	19,194	-	29,787
7.2 Sindh sales tax on remuneration of the Management Company	72	466	77	1,966	1,015	3,596	346	436	594	2,495	-	3,871
Accounting & Operational charges	47,412	52,452	56,409	203,506	11,230	371,009	22,281	25,301	30,211	107,191	-	184,984
Remuneration to the Central Depository Company of Pakistan Limited	19,615	21,598	23,347	83,797	4,624	152,981	15,597	17,711	21,148	75,034	-	129,490
Sindh sales tax on remuneration of the Trustee	2,550	2,808	3,035	10,894	601	19,888	2,028	2,302	2,749	9,754	-	16,833
Annual fee - Securities and Exchange Commission of Pakistan	5,604	6,171	6,671	23,942	1,336	43,724	4,456	5,060	6,042	21,438	-	36,996
Auditor's remuneration	10,134	11,376	12,769	46,079	2,034	82,392	6,508	7,391	8,827	31,318	-	54,044
Amortization of preliminary expenses and floatation costs	15,048	15,048	15,048	15,048	-	60,192	14,090	14,090	14,090	14,090	-	56,360
Annual Listing fee	852	959	1,077	3,878	19	6,785	861	966	1,121	3,982	-	6,930
Printing charges	-	-	-	-	-	-	2,570	2,500	2,585	2,500	-	10,155
Legal and Professional Charges	8,640	8,640	8,640	8,640	8,640	43,200	28,300	28,300	28,300	28,300	-	113,200
Shariah advisory fee	3,098	3,489	3,914	14,101	889	25,491	1,514	1,719	2,053	7,282	-	12,568
Bank charges	1,942	324	2,004	598	-	4,868	321	751	378	2,013	-	3,463
8.1 Provision for Sindh Workers' Welfare Fund	272,928	231,217	155,604	500,820	6,782	1,167,351	-	-	30,172	54,942	-	85,114
	<b>388,449</b>	<b>358,133</b>	<b>289,188</b>	<b>928,394</b>	<b>44,981</b>	<b>2,009,145</b>	<b>101,537</b>	<b>109,882</b>	<b>152,843</b>	<b>379,533</b>	<b>-</b>	<b>743,795</b>
<b>Net income / (loss) for the period before taxation</b>	<b>13,373,454</b>	<b>11,329,623</b>	<b>7,624,605</b>	<b>24,540,160</b>	<b>332,385</b>	<b>57,200,226</b>	<b>(2,555,671)</b>	<b>(928,872)</b>	<b>1,478,424</b>	<b>2,692,143</b>	<b>-</b>	<b>686,024</b>
<b>Taxation</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>13,373,454</b>	<b>11,329,623</b>	<b>7,624,605</b>	<b>24,540,160</b>	<b>332,385</b>	<b>57,200,226</b>	<b>(2,555,671)</b>	<b>(928,872)</b>	<b>1,478,424</b>	<b>2,692,143</b>	<b>-</b>	<b>686,024</b>
<b>Earnings / (loss) per unit</b>	<b>63.82</b>	<b>49.39</b>	<b>31.29</b>	<b>26.82</b>	<b>6.22</b>		<b>(12.21)</b>	<b>(4.15)</b>	<b>6.10</b>	<b>3.05</b>		
<b>Allocation of net (loss) for the period:</b>												
Net income for the period after taxation	13,373,454	11,329,623	7,624,605	24,540,160	332,385				1,478,424	2,692,143		
Income already paid on units redeemed	(1,979)	(2,533)	(21,377)	-	-				(5,785)	-		
	<b>13,371,475</b>	<b>11,327,090</b>	<b>7,603,228</b>	<b>24,540,160</b>	<b>332,385</b>				<b>1,472,639</b>	<b>2,692,143</b>		
<b>Accounting income available for distribution:</b>												
-Relating to capital gains	13,734,351	11,650,295	7,870,962	25,319,630	327,250				1,569,948	2,827,082		
-Excluding capital gains	(362,876)	(323,205)	(267,734)	(779,470)	5,135				(97,309)	(134,939)		
	<b>13,371,475</b>	<b>11,327,090</b>	<b>7,603,228</b>	<b>24,540,160</b>	<b>332,385</b>				<b>1,472,639</b>	<b>2,692,143</b>		

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

### For Atlas Asset Management Limited (Pension Fund Manager)

**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 QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020						30 September 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	Islamic Dividend Plan	Total
	Rupees						Rupees					
Net income / (loss) for the period	13,373,454	11,329,623	7,624,605	24,540,160	332,385	57,200,227	(2,555,671)	(928,872)	1,478,424	2,692,143	-	686,024
Other Comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>13,373,454</b>	<b>11,329,623</b>	<b>7,624,605</b>	<b>24,540,160</b>	<b>332,385</b>	<b>57,200,227</b>	<b>(2,555,671)</b>	<b>(928,872)</b>	<b>1,478,424</b>	<b>2,692,143</b>	<b>-</b>	<b>686,024</b>

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

For Atlas Asset Management Limited  
(Pension Fund Manager)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020					30 September 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	Islamic Dividend Plan	Total
	Rupees						Rupees					
<b>Capital Value</b>	104,670,329	113,742,162	122,397,566	461,323,599	26,135,105	828,268,761	104,540,396	110,899,450	122,090,277	445,401,742	-	782,931,865
<b>Un distributed Income</b>												
- Realised income	2,994,497	5,015,587	8,168,915	11,929,312	1,924,685	30,032,996	2,080,513	3,831,669	6,563,967	13,706,840	-	26,182,989
- Unrealised loss	(7,487,673)	(5,950,141)	(3,956,718)	(17,196,420)	(1,924,685)	(36,515,637)	(13,696,545)	(11,451,923)	(7,786,635)	(28,246,685)	-	(61,181,788)
<b>Net assets at the beginning of the period</b>	<b>100,177,153</b>	<b>112,807,608</b>	<b>126,609,763</b>	<b>456,056,491</b>	<b>26,135,105</b>	<b>821,786,120</b>	<b>92,924,364</b>	<b>103,279,196</b>	<b>120,867,609</b>	<b>430,861,897</b>	<b>-</b>	<b>747,933,066</b>
(2020: Units AAAP 209,596, AMAIP 227,735, ACAIP 244,525, AICPP 914,884 & AIDP 52,270) (2019: Units AAAP 209,341, AMAIP 221,897, ACAIP 244,021 & AICPP 882,926)												
<b>Issue of units</b>												
Capital value (at net assets value per unit at the beginning of period)												
Aggressive Nil (2019: 9) units	-	-	-	-	-	-	4,045	-	-	-	-	4,045
Moderate 2,649 (2019: 2,259) units	-	1,450,604	-	-	-	1,450,604	-	1,003,695	-	-	-	1,003,695
Conservative Nil (2019: 1) units	-	-	-	-	-	-	-	-	214	-	-	214
Preservation Nil (2019: Nil) units	-	-	-	-	-	-	-	-	-	-	-	-
Dividend 1,724 (2019: Nil) units	-	-	-	-	862,470	862,470	-	-	-	-	-	-
<b>Total proceed on issuance of units</b>	<b>-</b>	<b>1,450,604</b>	<b>-</b>	<b>-</b>	<b>862,470</b>	<b>1,450,604</b>	<b>4,045</b>	<b>1,003,695</b>	<b>214</b>	<b>-</b>	<b>-</b>	<b>1,007,954</b>
<b>Redemption of units</b>												
Capital value (at net assets value per unit at the beginning of period)												
Aggressive 46 (2019: 37) units	(22,144)	-	-	-	-	(22,144)	(15,148)	-	-	-	-	(15,148)
Moderate 980 (2019: 102) units	-	(531,858)	-	-	-	(531,858)	-	(46,313)	-	-	-	(46,313)
Conservative 815 (2019: 1,855) units	-	-	(423,904)	-	-	(423,904)	-	-	(922,202)	-	-	(922,202)
Preservation Nil (2019: 205) units	-	-	-	-	-	-	-	-	-	(100,000)	-	(100,000)
Dividend 596 (2019: Nil) units	-	-	-	-	(297,750)	(297,750)	-	-	-	-	-	-
<b>Amount paid out of Element of income</b>												
- Relating to Net Income for the period after taxation	(1,979)	(2,533)	(21,377)	-	-	(25,889)	-	-	(5,785)	-	-	(5,785)
<b>Total payments on redemption of units</b>	<b>(24,123)</b>	<b>(534,391)</b>	<b>(445,281)</b>	<b>-</b>	<b>(297,750)</b>	<b>(1,301,545)</b>	<b>(15,148)</b>	<b>(46,313)</b>	<b>(927,987)</b>	<b>(100,000)</b>	<b>-</b>	<b>(1,089,448)</b>
<b>Total Comprehensive income / (loss) for the period</b>	<b>13,373,454</b>	<b>11,329,623</b>	<b>7,624,605</b>	<b>24,540,160</b>	<b>332,385</b>	<b>57,200,227</b>	<b>(2,555,671)</b>	<b>(928,872)</b>	<b>1,478,424</b>	<b>2,692,143</b>	<b>-</b>	<b>686,024</b>
Distribution paid	-	-	-	-	(332,385)	(332,385)	-	-	-	-	-	-
<b>Net assets at the end of the period</b>	<b>113,526,484</b>	<b>125,053,444</b>	<b>133,789,087</b>	<b>480,596,651</b>	<b>26,699,825</b>	<b>878,803,020</b>	<b>90,357,590</b>	<b>103,307,706</b>	<b>121,418,260</b>	<b>433,454,040</b>	<b>-</b>	<b>748,537,596</b>
(2020: Units: AAAP 209,550, AMAIP 229,404, ACAIP 243,710, AICPP 914,884 & AIDP 53,400) (2019: Units AAAP 209,313, AMAIP 224,054, ACAIP 242,167 & AICPP 882,721)												
<b>Capital Value</b>	104,648,185	114,660,908	121,973,662	461,323,599	26,997,575	829,603,928	104,529,293	111,856,832	121,168,289	445,301,742	-	782,856,156
<b>Un distributed Income</b>												
- Realised income	2,767,480	5,045,257	8,234,788	12,190,423	1,299,685	29,537,633	1,976,188	3,697,237	6,416,986	13,856,682	-	25,947,093
- Unrealised income / (loss)	6,110,819	5,347,279	3,580,637	7,082,629	(1,597,435)	20,523,929	(16,147,891)	(12,246,363)	(6,167,015)	(25,704,384)	-	(60,265,653)
<b>Net assets at the end of the period</b>	<b>113,526,484</b>	<b>125,053,444</b>	<b>133,789,087</b>	<b>480,596,651</b>	<b>26,699,825</b>	<b>882,965,666</b>	<b>90,357,590</b>	<b>103,307,706</b>	<b>121,418,260</b>	<b>433,454,040</b>	<b>-</b>	<b>748,537,596</b>
<b>Net assets value per unit at beginning of the period</b>	<b>477.9525</b>	<b>495.3470</b>	<b>517.7779</b>	<b>498.4856</b>	<b>500.0000</b>		<b>443.89</b>	<b>465.44</b>	<b>495.32</b>	<b>487.99</b>	<b>-</b>	
<b>Net assets value per unit at end of the period</b>	<b>541.7624</b>	<b>545.1232</b>	<b>548.9676</b>	<b>525.3088</b>	<b>500.0000</b>		<b>431.69</b>	<b>461.08</b>	<b>501.38</b>	<b>491.04</b>	<b>-</b>	

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

### For Atlas Asset Management Limited (Pension Fund Manager)

**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 CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020						30 September 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>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
Net (loss) / income for the period after taxation	13,373,454	11,329,623	7,624,605	24,540,160	332,385	57,200,226	(2,555,671)	(928,872)	1,478,424	2,692,143	686,024
<b>Adjustments for:</b>											
Profit on deposits with banks	(27,552)	(37,461)	(42,831)	(148,924)	(50,116)	(306,884)	(36,913)	(42,308)	(61,319)	(244,594)	(385,134)
Gain on sale of investments at fair value through income statement - net	(568,937)	(910,603)	(699,469)	(3,114,927)	-	(5,293,936)	(148,365)	(168,766)	(198,367)	(494,684)	(1,010,182)
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets' at fair value through profit or loss	(13,165,414)	(10,739,692)	(7,171,493)	(22,204,703)	(327,250)	(53,608,551)	2,639,412	1,030,064	(1,371,581)	(2,332,398)	(34,503)
Provision for Sindh Workers' Welfare Fund	272,928	231,217	155,604	500,820	6,782	1,167,351	-	-	30,172	54,942	85,114
	<b>(115,521)</b>	<b>(126,916)</b>	<b>(133,584)</b>	<b>(427,574)</b>	<b>(38,199)</b>	<b>(841,794)</b>	<b>(101,537)</b>	<b>(109,882)</b>	<b>(122,671)</b>	<b>(324,591)</b>	<b>(658,681)</b>
<b>Decrease in assets</b>											
Prepayment and other receivables	-	-	-	-	-	-	(2,557)	(2,831)	(3,323)	(11,860)	(20,571)
Deferred Formation cost	15,048	15,048	15,048	15,048	-	60,192	14,090	14,090	14,090	14,090	56,360
	<b>15,048</b>	<b>15,048</b>	<b>15,048</b>	<b>15,048</b>	<b>-</b>	<b>60,192</b>	<b>11,533</b>	<b>11,259</b>	<b>10,767</b>	<b>2,230</b>	<b>35,789</b>
<b>Decrease in liabilities</b>											
Payable to Atlas Asset Management Company - Management Company	1,855	2,874	70	9,502	(135)	14,166	(810)	(169)	(342)	493	(828)
Payable to Central Depository Company of Pakistan Limited - Trustee	970	778	106	847	(54)	2,647	(3,126)	(3,199)	(3,415)	(12,554)	(22,294)
Payable to the Securities and Exchange Commission of Pakistan	(14,181)	(16,121)	(19,030)	(67,454)	(3,535)	(120,321)	(41,876)	(44,470)	(48,182)	(120,295)	(254,823)
Accrued expenses and other liabilities	(2,098,910)	(4,272,542)	(7,628,398)	(18,155,657)	53,301	(32,102,206)	7,986	8,504	10,276	34,866	61,632
	<b>(2,110,266)</b>	<b>(4,285,011)</b>	<b>(7,647,252)</b>	<b>(18,212,762)</b>	<b>49,577</b>	<b>(32,205,714)</b>	<b>(37,826)</b>	<b>(39,334)</b>	<b>(41,663)</b>	<b>(97,490)</b>	<b>(216,313)</b>

# First Quarter Report 2020-21

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020					30 September 2019					
	Aggressive	Moderate	Conservative	Islamic Capital	Islamic	Aggressive	Moderate	Conservative	Islamic Capital	Total	
	Allocation Islamic	Allocation Islamic	Allocation Islamic	Preservation	Dividend	Allocation Islamic	Allocation Islamic	Allocation Islamic	Preservation		
Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
Note	-----Rupees-----					-----Rupees-----					
Interest received	26,254	28,318	18,404	142,509	57,066	272,551	20,246	22,056	28,070	240,526	310,898
Dividend received	-	-	-	-	-	-	-	-	-	-	-
Investments made during the period	(3,560,000)	(5,940,000)	(4,220,000)	(21,000,000)	-	(34,720,000)	(6,800,000)	(8,150,000)	(8,700,000)	(17,700,000)	(41,350,000)
Investments sold during the period	5,860,000	10,040,000	12,320,000	40,500,000	-	68,720,000	6,800,000	8,150,000	8,700,000	17,700,000	41,350,000
	<b>2,326,254</b>	<b>4,128,318</b>	<b>8,118,404</b>	<b>19,642,509</b>	<b>57,066</b>	<b>34,272,551</b>	<b>20,246</b>	<b>22,056</b>	<b>28,070</b>	<b>240,526</b>	<b>310,898</b>
Net cash generated from / (used in) operating activities	115,515	(268,561)	352,616	1,017,221	68,444	1,285,235	(107,584)	(115,901)	(125,497)	(179,325)	(528,307)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts against issuance of units	-	1,450,604	-	-	862,470	2,313,074	4,044	1,003,695	213	-	1,007,952
Payments against redemption of units	(24,123)	(534,391)	(445,281)	-	(297,750)	(1,301,545)	(15,148)	(46,313)	(927,987)	(100,000)	(1,089,448)
Distribution paid	-	-	-	-	(332,385)	(332,385)	-	-	-	-	-
	(24,123)	916,213	(445,281)	-	232,335	679,143	(11,104)	957,382	(927,774)	(100,000)	(81,496)
Net cash (used in) / generated from financing activities	(24,123)	916,213	(445,281)	-	232,335	679,143	(11,104)	957,382	(927,774)	(100,000)	(81,496)
Net increase / (decrease) in cash and cash equivalents	91,392	647,652	(92,665)	1,017,221	300,779	1,964,378	(118,688)	841,481	(1,053,271)	(279,325)	(609,803)
Cash and cash equivalents at the beginning of the period	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182	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	556,977	2,197,826	289,962	7,679,808	3,657,988	14,382,560	1,097,330	2,109,693	968,074	7,546,569	11,721,666

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

### For Atlas Asset Management Limited (Pension Fund Manager)

**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

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

FOR THE QUARTER ENDED 30 SEPTEMBER 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, Second and Third supplements dated 05 September 2019, 14 February 2020 and 01 April 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 complaint 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.

Atlas Islamic Dividend Plan (AIDP) was launched on March 16, 2020 through one day IPO, therefore there are no comparatives for report for quarter ended September 30, 2019.

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

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

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

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

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

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

The "Conservative Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide stable returns. It shall invest

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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.

## **2 STATEMENT OF COMPLIANCE**

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2019.

# Atlas Islamic Fund of Funds

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

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 2020.

## 4 BANK BALANCES

		30 September 2020 (Un Audited)					30 June 2020 (Audited)						
		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend	Total
		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	
Note		-----Rupees-----					-----Rupees-----						
Profit and loss sharing accounts	4.1	556,977	2,197,826	289,962	7,679,808	3,658,053	14,382,626	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182
		<u>556,977</u>	<u>2,197,826</u>	<u>289,962</u>	<u>7,679,808</u>	<u>3,658,053</u>	<u>14,382,626</u>	<u>465,585</u>	<u>1,550,174</u>	<u>382,627</u>	<u>6,662,587</u>	<u>3,357,209</u>	<u>12,418,182</u>

4.1 These carry interest rate ranging between 4% to 6.50% (30 June 2020: 6.50% to 9.90%) per annum.

## 5 INVESTMENTS - NET

		30 September 2020 (Un Audited)					30 June 2020 (Audited)						
		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend	Total
		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	
Note		-----Rupees-----					-----Rupees-----						
At fair value through profit or loss - Held for Trading													
Units of Mutual Funds - listed	5.1	113,361,143	123,232,785	133,857,977	474,258,369	23,273,955	867,984,229	101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742
		<u>113,361,143</u>	<u>123,232,785</u>	<u>133,857,977</u>	<u>474,258,369</u>	<u>23,273,955</u>	<u>867,984,229</u>	<u>101,926,792</u>	<u>115,682,490</u>	<u>134,087,016</u>	<u>468,438,739</u>	<u>22,946,705</u>	<u>843,081,742</u>

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## 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 2020	Purchases during the period	Sales during the period	As at 30 September 2020	Carrying Value as at 30 September 2020	Market Value as at 30 September 2020	Appreciation/ (diminution) as at 30 September 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	52,511	7,000	1,185	58,325	29,473,800	29,867,830	394,029	26.31	26.35
Atlas Islamic Dedicated Stock Fund	170,737	-	10,624	160,113	70,721,929	83,493,313	12,771,384	73.55	73.65
	<b>223,248</b>	<b>7,000</b>	<b>11,809</b>	<b>218,438</b>	<b>100,195,729</b>	<b>113,361,143</b>	<b>13,165,414</b>	<b>99.86</b>	<b>100.00</b>
<b>Moderate Allocation Plan</b>									
Atlas Islamic Income Fund	105,864	10,691	4,147	112,407	57,295,677	58,067,493	771,816	46.43	47.12
Atlas Islamic Dedicated Stock Fund	140,894	-	15,928	124,966	55,197,416	65,165,292	9,967,876	52.11	52.88
	<b>246,758</b>	<b>10,691</b>	<b>20,075</b>	<b>237,373</b>	<b>112,493,093</b>	<b>123,232,785</b>	<b>10,739,692</b>	<b>98.54</b>	<b>100.00</b>
<b>Conservative Allocation Plan</b>									
Atlas Islamic Income Fund	189,564	8,298	11,256	186,605	94,245,546	95,558,661	1,313,116	71.42	71.39
Atlas Islamic Dedicated Stock Fund	86,887	-	13,442	73,446	32,440,939	38,299,316	5,858,377	28.63	28.61
	<b>276,451</b>	<b>8,298</b>	<b>24,698</b>	<b>260,051</b>	<b>126,686,485</b>	<b>133,857,977</b>	<b>7,171,493</b>	<b>100.05</b>	<b>100.00</b>
<b>Islamic Capital Preservation Plan</b>									
Atlas Islamic Income Fund	698,489	41,236	34,559	705,166	356,211,744	361,108,745	4,897,001	75.14	76.14
Atlas Islamic Dedicated Stock Fund	262,120	-	45,136	216,984	95,841,922	113,149,624	17,307,702	23.54	23.86
	<b>960,609</b>	<b>41,236</b>	<b>79,695</b>	<b>922,150</b>	<b>452,053,666</b>	<b>474,258,369</b>	<b>22,204,703</b>	<b>98.68</b>	<b>100.00</b>
<b>Islamic Dividend Plan</b>									
Atlas Islamic Income Fund	45,449	-	-	45,449	22,946,705	23,273,955	327,250	87.17	100.00
	<b>45,449</b>	<b>-</b>	<b>-</b>	<b>45,449</b>	<b>22,946,705</b>	<b>23,273,955</b>	<b>327,250</b>	<b>87.17</b>	<b>100.00</b>
<b>Total as at 30 September 2020</b>	<b>1,752,515</b>	<b>67,224</b>	<b>136,277</b>	<b>1,683,462</b>	<b>814,375,678</b>	<b>867,984,229</b>	<b>53,608,551</b>		
<b>Total as at 30 June 2020</b>	<b>1,572,278</b>	<b>685,324</b>	<b>505,087</b>	<b>1,752,515</b>	<b>831,548,988</b>	<b>843,081,742</b>	<b>11,532,754</b>		

# Atlas Islamic Fund of Funds

## 6 DEFERRED FORMATION COST

Note	30 September 2020 (Un Audited)						30 June 2020 (Audited)					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	
	-----Rupees-----						-----Rupees-----					
Opening balance	168,162	168,162	168,162	168,162	-	672,648	224,215	224,215	224,215	224,215	-	896,860
Less: Amortization for the period	15,048	15,048	15,048	15,048	-	60,192	56,053	56,053	56,053	56,053	-	224,212
	<b>153,114</b>	<b>153,114</b>	<b>153,114</b>	<b>153,114</b>	<b>-</b>	<b>612,456</b>	<b>168,162</b>	<b>168,162</b>	<b>168,162</b>	<b>168,162</b>	<b>-</b>	<b>672,648</b>

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

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

Note	30 September 2020 (Un Audited)						30 June 2020 (Audited)					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	
	-----Rupees-----						-----Rupees-----					
Remuneration of the Management Company	97	1,654	-	5,203	2,556	9,510	302	588	143	4,901	2,707	8,641
Sindh Sales Tax on remuneration of the Management Company	13	215	-	676	333	1,237	39	76	18	637	352	1,122
Front and backend load payable to the Management Company	113	-	1,017	11,294	-	12,424	113	-	1,017	3,955	-	5,085
Accounting and operational charges reimbursable by the Fund	16,298	17,836	18,869	67,671	3,679	124,353	14,212	16,167	18,638	65,849	3,644	118,510
	<b>16,521</b>	<b>19,705</b>	<b>19,886</b>	<b>84,844</b>	<b>6,568</b>	<b>147,524</b>	<b>14,666</b>	<b>16,831</b>	<b>19,816</b>	<b>75,342</b>	<b>6,703</b>	<b>133,358</b>

7.1 In accordance with the provisions of the NBFC Regulations, no Management fee shall be charged in case the investment of the fund is made in CIS of Atlas Asset Management Limited (AAML). Further as per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the limit of 1% of the average annual net assets, within allowed expense ratio limit 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 and therefore has charged its remuneration accordingly. The remuneration for the last period ended 30 June 2020 was also charged in the same manner.

7.2 During the period, an amount of Rs. 3,596 (2019: 3,871) 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. 3,481 (2019: 4,070) has been paid to the Management Company which acts as a collecting agent.

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## 8 ACCRUED EXPENSES AND OTHER LIABILITIES

	30 September 2020 (Un Audited)						30 June 2020 (Audited)					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note	-----Rupees-----						-----Rupees-----					
Auditors' remuneration payable	42,104	47,487	54,718	191,234	10,567	346,110	46,970	36,111	41,949	145,180	8,533	278,743
Withholding and capital gain tax payable	2,542	2,062	3,704	6,831	189,257	204,396	330,680	710,474	1,352,186	5,075,503	138,382	7,607,225
Printing charges payable	921	477	-	-	-	1,398	921	477	-	-	-	1,398
Provision for Sindh Workers' Welfare Fund	463,188	464,835	449,653	1,392,342	45,613	2,815,631	190,260	233,618	294,049	891,523	38,829	1,648,279
Shariah Advisor fee payable	3,497	3,803	4,106	12,613	536	24,555	2,402	2,589	2,814	7,767	1,146	16,718
Annual rating fee payable	16,667	-	-	-	-	16,667	16,495	16,513	16,411	5,526	-	54,945
Annual listing fee payable	679	804	1,080	3,897	1,000	7,460	-	-	-	-	-	-
Dividend Payable	-	-	-	-	-	-	1,767,852	3,560,552	6,278,647	13,136,256	-	24,743,307
	<b>529,598</b>	<b>519,468</b>	<b>513,261</b>	<b>1,606,917</b>	<b>246,973</b>	<b>3,416,217</b>	<b>2,355,580</b>	<b>4,560,334</b>	<b>7,986,056</b>	<b>19,261,755</b>	<b>186,890</b>	<b>34,350,615</b>

**8.1** 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.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2020 would have been higher by Rs. 2.21 per unit (30 June 2020: Rs. 0.91 per unit), Rs. 2.03 per unit (30 June 2020: Rs. 1.03 per unit), Rs. 1.85 per unit (30 June 2020: Rs. 1.20 per unit), Rs. 1.52 per unit (30 June 2020: Rs. 0.97 per unit) and Rs. 0.85 per unit (30 June 2020: Rs. 0.74 per unit) per unit for AAAIP, AMAIP, ACAIP, AICPP and AIDP respectively.

## 9 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at September 30, 2020 and 30 June 2020.

# Atlas Islamic Fund of Funds

## 10 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 :

	30 September 2020 (Un Audited)					30 June 2020 (Audited)				
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan
Total expense ratio	1.38	1.16	0.87	0.78	0.68	0.62	0.64	0.64	0.54	0.12
Government Levies and SECP Fee	1.00	0.78	0.50	0.45	0.04	0.22	0.26	0.24	0.23	0.01

## 11 TAXATION

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

## 12 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019. The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

## 13 EARNING PER UNIT

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

## 14 TRANSACTIONS WITH CONNECTED PERSONS / 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.

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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:

	30 September 2020 (Un Audited)						30 September 2019 (Un 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>14.1 Details of transaction with related parties during the period are as follows:</b>	-----Rupees-----						-----Rupees-----				
<b>Atlas Asset Management Limited (Management Company)</b>											
Remuneration for the period	554	3,585	593	15,125	7,811	27,668	2,665	3,355	4,573	19,194	29,787
Sindh sales tax on remuneration of the Management Company	72	466	77	1,966	1,015	3,596	346	436	594	2,495	3,871
Remuneration paid	759	2,519	736	14,823	7,962	26,799	2,854	3,196	4,832	20,457	31,339
Formation cost	15,048	15,048	15,048	15,048	-	60,192	14,090	14,090	14,090	14,090	56,360
Accounting & operational charges	47,412	52,452	56,409	203,506	11,230	371,009	22,281	25,301	30,211	107,191	184,984
Issuance in amounts	-	-	-	-	-	-	4,045	3,695	-	-	7,740
Issue of units	-	-	-	-	-	-	9	8	-	-	17
<b>Central Depository Company of Pakistan Limited</b>											
Remuneration of the Trustee	19,615	21,598	23,347	83,797	4,624	152,981	15,597	17,711	21,148	75,034	129,490
Sindh Sales Tax on remuneration of the Trustee	2,550	2,808	3,035	10,894	601	19,888	2,028	2,302	2,749	9,754	16,833
Remuneration paid	18,756	20,909	23,253	83,047	4,611	150,576	18,364	20,542	24,171	86,144	149,221
<b>Atlas Islamic Dedicated Stock Fund</b>											
Purchase in Rupees	-	-	-	-	-	-	6,800,000	8,150,000	8,700,000	17,700,000	41,350,000
Purchase of units	-	-	-	-	-	-	18,364	20,542	24,171	86,144	149,221
Redemption in Rupees	5,260,000	7,940,000	6,620,000	23,000,000	-	42,820,000	-	-	-	-	-
Redemption of units	-	-	-	-	-	-	-	-	-	-	-
<b>Atlas Islamic Income Fund</b>											
Purchase in Rupees	3,560,000	5,440,000	4,220,000	21,000,000	-	34,220,000	-	-	-	-	-
Purchase of units	7,000	10,691	8,298	41,236	-	67,224	-	-	-	-	-
Redemption in Rupees	600,000	2,100,000	5,700,000	17,500,000	-	25,900,000	6,800,000	8,150,000	8,700,000	17,700,000	41,350,000
Redemption of units	1,185	4,147	11,256	34,559	-	51,147	13,208	15,848	16,881	34,163	80,100
<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

# Atlas Islamic Fund of Funds

		30 September 2020 (Un Audited)					30 June 2020 (Audited)						
		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	
		-----Rupees-----					-----Rupees-----						
14.2	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	97	1,654	-	5,203	2,556	9,510	302	588	143	4,901	2,707	8,641
	Sindh Sales tax payable on remuneration of the Management Company	13	215	-	676	333	1,237	39	76	18	637	352	1,122
	Sales Load Payable	113	-	1,017	11,294	-	12,424	113	-	1,017	3,955	-	5,085
	Accounting and operational charges payable	16,298	17,836	18,869	67,671	3,679	124,353	14,212	16,167	18,638	65,849	3,644	118,510
	Outstanding amount - at net asset value	5,595,849	-	23,141,122	-	-	28,736,971	4,936,732	5,197,180	21,826,444	-	20,078,461	52,038,817
	Outstanding units	10,329	-	42,154	-	-	52,483	10,329	10,492	42,154	-	40,157	103,132
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>												
	Trustee fee payable	6,712	7,345	7,769	27,864	1,514	51,204	5,853	6,656	7,675	27,114	1,501	48,799
	Sindh Sales tax payable on remuneration of trustee	872	955	1,010	3,622	128	6,587	761	866	998	3,525	195	6,345
	<b>Shirazi Investments (Private) Limited - Group Company</b>												
	Outstanding amount - at net asset value	107,311,591	-	109,595,358	208,162,628	-	425,069,577	94,671,714	98,807,813	103,369,096	197,535,218	-	494,383,841
	Outstanding units	198,079	-	199,639	396,267	-	793,985	198,079	199,471	199,639	396,267	-	993,456
	<b>Atlas Honda Limited - Group Company</b>												
	Outstanding amount - at net asset value	-	-	-	222,024,804	-	222,024,804	-	-	-	210,689,683	-	210,689,683
	Outstanding units	-	-	-	422,656	-	422,656	-	-	-	422,656	-	422,656
	<b>Lucky Commodities (Private) Limited (Unit Holder with more than 10% holding)</b>												
	Outstanding amount - at net asset value	-	-	-	-	-	-	-	-	-	-	100,392,307	100,392,307
	Outstanding units	-	-	-	-	-	-	-	-	-	-	200,785	200,785

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	30 September 2020 (Un Audited)						30 June 2020 (Audited)					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	
-----Rupees-----						-----Rupees-----						
<b>Atlas Islamic Dedicated Stock Fund</b>												
Outstanding amount - at net asset value	83,493,313	65,165,292	38,299,316	113,149,624	-	300,107,545	75,414,757	62,232,992	38,378,242	115,778,488	-	291,804,479
Outstanding units	160,113	124,966	73,446	216,984	-	575,509	170,737	140,894	86,887	262,120	-	660,638
<b>Atlas Islamic Income Fund</b>												
Outstanding amount - at net asset value	29,867,830	58,067,493	95,558,661	361,108,745	23,273,955	567,876,685	26,512,035	53,449,498	95,708,774	352,660,251	22,946,705	551,277,263
Outstanding units	58,325	112,407	186,605	705,166	45,449	1,107,953	52,511	105,864	189,564	698,489	45,449	1,091,877
<b>Directors and their close family members and key management personnel of the Management Company</b>												
Outstanding amount - at net asset value	-	-	-	3,918,813	-	3,918,813	-	5,125,040	-	3,718,744	-	8,843,784
Outstanding units	-	-	-	7,460	-	7,460	-	10,346	-	7,460	-	17,806

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

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

# Atlas Islamic Fund of Funds

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.

## 15.1 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: techniques for which inputs which have a significant effect on the recorded fair value 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.

## 16 GENERAL

Figures have been rounded off to the nearest Rupee.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 26 October 2020.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

**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 30 SEPTEMBER 2020

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees -----	
<b>ASSETS</b>			
Bank balances	4	5,695,119	11,892,473
Investments	5	384,242,855	357,745,101
Receivable against sale of investments		6,722,561	1,615,350
Profit receivable on bank balances		44,575	166,871
Dividend receivable		1,524,846	-
Deferred formation cost		610,635	666,645
Advances, deposits, prepayment and other receivables		3,412,746	3,412,741
<b>Total assets</b>		<b>402,253,337</b>	<b>375,499,181</b>
<b>LIABILITIES</b>			
Payable Against Redemption of units		9,000,000	9,000,000
Payable to Atlas Asset Management Limited - Management Company	6	1,019,651	868,226
Payable to Central Depository Company of Pakistan Limited - Trustee		76,141	71,475
Payable to the Securities and Exchange Commission of Pakistan		20,018	68,922
Payable against purchase of investments		902,510	1,607,480
Accrued expenses and other liabilities	7	2,487,096	1,394,336
<b>Total liabilities</b>		<b>13,505,416</b>	<b>13,010,439</b>
<b>NET ASSETS</b>		<b>388,747,921</b>	<b>362,488,742</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>388,747,921</b>	<b>362,488,742</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>745,492</b>	<b>820,677</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>521.4648</b>	<b>441.6900</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 ----- Rupees -----	2019 ----- Rupees -----
<b>INCOME</b>			
Profit on bank balances		120,232	139,151
Dividend income		1,739,346	4,191,835
Capital gain / (loss) on sale of investments - net		9,428,980	(624,282)
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		57,823,566	(15,138,906)
		<b>67,252,546</b>	<b>(15,763,188)</b>
<b>Total Income</b>		<b>69,112,124</b>	<b>(11,432,202)</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	2,402,896	1,230,497
Sindh Sales Tax on remuneration of the Management Company	6.2	312,376	159,965
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		200,428	123,049
Sindh Sales Tax on remuneration of the Trustee		26,056	15,996
Annual fee to the Securities and Exchange Commission of Pakistan		20,043	12,282
Accounting and operational charges	9	170,364	61,554
Shariah advisory fee		20,000	12,500
Auditors' remuneration		76,766	55,652
Annual listing fee		6,876	31,402
Securities transaction cost		154,141	290,407
Printing and postage charges		-	10,000
Legal and professional charges		43,200	113,200
Amortization of formation cost		56,010	55,857
Bank charges		-	2,958
Provision for Sindh Workers Welfare Fund		1,312,459	-
<b>Total expenses</b>		<b>4,801,615</b>	<b>2,175,319</b>
<b>Net income / (loss) for the period before taxation</b>		<b>64,310,509</b>	<b>(13,607,521)</b>
<b>Taxation</b>	11	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>64,310,509</b>	<b>(13,607,521)</b>
<b>Earnings per unit</b>	12		
<b>Allocation of net income for the year</b>			
- Net income for the year after taxation		64,310,509	
- Income already paid on units redeemed		(5,649,274)	
		<b>58,661,235</b>	
<b>Accounting income available for distribution:</b>			
-Relating to capital gains		67,252,546	
-Excluding capital gains		(8,591,311)	
		<b>58,661,235</b>	

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Dedicated Stock Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	----- Rupees -----	
Net income / (loss) for the period after taxation	64,310,509	(13,607,521)
Other comprehensive (loss) / income	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>64,310,509</b>	<b>(13,607,521)</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Atlas Islamic Dedicated Stock Fund

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 ----- Rupees -----	2019 ----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / loss for the period before taxation		64,310,509	(13,607,521)
<b>Adjustments for:</b>			
Mark-up on bank deposits with banks		(120,232)	(139,151)
Dividend income		(1,739,346)	(4,191,835)
Capital loss on sale of investments - net		(9,428,980)	624,282
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(57,823,566)	15,138,906
Amortization of formation cost		56,010	55,857
Provision for Sindh Workers Welfare Fund		1,312,459	-
		<b>(67,743,655)</b>	<b>11,488,059</b>
<b>(Increase) / decrease in assets</b>			
Receivable against sale of investments		(5,107,211)	416,650
Advances, deposits, prepayment and other receivables		(5)	8,624
		<b>(5,107,216)</b>	<b>425,274</b>
<b>(Decrease) / increase in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		151,425	(28,426)
Payable to the Central Depository Company of Pakistan Limited - Trustee		4,666	(2,725)
Payable to the Securities and Exchange Commission of Pakistan		(48,904)	(92,192)
Payable against purchase of investments		(704,970)	520,496
Accrued expenses and other liabilities		(219,699)	103,390
		<b>(817,482)</b>	<b>500,543</b>
Profit received on bank balances		242,528	106,879
Dividend received		169,994	513,900
Investments made during the period		(45,282,292)	(52,952,442)
Investments sold during the period		86,037,084	8,198,576
		<b>41,167,314</b>	<b>(44,133,087)</b>
<b>Net cash generated from / (used in) operating activities</b>		<b>31,809,470</b>	<b>(45,326,732)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received on issue of units		7,813,176	41,350,000
Payment against redemption of units		(45,820,000)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(38,006,824)</b>	<b>41,350,000</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(6,197,354)</b>	<b>(3,976,732)</b>
Cash and cash equivalents at the beginning of the period		11,892,473	4,490,047
<b>Cash and cash equivalents at the end of the period</b>	4	<b>5,695,119</b>	<b>513,315</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# First Quarter Report 2020-21

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

FOR THE QUARTER ENDED 30 SEPTEMBER 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 was revised through the First, Second, Third and Fourth supplements date 8 August 2019, 5 September 2019, 25 November 2019 and 1 April 2020 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 10 January 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. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2020.

# Atlas Islamic Dedicated Stock Fund

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2019.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

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 2020.

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
<b>4 BANK BALANCES</b>			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	4,695,119	11,892,473
- Cheques in hand	4.2	1,000,000	-
		<u>5,695,119</u>	<u>11,892,473</u>

4.1 The rate of return on these accounts range between 4% to 6.00% (30 June 2020: 6.50% to 7.00%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on 01 October 2020.

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
<b>5 INVESTMENTS</b>			
<b>Fainancial assets at fair value through profit or loss account</b>			
- Listed equity securities	5.1	384,242,855	357,745,101
		<u>384,242,855</u>	<u>357,745,101</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	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 September 2020	Average cost as at 30 September 2020	Market value as at 30 September 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-----		-----Percentage-----			
<b>Banks</b>										
BankIslami Pakistan Limited	819,100	-	-	130,000	689,100	5,209,596	7,104,621	1.85	1.83	0.06
Meezan Bank Limited (Note 5.3)	448,400	-	27,340	175,000	300,740	18,823,590	24,723,835	6.43	6.36	0.02
	<b>1,267,500</b>	<b>-</b>	<b>27,340</b>	<b>305,000</b>	<b>989,840</b>	<b>24,033,186</b>	<b>31,828,456</b>	<b>8.28</b>	<b>8.19</b>	
<b>Textile Composite</b>										
Kohinoor Textile Mills Limited	91,000	20,000	-	-	111,000	4,111,410	6,006,210	1.56	1.55	0.04
Nishat Mills Limited	1,500	79,500	-	13,000	68,000	5,688,972	6,872,760	1.79	1.77	0.02
	<b>92,500</b>	<b>99,500</b>	<b>-</b>	<b>13,000</b>	<b>179,000</b>	<b>9,800,382</b>	<b>12,878,970</b>	<b>3.35</b>	<b>3.31</b>	
<b>Cement</b>										
Attock Cement Pakistan Limited	54,100	-	-	9,100	45,000	5,608,350	6,870,600	1.79	1.77	0.03
Cherat Cement Company Limited	66,850	-	-	36,000	30,850	2,689,195	3,602,046	0.94	0.93	0.02
D.G. Khan Cement Company Limited	71,500	-	-	36,500	35,000	2,986,550	3,608,850	0.94	0.93	0.01
Fauji Cement Company Limited	-	166,000	-	-	166,000	3,344,271	3,300,080	0.86	0.85	0.01
Gharibwal Cement Company Limited	100,000	100,000	-	100,000	100,000	1,698,220	2,397,000	0.62	0.62	0.02
Kohat Cement Company Limited	36,500	-	-	6,500	30,000	4,123,500	5,122,200	1.33	1.32	0.01
Lucky Cement Limited	69,600	-	-	3,900	65,700	30,325,806	42,512,499	11.06	10.94	0.02
	<b>398,550</b>	<b>266,000</b>	<b>-</b>	<b>192,000</b>	<b>472,550</b>	<b>50,775,891</b>	<b>67,413,275</b>	<b>17.54</b>	<b>17.34</b>	
<b>Power Generation &amp; Distribution</b>										
K-Electric Limited (face value Rs. 3.5)	505,500	-	-	-	505,500	1,521,555	2,128,155	0.55	0.55	0.00
The Hub Power Company Limited	455,903	-	-	118,000	337,903	24,497,968	26,511,869	6.90	6.82	0.03
	<b>961,403</b>	<b>-</b>	<b>-</b>	<b>118,000</b>	<b>843,403</b>	<b>26,019,523</b>	<b>28,640,024</b>	<b>7.45</b>	<b>7.37</b>	
<b>Oil &amp; Gas Marketing Companies</b>										
Attock Petroleum Limited	7,500	-	-	2,000	5,500	1,678,600	1,878,140	0.49	0.48	0.01
HI-Tech Lubricants Limited	40,000	-	-	40,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	75,400	5,200	-	4,000	76,600	12,138,220	15,335,320	3.99	3.94	0.02
Shell Pakistan Limited	20,000	4,500	-	17,700	6,800	1,246,050	1,669,128	0.43	0.43	0.01
Sui Northern Gas Pipelines Limited	96,000	-	-	96,000	-	-	-	-	-	-
	<b>238,900</b>	<b>9,700</b>	<b>-</b>	<b>159,700</b>	<b>88,900</b>	<b>15,062,870</b>	<b>18,882,588</b>	<b>4.91</b>	<b>4.86</b>	
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	17,368	-	-	-	17,368	21,478,137	23,785,823	6.19	6.12	0.01
Oil & Gas Development Company Limited (Note 5.3)	281,400	45,000	-	-	326,400	35,907,587	33,815,040	8.80	8.70	0.01
Pakistan Oilfields Limited	45,800	-	-	5,800	40,000	14,025,200	16,853,200	4.39	4.34	0.01
Pakistan Petroleum Limited (Note 5.3)	248,840	38,000	-	28,800	258,040	23,009,900	23,755,162	6.18	6.11	0.01
	<b>593,408</b>	<b>83,000</b>	<b>-</b>	<b>34,600</b>	<b>641,808</b>	<b>94,420,824</b>	<b>98,209,225</b>	<b>25.56</b>	<b>25.26</b>	
<b>Engineering</b>										
International Industries Limited	15,880	-	-	2,000	13,880	1,273,212	2,011,767	0.52	0.52	0.01
	<b>15,880</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>13,880</b>	<b>1,273,212</b>	<b>2,011,767</b>	<b>0.52</b>	<b>0.52</b>	
<b>Automobile Assembler</b>										
Indus Motor Company Limited	-	4,500	-	-	4,500	5,304,343	5,760,630	1.50	1.48	0.01
Millat Tractors Limited	6,200	-	-	1,700	4,500	3,177,720	3,893,625	1.01	1.00	0.01
	<b>6,200</b>	<b>4,500</b>	<b>-</b>	<b>1,700</b>	<b>9,000</b>	<b>8,482,063</b>	<b>9,654,255</b>	<b>2.51</b>	<b>2.48</b>	
<b>Cables &amp; Electrical Goods</b>										
Pak Elektron Limited	-	60,000	-	-	60,000	1,679,925	1,983,600	0.52	0.51	0.01
	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>60,000</b>	<b>1,679,925</b>	<b>1,983,600</b>	<b>0.52</b>	<b>0.51</b>	
<b>Technology &amp; Communications</b>										
Avanceon Limited	-	45,500	-	-	45,500	2,879,565	3,058,510	0.80	0.79	0.02
Pakistan Telecommunication Terminal Limited	-	150,000	-	-	150,000	1,619,730	1,621,500	0.42	0.42	0.00
Systems Limited	60,000	-	-	1,500	58,500	10,745,280	15,914,340	4.14	4.08	0.05
	<b>60,000</b>	<b>195,500</b>	<b>-</b>	<b>1,500</b>	<b>254,000</b>	<b>15,244,575</b>	<b>20,594,350</b>	<b>5.36</b>	<b>5.29</b>	

# Atlas Islamic Dedicated Stock Fund

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 September 2020	Average cost as at 30 September 2020	Market value as at 30 September 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-----		-----Percentage-----				
<b>Fertilizer</b>											
Engro Corporation Limited (Note 5.3)	86,420	-	-	8,000	78,420	22,970,786	23,606,773	6.14	6.07	0.01	
Engro Fertilizers Limited	269,500	-	-	70,000	199,500	12,025,860	12,133,590	3.16	3.12	0.01	
	<b>355,920</b>	<b>-</b>	<b>-</b>	<b>78,000</b>	<b>277,920</b>	<b>34,996,646</b>	<b>35,740,363</b>	<b>9.30</b>	<b>9.19</b>		
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	8,500	-	-	7,000	1,500	994,500	1,149,960	0.30	0.30	0.00	
AGP Limited	42,000	-	-	42,000	-	-	-	-	-	-	
Glaxosmithkline Pakistan Limited	20,200	-	-	20,200	-	-	-	-	-	-	
Highnoon Laboratories Limited	10,395	-	-	-	10,395	5,210,806	6,382,530	1.66	1.64	0.03	
The Searle Company Limited	35,400	3,500	-	-	38,900	7,955,252	9,970,459	2.60	2.56	0.02	
	<b>116,495</b>	<b>3,500</b>	<b>-</b>	<b>69,200</b>	<b>50,795</b>	<b>14,160,558</b>	<b>17,502,949</b>	<b>4.57</b>	<b>4.50</b>		
<b>Chemicals</b>											
Berger Paints Pakistan Limited	-	22,500	-	-	22,500	1,949,920	1,858,500	0.48	0.48	0.11	
Dyneema Pakistan Limited	-	10,500	-	10,500	-	-	-	-	-	-	
Engro Polymer & Chemicals Limited	325,000	-	-	75,000	250,000	6,245,000	10,065,000	2.63	2.58	0.03	
ICI Pakistan Limited	4,650	2,500	-	1,500	5,650	3,974,997	4,088,284	1.06	1.05	0.01	
Sitara Chemical Industries Limited	-	6,000	-	-	6,000	1,934,472	1,929,960	0.50	0.50	0.03	
	<b>329,650</b>	<b>41,500</b>	<b>-</b>	<b>87,000</b>	<b>284,150</b>	<b>14,104,389</b>	<b>17,941,744</b>	<b>4.68</b>	<b>4.61</b>		
<b>Paper &amp; Board</b>											
Packages Limited	6,000	3,000	-	-	9,000	3,293,660	4,520,970	1.18	1.16	0.01	
Security Papers Limited	-	5,000	-	-	5,000	1,004,350	1,083,700	0.28	0.28	-	
	<b>6,000</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>14,000</b>	<b>4,298,010</b>	<b>5,604,670</b>	<b>1.46</b>	<b>1.44</b>	<b>0</b>	
<b>Leather &amp; Tanneries</b>											
Bata Pakistan Limited	4,420	-	-	-	4,420	5,936,502	7,443,103	1.94	1.91	0.06	
	<b>4,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,420</b>	<b>5,936,502</b>	<b>7,443,103</b>	<b>1.94</b>	<b>1.91</b>		
<b>Foods &amp; Personal Care Products</b>											
At-Tahur Limited	228,500	-	-	-	228,500	3,937,055	4,832,776	1.27	1.24	0.14	
	<b>228,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228,500</b>	<b>3,937,055</b>	<b>4,832,776</b>	<b>1.27</b>	<b>1.24</b>		
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries Limited	37,000	-	-	3,000	34,000	2,193,680	3,080,740	0.80	0.79	0.03	
	<b>37,000</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>34,000</b>	<b>2,193,680</b>	<b>3,080,740</b>	<b>0.80</b>	<b>0.79</b>		
<b>Miscellaneous</b>											
Synthetic Products Enterprises Limited	25,500	-	-	25,500	-	-	-	-	-	-	
	<b>25,500</b>	<b>-</b>	<b>-</b>	<b>25,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Total as at 30 September 2020							<u>326,419,291</u>	<u>384,242,855</u>	<u>100.03</u>	<u>98.82</u>	
Total as at 30 June 2020							<u>365,140,564</u>	<u>357,745,101</u>			

5.2 The cost of listed equity securities as at 30 September 2020 is Rs. 354,251,818 (30 June 2020: 387,335,932).

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

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	30 September	30 June	30 September	30 June
	2020	2020	2020	2020
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Engro Corporation Limited	4,500	4,500	1,354,635	1,318,140
Meezan Bank Limited	1,000	1,000	82,210	68,850
Oil & Gas Development Company Limited	50,000	50,000	5,180,000	5,450,000
Pakistan Petroleum Limited	30,000	30,000	2,761,800	2,603,400
	<b>85,500</b>	<b>85,500</b>	<b>9,378,645</b>	<b>9,440,390</b>

	30 September	30 June
	2020	2020
	Un-audited	Audited
Note	-----Rupees -----	

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

Remuneration of the Management Company	6.1	806,341	723,020
Sindh Sales Tax payable on remuneration of the Management Company	6.2	104,824	93,992
Accounting and operational charges	9	108,486	51,214
		<b>1,019,651</b>	<b>868,226</b>

6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company set the maximum limit of 2.5% of average annual net assets, within allowed expense. The Management Company has charged management fee at the rate of 2.40% on average annual net assets. The fee is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 312,376 (2019: 159,965) 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. 301,544 (2019: 163,100) has been paid to the Management Company which acts as the collecting agent.

	Note	30 September	30 June
		2020	2020
		Un-audited	Audited
		-----Rupees -----	
Auditors' remuneration payable		353,355	276,589
Printing charges payable		12,820	-
Charity payable	7.1	44,506	53,764
Annual listing fee payable		6,883	-
Transaction charges payable		80,366	394,618
Withholding tax payable		107,087	104,745
Provision for Sindh Workers' Welfare Fund		1,862,079	549,620
Payable to Shariah Advisor		20,000	15,000
		<b>2,487,096</b>	<b>1,394,336</b>

# Atlas Islamic Dedicated Stock Fund

7.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 44,506 (30 June 2020: Rs. 329,525) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

## 8 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

## 9 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 4.78% (30 June 2020: 3.62%) which includes 1.69% (30 June 2020: 0.53%) 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.

## 11 TAXATION

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

## 12 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.

## 13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

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	For the Quarter Ended 30 September	
	2020 Un-audited	2019 Un-audited
	----- Rupees -----	
<b>13.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	2,402,896	1,230,497
Sindh Sales Tax on remuneration of the Management Company	312,376	159,965
Remuneration paid	2,319,575	1,272,612
Formation cost	56,010	55,857
Accounting and operational charges	170,364	61,554
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	200,428	123,049
Sindh Sales Tax on remuneration of the Trustee	26,056	15,996
Remuneration paid	193,298	125,460
Settlement charges	4,884	1,713
Sindh sales tax on settlement charges	2,188	223
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Issue of Nil (2019:18,147) units	-	6,800,000
Redemption of 10,624 (2019: Nil) units	5,260,000	-
<b>Atlas Moderate Allocation Islamic Plan</b>		
Issue of Nil (2019:21,805) units	-	8,150,000
Redemption of 15,928 (2019: Nil) units	7,940,000	-
<b>Atlas Conservative Allocation Islamic Plan</b>		
Issue of Nil (2019: 23,100) units	-	8,700,000
Redemption of 13,442 (2019: Nil) units	6,620,000	-
<b>Atlas Islamic Capital Preservation Plan</b>		
Issue of Nil (2019:45,847) units	-	17,700,000
Redemption of 45,136 (2019: Nil) units	23,000,000	-
<b>Shirazi Investments (Private) Limited Employees Provident Fund</b>		
Issue of 15,757 (2019: Nil) units	7,813,177	-
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Redemption of 5,817 (2019: Nil) units	3,000,000	-
	<b>30 September 2020</b>	<b>30 June 2020</b>
	<b>Un-audited</b>	<b>Audited</b>
	----- Rupees -----	
<b>13.2 Balances as at period / year end</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	806,341	723,020
Sindh Sales Tax payable on remuneration of the management company	104,824	93,992
Accounting and operational charges payable	108,486	51,214
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	67,381	60,251
Sindh sales tax payable on remuneration of the Trustee	8,760	7,834
Settlement charges payable	-	3,000
Sindh sales tax payable on settlement charges	-	390
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Outstanding 160,113 (30 June 2020: 170,738) units at net asset value	83,493,322	75,413,050

# Atlas Islamic Dedicated Stock Fund

	30 September 2020 Un-audited ----- Rupees -----	30 June 2020 Audited -----
<b>Atlas Moderate Allocation Islamic Plan</b> Outstanding 124,966 (30 June 2020: 140,894) units at net asset value	65,165,305	62,231,583
<b>Atlas Conservative Allocation Islamic Plan</b> Outstanding 73,446 (30 June 2020: 86,888) units at net asset value	38,299,329	38,377,373
<b>Atlas Islamic Capital Preservation Plan</b> Outstanding 216,984 (30 June 2020: 262,120) units at net asset value	113,149,634	115,775,867
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b> Outstanding 143,730 (30 June 2020: 149,547) units at net asset value	74,950,111	66,053,424
<b>Shirazi Investments (Private) Limited Employees Provident Fund</b> Outstanding 26,254 (30 June 2020: 10,497) units at net asset value	13,690,320	4,636,206

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

## 14 FAIR VALUE 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.

### 14.1 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.

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.

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## 15 GENERAL

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

## 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 26 October 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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**SITE Office- Karachi**

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F/36, Estate Avenue,  
S.I.T.E.,  
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**Landhi Office- Karachi**

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15th Mile,  
National Highway,  
Landhi, Karachi.  
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**Hyderabad Office**

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

**Savings Center - Lahore**

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**Faisalabad Office**

C/o. Atlas Honda Ltd,  
Customer Care Center,  
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**Rawalpindi Office**

C/o. Atlas Honda Ltd.  
Ground Floor,  
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**Savings Center- Islamabad**

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