



Atlas Islamic Income Fund

Atlas Islamic Stock Fund

**QUARTERLY REPORT**

30 September 2017

**(UN-AUDITED)**



Management Company

**Atlas Asset Management**

Rated AM2+ by PACRA



#### **Vision**

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

#### **Mission Statement**

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

## **CONTENTS**

ORGANISATION	2
CHAIRMAN'S REVIEW	3

### **ATLAS ISLAMIC INCOME FUND**

CORPORATE INFORMATION	5
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	6
CONDENSED INTERIM INCOME STATEMENT	7
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	8
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	9
CONDENSED INTERIM CASH FLOW STATEMENT	10
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	11

### **ATLAS ISLAMIC STOCK FUND**

CORPORATE INFORMATION	19
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	20
CONDENSED INTERIM INCOME STATEMENT	21
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	22
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	23
CONDENSED INTERIM CASH FLOW STATEMENT	24
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	25

# Atlas Meraj

## ORGANISATION

### Management Company

Atlas Asset Management Limited

### Board of Directors of the Management Company

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

Directors Mr. Tariq Amin  
(Independent Director)

Mr. Shamshad Nabi  
(Independent Director)

Mr. Frahim Ali Khan  
(Non-Executive Director)

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

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

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

Company Secretary Ms Qurrat-ul-Ain Jafari

### Board Committees

#### Audit Committee

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

Secretary Mr. M. Uzair Uddin Siddiqui

#### Board Evaluation Committee

Chairman Mr. Tariq Amin  
Members Mr. Shamshad Nabi  
Mr. Ali H. Shirazi

Secretary Mr. M. Habib-ur-Rahman

### Human Resource & Remuneration Committee

Chairman Mr. Frahim Ali Khan  
Members Mr. Ali H. Shirazi  
Mr. M. Habib-ur-Rahman

### Investment Committee

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

### Management Committee

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

### Risk Management Committee

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

### Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

### Registered Office

Ground Floor, Federation House, Sharae Firdousi  
Clifton, Karachi - 75600  
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 2017-18

## CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Islamic Income Fund (AIIF) and Atlas Islamic Stock Fund (AISF) for the three months period ended September 30, 2017 of the FY 2017-18.

### The Economy

During the period, July - Sept FY 2017-18, total exports stood at US\$5.17 billion as compared to US\$4.67 billion worth of exports reported in the same period last year. The foreign exchange reserves of the country stood at US\$19.76 billion as on September 29, 2017 with SBP's share of US\$13.86 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-Sept FY 2017-18 stood at US\$4.79 billion, which was an increase of 1.05% YoY compared to the corresponding period last year. Fiscal deficit for July- Sep FY 2017-18 was recorded at 0.9% of GDP which was lower than last year's deficit of 1.3%. CPI inflation for the period July- Sep FY 2017-18 was recorded at 3.4%. State Bank of Pakistan (SBP) in its latest monetary policy statement decided to keep the policy rate unchanged at 5.75%. Previously, accommodative monetary stance of SBP saw cumulative decline in policy rate of 425 bps since November 2014 till May 2016. The current policy rate of 5.75% is the lowest rate in last 45 years reflecting improved macro-economic conditions.

### Fund Operations - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund increased by 1.16% to Rs.508.67 as on 30 September 2017, this works out to 4.61% on an annualized basis. The AIIF's total exposure in Corporate Sukuk was 3.19% with remaining 96.33% in high yielding shariah compliant bank deposits. The Net Assets of the Fund stood at Rs.1.62 billion, with 3.18 million units outstanding as of 30 September 2017.

### Fund Operations - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund decreased by 6.67% to Rs.537.37 as on 30 September 2017. The benchmark KMI-30 index decreased by 9.10% during the same period. The KMI- 30 index decreased from 78,598.22 points as on 30 June 2017 to 71,442.66 points as on September 29, 2017. AISF's equity portfolio exposure was mainly in Oil & Gas Exploration, Fertilizer, Cement, Oil & Gas Marketing and Power Generation & Distribution sectors. AISF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. The Net Assets of the Fund stood at Rs.2.39 billion, with 4.44 million units outstanding as of 30 September 2017.

### Mutual Fund Taxation

#### Workers' 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 30 June 2015 were reversed on 12 January 2017.

#### Sindh Workers' 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 30 June 2016. On September 04, 2013 a constitutional petition was filed in SHC jointly by various AMC's, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. The Federation has filed an appeal in the Honorable Supreme Court of Pakistan. However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for 'FED till 30 June 2016.

# Atlas Meraj

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

## Accounting for Element Of Income

To maintain same rate of dividend (dividend equalization) the income contributed on units issued less income paid out on units redeemed (together referred as element of income) during a financial year is transferred to Income Statement. The balance in the Income Statement (of which element of income is a part) after setting off the expenses is distributed as dividend that is subjected to income tax at the applicable rate.

On August 03, 2017, Securities and Exchange Commission of Pakistan (SECP) issued a notification that described element of income as transaction of capital nature. The element of income will be routed to Unit holders' fund. Accordingly the mutual funds will now be required to distribute the dividend that will be at variable rate according to timing of issue of units and to maintain equalization and same NAV for all units, element of income will be distributed as refund of capital reducing the cost of purchase of units, maintaining same payout ratio as for dividend.

## RATINGS

### Asset Manager Rating

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

### Fund Stability Rating - AIIF

PACRA has 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

Pakistan's economic outlook is contingent upon overcoming macro-economic challenges. Current account deficit is under pressure on the back of widening trade deficit and slowdown in remittances. There are anticipations of gain in exports on account of favorable global economic conditions, improvement in domestic energy supplies, and incentives given to export sector. It is imperative to improve productivity and competitiveness to enhance exports. There is need to encourage private capital inflows and foreign direct investments in particular to improve balance-of-payments position. With declining number of workers proceeding abroad there are prospects of sluggish growth in workers' remittances. Structural reforms are required to improve trade competitiveness in the medium term with an objective improve external position and build foreign exchange reserves.

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

خودی کو کر بلند اتنا کہ ہر تقدیر سے پہلے  
خدا بندے سے خود پوچھے بتا تیری رضا کیا ہے  
(Self-reliance depends on Self-determination)

## Aknowledgement

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

Yusuf H. Shirazi  
Chairman

Karachi: 26 October 2017

# First Quarter Report 2017-18

## Atlas Islamic Income Fund

---

### Corporate Information

#### **Trustee**

---

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

#### **Shariah Advisor**

---

Mufti Muhammad Yahya Asim

#### **Auditors**

---

A. F. Ferguson & Co.  
Chartered Accountants

#### **Legal Advisers**

---

Mohsin Tayebaly & Co.

#### **Bankers**

---

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

# Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 30 SEPTEMBER 2017

		30 September 2017 Un-audited	30 June 2017 Audited
	Note	----- Rupees -----	----- Rupees -----
<b>ASSETS</b>			
Cash and Bank balances	4	1,572,475,288	1,254,506,788
Investments	5	52,150,000	165,338,600
Receivable against issue of units		-	209,743,186
Markup accrued	6	7,121,699	10,064,434
Security deposit, prepayment and other receivables		609,430	578,941
<b>Total assets</b>		<b>1,632,356,417</b>	<b>1,640,231,949</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	7	2,592,465	2,689,688
Payable to Central Depository Company of Pakistan Limited - Trustee		204,952	220,817
Annual fee payable to the Securities and Exchange Commission of Pakistan		309,620	1,292,731
Payable against redemption of units		10,119,864	3,712,000
Unclaimed Dividend		62,457	62,457
Accrued expenses and other liabilities	8	2,507,698	17,995,081
<b>Total liabilities</b>		<b>15,797,056</b>	<b>25,972,774</b>
<b>NET ASSETS</b>		<b>1,616,559,361</b>	<b>1,614,259,175</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>1,616,559,361</b>	<b>1,614,259,175</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>3,178,040</b>	<b>3,210,424</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>508.67</b>	<b>502.82</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

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director



# First Quarter Report 2017-18

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	Note	2017 ----- Rupees	2016 ----- Rupees
<b>Income</b>			
Markup income	11	23,783,580	7,521,228
Capital loss on sale of investments - net		(1,409,700)	(14,925)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		20,300	944,220
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.2	-	36,205
<b>Total income</b>		<b>22,394,180</b>	<b>8,486,728</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	1,238,480	403,020
Sindh Sales Tax on remuneration of the Management Company	7.2	161,002	52,393
Remuneration of Central Depository Company of Pakistan Limited - Trustee		565,149	228,373
Sindh Sales Tax on Remuneration of the Trustee		73,469	29,688
Annual fees - Securities and Exchange Commission of Pakistan		309,620	100,760
Accounting and operational charges	10	400,065	131,008
Sindh Sales Tax on accounting and operational charges		-	10,243
Auditors' remuneration		59,166	59,827
Securities transaction cost		14,238	24,295
Annual listing fee		6,428	13,863
Annual rating fee		75,193	75,859
Printing charges		40,178	25,849
Shariah Advisory Fee		44,083	44,083
Bank charges		5,009	1,756
Legal and professional charges		51,460	-
Provision for Sindh Workers' Welfare Fund		387,013	-
<b>Total expenses</b>		<b>3,430,553</b>	<b>1,201,017</b>
<b>Net income for the period before taxation</b>		<b>18,963,627</b>	<b>7,285,711</b>
<b>Taxation</b>	13	-	-
<b>Net income for the period after taxation</b>		<b>18,963,627</b>	<b>7,285,711</b>
<b>Allocation of Net Income for the period:</b>			
Income already paid on units redeemed		1,498,279	
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		20,300	
- Excluding capital gains		17,445,048	
		<b>17,465,348</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

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Islamic Income Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	2017	2016
	----- Rupees -----	
Net income for the period after taxation	17,465,348	7,285,711
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>17,465,348</b>	<b>7,285,711</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

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# First Quarter Report 2017-18

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

		30 September 2017			
Note	Units	Capital Value	Undistributed Income	Net Assets	
					-----Rupees-----
		3,210,424	1,608,541,544	5,717,631	1,614,259,175
<b>Net assets at the beginning of the period</b>					
[Rs. 502.82 per unit]					
[Includes unrealised gain on investment of Rs.3,675,600]					
	805,935	406,621,791	-	-	406,621,791
	(838,319)	(421,786,953)	-	-	(421,786,953)
	(32,384)	(15,165,162)	-	-	(15,165,162)
Issue of units					
Redemption of units less income paid on units redeemed					
Element of income and capital gains included in prices of units issued less those in units redeemed-net 3.2					
	-	-	-	-	-
<b>Accounting income available for distribution for the period</b>					
	-	-	20,300	-	20,300
	-	-	17,445,048	-	17,445,048
	-	-	17,465,348	-	17,465,348
		3,178,040	1,593,376,382	23,182,979	1,616,559,361
<b>Net assets at the end of the period</b>					
[Rs.508.67 per unit]					
[includes unrealised gain on investments of Rs.2,150,000]					

		30 September 2016			
Note	Units	Capital Value	Undistributed Income	Net Assets	
					-----Rupees-----
	1,113,938	557,321,508	1,231,704	-	558,553,212
<b>Net assets at the beginning of the period</b>					
[2016: Rs.501.42 per unit]					
[2016: unrealised gain on investments of Rs.1,585,940]					
	94,859	47,974,352	-	-	47,974,352
	(149,351)	(75,261,616)	-	-	(75,261,616)
	(54,492)	(27,287,264)	-	-	(27,287,264)
Issue of units					
Redemption of units					
Element of income and capital gains included in prices of units issued less those in units redeemed-net 3.2					
	-	(36,205)	-	-	(36,205)
<b>Accounting income available for distribution for the period</b>					
	-	-	-	-	-
	-	-	7,285,711	-	7,285,711
	-	-	7,285,711	-	7,285,711
		1,059,446	529,998,039	8,517,415	538,515,454
<b>Net assets at the end of the period</b>					
[2016: Rs.508.30 per unit]					
[2016: unrealised gain on investments of Rs.1,885,160]					

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

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Islamic Income Fund

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	2017	2016
Note	-----	Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	18,963,627	7,285,711
<b>Adjustment for:</b>		
Markup income	(23,783,580)	(7,521,228)
Capital loss on sale of investments - net	1,409,700	14,925
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(20,300)	(944,220)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(36,205)
Provision for Sindh Workers' Welfare Fund	387,013	-
	<b>(22,007,167)</b>	<b>(8,486,728)</b>
<b>Increase in assets</b>		
Security deposit, prepayment and other receivables	(30,489)	(257,430)
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(97,223)	(11,922)
Payable to Central Depository Company of Pakistan Limited	(15,865)	(6,763)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(983,111)	(275,094)
Accrued expenses and other liabilities	(15,874,396)	(3,478,212)
	<b>(16,970,595)</b>	<b>(3,771,991)</b>
Markup received	26,726,315	6,623,560
Investments made during the period	-	(50,000,000)
Investments sold/matured during the period	111,799,200	100,775,075
<b>Net cash generated from operating activities</b>	<b>118,480,891</b>	<b>52,168,197</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	616,364,977	48,232,450
Net payments against redemption of units	(416,877,368)	(75,267,343)
<b>Net cash generated from/(used in) financing activities</b>	<b>199,487,609</b>	<b>(27,034,893)</b>
<b>Net increase in cash and cash equivalents</b>	<b>317,968,500</b>	<b>25,133,304</b>
Cash and cash equivalents at the beginning of the period	1,254,506,788	220,654,282
<b>Cash and cash equivalents at the end of the period</b>	<b>4 1,572,475,288</b>	<b>245,787,586</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

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# First Quarter Report 2017-18

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted under a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First, Second and Third Supplemental Trust Deeds dated 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016 and 2 June 2017 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.

1.2 The Fund has been categorised as a 'shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis since 14 October 2008, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

1.3 According to the trust deed, the objective of the Fund is to provide investors with a good and stable rate of current income consistent with long term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realise capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long medium, and short term, high quality islamic income instruments.

1.4 The Pakistan Credit Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two plus) on 04 May 2017.

PACRA has maintained a stability rating of "AA-(f)" to the Fund on 12 July 2017.

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 as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its Circular no.23 of 2017 dated 4 October 2017 allowed, those Companies who are required to prepare interim financial statements for the period ending on or before 31 December 2017, to prepare their interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 2017.

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 2017.

# Atlas Islamic Income Fund

## 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 2017.

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 2017.

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 2017.

3.2 The Securities and Exchange Commission of Pakistan (SECP) vide statutory notification (S.R.O) no.756(I)/2017 dated 03 August 2017, has amended the NBFC Regulations. The amendment has been done in consultation with the Institute of Chartered Accountants of Pakistan, keeping in view the International Financial Reporting Standards. According to the amendment the "element of income" contributed on units to be issued and paid out on redemption is defined as transaction of capital nature and its receipt and payment is to be taken to Unit Holders' Fund.

Previously, the net element of income was recognized in the income statement as an equalization account. To maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in Unit Holders' Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution. This is treated as a reduction of capital value of units.

		30 September 2017 Un-audited	30 June 2017 Audited
	Note	----- Rupees -----	
<b>4. CASH AND BANK BALANCES</b>			
<b>In local currency</b>			
- Profit and loss sharing accounts	4.1	1,572,099,288	1,245,001,788
- Current account		5,000	5,000
- Cheques in hand	4.2	371,000	9,500,000
		<u>1,572,475,288</u>	<u>1,254,506,788</u>

4.1 The rate of return on these profit and loss sharing accounts ranges between 2.00% to 5.95% (30 June 2017: 2.00% to 5.95%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequently on 4 October 2017 (30 June 2017: 4 July 2017).

		30 September 2017 Un-audited	30 June 2017 Audited
	Note	----- Rupees -----	
<b>5. INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Government securities - Government of Pakistan (GoP) Ijarah Sukuks	5.1	-	113,208,900
Debt securities - Sukuk certificates (unlisted)	5.2	52,150,000	52,129,700
		<u>52,150,000</u>	<u>165,338,600</u>

# First Quarter Report 2017-18

## 5.1 Government securities - Government of Pakistan (GoP) Ijarah Sukuks

Script	Face Value - Rupees				Rupees			Percentage of	
	As at 01 July 2017	Acquired during the period	Disposed during the period	As at 30 September 2017	Carrying Value as at 30 September 2017	Market Value as at 30 September 2017	Unrealised appreciation as at 30 September 2017	Market Value as a percentage of total investments	Market Value as a percentage of net assets
Government of Pakistan									
Ijarah Sukuks	111,000,000	-	111,000,000	-	-	-	-	-	-
	<b>111,000,000</b>	<b>-</b>	<b>111,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

5.1.1 The cost of investments as at 30 September 2017 is Nil (30 June 2017: Rs. 111,663,000).

5.1.2 The expected rate of markup on GoP Ijara Sukuks is Nil (30 June 2017: 5.51%) per annum and having Nil maturity (30 June 2017: 18 December 2018).

## 5.2 Debt securities - Sukuk certificates (unlisted)

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

Script	Face Value - Rupees				Rupees			Percentage of	
	As at 01 July 2017	Acquired during the period	Disposed during the period	As at 30 September 2017	Carrying Value as at 30 September 2017	Market Value as at 30 September 2017	Unrealised appreciation as at 30 September 2017	Market Value as a percentage of total investments	Market Value as a percentage of net assets
BANKS									
Meezan Bank Limited	50	-	-	50	52,129,700	52,150,000	20,300	100.00	3.23
	<b>50</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>52,129,700</b>	<b>52,150,000</b>	<b>20,300</b>	<b>100.00</b>	<b>3.23</b>

5.2.1 The cost of investments as at 30 September 2017 amounts to Rs.50,000,000 (30 June 2017: Rs.50,000,000).

5.1.2 These certificates carry mark-up at the rate of 6 months KIBOR plus 0.50% (30 June 2017: 6 months KIBOR plus 0.50%) per annum and are due to mature by 22 September 2026 (30 June 2017: 22 September 2026).

6. MARKUP ACCRUED	30 September 2017	30 June 2017
	Un-audited	Audited
Note	Rupees	
Mark-up accrued on:		
- Profit and loss sharing accounts	6,848,371	8,740,209
- Sukuk certificates	273,328	1,106,356
- Government of Pakistan (GoP) Ijarah Sukuks	-	217,869
	<b>7,121,699</b>	<b>10,064,434</b>

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

Remuneration of the Management Company	7.1	391,801	461,858
Sindh Sales Tax payable on remuneration of the Management Company	7.2	318,528	327,636
Federal Excise Duty payable on remuneration of the Management Company	7.3	1,733,901	1,733,901
Accounting and operational charges payable	10	148,235	150,123
Sindh Sales Tax payable on Operational Charges		-	16,170
		<b>2,592,465</b>	<b>2,689,688</b>

# Atlas Islamic Income Fund

- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets incase of income schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. During the quarter ended 30 September 2017, the Management Company has charged its remuneration at the rate of 0.30% (2016: 0.30%) per annum of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 161,002 (2016: Rs.52,393 ) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 170,110 (2016: 54,996 ) 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 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 1.734 million (30 June 2017: 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 2017 would have been higher by Re.0.55 per unit (30 June 2017: Re. 0.54 per unit).

	30 September 2017	30 June 2017
	Un-audited	Audited
Note	----- Rupees -----	

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	59,828	174,413
Printing charges payable	141,438	101,260
Brokerage payable	12,543	-
Payable to Shariah Advisor	46,668	45,711
Withholding tax payable	36,385	15,732,191
Legal and professional charges payable	-	100,000
Provision for Sindh Workers' Welfare Fund	8.1 1,659,440	1,272,428
Annual rating fee payable	75,193	-
Zakat payable	-	92,875
Other payable	476,203	476,203
	<b>2,507,698</b>	<b>17,995,081</b>



# First Quarter Report 2017-18

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

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

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

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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 Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP 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 recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF as on 12 January 2017 held by the CISs till 30 June 2015 should be reversed; and
- as a matter of abundant caution, create the provision in respect of SWWF on 12 January 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 by the Fund 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.

# Atlas Islamic Income Fund

## 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2017 and 30 June 2017.

## 10. ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function to an independent service provider.

For the Quarter Ended	
30 September 2017	30 September 2016
Un-audited	Un-audited
----- Rupees -----	

## 11. MARKUP INCOME

Mark-up income on:

- Profit and loss sharing accounts
- Government of Pakistan (GoP) - Ijarah Sukuks
- Sukuk certificates

21,455,615	3,284,573
1,491,567	4,155,778
836,398	80,877
<b>23,783,580</b>	<b>7,521,228</b>

## 12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2017 is 0.76% (30 June 2017: 0.53%) after netting off 0.16% (30 June 2017: 0.53%) 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 in respect of taxation has been made in these condensed interim financial statements.

## 14. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

For the Quarter Ended	
30 September 2017	30 September 2016
Un-audited	Un-audited
----- Rupees -----	

### 14.1 Details of transactions with related parties during the period are as follows:

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

Remuneration of the Management Company	1,238,480	403,020
Remuneration paid to the Management Company	1,308,537	412,339
Sindh Sales Tax on remuneration of the Management Company	161,002	52,393
Accounting and operational charges	400,065	131,008
Sindh Sales Tax on accounting and operational charges	-	10,243

# First Quarter Report 2017-18

	For the Quarter Ended	
	30 September 2017	30 September 2016
	Un-audited	Un-audited
Note	----- Rupees -----	----- Rupees -----
<b>14.1 Details of transactions with related parties during the period are as follows: (Continued...)</b>		
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	565,149	228,373
Remuneration paid to the Trustee	579,189	233,655
Sindh Sales Tax on remuneration of the Trustee	73,469	29,688
Settlement charges	1,500	1,500
Settlement charges paid	1,500	1,500
Sindh Sales Tax on settlement charges	195	195
<b>Atlas Power Limited Staff Provident Fund (Retirement benefit plan of group company)</b>		
Redemption of 358 (2016: Nil) units	180,655	-
<b>Honda Atlas Power Product (Pvt) Limited (Group Company)</b>		
Issue of 19,683 (2016: Nil) units	10,000,000	-
Redemption of 79,624 (2016: Nil) units	40,222,948	-
<b>Directors and their close family members and key management personnel of the management company</b> 14.4		
Issue of 6,036 (2016: 7,340) units	3,053,882	3,697,318
Redemption of 5,170 (2016: 663) units	2,610,236	335,000
	<b>30 September 2017</b>	<b>30 June 2017</b>
	<b>Un-audited</b>	<b>Audited</b>
	<b>----- Rupees -----</b>	<b>----- Rupees -----</b>

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

<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	391,801	461,858
Sindh Sales Tax payable on Remuneration of the Management Company	318,528	327,636
Federal Excise Duty payable on Remuneration of the Management Company	1,733,901	1,733,901
Accounting and operational charges payable	148,235	150,123
Sindh Sales Tax payable on accounting and operational charges	-	16,170
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	180,873	194,913
Sindh Sales Tax payable on Remuneration of the trustee	23,514	25,339
Settlement charges payable	500	500
Sindh Sales Tax payable on settlement charges	65	65
<b>Atlas Battery Limited</b>		
Outstanding 1,193,786 (30 June 2017: 1,193,786) units - at net asset value	607,243,153	600,259,505
<b>Atlas Power Limited Staff Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding Nil (30 June 2017: 358) units - at net asset value	-	180,007
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 113,932 (30 June 2017: 113,932) units - at net asset value	57,953,898	57,287,395
<b>Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 21,389 (30 June 2017: 21,389) units - at net asset value	10,879,807	10,754,682

# Atlas Islamic Income Fund

	30 September 2017 Un-audited	30 June 2017 Audited
Note	----- Rupees -----	-----

## 14.2 Details of balances with related parties as at the period/year end as follows: (Continued....)

<b>Atlas Insurance Limited Window Takaful Operation (Group Company)</b>		
Outstanding 32,328 (30 June 2017: 32,328) units - at net asset value	16,444,177	16,255,059
<b>Honda Atlas Power Product (Pvt) Limited (Group Company)</b>		
Outstanding 19,683 (30 June 2017: 79,624 units - at net asset value	10,012,006	40,036,627
<b>Chevron Pakistan Lubricants (Private) Limited Gratuity Fund (Unit Holder with more than 10% holding)</b>	14.3	
Outstanding Nil (30 June 2017: 160,429) units - at net asset value	-	80,666,951
<b>Hamdard Laboratories (WAQF) Pakistan (Unit Holder with more than 10% holding)</b>	14.3	
Outstanding Nil (30 June 2017: 131,574) units - at net asset value	-	66,157,561
<b>Directors and their close family members and key management personnel of the management company</b>	14.4	
Outstanding 16,599 (30 June 2017: 15,733) units - at net asset value	8,443,392	7,910,773

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

14.4 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for the FY 2017-18.

14.5 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. GENERAL

15.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation.

15.2 Figures have been rounded off to the nearest Rupee.

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

## 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 2017.

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

Qurrat-ul-Ain Jafari  
Chief Financial Officer

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# First Quarter Report 2017-18

## Atlas Islamic Stock Fund

---

### Corporate Information

#### Trustee

---

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

#### Shariah Advisor

---

Mufti Muhammad Yahya Asim

#### Auditors

---

EY Ford Rodes  
Chartered Accountants

#### Legal Advisers

---

Mohsin Tayebaly & Co.

#### Bankers

---

Al-Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited - Islamic Banking  
Bank Islami Pakistan Limited  
HBL Bank Limited - Islamic Banking  
Meezan Bank Limited

# Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 30 SEPTEMBER 2017

		30 September 2017 Un-audited	30 June 2017 Audited
	Note	----- Rupees -----	-----
<b>ASSETS</b>			
Bank balances	4	299,011,460	442,628,274
Investments	5	2,095,785,332	2,310,721,597
Profit receivable on bank balances		3,173,219	2,078,198
Dividend receivable		18,785,962	8,034,160
Receivable against issue of units		647,428	-
Security deposits, prepayment and other receivables		5,218,491	5,197,419
<b>Total assets</b>		<b>2,422,621,892</b>	<b>2,768,659,648</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	6	16,739,283	17,686,027
Payable to Central Depository Company of Pakistan Limited - Trustee		320,807	378,232
Payable to the Securities and Exchange Commission of Pakistan		593,738	2,184,540
Payable against purchase of investments		-	32,143,394
Payable against redemption of units		225,718	219,844,446
Accrued expenses and other liabilities	7	17,131,334	17,524,253
<b>Total liabilities</b>		<b>35,010,880</b>	<b>289,760,892</b>
<b>NET ASSETS</b>		<b>2,387,611,012</b>	<b>2,478,898,756</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>2,387,611,012</b>	<b>2,478,898,756</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,443,124</b>	<b>4,058,678</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>537.37</b>	<b>610.77</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# First Quarter Report 2017-18

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	Note	2017 ----- Rupees	2016 ----- Rupees
<b>INCOME</b>			
Profit on bank balances		6,891,735	2,139,553
Dividend income		21,161,077	18,688,500
Capital (loss)/gain on sale of investments - net		(11,146,082)	45,425,329
Net unrealized (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(170,776,078)	78,039,098
		<b>(181,922,160)</b>	<b>123,464,427</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.2	-	6,790,471
		<b>(153,869,348)</b>	<b>151,082,951</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	12,499,762	7,802,004
Sindh sales tax on remuneration of the Management Company	6.2	1,624,969	1,014,261
Remuneration of Central Depository Company of Pakistan Limited - Trustee		874,212	642,154
Sindh sales tax on remuneration of the Trustee		113,648	83,480
Annual fee - Securities and Exchange Commission of Pakistan		593,738	370,596
Accounting and operational charges	9	596,943	382,039
Sindh sales tax on accounting and operational charges		-	29,954
Shariah advisory fee		86,958	87,361
Auditors' remuneration		58,955	78,120
Securities transaction cost		886,674	956,483
Selling and Marketing expenses	10	18,970	-
Annual listing fee		6,428	13,863
Printing charges		60,883	74,946
Legal and professional charges		76,460	-
Bank charges		2,843	4,945
		<b>17,501,443</b>	<b>11,540,206</b>
<b>Net (loss)/income for the period before taxation</b>		<b>(171,370,791)</b>	<b>139,542,745</b>
<b>Taxation</b>	12	-	-
<b>Net (loss)/income for the period after taxation</b>		<b>(171,370,791)</b>	<b>139,542,745</b>
<b>Allocation of Net (loss)/Income for the period:</b>			
<b>(Loss )/Income allocated on units redeemed</b>		<b>(21,145,217)</b>	
<b>Accounting (loss)/income carried forward</b>		<b>(150,225,574)</b>	

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Islamic Stock Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	2017	2016
	----- Rupees -----	
Net (loss)/income for the period after taxation	(150,225,574)	139,542,745
Other comprehensive (loss)/income	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(150,225,574)</b>	<b>139,542,745</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director



# First Quarter Report 2017-18

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

		30 September 2017			
		Units	Capital Value	Undistributed Income	Net Assets
Note		-----Rupees-----			
<b>Net assets at beginning of the period</b> [Rs.610.77 per unit] [Includes unrealised gain on investments of Rs.228,218,318]		4,058,678	1,642,603,322	836,295,434	2,478,898,756
Issue of units		1,104,350	615,555,568	-	615,555,568
Redemption of units		(719,904)	(414,381,302)	-	(414,381,302)
		<b>384,446</b>	<b>201,174,266</b>	<b>-</b>	<b>201,174,266</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		3.2	-	-	-
<b>Accounting (loss)/income carried forward</b>		-	-	(150,225,574)	(150,225,574)
Final cash dividend Rs.35 per unit declared on 7 July 2017 for the year ended 30 June 2017		-	-	(142,053,721)	(142,053,721)
Shariah non-compliant income set-aside for charity		-	-	(182,715)	(182,715)
<b>Net assets at end of the period</b> [Rs. 537.37 per unit] [Includes unrealised gain on investments of Rs. 34,301,664]		<b>4,443,124</b>	<b>1,843,777,588</b>	<b>543,833,424</b>	<b>2,387,611,012</b>
		-----Rupees-----			
		Units	Capital Value	Undistributed Income	Net Assets
		-----Rupees-----			
<b>Net assets at beginning of the period</b> [2016: Rs.472.57 per unit] [2016: unrealised gain on investments of Rs.88,885,893]		2,987,494	1,136,394,219	275,395,025	1,411,789,244
Issue of units		445,157	227,632,626	-	227,632,626
Redemption of units		(247,470)	(127,421,520)	-	(127,421,520)
		<b>197,687</b>	<b>100,211,106</b>	<b>-</b>	<b>100,211,106</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		3.2	(6,790,471)	-	(6,790,471)
<b>Accounting (loss)/income available for distribution for the period</b>					
- Relating to capital gains		-	-	123,464,427	123,464,427
- Excluding capital gains		-	-	16,078,318	16,078,318
		-	-	<b>139,542,745</b>	<b>139,542,745</b>
Shariah non-compliant income set-aside for charity		-	-	(192,987)	(192,987)
<b>Net assets at end of the period</b> [2016: Rs. 516.32 per unit] [2016: unrealised gain on investments of Rs. 146,371,287]		<b>3,185,181</b>	<b>1,229,814,854</b>	<b>414,744,783</b>	<b>1,644,559,637</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari  
Chief Financial Officer

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Islamic Stock Fund

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	2017	2016
Note	----- Rupees -----	-----
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss)/income for the period after taxation	<b>(171,370,791)</b>	<b>139,542,745</b>
<b>Adjustments for:</b>		
Profit on bank balances	(6,891,735)	(2,139,553)
Dividend income	(21,161,077)	(18,688,500)
Capital loss/(gain) on sale of investments - net	11,146,082	(45,425,329)
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	170,776,078	(78,039,098)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(6,790,471)
	<b>153,869,348</b>	<b>(151,082,951)</b>
<b>Increase in assets</b>		
Security deposits, prepayment and other receivables	(21,072)	(93,244)
	<b>(21,072)</b>	<b>(93,244)</b>
<b>(Decrease)/Increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(946,744)	253,541
Payable to Central Depository Company of Pakistan Limited - Trustee	(57,425)	13,075
Payable to the Securities and Exchange Commission of Pakistan	(1,590,802)	(891,608)
Payable against purchase of investments	(32,143,394)	19,727,064
Accrued expenses and other liabilities	(575,634)	151,999
	<b>(35,313,999)</b>	<b>19,254,071</b>
Profit received on bank balances	5,796,714	1,669,677
Dividend received	10,409,275	2,791,500
Investments made during the period	(434,729,263)	(517,955,031)
Investments sold during the period	467,743,368	484,710,771
<b>Net cash used in operating activities</b>	<b>(3,616,420)</b>	<b>(21,162,462)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	614,908,140	227,857,626
Net payments against redemption of units	(612,854,813)	(127,830,176)
Dividend paid	(142,053,721)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(140,000,394)</b>	<b>100,027,450</b>
<b>Net (decrease)/increase in cash and cash equivalents during the period</b>	<b>(143,616,814)</b>	<b>78,864,988</b>
Cash and cash equivalents at the beginning of the period	442,628,274	76,854,269
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b> <b>299,011,460</b>	<b>155,719,257</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari  
Chief Financial Officer

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# First Quarter Report 2017-18

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Stock Fund (the Fund) is an open-ended collective investment scheme constituted under a trust deed entered into on 12 September 2006 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010 and 23 May 2017, respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). In addition, the Offering Document of the Fund was also revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010, 20 September 2013, 24 March 2015, 29 September 2016 and 2 June 2017 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'shariah compliant 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 Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two plus) on 04 May 2017.
- 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 Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its Circular no.23 of 2017 dated 4 October 2017 allowed, those Companies who are required to prepare interim financial statements for the period ending on or before 31 December 2017, to prepare their interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 2017.

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 2017.

# Atlas Islamic Stock Fund

3.2 The Securities and Exchange Commission of Pakistan (SECP) vide statutory notification (S.R.O) no.756(I)/2017 dated 03 August 2017, has amended the NBFC Regulations. The amendment has been done in consultation with the Institute of Chartered Accountants of Pakistan, keeping in view the International Financial Reporting Standards. According to the amendment the “element of income” contributed on units to be issued and paid out on redemption is defined as transaction of capital nature and its receipt and payment is to be taken to Unit Holders’ Fund.

Previously, the net element of income was recognized in the income statement as an equalization account. To maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in Unit Holders’ Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution. This is treated as a reduction of capital value of units.

	30 September 2017	30 June 2017
	Un-audited	Audited
Note	Rupees	

## 4. BANK BALANCES

### In local currency

- Profit and loss sharing accounts	4.1	298,689,583	442,218,003
- Current account		321,877	250,271
- Cheque in hand		-	160,000
		<b>299,011,460</b>	<b>442,628,274</b>

4.1 The rate of return on these profit and loss sharing accounts ranges between 2.00% to 5.60% (30 June 2017: 2.00% to 5.60%) per annum.

## 5. INVESTMENTS

### At fair value through profit or loss

- Listed equity securities	5.1	<b>2,095,785,332</b>	<b>2,310,721,597</b>
----------------------------	-----	----------------------	----------------------

### 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	Number of shares held					Rupees		Percentage of		
	As at 01 July 2017	Purchases during the period	Bonus/ Right shares during the period	Sales during the period	As at 30 September 2017	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market value as a percentage of paid up capital of investee company held
<b>At fair value through profit or loss - equity securities</b>										
<b>BANKS</b>										
Meezan Bank Limited	634,500	132,000	35,490	50,000	751,990	57,624,250	55,970,616	2.67	2.34	0.07
	<b>634,500</b>	<b>132,000</b>	<b>35,490</b>	<b>50,000</b>	<b>751,990</b>	<b>57,624,250</b>	<b>55,970,616</b>	<b>2.67</b>	<b>2.34</b>	
<b>TEXTILE COMPOSITE</b>										
Nishat Mills Limited	480,000	95,000	-	130,000	445,000	70,003,778	64,569,500	3.08	2.70	0.13
	<b>480,000</b>	<b>95,000</b>	<b>-</b>	<b>130,000</b>	<b>445,000</b>	<b>70,003,778</b>	<b>64,569,500</b>	<b>3.08</b>	<b>2.70</b>	
<b>CEMENT</b>										
Cherat Cement Company Limited	175,000	-	-	175,000	-	-	-	-	-	-
D.G. Khan Cement Company Limited	280,000	140,000	-	145,000	275,000	52,241,207	40,386,500	1.93	1.69	0.06
Fauji Cement Company Limited	2,400,000	-	-	1,016,500	1,383,500	56,765,005	44,991,420	2.15	1.88	0.10
Kohat Cement Company Limited	289,200	211,600	-	-	500,800	106,455,478	75,099,968	3.58	3.15	0.32
Lucky Cement Limited (Note - 5.3)	185,000	6,000	-	37,000	154,000	128,091,397	87,037,720	4.15	3.65	0.05
Pioneer Cement Limited	522,500	25,000	-	32,500	515,000	66,501,900	46,319,100	2.21	1.94	0.23
	<b>3,851,700</b>	<b>382,600</b>	<b>-</b>	<b>1,406,000</b>	<b>2,828,300</b>	<b>410,054,987</b>	<b>293,834,708</b>	<b>14.02</b>	<b>12.31</b>	

# First Quarter Report 2017-18

Name of Investee Company	Number of shares held				Rupees		Percentage of			
	As at 01 July 2017	Purchases during the period	Bonus/ Right shares during the period	Sales during the period	As at 30 September 2017	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market value as a percentage of paid up capital of investee company held
<b>At fair value through profit or loss - equity securities (Continued...)</b>										
<b>REFINERY</b>										
Attock Refinery Limited	-	15,000	-	-	15,000	6,134,708	6,198,150	0.30	0.26	0.02
National Refinery Limited	30,000	-	-	-	30,000	21,779,700	19,917,300	0.95	0.83	0.04
	<b>30,000</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>45,000</b>	<b>27,914,408</b>	<b>26,115,450</b>	<b>1.25</b>	<b>1.09</b>	
<b>POWER GENERATION &amp; DISTRIBUTION</b>										
Hub Power Company Limited (Note - 5.3)	1,200,000	252,700	-	-	1,452,700	169,956,514	162,426,389	7.75	6.80	0.13
K-Electric Limited (Face value Rs. 3.5)	4,000,000	2,100,000	-	400,000	5,700,000	39,329,375	40,128,000	1.91	1.68	0.02
	<b>5,200,000</b>	<b>2,352,700</b>	<b>-</b>	<b>400,000</b>	<b>7,152,700</b>	<b>209,285,889</b>	<b>202,554,389</b>	<b>9.66</b>	<b>8.48</b>	
<b>OIL &amp; GAS MARKETING COMPANIES</b>										
Attock Petroleum Limited	105,100	20,000	-	40,000	85,100	53,380,593	53,249,623	2.54	2.23	0.10
Pakistan State Oil Company Limited (Note - 5.3)	235,000	-	-	65,000	170,000	65,849,500	75,099,200	3.58	3.15	0.06
Sui Northern Gas Pipelines Limited	650,000	25,000	-	-	675,000	100,567,895	90,355,500	4.31	3.78	0.11
Sui Southern Gas Company Limited	400,000	75,000	-	400,000	75,000	2,745,870	2,717,250	0.13	0.11	0.01
	<b>1,390,100</b>	<b>120,000</b>	<b>-</b>	<b>505,000</b>	<b>1,005,100</b>	<b>222,543,858</b>	<b>221,421,573</b>	<b>10.56</b>	<b>9.27</b>	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Limited	94,510	1,400	-	3,500	92,410	145,515,191	139,077,974	6.64	5.82	0.08
Oil & Gas Development Company Limited	775,500	340,200	-	250,700	865,000	123,309,191	128,573,600	6.13	5.39	0.02
Pakistan Oilfields Limited	190,100	35,000	-	10,000	215,100	97,777,035	114,441,804	5.46	4.79	0.09
Pakistan Petroleum Limited (Note - 5.3)	760,000	9,700	-	310,000	459,700	68,244,100	80,304,993	3.83	3.36	0.02
	<b>1,820,110</b>	<b>386,300</b>	<b>-</b>	<b>574,200</b>	<b>1,632,210</b>	<b>434,845,517</b>	<b>462,398,371</b>	<b>22.06</b>	<b>19.36</b>	
<b>ENGINEERING</b>										
International Industries Limited	215,000	30,000	-	25,000	220,000	80,711,615	63,844,000	3.05	2.67	0.18
International Steels Limited	100,000	215,000	-	30,000	285,000	34,289,977	34,522,050	1.65	1.45	0.07
	<b>315,000</b>	<b>245,000</b>	<b>-</b>	<b>55,000</b>	<b>505,000</b>	<b>115,001,592</b>	<b>98,366,050</b>	<b>4.70</b>	<b>4.12</b>	
<b>AUTOMOBILE ASSEMBLER</b>										
Atlas Honda Limited	30,000	-	-	-	30,000	18,120,900	16,800,000	0.80	0.70	0.03
Millat Tractors Limited	12,500	-	-	-	12,500	17,180,500	15,603,625	0.74	0.65	0.03
Pak Suzuki Motor Company Limited	27,000	-	-	9,500	17,500	13,656,300	8,009,225	0.38	0.34	0.02
	<b>69,500</b>	<b>-</b>	<b>-</b>	<b>9,500</b>	<b>60,000</b>	<b>48,957,700</b>	<b>40,412,850</b>	<b>1.92</b>	<b>1.69</b>	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>										
Agriauto Industries Limited (face value Rs. 5)	80,000	-	-	-	80,000	34,552,000	25,200,000	1.20	1.06	0.28
Thal Limited (face value Rs. 5)	55,000	14,000	-	-	69,000	41,171,650	38,025,900	1.81	1.59	0.09
	<b>135,000</b>	<b>14,000</b>	<b>-</b>	<b>-</b>	<b>149,000</b>	<b>75,723,650</b>	<b>63,225,900</b>	<b>3.01</b>	<b>2.65</b>	
<b>CABLES &amp; ELECTRICAL GOODS</b>										
Pak Elektron Limited	425,000	250,000	-	-	675,000	65,915,348	51,266,250	2.45	2.15	0.14
Pakistan Cables Limited	2,000	-	-	2,000	-	-	-	-	-	-
	<b>427,000</b>	<b>250,000</b>	<b>-</b>	<b>2,000</b>	<b>675,000</b>	<b>65,915,348</b>	<b>51,266,250</b>	<b>2.45</b>	<b>2.15</b>	

# Atlas Islamic Stock Fund

Name of Investee Company	Number of shares held				Rupees		Percentage of			
	As at 01 July 2017	Purchases during the period	Bonus/ Right shares during the period	Sales during the period	As at 30 September 2017	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market value as a percentage of paid up capital of investee company held
<b>At fair value through profit or loss - equity securities</b>										
<b>TECHNOLOGY &amp; COMMUNICATIONS</b>										
Pakistan Telecommunication Company Limited	1,500,000	-	-	500,000	1,000,000	15,610,000	14,730,000	0.71	0.63	0.03
	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>1,000,000</b>	<b>15,610,000</b>	<b>14,730,000</b>	<b>0.71</b>	<b>0.63</b>	
<b>FERTILIZER</b>										
Dawood Hercules Corporation Limited	400,000	11,000	-	38,800	372,200	50,615,522	45,914,592	2.19	1.92	0.08
Engro Corporation Limited	440,000	225,000	-	140,000	525,000	167,171,891	159,122,250	7.59	6.66	0.10
Engro Fertilizers Limited	3,000,000	-	-	500,000	2,500,000	138,100,000	157,275,000	7.50	6.59	0.19
	<b>3,840,000</b>	<b>236,000</b>	<b>-</b>	<b>678,800</b>	<b>3,397,200</b>	<b>355,887,413</b>	<b>362,311,842</b>	<b>17.28</b>	<b>15.17</b>	
<b>PHARMACEUTICALS</b>										
Abbott Laboratories (Pakistan) Limited	34,050	-	-	-	34,050	31,823,130	26,865,450	1.28	1.13	0.03
Glaxosmithkline Pakistan Limited	145,000	-	-	62,800	82,200	16,186,824	15,123,978	0.73	0.64	0.03
The Searle Company Limited	250	-	-	-	250	127,995	100,980	-	-	-
	<b>179,300</b>	<b>-</b>	<b>-</b>	<b>62,800</b>	<b>116,500</b>	<b>48,137,949</b>	<b>42,090,408</b>	<b>2.01</b>	<b>1.77</b>	
<b>CHEMICALS</b>										
Archroma Pakistan Limited	12,500	-	-	-	12,500	8,909,875	8,212,500	0.39	0.34	0.04
Engro Polymer & Chemicals Limited	1,125,000	129,500	-	654,500	600,000	21,776,953	20,046,000	0.96	0.84	0.09
Lotte Chemical Pakistan Limited	1,500,000	500,000	-	-	2,000,000	19,480,350	16,320,000	0.79	0.69	0.13
Sitara Chemical Industries Limited	30,000	-	-	-	30,000	13,338,600	11,145,000	0.53	0.47	0.14
	<b>2,667,500</b>	<b>629,500</b>	<b>-</b>	<b>654,500</b>	<b>2,642,500</b>	<b>63,505,778</b>	<b>55,723,500</b>	<b>2.67</b>	<b>2.34</b>	
<b>PAPER &amp; BOARD</b>										
Packages Limited	-	40,000	-	-	40,000	27,024,992	23,080,400	1.10	0.97	0.04
	<b>-</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>27,024,992</b>	<b>23,080,400</b>	<b>1.10</b>	<b>0.97</b>	
<b>LEATHER &amp; TANNERIES</b>										
Service Industries Limited	-	14,480	-	500	13,980	12,410,370	12,749,760	0.61	0.53	0.12
	<b>-</b>	<b>14,480</b>	<b>-</b>	<b>500</b>	<b>13,980</b>	<b>12,410,370</b>	<b>12,749,760</b>	<b>0.61</b>	<b>0.53</b>	
<b>FOODS &amp; PERSONAL CARE PRODUCTS</b>										
Al Shaheer Corporation Limited	6,713	-	-	-	6,713	269,258	212,265	0.01	0.01	-
Engro Foods Limited	-	170,000	-	120,000	50,000	5,844,673	4,751,500	0.23	0.20	0.01
	<b>6,713</b>	<b>170,000</b>	<b>-</b>	<b>120,000</b>	<b>56,713</b>	<b>6,113,931</b>	<b>4,963,765</b>	<b>0.24</b>	<b>0.21</b>	
<b>GLASS &amp; CERAMICS</b>										
Tariq Glass Industries Ltd	700	-	-	700	-	-	-	-	-	-
	<b>700</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Total as at 30 September 2017						<u>2,266,561,410</u>	<u>2,095,785,332</u>	<u>100.00</u>	<u>87.78</u>	
Total as at 30 June 2017						<u>2,134,141,681</u>	<u>2,310,721,597</u>			

# First Quarter Report 2017-18

5.2 The cost of listed equity securities as at 30 September 2017 is Rs. 2,061,483,668 (30 June 2017: Rs.2,082,503,279).

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.

Name of Investee Company	Number of shares		Market value	
	30 September 2017 Un-audited	30 June 2017 Audited	30 September 2017 Un-audited	30 June 2017 Audited
Lucky Cement Limited	75,000	75,000	42,388,500	62,719,500
Pakistan Petroleum Limited	135,000	135,000	23,583,150	19,998,900
Pakistan State Oil Company Limited	110,000	110,000	48,593,600	42,608,500
The Hub Power Company Limited	200,000	200,000	22,362,000	23,486,000
	<b>520,000</b>	<b>520,000</b>	<b>136,927,250</b>	<b>148,812,900</b>

6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	30 September 2017	30 June 2017
		Un-audited	Audited
Remuneration of the Management Company	6.1	3,982,745	4,793,989
Sindh Sales Tax payable on remuneration of the Management Company	6.2	2,074,317	2,179,779
Federal Excise Duty payable on remuneration of the Management Company	6.3	10,453,385	10,453,385
Accounting and operational charges payable	9	228,836	239,698
Sindh Sales Tax on accounting and operational charges		-	19,176
		<b>16,739,283</b>	<b>17,686,027</b>

6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets incase of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. During the quarter ended 30 September 2017, the Management Company has charged its remuneration at the rate of 2% (30 June 2017: 2%) per annum of the average net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs.1,624,969 (2016: Rs.1,014,261) 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. 1,730,431 (2016: Rs. 1,006,220) 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 6.2 above, the Management Company is of the view that further levy of FED is not justified.

# Atlas Islamic Stock Fund

- 6.3 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 10.453 million (30 June 2017: 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 2017 would have been higher by Rs.2.35 per unit (30 June 2017: Rs 2.58 per unit).

	30 September 2017	30 June 2017
	Un-audited	Audited
Note	-----	-----
	Rupees	

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	78,120	223,432
Printing charges payable	202,038	141,155
Ranking fee payable	140,000	140,000
Charity payable	7.1 182,715	189,888
Transaction charges payable	285,771	613,844
Advertisement and Marketing charges payable	18,970	-
Legal and professional charges payable	-	100,000
Withholding and capital gain tax payable	106,919	188,577
Payable to Shariah Advisor	86,423	85,713
Provision for Sindh Workers' Welfare Fund	7.2 15,491,187	15,491,188
Zakat payable	173,710	-
Others	365,481	350,456
	<b>17,131,334</b>	<b>17,524,253</b>

- 7.1 The Shariah Advisor of the Fund, has certified an amount of Rs.182,715 (30 June 2017: Rs.1,253,789) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity and shall be paid in due course of time.

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

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



# First Quarter Report 2017-18

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

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. 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 WWF and SWWF on CISs/mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

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

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

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

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2017 and as at 30 June 2017.

## 9. ACCOUNTING AND OPERATIONAL CHARGES

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

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

# Atlas Islamic Stock Fund

## 10. SELLING AND MARKETING EXPENSES

In connection with Regulation 60(3)(v) of the NBFC Regulations, SECP has issued Circular No. 40 of 2016 dated 30 December 2016 (later amended vide Circular No. 05 of 2017 dated February 13, 2017) whereby it has prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). In accordance with the provisions contained in these circulars, selling and marketing expenses will be allowed initially for a period of three years (from 1 January 2017 till 31 December 2019) to be charged to open end equity, asset allocation and index funds upto a maximum of 0.4% per annum of net assets of the fund or actual expenses, whichever is less.

Keeping in view the aforementioned Circular provided by the SECP, the Board of Directors of the Management Company have approved the plan in April 2017, as required by the said circular and have approved selling and marketing expenses to be charged to the Fund.

The management has also carried out an exercise to identify expenses of the Management Company (on the basis of criteria mentioned in the above circular and approved plan) that can be charged to the Fund. As the actual expenses incurred by the Management Company that are allowable to be allocated to the Fund for the quarter ended 30 September 2017 are lower than 0.4% per annum of net assets of the Fund. Accordingly, with effect from 1 July 2017, the Management Company has charged expenses in the Fund on the actual basis being lower than the allowed limit.

## 11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2017 is 2.81% (30 June 2017: 2.63%) which includes 0.41% (30 June 2017: 1.10%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 12. TAXATION

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

## 13. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

<u>For the Quarter Ended</u>	
30 September 2017	30 September 2016
Un-audited	Un-audited
----- Rupees -----	

### 13.1 Details of transactions with related parties during the period are as follows:

<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	12,499,762	7,802,004
Remuneration paid	13,311,006	7,556,504
Sindh sales tax on remuneration of the Management Company	1,624,969	1,014,261
Accounting and operational charges	596,943	382,039
Sindh Sales Tax on accounting and operational charges	-	29,954
Issue of 2,711 (2016: Nil) units	1,561,061	-
Cash Dividend	1,784,070	-

# First Quarter Report 2017-18

	For the Quarter Ended	
	30 September 2017	30 September 2016
	Un-audited	Un-audited
Note	-----	Rupees -----
<b>13.1 Details of transactions with related parties during the period are as follows: (Continued...)</b>		
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	874,212	642,154
Remuneration paid	917,602	629,655
Sindh sales tax on remuneration of the Trustee	113,648	83,480
Settlement charges	43,530	42,835
Sindh sales tax on settlement charges	5,659	5,580
<b>Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Issue of 2,561 (2016: Nil) units	1,474,815	-
Cash Dividend	1,474,815	-
<b>Atlas Foundation (Group company)</b>		
Issue of 5,235 (2016: Nil) units	3,013,961	-
Cash Dividend	3,444,527	-
<b>Atlas Battery Limited</b>		
Issue of 69,611 (2016: Nil) units	40,080,134	-
Cash Dividend	45,805,868	-
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Issue of 3,306 (2016: Nil) units	1,903,401	-
Cash Dividend	1,903,401	-
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 38,374 (2016: Nil) units	22,094,487	-
Cash Dividend	25,250,842	-
<b>Atlas Insurance Limited (Group company)</b>		
Issue of 539,433 (2016: 280,919) units	292,702,447	145,000,000
Redemption of 502,300 (2016: 213,064) units	271,794,530	110,019,858
Cash Dividend	18,231,368	-
<b>Batools Benefit Trust (Trust having common Director/Trustee)</b>		
Issue of 5,524 (2016: Nil) units	3,180,500	-
Cash Dividend	3,634,857	-
<b>Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)</b>		
Issue of 1,654 (2016: Nil) units	952,589	-
Cash Dividend	952,589	-
<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Issue of 6,564 (2016: Nil) units	3,779,464	-
Cash Dividend	3,779,464	-
<b>Atlas Insurance Limited Window Takaful Operation</b>		
Issue of 2,145 (2016: Nil) units	1,235,004	-
Cash Dividend	1,411,433	-
<b>Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>		
Issue of 15,876 (2016: Nil) units	8,450,000	-
<b>Cherat Cement Company Limited Employees Provident Fund</b>		
Issue of 174 (2016: Nil) units	100,279	-
<b>Directors and their close family members and key management personnel of the Management Company</b> 13.3		
Issue of 8,731 units (2016: Nil) units	4,989,724	-
Redemption of 1,988 (2016: 2,161) units	1,053,882	1,067,318
Cash Dividend	4,441,177	-

# Atlas Islamic Stock Fund

30 September 2017  
Un-audited  
Note ----- Rupees -----  
30 June 2017  
Audited

## 13.2 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	3,982,745	4,793,989
Sindh Sales Tax payable on remuneration of the Management Company	2,074,317	2,179,779
Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
Accounting and operational charges payable	228,836	239,698
Sindh Sales Tax on accounting and operational charges	-	19,176
Outstanding 53,685 (30 June 2017: 50,973) units at net asset value	28,848,542	31,132,779
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	281,329	324,719
Sindh sales tax payable on remuneration of the Trustee	36,573	42,213
Settlement charges payable	2,571	10,000
Sindh sales tax payable on settlement charges	334	1,300
<b>Atlas Battery Limited (Group Company)</b>		
Outstanding 1,378,350 (30 June 2017: 1,308,739) units-at net asset value	740,684,185	799,338,519
<b>Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 44,699 (30 June 2017: 42,138) units - at net asset value	24,019,923	25,736,626
<b>Atlas Foundation (Group company)</b>		
Outstanding 103,650 (30 June 2017: 98,414) units - at net asset value	55,698,249	60,108,319
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 57,689 (30 June 2017: 54,383) units - at net asset value	31,000,180	33,214,894
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 759,826 (30 June 2017: 721,453) units - at net asset value	408,307,935	440,641,849
<b>Atlas Insurance Limited (Group Company)</b>		
Outstanding 558,030 (30 June 2017: 520,896) units - at net asset value	299,868,324	318,147,650
<b>Batools Benefit Trust (Trust having common Director/Trustee)</b>		
Outstanding 109,377 (30 June 2017: 103,853) units - at net asset value	58,775,900	63,430,297
<b>Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)</b>		
Outstanding 28,871 (2017: 27,217) units - at net asset value	15,514,567	16,623,327
<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 114,549 (2017: 107,985) units - at net asset value	61,555,136	65,953,998
<b>Atlas Insurance Limited Window Takaful Operation</b>		
Outstanding 42,472 (2017: 40,327) units - at net asset value	22,822,967	24,630,522
<b>Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>		
Outstanding 15,876 (2017: Nil) units - at net asset value	8,531,125	-
<b>Cherat Cement Company Limited Employees Provident Fund</b>		
Outstanding 3,449 (2017: 3,274) units - at net asset value	1,853,167	1,999,919
<b>Directors and their close family members and key management personnel of the Management Company</b> 13.3		
Outstanding 133,633 (30 June 2017: 126,891) units - at net asset value	71,810,507	77,501,216

# First Quarter Report 2017-18

- 13.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for the FY 2017-18.
- 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. GENERAL

- 14.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation.
- 14.2 Figures have been rounded off to the nearest Rupee.
- 14.3 Units have been rounded off to the nearest decimal place.

## 15. 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 2017.

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

www.jamapunji.pk

 **Jama  
Punji**



سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,  
Be safe**

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

**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



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

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

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

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

**Head Office- Karachi**

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

**Savings Center- Karachi**

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

**SITE Office- Karachi**

C/o. Atlas Honda Limited,  
F/36, Estate Avenue,  
S.I.T.E.,  
Karachi.  
Cell: 0300-2144271

**Landhi Office- Karachi**

C/o. Atlas Engineering Limited,  
15th Mile,  
National Highway,  
Landhi, Karachi.  
Cell: 0345-0188350

**Hyderabad Office**

C/o. Atlas Honda Limited,  
3rd Floor, Dawood Center,  
Opposite Foundation Public  
School, Auto Bhan Road,  
Hyderabad.  
Cell: 0333-2649062

**Lahore Office**

C/o. Atlas Battery Ltd.,  
Building, 64/1, Block-XX,  
Khayaban-e-Iqbal,  
DHA, Lahore.  
Ph: (92-42) 37132636-9  
Fax: (92-42) 37132651

**Multan Office**

Atlas Regional Office,  
Azmat Wasti Road,  
Near Dera Adda,  
Multan.  
Ph: 061-4570431-4  
Ext. 186

**Faisalabad Office**

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

**Rawalpindi Office**

C/o. Atlas Honda Ltd.  
Ground Floor,  
Islamabad Corporate Center,  
Golra Road, Rawalpindi.  
Cell: 0334-5167035

**Savings Center- Islamabad**

Ground Floor, East End Plaza,  
Plot No. 41, Sector F-6/G6,  
Ataturk Avenue,  
Blue Area, Islamabad.  
Ph: (92-51) 2871831-34  
Fax: (92-51) 2278265

**Savings Center- Abbottabad**

Office # 5,  
First Floor,  
Al- Fateh Shopping Center  
Opposite Radio Station,  
Abbottabad.  
Ph : (92-992) 408186