



Atlas Islamic Income Fund

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Atlas Islamic Stock Fund

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THIRD QUARTER REPORT

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31 March 2013

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(UN-AUDITED)



Staying  
**Ahead** on the  
**Right Path**



It Takes Skill to  
Master the Game



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 returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and 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 DISTRIBUTION STATEMENT	9
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	10
CONDENSED INTERIM CASH FLOW STATEMENT	11
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	12
ATLAS ISLAMIC STOCK FUND	
CORPORATE INFORMATION	17
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	18
CONDENSED INTERIM INCOME STATEMENT	19
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	20
CONDENSED INTERIM DISTRIBUTION STATEMENT	21
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	22
CONDENSED INTERIM CASH FLOW STATEMENT	23
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	24

# Atlas Meraj

## ORGANISATION

Management Company		Investment Committee	
Atlas Asset Management Limited		Chairman	Mr. M. Habib-ur-Rahman
Board of Directors of the Management Company		Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood Mr. Muhammad Umar Khan (Secretary) Mr. Fawad Javaid
Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)	Management Committee	
Directors	Mr. Azam Faruque (Independent Director) Mr. Shamshad Nabi (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Arshad P. Rana (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director)	Chairman	Mr. M. Habib-ur-Rahman
Chief Executive Officer	Mr. M. Habib-ur-Rahman (Executive Director)	Members	Ms Lilly R. Dossabhoy Mr. Muhammad Abdul Samad Mr. Abbas Sajjad
Company Secretary	Ms Lilly R. Dossabhoy	Secretary	Mr. M. Irfan Dhedhi
Board Committees		Risk Management Committee	
Audit Committee		Chairman	Mr. Muhammad Abdul Samad
Chairman	Mr. Azam Faruque	Members	Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari Mr. Muhammad Umar Khan
Members	Mr. Shamshad Nabi Mr. Frahim Ali Khan	Secretary	Ms Zainab Hussain
Secretary	Ms Qurrat-ul-Ain Jafari	Chief Internal Auditor	
Human Resource & Remuneration Committee		Ms Qurrat-ul-Ain Jafari	
Chairman	Mr. Frahim Ali Khan	Registered Office	
Members	Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi	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	
Secretary	Mr. Mohsin Ali Khan		

# Third Quarter Report 2012-13

## 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 nine months period ended 31 March 2013 of the FY 2012-13.

## THE ECONOMY

During the period July-March FY 13, total exports stood at US\$ 18 billion. The foreign exchange reserves of the country stood at US\$ 12.2 billion as on 29 March 2013. Foreign remittances reached a record level of US\$ 10.35 billion, which is an increase of 6.35% YoY compared to the corresponding period last year. CPI inflation for the period averaged at 8% as compared to 10.8% recorded during the corresponding period last year. The SBP lowered its policy rate by a cumulative 250 basis points (bps) to 9.50% during current FY. Lower than expected inflation allowed the SBP to focus on encouraging private investment expenditures in the economy by adopting softer monetary policy stance. During July-February FY 13, loans to private businesses have increased by Rs.173.3 billion as opposed to Rs.56.8 billion during the same period of last year.

## FUND OPERATIONS - AIIF

The Net Asset Value per unit of AIIF has increased by 6.81% to Rs.513.10 as on 31 March 2013, this works out to 9.07% on an annualized basis. The AIIF's total exposure in Government of Pakistan Ijarah Sukuks was 60%, with the remaining in high yielding Shariah compliant bank deposits. The Net Assets of the Fund stood at Rs.633.69 million, with 1.24 million units outstanding as of 31 March 2013.

The Investment Committee of Atlas Asset Management Limited, the Management Company of the Fund, under the authority delegated by the Board of Directors, has approved an interim bonus distribution of Rs.8.75 per unit (1.75% on the face value of Rs.500 per unit). This is in addition to the interim bonus distribution of Rs.22.50 per unit (4.50% on the face value of Rs.500 per unit) already distributed.

## FUND OPERATIONS - AISF

The Net Asset Value per unit of AISF has increased by 29.63% to Rs.421.60 as on 31 March 2013. The benchmark KMI-30 index has increased by 32.90% during the same period. The KMI-30 index has increased from 23,776 points as on 30 June 2012 to 31,598 points as on 31 March 2013. AISF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. AISF's equity portfolio exposure was mainly in Oil & Gas, Chemical and Electricity sectors. The Net Assets of the Fund stood at Rs.699.61 million, with 1.66 million units outstanding as of 31 March 2013.

## RATINGS

### • ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "AM2-" (AM Two Minus). The rating denotes the Company's very strong capacity to manage the risks inherent in asset management and meets very high investment management industry standards and benchmarks.

### • 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.

### • STAR RANKING - AISF

PACRA has assigned a "5 Star" short term ranking to the Fund, and a long term "4 Star" ranking, for FY 2012. The short term ranking is based on performance during the trailing twelve months period, whereas long-term star ranking is based on performance during the trailing thirty six months.

# Atlas Meraj

## FUTURE OUTLOOK

Growth in workers' remittances helped lower the current account deficit, and the inflation is expected to be well below target level. The private sector credit growth remains subdued as government's large financing need diverted the credit from the private sector that is an impediment to growth in the economy. Going forward, there is a need to ensure improved resources for energy requirements with foremost resolution of the persistent circular debt. Furthermore, fiscal reforms need to be implemented to ensure better tax collection and reduced borrowing from the banking system. This will not only help economy on the fiscal side but also help improve foreign inflows, build foreign exchange reserves and achieve sustainable growth in the economy.

Both, AISF and AIIF are committed to prudent investment procedures and will continue to provide consistent long term returns to the investors.

ستاروں سے آگے جہاں اور بھی ہیں  
(There is a world beyond the stars)

## Acknowledgement

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

Karachi: 25 April 2013

Yusuf H. Shirazi  
Chairman

# Third Quarter Report 2012-13

## Atlas Islamic Income Fund

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### Corporate Information

#### Trustee

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

#### Shariah Advisor

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Dr. Fazlur Rahman

#### Auditors

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Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

#### Legal Advisers

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Mohsin Tayebaly & Co.

#### Bankers

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Al-Baraka Bank (Pakistan) Limited  
Bank Al Habib Limited - Islamic Banking  
Faysal Bank Limited - Barkat Islamic Banking

# Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 31 MARCH 2013

		31 March 2013 Un-audited	30 June 2012 Audited
	Note	-----	Rupees -----
<b>ASSETS</b>			
Bank balances	4	248,709,028	134,968,907
Investment	5	378,621,200	324,132,500
Mark-up accrued	6	10,848,993	6,839,603
Deferred formation cost		51,905	207,620
Prepayments		62,500	-
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
<b>Total assets</b>		<b>638,393,626</b>	<b>466,248,630</b>
<b>LIABILITIES</b>			
Payable to the Management Company	7	753,400	791,813
Payable to the Trustee		92,784	64,019
Payable to the SECP		317,532	323,111
Accrued and other liabilities	8	3,536,121	2,754,901
<b>Total liabilities</b>		<b>4,699,837</b>	<b>3,933,844</b>
<b>NET ASSETS</b>		<b>633,693,789</b>	<b>462,314,786</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>633,693,789</b>	<b>462,314,786</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	-	-
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,235,024</b>	<b>920,985</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>513.10</b>	<b>501.98</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)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director



# Third Quarter Report 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

Note	For the Nine Months Ended		For the Quarter Ended		
	31 March		31 March		
	2013	2012	2013	2012	
	Rupees				
<b>Income</b>					
Mark-up income	10	42,216,873	36,977,274	14,308,734	12,185,839
Net gain / (loss) on investments designated at fair value through income statement		451,500	-	-	-
Net gain on maturity/sale of investments		698,700	86,455	(1,885,900)	(681,995)
Net unrealised gain/(loss) on revaluation of investments		1,150,200	86,455	(1,885,900)	(681,995)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		1,737,015	1,325,703	(93,871)	287,008
		45,104,088	38,389,432	12,328,963	11,790,852
<b>Expenses</b>					
Remuneration of the Management Company		4,233,761	3,166,263	1,572,435	1,080,476
Sindh Sales Tax on Remuneration of the Management Company		677,402	506,602	251,590	172,876
Remuneration of the trustee		719,738	538,269	267,314	183,683
SECP annual fee		317,532	237,472	117,934	81,035
Annual listing fee		22,500	22,500	7,500	7,500
Annual rating fee		165,000	150,000	65,000	50,000
Auditors' remuneration		123,881	134,630	48,750	48,750
Printing charges		198,784	122,379	56,925	43,100
Securities transaction cost		23,900	16,000	1,500	1,500
Bank charges		2,509	2,488	197	1,213
Amortisation of deferred formation cost		155,715	155,715	51,905	51,905
Provision for Workers' Welfare Fund		769,267	666,742	197,758	201,376
		7,409,989	5,719,060	2,638,808	1,923,414
Net income for the period before taxation		37,694,099	32,670,372	9,690,155	9,867,438
Taxation	11	-	-	-	-
Net income for the period after taxation		37,694,099	32,670,372	9,690,155	9,867,438

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	For the Nine Months Ended		For the Quarter Ended	
	31 March 2013	2012	31 March 2013	2012
	----- Rupees -----			
Net income for the period after taxation	37,694,099	32,670,372	9,690,155	9,867,438
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>37,694,099</u>	<u>32,670,372</u>	<u>9,690,155</u>	<u>9,867,438</u>

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended	
	31 March 2013	31 March 2012
	----- Rupees -----	
Undistributed income brought forward	1,442,230	10,301,134
Final distribution for the year ended 30 June 2012 - Nil (2011: Rs.13.50 per unit declared on 7 July 2011)		
- Bonus units	-	(8,641,358)
- Cash payout	-	(1,335,074)
	-	(9,976,432)
Interim distribution at the rate of Rs.12.00 per unit declared on 5 October 2012 (2011: Rs.12.50 per unit declared on 7 October 2011)		
- Bonus units	(10,871,852)	(9,227,933)
- Cash payout	(1,186,732)	(1,236,180)
	(12,058,584)	(10,464,113)
Interim distribution at the rate of Rs.10.50 per unit declared on 4 January 2013 (2012: Rs.11.50 per unit declared on 6 January 2012)		
- Bonus units	(11,853,414)	(8,920,366)
- Cash payout	(1,038,391)	(1,137,285)
	(12,891,804)	(10,057,651)
Net income for the period after taxation	37,694,099	32,670,372
Undistributed income carried forward	14,185,941	12,473,310

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months ended			
	31 March 2013		31 March 2012	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.501.98 (2012: Rs.513.95) per unit]	920,985	462,314,786	738,995	379,804,937
Issue of units	537,416	274,593,455	276,734	141,482,999
Redemption of units	(268,288)	(136,946,413)	(199,710)	(101,610,730)
	269,128	137,647,042	77,024	39,872,269
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(1,737,015)	-	(1,325,703)
Final distribution - Nil (2011: Rs.13.50 per unit declared on 7 July 2011)				
- Bonus units	-	-	17,267	-
- Cash payout	-	-	-	(1,335,074)
Net income for the period after taxation	-	37,694,099	-	32,670,372
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	37,694,099	-	32,670,372
Interim distribution at the rate of Rs.12 per unit declared on 5 October 2012 (2011: Rs.12.50 per unit declared on 7 October 2011)				
- Bonus units	21,472	-	18,277	-
- Cash payout	-	(1,186,732)	-	(1,236,180)
Interim distribution at the rate of Rs.10.50 per unit declared on 04 January 2013 (2012: Rs.11.50 per unit declared on 06 January 2012)				
- Bonus units	23,438	-	17,694	-
- Cash payout	-	(1,038,391)	-	(1,137,285)
Net assets at the end of the period [Rs.513.10 (2012: Rs.514.59) per unit]	1,235,024	633,693,789	869,257	447,313,336

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2013

	Note	For the Nine Months Ended	
		31 March 2013	31 March 2012
		----- Rupees -----	
<b>Cash flows from operating activities</b>			
Net income for the period before taxation		37,694,099	32,670,372
Adjustment for:			
Markup income		(42,216,873)	(36,977,274)
Amortisation of deferred formation cost		155,715	155,715
Net gain on investments designated at fair value through income statement			
Net gain on maturity / sale of investments		(451,500)	-
Net unrealised gain on revaluation of investments		(698,700)	(86,455)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		(1,737,015)	(1,325,703)
		(44,948,373)	(38,233,717)
Decrease in prepayments		(62,500)	(7,500)
Increase / (decrease) in liabilities			
Payable to the management company		(38,413)	(155,234)
Payable to the trustee		28,765	8,868
Payable to the SECP		(5,579)	(9,539)
Accrued and other liabilities		781,220	818,813
		765,993	662,908
Markup received		38,207,483	32,539,998
Investments made during the period		(118,833,500)	(155,766,250)
Investments sold / matured during the period		65,495,000	-
Net cash used in operating activities		(21,681,798)	(128,134,189)
<b>Cash flows from financing activities</b>			
Proceeds from issue of units		274,593,455	141,482,999
Payments on redemption of units		(136,946,413)	(101,610,730)
Cash payout against distribution		(2,225,123)	(3,708,539)
Net cash inflow from financing activities		135,421,919	36,163,730
Net increase / (decrease) in cash and cash equivalents		113,740,121	(91,970,459)
Cash and cash equivalents at the beginning of the period		134,968,907	247,572,064
Cash and cash equivalents at the end of the period	4	248,709,028	155,601,605

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

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Islamic Income Fund

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2013

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplemental Trust Deed dated 23 June 2010 and the Second Supplemental Trust Deed dated 12 November 2010 with the approval of the SECP. Also, the Offering Document of the Fund has been revised through the First Supplement dated 23 June 2010 and the Second Supplement dated 12 November 2010, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahr-e Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public 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 Lahore Stock Exchange.
- 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 realize capital appreciation. The investment objectives and policies are fully defined in the Fund's Offering Document.

## 2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", 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 directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2012.

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

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2012.

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 2012.

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 2012.

# Third Quarter Report 2012-13

	Note	31 March 2013 Un-audited	30 June 2012 Audited
		Rupees	
<b>4. BANK BALANCES</b>			
PLS saving accounts	4.1	248,709,028	134,968,907
4.1 The expected rate of return on these accounts ranges between 6% and 8.75% (30 June 2012: 6% and 11%) per annum.			
<b>5. INVESTMENT - at fair value through income statement</b>			
Government Securities			
Ijarah Sukuks	5.1	378,621,200	324,132,500
5.1 Government of Pakistan (GOP) - Ijarah Sukuks			
		Face Value - Rupees	Percentage of
Script		At the beginning of the period	At the end of the period
		Acquired during the period	Disposed/matured during the period
			At the end of the period
			Market Value
			Total investment
			Net assets
Government of Pakistan - Ijarah Sukuks		324,000,000	118,000,000
		65,000,000	377,000,000
		378,621,200	100.00
			59.75
5.2 The cost of investments amounts to Rs.378,663,250/- (30 June 2012: Rs.325,067,250/-).			
5.3 The expected rate of markup ranges between 9.26% and 9.65% (30 June 2012: 11.81% and 11.94%) per annum and will mature by 28 June 2015 (30 June 2012: 28 June 2015).			
	Note	31 March 2013 Un-audited	30 June 2012 Audited
		Rupees	
<b>6. MARK-UP ACCRUED</b>			
Bank balances		1,917,361	1,322,738
GOP - Ijarah Sukuks		8,931,632	5,516,865
		10,848,993	6,839,603
<b>7. PAYABLE TO THE MANAGEMENT COMPANY - Related party</b>			
Management fee	7.1	545,780	376,573
Payable in respect of formation cost		207,620	415,240
		753,400	791,813
<b>8. ACCRUED AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		117,000	167,500
Printing charges payable		147,675	128,400
Zakat payable		-	701
Withholding tax payable		2,204	25
Sindh Sales Tax payable on Remuneration of the Management Company		87,325	60,252
Provision for Workers' Welfare Fund	8.1	3,140,435	2,371,168
Other payable		41,482	26,855
		3,536,121	2,754,901

# Atlas Islamic Income Fund

8.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/Mutual Funds (CISs)/Pension Funds whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs/Pension Funds, which is pending adjudication. However, without prejudice to the above, the Management Company has been providing for WWF contribution since financial year ended 30 June 2010.

In the year 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several mutual funds (CISs)/Pension Funds including the Fund for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs)/Pension Funds including the Fund have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, the Hon'ble SHC, comprising of a three member bench, in their judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Hon'ble Lahore High Court which had held such amendments as unlawful and unconstitutional. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is pending before the Hon'ble SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.3,140,435 (30 June 2012: Rs.2,371,168) in these condensed interim financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.2.54 (30 June 2012: Rs. 2.57) per unit.

## 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2013.

For the Nine Months Ended		For the Quarter Ended	
31 March		31 March	
2013	2012	2013	2012
Un-audited		Un-audited	
----- Rupees -----			

## 10. MARK-UP INCOME

PLS saving accounts	14,333,490	19,140,085	5,476,403	5,654,789
GOP - Ijarah Sukuks	27,883,383	17,837,189	8,832,331	6,531,050
	<u>42,216,873</u>	<u>36,977,274</u>	<u>14,308,734</u>	<u>12,185,839</u>

## 11. TAXATION

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



# Third Quarter Report 2012-13

For the Nine Months Ended  
 31 March 2013      31 March 2012  
 Un-audited      Un-audited  
 ----- Rupees -----

## 12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

### 12.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	4,233,761	3,166,263
Remuneration paid	4,064,554	3,113,877
Sindh Sales Tax on Remuneration of the Management Company	677,402	506,602
Formation cost paid	207,620	207,620
Bonus of Nil (2012: 1,233) units	-	620,203
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	719,738	538,269
Remuneration paid	690,973	529,401
Settlement charges	4,500	4,500
Atlas Fund of Funds (Fund under common management)		
Sale of 146,825 (2012: 48,678) units	75,000,000	25,000,000
Bonus of 1,619 (2012: 934) units	818,682	471,182
Redemption of 68,856 (2012: 20,336) units	35,114,932	10,263,531
Atlas Foundation (Trust having common Director/Trustee)		
Bonus of 2,791 (2012: 4,207) units	1,412,160	2,116,715
Atlas Honda Limited		
Bonus of 5,363 (2012: 8,085) units	2,713,722	4,067,650
Shirazi Investments (Private) Limited - Employees Provident Fund		
Sale of 1,332 (2012: Nil) units	685,000	-
Bonus of 924 (2012: Nil) units	467,627	-
Redemption of 21,480 (2012: Nil) units	11,010,985	-
<u>Key Management Personnel of Management Company</u>		
Sale of 6,154 (2012: 2,455) units	3,141,744	1,247,691
Bonus of 217 (2012: 292) units	109,854	146,892
Redemption of 4,094 (2012: 4,147) units	2,095,000	2,109,997
	31 March 2013	30 June 2012
	Un-audited	Audited
	----- Rupees -----	-----

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

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	545,780	376,573
Sindh Sales Tax payable on Remuneration of the Management Company	87,325	60,252
Payable in respect of formation cost	207,620	415,240
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	92,784	64,019
Atlas Fund of Funds (Fund under common management)		
Units in issue 79,588 (30 June 2012: Nil)	40,836,850	-
Atlas Foundation (Trust having common Director/Trustee)		
Units in issue 64,867 (30 June 2012: 62,076)	33,283,113	31,160,967

# Atlas Islamic Income Fund

	31 March 2013	30 June 2012
	Un-audited	Audited
	----- Rupees -----	

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

Atlas Honda Limited (Group Company) Units in issue 124,653 (30 June 2012: 119,291)	63,959,515	59,881,428
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group company) Units in issue Nil (30 June 2012: 19,224)	-	9,648,516
<u>Key Management Personnel of Management Company</u>		
Units in issue 6,162 (30 June 2012: 3,884)	3,161,865	1,950,240

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

## 13. SUBSEQUENT EVENT - INTERIM DISTRIBUTION TO UNIT HOLDERS PER UNIT

The Investment Committee of the management company, under the authority delegated to them by the Board of Directors of the Management Company, in their meeting held on 05 April 2013 approved an interim distribution of Rs.8.75 per unit (2012: Rs.11.50) on the face value of Rs.500 each, i.e. 1.75% (2012: 2.30%), amounting to Rs.10,928,816 (2012: Rs.10,428,380), on behalf of the Board of Directors of the Management Company.

## 14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 April 2013.

## 15. GENERAL

15.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

15.2 Figures have been rounded off to the nearest Rupee.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

## Atlas Islamic Stock Fund

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### Corporate Information

#### Trustee

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

#### Shariah Advisor

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Dr. Fazlur Rahman

#### Auditors

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A. F. Ferguson & Co.  
Chartered Accountants

#### Legal Advisers

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Mohsin Tayebaly & Co.

#### Bankers

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Al-Baraka Bank (Pakistan) Limited  
Bank Islami Pakistan Limited  
Faysal Bank Limited - Barkat Islamic Banking

# Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 31 MARCH 2013

		31 March 2013 Un-audited	30 June 2012 Audited
	Note	-----	Rupees -----
<b>ASSETS</b>			
Bank balances	4	60,434,177	42,299,162
Investments	5	637,207,010	469,632,380
Bank profit receivable		285,998	594,447
Dividend receivable		12,819,000	450,000
Receivable against sale of investments		-	4,626,080
Deposits, prepayments and other receivables		2,610,000	2,600,000
<b>Total assets</b>		<b>713,356,185</b>	<b>520,202,069</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company		1,183,097	830,285
Payable to Central Depository Company of Pakistan Limited - Trustee		123,308	87,988
Annual fee payable to the Securities and Exchange Commission of Pakistan		453,227	392,080
Payable against purchase of investments		1,317,141	687,969
Accrued expenses and other liabilities	6	10,669,766	7,250,626
<b>Total liabilities</b>		<b>13,746,539</b>	<b>9,248,948</b>
<b>NET ASSETS</b>		<b>699,609,646</b>	<b>510,953,121</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>699,609,646</b>	<b>510,953,121</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,659,419</b>	<b>1,317,773</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>421.60</b>	<b>387.74</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	For the Nine Months Ended		For the Quarter Ended	
	31 March		31 March	
	2013	2012	2013	2012
Note	----- Rupees -----			
<b>INCOME</b>				
Profit on bank deposits	1,845,112	1,328,850	565,097	446,214
Dividend income	46,233,140	26,357,626	16,818,999	11,615,001
Gain on sale of investments - net	77,015,574	32,088,681	44,058,729	23,544,242
Unrealised gain on revaluation of investments - net	51,714,331	41,092,409	131,119	64,420,614
	128,729,905	73,181,090	44,189,848	87,964,856
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed-net	1,657,427	9,083,022	(6,676,344)	6,681,077
	178,465,584	109,950,588	54,897,600	106,707,148
<b>EXPENSES</b>				
Remuneration of Atlas Asset Management Limited - Management Company	9,541,605	7,655,781	3,407,071	2,276,194
Sindh sales tax on management company's remuneration	1,526,657	1,224,925	545,132	364,191
Remuneration of Central Depository Company of Pakistan Limited - Trustee	954,154	583,763	340,699	213,131
Annual fees - Securities and Exchange Commission of Pakistan	453,227	271,586	161,838	101,232
Auditors' remuneration	163,295	171,742	61,125	61,125
Securities transaction cost	1,712,635	1,528,600	697,061	519,530
Annual listing fee	30,000	22,500	10,000	7,500
Annual rating fee	75,000	75,000	25,000	25,000
Printing charges	198,685	97,954	56,925	43,125
Bank charges	17,399	7,991	6,532	2,290
Provision for Worker's Welfare Fund 6.2	3,275,859	1,966,215	991,725	1,966,215
	17,948,516	13,606,057	6,303,108	5,579,533
Net income for the period before taxation	160,517,068	96,344,531	48,594,492	101,127,615
Taxation 8	-	-	-	-
Net income for the period after taxation	160,517,068	96,344,531	48,594,492	101,127,615

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	For the Nine Months Ended		For the Quarter Ended	
	31 March 2013	2012	31 March 2013	2012
	----- Rupees -----			
Net income for the period after taxation	160,517,068	96,344,531	48,594,492	101,127,615
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the period	<u>160,517,068</u>	<u>96,344,531</u>	<u>48,594,492</u>	<u>101,127,615</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Third Quarter Report 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	Note	For the Nine Months Ended	
		31 March 2013	31 March 2012
		----- Rupees -----	
Undistributed income/(accumulated losses) brought forward		12,938,804	(15,476,034)
Final distribution of bonus units for the year ended 30 June 2012 @ 62.50 per unit declared on 5 July 2012 (2011: Rs.105 per unit declared on 7 July 2011)		(82,360,783)	(81,820,514)
Net income for the period after taxation		160,517,068	96,344,531
Shariah non-compliant income set-aside for charity	6.1	(616,945)	(446,436)
Undistributed income/(accumulated losses) carried forward		<u>90,478,144</u>	<u>(1,398,453)</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months ended			
	31 March 2013		31 March 2012	
	Units	Rupees	Units	Rupees
Net assets at beginning of the period [Rs.387.74 (2012: Rs.409.09) per unit]	1,317,773	510,953,121	779,243	318,776,676
Issue of units	1,236,252	466,183,412	995,423	331,375,903
Redemption of units	(1,147,836)	(435,769,583)	(667,721)	(222,642,072)
	88,416	30,413,829	327,702	108,733,831
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(1,657,427)	-	(9,083,022)
Issue of bonus units	253,231	-	269,067	-
Net income for the period after taxation	-	160,517,068	-	96,344,531
Other comprehensive income	-	-	-	-
	-	160,517,068	-	96,344,531
Shariah non-compliant income set-aside for charity	-	(616,945)	-	(446,436)
Net assets at end of the period [Rs.421.60 (2012: Rs.373.78) per unit]	<u>1,659,419</u>	<u>699,609,646</u>	<u>1,376,011</u>	<u>514,325,580</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director



# Third Quarter Report 2012-13

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2013

	Note	For the Nine Months Ended	
		31 March 2013	31 March 2012
		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period after taxation		160,517,068	96,344,531
Adjustments:			
Profit on bank deposits		(1,845,112)	(1,328,850)
Dividend income		(46,233,140)	(26,357,626)
Gain on sale of investments - net		(77,015,574)	(32,088,681)
Unrealised gain on revaluation of investments - net		(51,714,331)	(41,092,409)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		(1,657,427)	(9,083,022)
		(178,465,584)	(109,950,588)
		(17,948,516)	(13,606,057)
(Increase)/decrease in assets			
Receivable against sale of investments		4,626,080	(1,901,212)
Deposits, prepayments and other receivables		(10,000)	(7,500)
		4,616,080	(1,908,712)
Increase/(decrease) in liabilities			
Payable to the Management Company		352,812	(1,884)
Payable to Central Depository Company of Pakistan Limited - Trustee		35,320	22,733
Annual fee payable to the Securities and Exchange Commission of Pakistan		61,147	16,179
Payable against purchase of investment		629,172	2,918,822
Accrued expenses and other liabilities		2,802,195	1,623,165
		3,880,646	4,579,015
Investments made during the period		(871,047,589)	(695,253,662)
Investments sold during the period		832,202,864	604,766,431
Profit received on bank deposits		2,153,561	1,308,400
Dividend received		33,864,140	20,445,126
Net cash used in operating activities		(12,278,814)	(79,669,459)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		466,183,412	331,375,903
Net payments against redemption of units		(435,769,583)	(222,642,072)
Net cash generated from financing activities		30,413,829	108,733,831
Net increase in cash and cash equivalents during the period		18,135,015	29,064,372
Cash and cash equivalents at beginning of the period	4	42,299,162	38,990,980
Cash and cash equivalents at end of the period		60,434,177	68,055,352

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# Atlas Islamic Stock Fund

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2013

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Islamic Stock Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 12 September 2006 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed was revised through the First Supplemental Trust Deed dated 29 October 2007, Second Supplemental Trust Deed dated 6 March 2008, Third Supplemental Trust Deed dated 4 December 2009 and the Fourth Supplemental Trust Deed dated 23 June 2010 with the approval of the SECP. Also, the Offering Document of the Fund was revised through the First, Second, Third and Fourth Supplements, dated 29 October 2007, 6 March 2008, 4 December 2009 and 23 June 2010 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.

Units of the Fund are offered for public subscription on a continuous basis since 15 January 2007, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.

According to the trust deed, the objective of the Fund is to provide one window facility to invest in diversified, 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 TDRs) and Shariah Compliant government securities not exceeding 90 days' maturity. The investment objectives and policies are fully defined in the Fund's Offering Document.

## 2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", 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 directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2012.

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

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2012.

# Third Quarter Report 2012-13

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

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 2012.

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 2012.

	Note	31 March 2013 Un-audited	30 June 2012 Audited
		Rupees	Rupees
<b>4. BANK BALANCES</b>			
In local currency			
- Profit and loss sharing accounts	4.1	60,434,177	42,299,162

4.1 The expected rate of return on these profit and loss sharing accounts range between 6% to 8.75% (30 June 2012: 6% to 11%) per annum.

## 5. INVESTMENTS

At fair value through profit or loss			
- Held for trading - Listed equity securities	5.1	637,207,010	469,632,380

### 5.1 Financial assets

At fair value through profit or loss

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

	Number of shares				As at 31 March 2013	Rupees		Percentage of		
	As at 01 July 2012	Purchases during the period	Bonus shares during the period	Sales during the period		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
Held for trading equity securities										
OIL & GAS										
Attock Petroleum Limited	-	119,500	-	119,500	-	-	-	-	-	-
National Refinery Limited	-	125,000	-	125,000	-	-	-	-	-	-
Oil and Gas Development Company Limited	100,000	500,000	-	100,000	500,000	96,658,670	101,970,000	16.00	14.58	0.01
Pakistan Oilfields Limited	195,000	230,000	-	195,000	230,000	95,977,014	104,334,900	16.37	14.91	0.10
Pakistan Petroleum Limited	405,000	150,000	82,500	637,500	-	-	-	-	-	-
Pakistan State Oil Company Limited	100,000	270,000	50,000	170,000	250,000	47,897,940	50,782,500	7.97	7.26	0.10
	800,000	1,394,500	132,500	1,347,000	980,000	240,533,624	257,087,400	40.35	36.75	

### CHEMICALS

Fauji Fertilizer Bin Qasim Limited	-	2,200,000	-	1,400,000	800,000	30,779,270	30,088,000	4.72	4.30	0.09
Fauji Fertilizer Company Limited	450,000	650,000	-	225,000	875,000	98,621,536	96,162,500	15.09	13.75	0.07
ICI Pakistan Limited	66,540	-	-	66,540	-	-	-	-	-	-
	516,540	2,850,000	-	1,691,540	1,675,000	129,400,806	126,250,500	19.81	18.05	

# Atlas Islamic Stock Fund

Number of shares					Rupees		Percentage of		
As at 01 July 2012	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2013	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

Held for trading equity securities (Continued...)

## CONSTRUCTION AND MATERIALS

### D G Khan Cement

Company Limited	1,000,000	1,555,000	-	2,055,000	500,000	26,039,330	34,635,000	5.44	4.95	0.11
Lucky Cement Limited	345,000	400,000	-	545,000	200,000	27,205,572	33,518,000	5.26	4.79	0.06
Alzo Nobel Pakistan Limited	33,460	-	-	33,460	-	-	-	-	-	-
	1,378,460	1,955,000	-	2,633,460	700,000	53,244,902	68,153,000	10.70	9.74	

## AUTOMOBILE AND PARTS

Indus Motor Company Limited	50,000	-	-	50,000	-	-	-	-	-	-
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## FOOD PRODUCERS

Engro Foods Limited	-	218,500	-	18,500	200,000	15,245,545	25,426,000	3.99	3.63	0.03
National Foods Limited	-	25,000	-	-	25,000	7,805,036	7,637,500	1.20	1.09	0.06
	-	243,500	-	18,500	225,000	23,050,581	33,063,500	5.19	4.72	

## PERSONAL GOODS (TEXTILES)

Nishat Mills Limited	-	900,000	-	400,000	500,000	35,389,550	42,145,000	6.61	6.02	0.14
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## FIXED LINE TELECOMMUNICATION

Pakistan Telecommunication Company Limited	650,000	2,125,000	-	2,775,000	-	-	-	-	-	-
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## ELECTRICITY

The Hub Power Company Limited	1,800,000	1,100,000	-	1,400,000	1,500,000	66,740,981	75,390,000	11.83	10.78	0.13
PakGen Power Limited	-	565,000	-	500,000	65,000	1,313,240	1,321,450	0.21	0.19	0.02
	1,800,000	1,665,000	-	1,900,000	1,565,000	68,054,221	76,711,450	12.04	10.97	

## COMMERCIAL BANKS

BankIslami Pakistan Limited	-	800,000	-	-	800,000	7,292,895	5,056,000	0.79	0.72	0.15
Meezan Bank Limited	1,499,657	355,343	110,000	863,000	1,102,000	28,526,100	28,740,160	4.51	4.11	0.11
	1,499,657	1,155,343	110,000	863,000	1,902,000	35,818,995	33,796,160	5.30	4.83	

Total Investment at fair value through profit or loss as at 31 March 2013 585,492,679 637,207,010 100.00 91.08

Total Investment at fair value through profit or loss as at 30 June 2012 442,795,706 469,632,380

5.1.1 The above investments include 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 Securities & Exchange Commission of Pakistan, which are as follows:

	Number of shares		Market value	
	31 March 2013	30 June 2012	31 March 2013	30 June 2012
	Un-audited	Audited	Un-audited	Audited
	----- Rupees -----			
Pakistan Petroleum Limited	-	115,000	-	21,653,350
Pakistan Oilfields Limited	45,000	45,000	20,413,350	16,512,300
Fauji Fertilizer Company Limited	75,000	75,000	8,242,500	8,328,750
Lucky Cement Limited	100,000	100,000	16,759,000	11,539,000
The Hub Power Company Limited	700,000	300,000	35,182,000	12,567,000
			<u>80,596,850</u>	<u>70,600,400</u>

# Third Quarter Report 2012-13

		31 March 2013	30 June 2012
	Note	Un-audited	Audited
		Rupees	
<b>6. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		119,531	195,000
Printing charges payable		147,675	128,500
Rating fee payable		75,000	100,000
Charity payable	6.1	181,019	35,402
NCCPL charges payable		20,000	20,000
Withholding tax payable		14,148	956
Zakat payable		3,018	3,928
Sales load payable to distributors		-	1,114
Sindh Sales Tax payable on Remuneration of the Management Company		189,296	132,786
Provision for Workers' Welfare Fund	6.2	9,851,306	6,575,447
Others		68,773	57,493
		<b>10,669,766</b>	<b>7,250,626</b>

6.1 According to the Trust Deed of the Fund, where a portion of the Fund's income has been earned from Shariah non-compliant avenues, such portion of income of the Fund is to be purified directly by the management company of the Fund. The Shariah Advisor of the Fund, has certified an amount of Rs.616,945 (30 June 2012: Rs.481,838) against dividend income, as Shariah non-compliant income, which has accordingly been marked to charity. Out of this amount Rs.435,926 has already been paid to the charities approved by the Shariah Advisor. The balance amount of Rs.181,019 (30 June 2012: Rs.35,402) shall be paid in due course of time.

6.2 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/Mutual Funds (CISs)/Pension Funds whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs/Pension Funds, which is pending adjudication. However, without prejudice to the above, the Management Company has been providing for WWF contribution since the financial year ended 30 June 2010.

Subsequent to the year ended 30 June 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs)/ Pension Funds have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, the Hon'ble SHC, comprising of a three member bench, in their judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Hon'ble Lahore High Court which had held such amendments as unlawful and unconstitutional. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs/Pension Funds is pending before the Hon'ble SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.9,851,306 (30 June 2012: Rs.6,575,447) in these financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.5.94 (30 June 2012: Rs.4.99) per unit.

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2013.

## 8. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, if any, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

# Atlas Islamic Stock Fund

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

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

	For the Nine Months Ended	
	31 March 2013	31 March 2012
	Un-audited	Un-audited
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	9,541,605	7,655,781
Remuneration paid	9,188,422	7,657,665
Sindh Sales Tax on Remuneration of the Management Company	1,526,657	1,224,925
Sales load paid	371	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	954,154	583,763
Remuneration paid	918,834	561,030
Settlement charges	36,893	29,780
Atlas Fund of Funds (Fund under Common Management)		
Sale 174,888 (2012: 253,313) units	63,094,271	78,000,000
Bonus 14,107 (2012: 6,873) units	4,588,280	2,089,916
Redemption of 224,122 (2012: 164,945) units	82,677,876	56,543,202
Atlas Insurance Limited (Group Company)		
Sale 478,956 (2012: 410,047) units	185,500,000	136,600,000
Bonus 67,078 (2012: 52,341) units	21,816,559	15,916,479
Redemption of 514,712 (2012: 266,578) units	198,924,180	91,833,160
Atlas Battery Limited (Group Company)		
Sale 80,379 (2012: 45,160) units	29,996,275	15,000,000
Bonus 8,678 (2012: Nil) units	2,822,520	-
Batools Benefit Trust (Trust having common Director / Trustee)		
Sale 27,422 (2012: Nil) units	10,000,000	-
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Sale 27,163 (2012: Nil) units	9,863,413	-
Shirazi Investments (Private) Limited Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Sale Nil (2012: 10,138) units	-	2,960,000
Bonus 2,298 (2012: Nil) units	747,315	-
Redemption of 14,255 (2012: Nil) units	5,989,426	-
<u>Key Management Personnel of management company</u>		
Sales 27,365 (2012: 24,937) units	9,939,764	7,675,915
Bonus 14,144 (2012: 19,439) units	4,600,147	5,911,381
Redemption of 1,989 (2012: 11,101) units	780,506	3,632,183
	31 March 2013	30 June 2012
	Un-audited	Audited
	----- Rupees -----	

9.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	1,183,097	829,914
Sindh Sales Tax payable on Remuneration of the Management Company	189,296	132,786
Sales load payable	-	371
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to trustee	118,308	82,988
Settlement charges payable	5,000	5,000

# Third Quarter Report 2012-13

31 March 2013 Un-audited ----- Rupees -----	30 June 2012 Audited
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9.2 Details of balances with related parties as at the period end are as follows: (Continued...)

Atlas Fund of Funds (Fund under Common Management) Outstanding 38,286 (30 June 2012: 73,412) units	16,141,280	28,464,956
Atlas Insurance Limited (Group Company) Outstanding 380,388 (30 June 2012: 349,065) units	160,371,604	135,346,440
Atlas Battery Limited (Group Company) Outstanding 134,218 (30 June 2012: 45,160) units	56,586,115	17,510,462
Batools Benefit Trust (Trust having common Director/Trustee) Outstanding 27,422 (30 June 2012: Nil) units	11,561,138	-
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee) Outstanding 27,163 (30 June 2012: Nil) units	11,451,903	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Outstanding Nil (30 June 2012: 11,957) units	-	4,636,221
<u>Key Management Personnel of management company</u> Outstanding 113,123 (30 June 2012: 91,921) units	47,692,521	35,641,542

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

10. DATE FOR AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 25 April 2013 by the Board of Directors of the Management Company.

11. GENERAL

11.1 Figures have been rounded off to the nearest rupees.

11.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

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