



Atlas Islamic Income Fund

Atlas Islamic Stock Fund

THIRD QUARTER REPORT

31 March 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.

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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
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Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

Third Quarter Report 2016-17

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 ended 31 March 2017 of the FY 2016-17.

THE ECONOMY

During the period July-March FY 17, total exports stood at US\$15.12 billion as compared to US\$15.60 billion in the same period last year. The foreign exchange reserves of the country stood at US\$21.8 billion as on 24 March 2017 with SBP's share of US\$16.7 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-March FY 17 stood at US\$14.06 billion, which was a decrease of 2.29% YoY compared to the corresponding period last year. CPI inflation for the period of July-March FY 17 was recorded at 4%. The private sector credit increased by Rs.463 billion during July-March FY 17 as compared to an increase of Rs.306 billion in the same period last year. Moreover, LSM sector posted growth of 3.48% during July-January FY 17, while major crops, such as cotton has shown growth of 10% over previous year that has helped economy maintain growth momentum. The 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.

FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund increased by 4.44% to Rs.523.68 as on 31 March 2017, this works out to 5.91% on an annualized basis. The AIIF's total Exposure in Government of Pakistan Ijara Sukuks was 4.48%, in Sukuks, 2.08% and remaining 93.44% in high yielding Shariah compliant bank deposits. The Net Assets of the Fund stood at Rs.2.49 billion, with 4.76 million units outstanding as of 31 March 2017.

FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund increased by 30.28% to Rs.615.68 as on 31 March 2017. The benchmark KMI-30 index increased by 23.67% during the same period. The KMI-30 index increased from 66,162.77 points as on 30 June 2016 to 81,825.29 points as on 31 March 2017. 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 Cement, Oil & Gas Exploration and Fertilizer sectors. The Net Assets of the Fund stood at Rs.2.67 billion, with 4.34 million units outstanding as of 31 March 2017.

TAXATION

WORKER'S WELFARE FUND (WWF)

On 10 November 2016 the Honorable 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. The Federal Board of Revenue has filed a review petition in the SCP against the said judgment, 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 and that all cases pending in the Honorable Sindh High Court (SHC) or lower appellate forums will now be disposed of in light of the judgement of the SCP. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till 30 June 2015 has been reversed on 12 January 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

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. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of asset management companies whereby it was contested that mutual funds do not come under the ambit of the SWWF Act as these were not financial institutions or industrial establishments under the applicable laws but were pass through investment vehicles and did not employ workers. The SRB had held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance 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 21 May 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 13th June, 2013 and this was withdrawn on 30 June 2016. On 04 September 2013 a constitutional petition has been filed in Sindh High Court (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, pending decision of the case the mutual funds and pension funds have on prudent basis maintained the provision for FED till 30 June 2016.

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REOPENING OF ASSESSMENT OF PRIOR YEARS

During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by various mutual funds under section 120 of the Income Tax Ordinance, 2001 (Ordinance) on the plea that bonus issues declared by the funds should not have been considered as distribution of income while claiming exemption available under clause 99 of Part 1 of the Second Schedule to Ordinance. Consequently the tax demands were raised across the mutual fund industry. The industry, including the funds under management of your company on whom demand was raised went on appeal. The Commissioner Inland Revenue - Appeals decided the matter in favor of the funds. Against this decision the tax assessing officer has filed an appeal in Appellate Tribunal Inland Revenue. The Honorable Appellate Tribunal Inland Revenue in its judgment dated 06 February 2017 has upheld the decision of Commissioner Appeals and hold that the distribution envisaged under clause (99) of Part I of the Second Schedule in case of mutual funds, as it stands before amendment made vide Finance Act, 2014, will include distribution by way of bonus shares.

SUPER TAX

A onetime super tax was levied on person whose income is more than Rs.500 Million for the tax year 2015 @ 3% for companies and 4% for banking companies through Finance Act, 2015. The tax has been extended for one more year. During March 2016, notices were issued to twelve mutual funds managed by six Asset Management Companies. This includes Atlas Money Market Fund (AMF) managed by AAML. The AMC have also appealed with Appellate Commissioner (AC). The AC decided the case in favor of the Department. AMC has gone to appeal with the Income Tax Tribunal against the judgement.

The Appellate Tribunal Inland Revenue in its judgment dated 03 February 2017 has deleted the levy of supertax on the income of the Fund as the "super tax" being of the nature of tax cannot be imposed in view of exemption from tax on any income derived by mutual funds under clause (99) of Part I of the Second Schedule.

WITHHOLDING TAX

With effect from 1 July 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 20 April 2016 and the hearing is still pending.

RATINGS

• ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset manager rating of Atlas Asset Management Limited (AAML) to "AM2" (AM Two). 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 very low exposure to risks

FUTURE OUTLOOK

Pakistan economic growth has accelerated in recent periods on the cumulative impact of the government's macroeconomic and structural reforms, lower oil prices, and improved security conditions. Inflation has been lower than expected, while foreign exchange reserves have remained above US\$ 21 billion. Trade reforms and regulatory changes have also helped improve business climate in the country. However, key challenges remain regarding declining exports, widening current account deficit and fiscal slippages that has resulted in widening of fiscal deficit. A major impetus to growth going forward will be the implementation of US\$ 46 billion program of infrastructure spending on roads, railways, pipelines and power projects under CPEC. Overall, improved macro-economic environment has thus opened up opportunity for efficient reforms to ensure improvements in the economy are sustainable.

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

جسے اللہ رکھے اسے کون چکھے

If Allah wills not, no one can Harm

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.

Yusuf H. Shirazi
Chairman

Karachi: 27 April 2017

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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 31 MARCH 2017

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	
Assets			
Cash and bank balances	4	2,334,458,892	220,654,282
Investments	5	164,848,500	345,793,940
Receivable against issue of units		-	258,098
Mark-up accrued	6	12,927,842	3,298,578
Security deposits, prepayments and other receivables		665,047	203,300
Total assets		2,512,900,281	570,208,198
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	2,990,023	2,209,624
Payable to the Central Depository Company of Pakistan Limited - Trustee		277,373	90,606
Payable to the Securities and Exchange Commission of Pakistan		824,576	375,854
Payable against redemption of units		15,000,000	20,000
Unclaimed dividend		62,457	61,502
Accrued expenses and other liabilities	8	3,422,064	8,897,400
Total liabilities		22,576,493	11,654,986
Net assets		2,490,323,788	558,553,212
Unit holders' fund (as per statement attached)		2,490,323,788	558,553,212
Contingencies and commitments			
	9	----- Number of units -----	
Number of units in issue		4,755,405	1,113,938
		----- Rupees -----	
Net asset value per unit		523.68	501.42

The annexed notes from 1 to 18 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

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

Note	For the Nine Months ended		For the Quarter ended		
	31 March		31 March		
	2017	2016	2017	2016	
	Rupees				
Income					
Mark-up income	10	62,235,072	20,089,593	32,024,440	7,248,796
Capital gain on sale of investments - net		2,126,235	-	-	-
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		2,971,600	1,378,500	(946,000)	241,700
Element of income and capital gains included in prices of units issued less those in units redeemed - net		44,762,916	2,494,372	1,325,550	1,231,252
Total income		112,095,823	23,962,465	32,403,990	8,721,748
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	3,298,258	1,077,495	1,727,714	380,948
Sindh Sales Tax on remuneration of the Management Company	7.2	428,774	174,985	224,603	61,866
Federal Excise Duty on remuneration of the Management Company	7.3	-	172,399	-	60,952
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,438,252	610,578	699,110	215,873
Sindh Sales Tax on remuneration of the Trustee		186,973	85,482	90,885	30,223
Annual fees to the Securities and Exchange Commission of Pakistan		824,576	269,373	431,935	95,237
Accounting and operational charges	11	1,095,870	180,360	575,907	126,983
Sindh Sales Tax on accounting and operational charges		87,670	10,822	46,073	7,620
Auditors' remuneration		178,183	172,765	58,527	58,061
Securities transaction cost		42,646	29,503	1,695	13,110
Annual listing fee		41,287	22,541	13,561	7,459
Annual rating fee		225,927	226,131	74,210	85,366
Printing charges		(8,572)	85,772	43,558	(67,059)
Shariah advisory fee		131,292	60,328	43,125	40,448
Bank charges		19,912	10,943	7,195	3,060
Legal and professional charges		23,760	61,048	23,760	57,420
Provision for Workers' Welfare Fund	8.1	(4,443,900)	-	(4,443,900)	-
Provision for Sindh Workers' Welfare Fund	8.1	2,658,565	-	2,658,565	-
Total expenses		6,229,473	3,250,525	2,276,523	1,177,567
Net income for the period before taxation		105,866,350	20,711,940	30,127,467	7,544,181
Taxation	13	-	-	-	-
Net income for the period after taxation		105,866,350	20,711,940	30,127,467	7,544,181
Earnings per unit	14				

The annexed notes from 1 to 18 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

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	<u>For the Nine Months ended</u>		<u>For the Quarter ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>----- Rupees -----</u>			
Net income for the period after taxation	105,866,350	20,711,940	30,127,467	7,544,181
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	105,866,350	20,711,940	30,127,467	7,544,181

The annexed notes from 1 to 18 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

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017 ----- Rupees -----	2016 -----
Undistributed income brought forward [Includes unrealised gain on investments of Rs.1,585,940] (2016: unrealised gain on investments of Rs.466,792)	1,231,704	1,252,989
Net income for the period after taxation	105,866,350	20,711,940
Undistributed income carried forward [Includes unrealised gain on investments of Rs.3,185,500] (2016: unrealised gain on investments of Rs.930,500)	<u>107,098,054</u>	<u>21,964,929</u>

The annexed notes from 1 to 18 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

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2017

	31 March 2017		31 March 2016	
	Units	Rupees	Units	Rupees
Number of units/net assets at the beginning of the period [Rs. 501.42 (2016: Rs. 501.44) per unit]	1,113,938	558,553,212	846,460	424,446,971
Issue of units	6,016,943	3,097,915,154	526,955	270,280,778
Redemption of units	(2,375,476)	(1,227,248,012)	(300,742)	(154,350,752)
	3,641,467	1,870,667,142	226,213	115,930,026
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(44,762,916)	-	(2,494,372)
Capital gain on sale of investments - net	-	2,126,235	-	-
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	2,971,600	-	1,378,500
Other income (net of expenses) for the period	-	100,768,515	-	19,333,440
Total comprehensive income for the period	-	105,866,350	-	20,711,940
Number of units/net assets at the end of the period [Rs.523.68 (2016: Rs.520.75) per unit]	4,755,405	2,490,323,788	1,072,673	558,594,565

The annexed notes from 1 to 18 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

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
	Note -----	Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	105,866,350	20,711,940
Adjustments for:		
Mark-up income	(62,235,072)	(20,089,593)
Capital gain on sale of investments - net	(2,126,235)	-
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(2,971,600)	(1,378,500)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(44,762,916)	(2,494,372)
	(112,095,823)	(23,962,465)
Increase in assets		
Security deposits, prepayments and other receivables	(461,747)	(94,559)
(Decrease)/Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	780,399	69,403
Payable to Central Depository Company of Pakistan Limited - Trustee	186,767	33,797
Payable to the Securities and Exchange Commission of Pakistan	448,722	(92,522)
Unclaimed dividend	955	-
Accrued expenses and other liabilities	(5,475,336)	(1,230,984)
	(4,058,493)	(1,220,306)
Mark-up received	52,605,808	17,388,499
Investments made during the period	(50,000,000)	(348,845,290)
Investments sold/matured during the period	236,043,275	171,697,290
Net cash generated/(used in) from operating activities	227,899,370	(164,324,891)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	3,098,173,252	301,310,418
Net payments against redemption of units	(1,212,268,012)	(162,989,079)
Dividend paid	-	(12,510,325)
Net cash generated from financing activities	1,885,905,240	125,811,014
Net increase/(decrease) in cash and cash equivalents	2,113,804,610	(38,513,877)
Cash and cash equivalents at the beginning of the period	220,654,282	253,953,014
Cash and cash equivalents at the end of the period	4 2,334,458,892	215,439,137

The annexed notes from 1 to 18 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

Tariq Amin
Director

Atlas Islamic Income Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 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 and Second Supplemental Trust Deeds dated 23 June 2010 and 12 November 2010 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 and Sixth supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015 and 30 September 2016 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 of the Fund is to take advantage of opportunities to realise capital appreciation. The investment objectives and policies are fully defined in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2" to the Management Company on 8 June 2016 and has assigned a rating of "AA-(f)" to the Fund on 9 December 2016.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with 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 the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2017.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 March 2017 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2016, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the nine months ended 31 March 2016.

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2.2 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the financial statements of the Fund as at and for the year ended 30 June 2016. The details regarding developments in relation to estimation of provision for Federal Excise Duty and Workers' Welfare Fund are given in notes 7.3 and 8.1 respectively.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2016 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2017 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4. CASH AND BANK BALANCES

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	-----
Balances with banks in:			
- Profit and loss sharing accounts	4.1	2,333,978,892	214,852,779
- Current account		5,000	5,000
Cheques in hand	4.2	475,000	5,796,503
		<u>2,334,458,892</u>	<u>220,654,282</u>

4.1 The rates of return on these accounts range between 5.10% and 5.95% (30 June 2016: 4.00% and 6.10%) per annum.

4.2 These cheques were received against issue of units which were cleared subsequent to the period end by 04 April 2017.

Atlas Islamic Income Fund

		31 March 2017	30 June 2016
	Note	Un-audited	Audited
		Rupees	
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities - Government of Pakistan (GoP)			
ijarah sukuk	5.1	112,498,500	345,793,940
Debt securities - sukuk certificates (unlisted)	5.2	52,350,000	-
		164,848,500	345,793,940

5.1 Government securities - Government of Pakistan (GoP) ijarah sukuk

Particulars	Face value				Carrying value as at 31 March 2017	Market value as at 31 March 2017	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at 01 July 2016	Acquired during the period	Disposed / matured during the period	As at 31 March 2017				
----- Rupees -----								
Government of Pakistan ijarah sukuk	343,400,000	-	232,400,000	111,000,000	111,876,900	112,498,500	68.24%	4.52%
Total - June 30, 2016					343,928,000	345,793,940		

5.1.1 Investments in GoP ijarah sukuk carry mark-up at the rate of 5.45% (30 June 2016: 3.89% to 6.10%) per annum and are due to mature by 18 December 2018 (30 June 2016: 15 February 2019). As at 31 March 2017, the cost of these investments amounted to Rs. 111,663,000 (30 June 2016: Rs. 344,208,000).

5.2 Debt securities - sukuk certificates (unlisted)

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

Name of the Issuer	Number of certificates				Carrying value as at 31 March 2017	Market value as at 31 March 2017	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
	As at 01 July 2016	Acquired during the period	Disposed during the period	As at 31 March 2017					
----- Rupees -----									
BANKS									
Meezan Bank Limited	-	50	-	50	50,000,000	52,350,000	31.76%	2.10%	0.71%
Total - June 30, 2016	-	-	-	-	-	-			

5.2.1 These certificates carry mark-up at the rate of 6 months KIBOR plus 0.50% per annum, are due to mature by 22 September 2026 and are, currently, rated AA- by JCR-VIS Credit Rating Company Limited. As at 31 March 2017, the cost of these investments amounted to Rs.50,000,000 (30 June 2016: Rs. Nil).

		31 March 2017	30 June 2016
	Note	Un-audited	Audited
		Rupees	
6. MARK-UP ACCRUED			
Mark-up accrued on:			
- Profit and loss sharing accounts		10,923,944	1,023,422
- Government of Pakistan (GoP) ijarah sukuk		1,722,775	2,275,156
- Sukuk certificates		281,123	-
		12,927,842	3,298,578

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

Remuneration of the Management Company	7.1	609,784	139,375
Sindh Sales Tax payable on remuneration of the Management Company	7.2	346,866	287,103
Federal Excise Duty payable on remuneration of the Management Company	7.3	1,733,901	1,733,901
Accounting and operational charges reimbursable by the Fund	11	277,289	46,458
Sindh Sales Tax payable on accounting and operational charges		22,183	2,787
		2,990,023	2,209,624

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- 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 1.50% of the average annual net assets in case of income schemes. Previously, the Management Company was entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and, thereafter, of an amount equal to 2% of such assets. During the nine months ended 31 March 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 for the period. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 428,774 (2016: Rs. 174,985) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 369,011 (2016: Rs. 168,557) 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 nine months ended 31 March 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 2016: Rs 1.734 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2017 would have been higher by Re. 0.36 per unit (30 June 2016: Rs 1.56 per unit).

	31 March 2017	30 June 2016
Note	Un-audited	Audited
	----- Rupees -----	

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	115,236	173,272
Printing charges payable	76,900	240,869
Payable to Shariah Advisor	45,335	43,417
Withholding and capital gain tax payable	49,825	3,412,996
Zakat payable	-	114,155
Provision for Workers' Welfare Fund	8.1 -	4,443,900
Provision for Sindh Workers' Welfare Fund	8.1 2,658,565	-
Other payable	476,203	468,791
	3,422,064	8,897,400

Atlas Islamic Income Fund

- 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 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. 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.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2017 and as at 30 June 2016.

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For the Nine Months ended 31 March		For the quarter ended 31 March	
2017	2016	2017	2016
Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----		----- Rupees -----	

10. MARK-UP INCOME

Mark-up income on:

- Profit and loss sharing accounts	52,169,321	12,015,756	29,647,097	3,786,988
- Government of Pakistan (GoP) ijarah sukuk	8,271,655	8,073,837	1,490,863	3,461,808
- Sukuk certificates	1,794,096	-	886,480	-
	<u>62,235,072</u>	<u>20,089,593</u>	<u>32,024,440</u>	<u>7,248,796</u>

11. ACCOUNTING AND OPERATIONAL CHARGES

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

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

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2017 is 0.42% (annualised rate being 0.60%) which includes -0.02% (annualised rate being 0.01%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

13. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund during the year ending 30 June 2017 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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

Atlas Islamic Income Fund

14. EARNINGS PER UNIT

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

15. TRANSACTIONS WITH CONNECTED PERSONS/RELATED PARTIES

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

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

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

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

	<u>For the Nine Months ended</u>	
	<u>31 March 2017</u>	<u>31 March 2016</u>
	<u>Un-audited</u>	<u>Un-audited</u>
	----- Rupees -----	
15.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	3,298,258	1,077,495
Remuneration paid	2,827,849	1,186,899
Sindh Sales Tax on remuneration of the Management Company	428,774	174,985
Federal Excise Duty on remuneration of the Management Company	-	172,399
Accounting and operational charges	1,095,870	180,360
Sindh Sales Tax on accounting and operational charges	87,670	10,822
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,438,252	610,578
Remuneration paid to the Trustee	1,272,268	587,227
Sindh Sales Tax on remuneration of the Trustee	186,973	85,482
Settlement charges paid	4,500	4,500
Sindh sales tax on settlement charges	585	630
Atlas Battery Limited (Group Company)		
Issue of 1,597,464 (2016: Nil) units	825,031,868	-
Atlas Honda Limited (Group Company)		
Issue of 2,525,638 (2016: Nil) units	1,295,587,038	-
Redemption of 1,158,471 (2016: Nil) units	600,000,000	-

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	For the Nine Months ended	
	31 March 2017 Un-audited	31 March 2016 Un-audited
	Note -----	Rupees -----
15.1 Transactions during the period (Continued...)		
Atlas Insurance Limited window takaful operations (Group Company)		
Issue of 31,008 (2016: Nil) units	16,000,000	-
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Redemption of Nil (2016: 9,698) Units	-	5,000,000
Dividend Paid	-	956,018
Atlas Power Limited - Staff Provident Fund (Retirement benefit plan of a Group Company)		
Dividend paid	-	39,733
Shirazi Capital (Private) Limited (Group Company)		
Redemption of 109,280 (2016: 67,842) units	56,327,298	35,000,000
Shirazi Investments (Private) Limited (Group Company)		
Issue of 109,280 (2016: Nil) units	56,327,298	-
Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Dividend paid	-	771,123
Meezan Bank Limited (Unit holder with more than 10% holding) 15.3		
Dividend paid	-	3,955,774
Chevron Pakistan Lubricants (Private) Limited Gratuity Fund (Unit Holder with more than 10% holding)		
Issue of Nil (2016: 144,598) Units	-	75,000,000
Directors and their close family members and key management personnel of the Management Company 15.4		
Issue of 11,488 (2016: 7,312) units	5,837,318	3,725,000
Redemption of 7,354 (2016: 5,773) units	3,775,314	2,940,000
	31 March 2017 Un-audited	30 June 2016 Audited
	-----	-----
	Rupees	
15.2 Balances as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	609,784	139,375
Sindh Sales Tax payable on remuneration of the Management Company	346,866	287,103
Federal Excise Duty payable on remuneration of the Management Company	1,733,901	1,733,901
Accounting and operational charges reimbursable by the Fund	277,289	46,458
Sindh Sales Tax payable on accounting and operational charges	22,183	2,787
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to Trustee	244,963	78,979
Sindh Sales Tax payable on remuneration of the Trustee	31,845	11,057
Settlement charges payable	500	500
Sindh Sales Tax payable on settlement charges	65	70
Security Deposit	100,000	100,000

Atlas Islamic Income Fund

	31 March 2017	30 June 2016
Note	Un-audited	Audited
	----- Rupees -----	-----
15.2 Balances as at period/year end (Continued...)		
Atlas Battery Limited (Group Company)		
Outstanding 1,597,464 (30 June 2016: Nil) units - at net asset value	836,559,913	-
Atlas Honda Limited (Group Company)		
Outstanding 1,367,167 (30 June 2016: Nil) units - at net asset value	715,957,841	-
Atlas Insurance Limited window takaful operations (Group Company)		
Outstanding 31,008 (30 June 2016: Nil) units - at net asset value	16,238,140	-
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 339 (30 June 2016: 339) units - at net asset value	177,405	169,864
Shirazi Capital (Private) Limited (Group Company)		
Outstanding Nil (30 June 2016: 109,280) units - at net asset value	-	54,795,192
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 109,280 (30 June 2016: nil) units - at net asset value	57,227,766	-
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 20,240 (30 June 2016: 20,240) units - at net asset value	10,599,223	10,148,683
Chevron Pakistan Lubricants (Private) Limited Gratuity Fund 15.3 (Unit holder with more than 10% holding)		
Outstanding 151,812 (30 June 2016: 151,812) units at net asset value	79,500,903	76,121,568
Hamdard Laboratories (Waqf) Pakistan 15.3 (Unit holder with more than 10% holding)		
Outstanding 126,201 (30 June 2016: 126,201) units at net asset value	66,088,700	63,279,476
Atlas Stock Market Fund (Collective Investment Scheme managed by the Management Company)		
Amount payable against redemption of units	15,000,000	-
Directors and their close family members and key management personnel of the Management Company 15.4		
Outstanding 19,235 (30 June 2016: 15,102) units - at net asset value	10,073,149	7,572,200

15.3 Disclosure for the current period is not relevant as the holding is less than 10%.

15.4 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 2016-17.

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16. FAIR VALUE MEASUREMENT

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

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

The fair value of government securities is determined with reference to the quotation obtained from the brokers on the Reuters page. Listed and unlisted debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP) which are calculated in accordance with the provisions contained in various circulars issued by the Securities and Exchange Commission of Pakistan. The fair values of all other financial assets and liabilities of the Fund approximate their carrying amounts due to short-term maturities of these instruments.

Fair value hierarchy

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

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

As at 31 March 2017 and 30 June 2016, the Fund had financial assets at fair value through profit or loss measured using the level 2 valuation technique.

17. GENERAL

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

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

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 April 2017.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

Corporate Information

Trustee

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

Shariah Advisor

Mufti Muhammad Yahya Asim

Auditors

A. F. Ferguson & Co.
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

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2017

		31 March 2017	30 June 2016
		Un-audited	Audited
	Note	----- Rupees -----	----- Rupees -----
Assets			
Cash and bank balances	4	294,141,194	76,854,269
Investments	5	2,382,158,143	1,367,162,490
Profit receivable on bank balances		1,419,009	396,343
Dividend receivable		15,082,185	1,485,300
Receivable against sale of investment		11,745,700	-
Receivable against issue of units		-	225,000
Security deposits, prepayment and other receivables	6	5,211,132	5,074,830
Total assets		2,709,757,363	1,451,198,232
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	17,696,056	14,857,995
Payable to Central Depository Company of Pakistan Limited - Trustee		376,771	244,758
Payable to the Securities and Exchange Commission of Pakistan		1,523,498	1,262,204
Payable against redemption of units		65,000	492,980
Accrued expenses and other liabilities	8	20,156,691	22,551,051
Total liabilities		39,818,016	39,408,988
Net assets		2,669,939,347	1,411,789,244
Unit holders' funds (as per statement attached)		2,669,939,347	1,411,789,244
Contingencies and commitments	9	----- Number of units -----	
Number of units in issue		4,336,604	2,987,494
		----- Rupees -----	
Net asset value per unit		615.68	472.57

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	Note	For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2017	2016	2017	2016
		Rupees -----			
INCOME					
Profit on bank balances		9,316,035	4,286,926	3,448,610	2,260,115
Dividend income		72,592,725	49,586,465	25,242,725	11,492,850
Capital gain/(loss) on sale of investments-net		160,287,480	(31,533,307)	94,877,795	(16,870,643)
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		324,825,282	(30,126,802)	(71,476,036)	36,732,551
		485,112,762	(61,660,109)	23,401,759	19,861,908
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net		96,609,072	(3,323,878)	(18,589,254)	(2,808,273)
Total income		663,630,594	(11,110,596)	33,503,840	30,806,600
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	32,073,797	19,564,863	13,997,933	6,495,912
Sindh Sales Tax on remuneration of the Management Company	7.2	4,169,594	3,177,334	1,819,732	1,054,936
Federal Excise Duty on remuneration of the Management Company	7.3	-	3,130,377	-	1,039,346
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		2,354,375	1,729,608	946,473	573,429
Sindh Sales Tax on remuneration of the Trustee		306,069	242,145	123,042	80,278
Annual fee to the Securities and Exchange Commission of Pakistan		1,523,498	929,330	664,902	308,556
Accounting and operational charges	10	1,595,198	452,339	704,092	324,796
Sindh Sales Tax on accounting and operational charges		127,616	27,139	56,328	19,487
Shariah advisory fee		259,387	119,713	85,068	81,028
Auditors' remuneration		232,662	238,382	76,422	75,771
Securities transaction cost		3,478,426	2,702,967	1,024,279	806,432
Annual listing fee		41,287	30,055	13,561	9,946
Annual ranking fee		-	117,951	-	34,808
Printing charges		70,663	85,915	53,132	(66,916)
Legal and professional charges		23,760	85,618	23,760	69,431
Bank charges		18,576	31,161	3,439	7,984
Provision for workers' welfare fund	8.2	(21,015,392)	-	(21,015,392)	-
Provision for sindh workers' welfare fund	8.2	16,705,701	-	16,705,701	-
Total expenses		41,965,217	32,664,897	15,282,472	10,915,224
Net income/(loss) for the period before taxation		621,665,377	(43,775,493)	18,221,368	19,891,376
Taxation	12	-	-	-	-
Net income/(loss) for the period after taxation		621,665,377	(43,775,493)	18,221,368	19,891,376
Earnings per unit	13				

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

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2017

	For the Nine Months ended		For the Quarter ended	
	31 March 2017	2016	31 March 2017	2016
----- Rupees -----				
Net income/(loss) for the period after taxation	621,665,377	(43,775,493)	18,221,368	19,891,376
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the period	621,665,377	(43,775,493)	18,221,368	19,891,376

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	Note	2017 ----- Rupees -----	2016 -----
Undistributed income brought forward [Includes unrealised gain on investments of Rs.88,885,893] (2016: Includes unrealised gain on investments of Rs.80,129,906)		275,395,025	338,826,471
Final cash dividend declared for the year ended 30 June 2016: Rs. Nil (2015: Rs. 50 per unit declared on 7 July 2015)		-	(142,711,650)
Net income/(loss) for the period after taxation		621,665,377	(43,775,493)
Shariah non-compliant income set-aside for charity	8.1	(1,063,901)	(682,097)
Undistributed income carried forward [Includes unrealised gain on investments of Rs.393,296,692] (2016: Includes unrealised loss on investments of Rs.30,127,015)		895,996,501	151,657,231

The annexed notes from 1 to 17 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

Tariq Amin
Director

Third Quarter Report 2016-17

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	31 March 2017		31 March 2016	
	Units	Rupees	Units	Rupees
Number of units/net assets at beginning of the period [Rs.472.57 (2016: Rs. 496.02) per unit]	2,987,494	1,411,789,244	2,854,233	1,415,762,781
Issue of units	2,277,737	1,273,388,418	695,936	301,989,593
Redemption of units	(928,627)	(539,230,719)	(418,405)	(181,506,006)
	1,349,110	734,157,699	277,531	120,483,587
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	-	(96,609,072)	-	3,323,878
Final cash dividend declared for the year ended 30 June 2016: Rs. Nil (2015: Rs. 50 per unit declared on 7 July 2015)	-	-	-	(142,711,650)
Capital gain/(loss) on sale of investments - net	-	160,287,480	-	(31,533,307)
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	324,825,282	-	(30,126,802)
Other income (net of expenses) for the period	-	136,552,615	-	17,884,616
Total comprehensive income/(loss) for the period	-	621,665,377	-	(43,775,493)
Shariah non-compliant income set-aside for charity	-	(1,063,901)	-	(682,097)
Number of units/net assets at end of the period [Rs.615.68 (2016: Rs.431.83) per unit]	4,336,604	2,669,939,347	3,131,764	1,352,401,006

The annexed notes from 1 to 17 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

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	2017	2016
	Note -----	Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss) for the period before taxation	621,665,377	(43,775,493)
Adjustments for:		
Profit on bank balances	(9,316,035)	(4,286,926)
Dividend income	(72,592,725)	(49,586,465)
Capital (gain)/loss on sale of investments - net	(160,287,480)	31,533,307
Net unrealised (appreciation)/diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(324,825,282)	30,126,802
Element of (income)/loss and capital (gain)/losses included in prices of units issued less those in units redeemed - net	(96,609,072)	3,323,878
Provision for workers' welfare fund	21,015,392	-
Provision for sindh workers' welfare fund	(16,705,701)	-
	(659,320,903)	11,110,596
(Increase)/decrease in assets		
Receivable against sale of investments	(11,745,700)	(6,910,994)
Security deposits, prepayment and other receivables	(136,302)	(1,124,683)
	(11,882,002)	(8,035,677)
(Decrease)/Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	2,838,061	3,606,087
Payable to the Central Depository Company of Pakistan Limited - Trustee	132,013	18,819
Payable to the Securities and Exchange Commission of Pakistan	261,294	10,566
Payable against purchase of investments	-	(33,289,692)
Accrued expenses and other liabilities	(7,767,952)	(1,462,986)
	(4,536,584)	(31,117,206)
Profit received on bank balances	8,293,369	3,697,179
Dividend received	58,995,840	43,266,115
Investments made during the period	(1,918,754,650)	(1,460,808,501)
Investments sold during the period	1,388,871,759	1,505,869,637
	(462,593,682)	92,024,430
Net cash (used in)/generated from operating activities	(516,667,794)	20,206,650
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	1,273,613,418	305,999,664
Net payments against redemption of units	(539,658,699)	(182,995,193)
Dividend paid	-	(142,711,650)
Net cash generated from/(used in) financing activities	733,954,719	(19,707,179)
Net increase in cash and cash equivalents	217,286,925	499,471
Cash and cash equivalents at the beginning of the period	76,854,269	117,843,272
Cash and cash equivalents at the end of the period	4 294,141,194	118,342,743

The annexed notes from 1 to 17 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

Tariq Amin
Director

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 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 and Fourth Supplemental Trust Deeds dated 29 October 2007, 6 March 2008, 4 December 2009 and 23 June 2010 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 and Seventh Supplements dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010, 20 September 2013, 24 March 2015 and 29 September 2016 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'shariah compliant equity scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis from 15 January 2007 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide one window facility to investors to invest in diversified and professionally managed investment portfolio of shariah compliant securities such as equities, cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding term deposit receipts) and Shariah Compliant government securities not exceeding 90 days' maturity. The investment objectives and policies are fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2" to the Management Company on 8 June 2016.
- 1.5 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the 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 the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2017.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 March 2017 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2016, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the nine months ended 31 March 2016.

Atlas Islamic Stock Fund

2.2 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the financial statements of the Fund as at and for the year ended 30 June 2016. The details regarding developments in relation to estimation of provision for Federal Excise Duty and Workers' Welfare Fund are given in notes 7.3 and 8.2 respectively.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2016 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2017 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	
4. CASH AND BANK BALANCES			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	284,487,295	76,841,269
- Current account		206,899	13,000
Cheques in hand	4.2	9,447,000	-
		<u>294,141,194</u>	<u>76,854,269</u>

4.1 The rate of return on these accounts range between 5.1% and 5.6% (30 June 2016: 4.50% and 6.10%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 07 April 2017.

5. INVESTMENTS

At fair value through profit or loss - held for trading

- Listed equity securities

5.1	<u>2,382,158,143</u>	<u>1,367,162,490</u>
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5.1 At fair value through profit or loss - Listed equity securities

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

Name of Investee Company	Note	Number of shares				Rupees			Percentage of		Market value as a percentage of paid up capital of investee company held
		As at 01 July 2016	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2017	Carrying Value as at 31 March 2017	Market Value as at 31 March 2017	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	
MODARABA											
First Equity Modaraba		-	1,000,000	-	1,000,000	-	-	-	-	-	-
BANKS											
Meezan Bank Limited		1,600,000	157,000	-	800,000	957,000	44,332,950	68,425,500	2.87	2.56	0.10
							44,332,950	68,425,500	2.87	2.56	
TEXTILE COMPOSITE											
Nishat Mills Limited		500,000	125,000	-	105,000	520,000	59,311,168	85,904,000	3.61	3.22	0.15
							59,311,168	85,904,000	3.61	3.22	
CEMENT											
Cherat Cement Company Limited		142,000	83,000	-	25,000	200,000	27,883,567	38,242,000	1.61	1.43	0.11
D.G. Khan Cement Company Limited		400,000	350,000	-	405,000	345,000	64,845,392	80,178,000	3.37	3.00	0.08
Dewan Cement Limited		-	800,000	-	800,000	-	-	-	-	-	-
Fauji Cement Company Limited		1,510,000	1,665,000	-	175,000	3,000,000	113,112,480	128,040,000	5.37	4.80	0.22
Kohat Cement Company Limited		76,500	223,500	-	-	300,000	81,022,421	79,017,000	3.32	2.96	0.19
Lucky Cement Limited	5.3	132,500	85,000	-	52,500	165,000	125,070,391	138,169,350	5.80	5.17	0.05
Pioneer Cement Limited		350,000	275,000	-	250,000	375,000	40,330,030	53,625,000	2.25	2.01	0.17
							452,264,281	517,271,350	21.72	19.37	
REFINERY											
Attock Refinery Limited		-	40,000	-	40,000	-	-	-	-	-	-
National Refinery Limited		60,000	16,450	-	32,500	43,950	24,507,376	31,334,157	1.32	1.17	0.05
							24,507,376	31,334,157	1.32	1.17	
POWER GENERATION & DISTRIBUTION											
K-Electric Limited (face value Rs. 3.5)		3,800,500	5,449,500	-	3,000,000	6,250,000	55,093,415	51,125,000	2.15	1.91	0.02
The Hub Power Company Limited	5.3	550,000	1,450,000	-	50,000	1,950,000	226,064,583	255,567,000	10.73	9.57	0.17
							281,157,998	306,692,000	12.88	11.48	
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited		85,000	79,050	-	30,800	133,250	71,940,834	84,585,768	3.55	3.17	0.16
Hi-Tech Lubricants Limited		250,000	200,000	-	450,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	5.3	285,000	-	-	50,000	235,000	88,233,100	99,527,200	4.18	3.73	0.09
Sui Northern Gas Pipelines Limited		-	1,225,000	-	462,500	762,500	43,087,140	108,862,125	4.57	4.08	0.12
Sui Southern Gas Company Limited		-	400,000	-	400,000	-	-	-	-	-	-
							203,261,074	292,975,093	12.30	10.98	
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited		116,000	73,050	-	107,040	82,010	79,999,510	124,693,745	5.23	4.67	0.07
Oil & Gas Development Company Limited		470,000	1,200,000	-	970,500	699,500	106,988,365	103,742,845	4.35	3.89	0.02
Pakistan Oilfields Limited		209,700	186,300	-	203,500	192,500	76,644,523	85,672,125	3.60	3.21	0.08
Pakistan Petroleum Limited	5.3	550,000	670,200	-	710,200	510,000	84,682,373	79,004,100	3.32	2.96	0.03
							348,314,771	393,112,815	16.50	14.73	

Atlas Islamic Stock Fund

Name of Investee Company	Note	Number of shares				Rupees		Percentage of			Market value as a percentage of paid up capital of investee company held
		As at 01 July 2016	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2017	Carrying Value as at 31 March 2017	Market Value as at 31 March 2017	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	
Held for trading equity securities (Continued...)											
ENGINEERING											
Amreli Steels Limited		520,000	230,000	-	750,000	-	-	-	-	-	
International Industries Limited		-	352,500	-	167,800	184,700	37,728,658	44,787,903	1.88	1.68	0.15
International Steels Limited		-	55,000	-	55,000	-	-	-	-	-	
Mughal Iron And Steel Industries Limited		150,000	304,500	-	454,500	-	-	-	-	-	
							37,728,658	44,787,903	1.88	1.68	
AUTOMOBILE ASSEMBLER											
Millat Tractors Limited		31,900	-	-	16,900	15,000	8,553,750	19,746,150	0.83	0.74	0.03
Pak Suzuki Motor Company Limited		35,000	40,000	-	35,000	40,000	28,710,983	24,798,800	1.04	0.93	0.05
							37,264,733	44,544,950	1.87	1.67	
AUTOMOBILE PARTS & ACCESSORIES											
Agriauto Industries Limited (face value Rs. 5)		40,000	70,000	-	10,000	100,000	22,454,435	28,842,000	1.21	1.08	0.35
Thal Limited		42,800	-	-	42,800	-	-	-	-	-	
							22,454,435	28,842,000	1.21	1.08	
CABLES & ELECTRICAL GOODS											
Pak Elektron Limited		-	600,000	-	100,000	500,000	38,253,365	46,050,000	1.93	1.72	0.10
							38,253,365	46,050,000	1.93	1.72	
TRANSPORT											
Pakistan National Shipping Corporation		-	151,000	-	151,000	-	-	-	-	-	
							-	-	-	-	
TECHNOLOGY & COMMUNICATIONS											
Pakistan Telecommunication Company Limited		1,306,500	1,693,500	-	500,000	2,500,000	42,146,855	40,425,000	1.70	1.51	0.07
							42,146,855	40,425,000	1.70	1.51	
FERTILIZER											
Dawood Hercules Corporation Limited		-	325,000	-	-	325,000	44,760,482	43,065,750	1.81	1.61	0.07
Engro Corporation Limited		295,000	390,000	-	230,000	455,000	143,577,272	167,449,100	7.03	6.27	0.09
Engro Fertilizers Limited		1,150,000	2,100,000	-	400,000	2,850,000	191,024,735	178,581,000	7.50	6.69	0.21
							379,362,489	389,095,850	16.34	14.57	
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited		25,000	9,050	-	-	34,050	26,542,500	31,991,337	1.34	1.20	0.03
Ferozsons Laboratories Limited		-	30,000	-	30,000	-	-	-	-	-	
Glaxosmithkline Pakistan Limited		-	70,000	-	70,000	-	-	-	-	-	
The Searle Company Limited		-	22,500	2,250	-	24,750	15,149,130	15,640,020	0.66	0.59	0.02
							41,691,630	47,631,357	2.00	1.79	
CHEMICALS											
Alko Nobel Pakistan Limited		-	75,000	-	75,000	-	-	-	-	-	
Archroma Pakistan Limited		-	12,500	-	-	12,500	8,748,750	9,500,000	0.40	0.36	0.04
ICI Pakistan Limited		-	12,500	-	12,500	-	-	-	-	-	
Sitara Chemical Industries Limited		-	25,000	-	19,000	6,000	3,257,000	3,330,000	0.14	0.12	0.03
							12,005,750	12,830,000	0.54	0.48	

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Name of Investee Company	Number of shares					Rupees		Percentage of		
	As at 01 July 2016	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 2017	Carrying Value as at 31 March 2017	Market Value as at 31 March 2017	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
Held for trading equity securities (Continued...)										
FOODS & PERSONAL CARE PRODUCTS										
Al Shaheer Corporation Limited	261,250	170,500	59,963	150,000	341,713	16,942,328	15,992,168	0.67	0.60	0.24
Engro Foods Limited	100,000	-	-	-	100,000	16,333,000	16,244,000	0.68	0.61	0.01
Fauji Foods Limited	-	100,000	-	100,000	-	-	-	-	-	-
Treet Corporation Limited	-	250,000	-	250,000	-	-	-	-	-	-
						33,275,328	32,236,168	1.35	1.21	
GLASS & CERAMICS										
Tariq Glass Industries Limited	-	75,000	-	75,000	-	-	-	-	-	-
MISCELLANEOUS										
Shifa International Hospitals Limited	50,000	-	-	50,000	-	-	-	-	-	-
Total as at 31 March 2017						2,057,332,861	2,382,158,143	100.00	89.22	

Total as at 30 June 2016

1,278,276,597 1,367,162,490

5.2 The cost of listed equity securities as at 31 March 2017 is Rs.1,988,861,451 (30 June 2016: Rs.1,278,276,597).

5.3 The above investments include the following shares which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades:

Name of Investee Company	Number of shares		Market value	
	31 March 2017 Un-audited	30 June 2016 Audited	31 March 2017 Un-audited	30 June 2016 Audited
Lucky Cement Limited	75,000	75,000	62,804,250	48,638,250
Pakistan State Oil Company Limited	110,000	110,000	46,587,200	41,300,600
Pakistan Petroleum Limited	135,000	135,000	20,912,850	20,931,750
The Hub Power Company Limited	200,000	200,000	26,212,000	24,012,000
			156,516,300	134,882,600

Atlas Islamic Stock Fund

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	----- Rupees -----
6. SECURITY DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES			
Security deposit held with:			
- the National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- the Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
Prepaid listing fee		13,713	-
Other receivables	6.1	2,597,419	2,474,830
		5,211,132	5,074,830

6.1 As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 150 and 151. However, several companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholders. As at 31 March 2017, such deductions aggregate to Rs.2.597 million (30 June 2016: Rs.2.475 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend received by the Fund has been shown as other receivables as at 31 March 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		31 March 2017 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	----- Rupees -----
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)			
Remuneration of the Management Company	7.1	4,769,247	2,387,299
Sindh Sales Tax payable on remuneration of the Management Company	7.2	2,176,563	1,890,784
Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
Accounting and operational charges reimbursable by the Fund	10	274,871	119,365
Sindh Sales Tax payable on accounting and operational charges		21,990	7,162
		17,696,056	14,857,995

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- 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 2% of the average annual net assets in case of equity schemes. Previously, the Management Company was entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and, thereafter, of an amount equal to 2% of such assets. During the nine months ended 31 March 2017, the Management Company has charged its remuneration at the rate of 2% (2016: 2%) per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs.4,169,594 (2016: Rs.3,177,334) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.3,883,815 (2016: Rs.2,753,824) 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 nine months ended 31 March 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 31 March 2017 amounting to Rs 10.453 million (30 June 2016: Rs 10.453 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 March 2017 would have been higher by Rs 2.41 (30 June 2016: Rs 3.50) per unit.

	31 March 2017	30 June 2016
	Un-audited	Audited
Note	-----	-----
	Rupees	

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable		146,175	232,455
Printing charges payable		117,922	240,862
Ranking fee payable		140,000	140,000
Charity payable	8.1	351,722	87,061
Transaction charges payable		770,792	499,266
Withholding and capital gain tax payable		1,487,976	29,728
Payable to Shariah Advisor		85,947	85,307
Provision for workers' welfare fund	8.2	-	21,015,392
Provision for sindh workers' welfare fund	8.2	16,705,701	-
Other payable		350,456	220,980
		20,156,691	22,551,051

Atlas Islamic Stock Fund

- 8.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 1,063,901 (30 June 2016: Rs.769,158) against dividend income, as shariah non-compliant income during the period, which has accordingly been marked for charity and shall be paid in due course of time.
- 8.2 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.

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. 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 for SWWF is being made on a daily basis going forward.

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

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9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2017 and as at 30 June 2016.

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 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.

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2017 is 1.96% (annualised rate being 2.68%) which includes 0.12% (annualised rate being 0.23%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

12. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund during the year ending 30 June 2017 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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

13. EARNINGS PER UNIT

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

14. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

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

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

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

Atlas Islamic Stock Fund

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

	For the Nine Months ended	
	31 March 2017	31 March 2016
	Un-audited	Un-audited
	----- Rupees -----	
14.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	32,073,797	19,564,863
Remuneration paid	29,691,849	19,512,664
Sindh Sales Tax on remuneration of the Management Company	4,169,594	3,177,334
Federal Excise Duty on remuneration of the Management Company	-	3,130,377
Accounting and operational charges	1,595,198	452,339
Sindh Sales Tax on accounting and operational charges	127,616	27,139
Cash dividend	-	1,878,338
Issue of nil (2016: 25,377) units	-	11,643,546
Redemption of 11,971 (2016: Nil) units	7,500,000	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,354,375	1,729,608
Sindh Sales Tax on remuneration of the Trustee	306,069	242,145
Remuneration paid	2,232,312	1,724,490
Settlement charges	131,169	124,002
Sindh sales tax on settlement charges	17,052	16,802
Atlas Battery Limited (Group Company)		
Issue of 974,784 (2016: Nil) units	542,550,661	-
Redemption of 160,033 (2016: Nil) units	100,000,000	-
Cash dividend	-	19,528,495
Dividend paid	-	19,528,495
Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
Cash dividend	-	2,895,879
Dividend paid	-	2,895,879
Redemption of 15,780 (2016: Nil) units	9,860,449	-
Atlas Foundation (Group Company)		
Issue of 9,784 (2016: 80,216) units	5,000,000	34,368,126
Cash dividend	-	420,716
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Cash dividend	-	3,123,021
Dividend paid	-	3,123,021
Redemption of 8,078 (2016: Nil) units	5,000,000	-
Atlas Honda Limited (Group Company)		
Cash dividend	-	36,072,632
Dividend paid	-	36,072,632
Atlas Insurance Limited (Group Company)		
Issue of 708,193 (2016: 329,289) units	393,487,682	142,794,812
Redemption of 556,057 (2016: 224,006) units	313,893,034	96,822,113
Cash dividend	-	28,565,499
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of a Group Company)		
Issue of Nil (2016: 2,744) units	-	1,223,666
Cash dividend	-	1,223,666
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
Cash dividend	-	5,399,235
Dividend paid	-	5,399,235

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	For the Nine Months ended	
	31 March 2017 Un-audited	31 March 2016 Un-audited
Note	----- Rupees -----	----- Rupees -----
14.1 Transactions during the period (Continued...)		
Atlas Insurance Limited Window Takaful Operation		
Issue of 40,327 (2016: Nil) units	24,000,000	-
Cash dividend	-	-
Cherat Cement Company Limited - Employee Provident Fund		
Issue of 3,274 (2016: Nil) units	2,096,423	-
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2016: 5,074) units	-	2,263,134
Cash dividend	-	2,586,439
Batool Benefit Trust (Trust having common Director/Trustee)		
Issue of Nil (2016: 9,277) units	-	4,137,705
Cash dividend	-	4,728,806
Directors and their close family members and key management personnel of the Management Company	14.3	
Issue of 408 (2016: 14,845) units	249,421	6,592,214
Redemption of 2,161 (2016: 5,517) units	1,067,318	2,410,000
Cash dividend	-	6,059,709
Dividend paid	-	40,037
	31 March 2017 Un-audited	30 June 2016 Audited
	----- Rupees -----	----- Rupees -----
14.2 Balances as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	4,769,247	2,387,299
Sindh Sales Tax payable on remuneration of the management company	2,176,563	1,890,784
Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
Accounting and operational charges reimbursable by the Fund	274,871	119,365
Sindh Sales Tax payable on accounting and operational charges	21,990	7,162
Outstanding 50,973 (30 June 2016: 62,944) units at net asset value	31,383,322	29,745,506
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	323,397	201,334
Sindh sales tax payable on remuneration of the Trustee	42,042	28,187
Settlement charges payable	10,028	13,366
Sindh sales tax payable on settlement charges	1,304	1,871
Security deposit	100,000	100,000
Atlas Battery Limited (Group Company)		
Outstanding 1,283,601 (30 June 2016: 468,851) units - at net asset value	790,287,704	221,564,637

Atlas Islamic Stock Fund

	31 March 2017 Un-audited	30 June 2016 Audited
14.2 <u>Balances as at period/year end (Continued...)</u>	Note ----- Rupees -----	
Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 42,138 (30 June 2016: 57,918) units - at net asset value	25,943,262	27,370,108
Atlas Foundation (Group company)		
Outstanding 98,415 (30 June 2016: 88,630) units - at net asset value	60,592,182	41,884,211
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 54,383 (30 June 2016: 62,460) units - at net asset value	33,482,447	29,516,919
Atlas Honda Limited (Group Company)		
Outstanding 721,453 (30 June 2016: 721,453) units - at net asset value	444,183,958	340,936,871
Atlas Insurance Limited (Group Company)		
Outstanding 760,891 (30 June 2016: 608,755) units - at net asset value	468,465,287	287,679,178
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of a Group Company)		
Outstanding 27,217 (30 June 2016: 27,217) units - at net asset value	16,756,859	12,861,859
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 107,985 (30 June 2016: 107,985) units - at net asset value	66,484,018	51,030,328
Atlas Insurance Limited Window Takaful Operation		
Outstanding 40,327 (30 June 2016: Nil) units - at net asset value	24,828,309	-
Cherat Cement Company Limited - Employee Provident Fund		
Outstanding 3,274 (30 June 2016: Nil) units - at net asset value	2,015,996	-
Batool Benefit Trust (Trust having common Director/Trustee)		
Outstanding 103,853 (30 June 2016: 103,853) units - at net asset value	63,940,251	49,077,840
Directors and their close family members and key management personnel of the Management Company 14.3		
Outstanding 149,269 (30 June 2016: 151,021) units - at net asset value	91,901,944	71,368,265

14.3 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 2016-17.

14.4 Other balances due to/from connected persons/related parties are included in the respective notes to the financial statements.

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15. FAIR VALUE MEASUREMENTS

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

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

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

Fair value hierarchy

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

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

As at 31 March 2017 and 30 June 2016, the Fund had financial assets at fair value through profit or loss measured using the level 1 valuation technique.

16. GENERAL

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

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

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 April 2017.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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