

February 26, 2021

The General Manager  
Pakistan Stock Exchange (Guarantee) Limited  
Stock Exchange Building  
Stock Exchange Road,  
Karachi

Dear Sir

**HALF YEAR ENDED REPORTS – DECEMBER 31, 2020**

- ATLAS MONEY MARKET FUND (AMF)
- ATLAS SOVEREIGN FUND (ASF)
- ATLAS INCOME FUND (AIF)
- ATLAS STOCK MARKET FUND (ASMF)
- ATLAS ISLAMIC INCOME FUND (AIIF)
- ATLAS ISLAMIC STOCK FUND (AISF)
- ATLAS ISLAMIC FUND OF FUNDS (AIFOF)
- ATLAS ISLAMIC DEDICATED STOCK FUND (AIDSF)

This is to inform you that the un-audited condensed interim financial statements of **Atlas Funds** (AMF, ASF, AIF and ASMF) and **Atlas Meraj** (AIIF, AISF, AIFOF and AIDSF) for the half year period ended December 31, 2020, have been placed on the Company's website [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk) and may be downloaded there from.

Intimation of the website transmittal has been notified to the unit holders of the above mentioned funds. The press notice has been published in February 27, 2021 issue of the Business Recorder.

Also, please find enclosed herewith, three printed copies each of the half year reports for the period ended December 31, 2020 of our following fund brands, for your record.

1. **Atlas Funds**, covering Atlas Money Market Fund, Atlas Sovereign Fund, Atlas Income Fund and Atlas Stock Market Fund; and
2. **Atlas Meraj**, covering Atlas Islamic Income Fund, Atlas Islamic Stock Fund, Atlas Islamic Fund of Funds and Atlas Islamic Dedicated Stock Fund.

Thanking you,  
Yours truly

For Atlas Asset Management Limited (Management Company)



Zainab Kazim  
Company Secretary

Encl.: as specified above

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**Head Office**

Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600, Pakistan.  
Ph: (92-21) 35379501- 04, Fax: (92-21) 35379280, UAN: (92-21) 111-MUTUAL (6-888-25)  
Website: [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk), E-mail: [info@atlasfunds.com.pk](mailto:info@atlasfunds.com.pk)

## **TRANSMISSION OF HALF YEARLY REPORTS THROUGH WEBSITE**

Unit holders of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF), Atlas Stock Market Fund (ASMF), Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Fund of Funds (AIFOF) and Atlas Islamic Dedicated Stock Fund (AIDSF) managed by Atlas Asset Management Limited (AAML), and the participants of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF), of which AAML is the Pension Fund Manager, are hereby informed that the un-audited financial statements of AMF, ASF, AIF, ASMF, AIIF, AISF, AIFOF, AIDSF, APF and APIF for the half year ended December 31, 2020 have been placed on the Company's website address [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk) and may be downloaded therefrom.

Unit holders of AMF, ASF, AIF, ASMF, AIIF, AISF, AIFOF and AIDSF and the participants of APF and APIF, requesting for a hard copy of the above financial statements shall be provided the same accordingly, within one week of the receipt of a written request at their registered addresses.

**For Atlas Asset Management Limited**

Dated: February 27, 2021

Company Secretary

 **Atlas Asset Management**

Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600.

UAN: 111-MUTUAL (6-888-25) Ph: (92-21) 35379501-04

Fax: (92-21) 35379280 Website: [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk)

Email: [info@atlasfunds.com.pk](mailto:info@atlasfunds.com.pk)



**Atlas Money Market Fund**

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**Atlas Sovereign Fund**

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**Atlas Income Fund**

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**Atlas Stock Market Fund**

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**HALF YEARLY REPORT**

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**31 DECEMBER 2020**

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**(UN-AUDITED)**

**Atlas  
funds**  
*Nurturing your investments*



**Managed By**

**Atlas Asset Management**

**Rated AM2+ by PACRA  
(as of December 24, 2020)**



#### **Vision**

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

#### **Mission**

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

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# Atlas Funds

## ORGANISATION

### Management Company

Atlas Asset Management Limited

### Board of Directors of the Management Company

Chairman	Mr. Iftikhar H. Shirazi <i>(Non-Executive Director)</i>
Directors	Mr. Tariq Amin <i>(Independent Director)</i> Ms Zehra Naqvi <i>(Independent Director)</i> Mr. Frahim Ali Khan <i>(Non-Executive Director)</i> Mr. Ali H. Shirazi <i>(Non-Executive Director)</i> Mr. M. Habib-ur-Rahman <i>(Non-Executive Director)</i>

Chief Executive Officer Mr. Muhammad Abdul Samad  
*(Executive Director)*

Company Secretary Ms Zainab Kazim

### Board Committees

#### Audit Committee

Chairman	Mr. Tariq Amin
Members	Mr. Frahim Ali Khan Mr. M. Habib-ur-Rahman
Secretary	Mr. M. Uzair Uddin Siddiqui

### Human Resource & Remuneration Committee

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

### Investment Committee

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

### Management Committee

Chairman	Mr. Muhammad Abdul Samad
Members	Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari Ms Mishaal H. Shirazi Mr. Tariq Ahmed Siddiqui Ms Ayesha Farooq Ms Zainab Kazim Mr. M. Kamran Ahmed Mr. Najam Shehzad
Secretary	Mr. Muhammad Umar Khan

### Risk Management Committee

Chairman	Mr. Muhammad Abdul Samad
Members	Mr. Khalid Mahmood

Secretary Mr. Shaikh Owais Ahmed

### Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

### Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

### Registered Office

Ground Floor, Federation House Sharae Firdousi,  
Clifton, Karachi - 75600  
Tel: (92-21) 111-MUTUAL (6-888-25)  
(92-21) 35379501-04  
Fax: (92-21) 35379280  
Email: info@atlasfunds.com.pk  
Website: www.atlasfunds.com.pk



# Half Yearly Report 2020-21

## CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited Financial Statements of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the half year ended December 31, 2020 of FY 2020-21.

## THE ECONOMY

During first half FY 2020-21, economic data and indicators of consumer/business sentiment have shown continued improvement. Large-scale manufacturing (LSM) registered growth of 7.4% YoY and 14.5% YoY in Oct'20 and Nov'20, respectively. The overall economic recovery is attributable to national strategy (smart lockdowns) administered to contain the pandemic as well as support/policy measures taken by the GoP (fiscal stimulus) and SBP (monetary easing). During Jul-Dec FY 2020-21, the Current Account Balance posted a surplus of US \$1.13 billion as compared to a deficit of US \$2.03 billion in same period last year. The Current Account largely benefitted from 24.90% YoY increase in Jul-Dec FY 2020-21 Worker's Remittances that stood at US \$14.20 billion. During Jul-Dec FY 2020-21, Imports increased by 5.51% YoY to US \$24.47 billion whereas Jul-Dec FY 2020-21 Exports increased by 5.10% YoY to stand at US \$12.11 billion. Total Liquid Foreign Exchange Reserves increased by 14.40% YoY to US \$20.51 billion as of Dec 31, 2020 (SBP's share stood at US \$13.41 billion) primarily due to significant improvement in Current Account Balance, multilateral inflows from IMF and World Bank to avert COVID based economic erosion and extension of debt suspension on part of G-20 debt relief deal. The headline CPI inflation remained at average 8.63% during Jul-Dec FY 2020-21. The SBP kept policy rate unchanged at 7.00% in its latest Monetary Policy Committee meeting to support economic recovery and ensure funding availability for households and businesses.

## FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 3.26% to Rs. 506.11 as on December 31, 2020, thus providing an annualized total return of 6.47%. The AMF's total exposure in banks and others stood at 98.87% and 1.13%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 16.60 billion, with 32.80 million units outstanding as of December 31, 2020.

## FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 2.93% to Rs. 103.91 as on December 31, 2020, providing an annualized total return of 5.82%. The ASF's exposure in Pakistan Investment Bonds and Short-Term Deposits with banks/others stood at 51.31% and 48.69%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns with medium risk. The Net Assets of the Fund stood at Rs. 2.40 billion, with 23.09 million units outstanding as of December 31, 2020.

## FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 3.72% to Rs. 538.82 as on December 31, 2020, providing an annualized total return of 7.37%. The AIF's current allocation is 23.55% in Pakistan Investment Bonds, 14.66% in Term Finance Certificates, 8.10% in Sukuks, 40.24% in Treasury Bills, 11.46% in MTS and remaining 1.99% in Bank Deposits/Others. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 4.16 billion with 7.73 million units outstanding as of December 31, 2020.

## FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 31.30% to Rs. 678.44 as on December 31, 2020. The benchmark KSE-100 index increased by 27.11% during the same period. The KSE-100 index increased from 34,421.92 points as on June 30, 2020 to 43,755.38 points as on December 31, 2020. The ASMF's equity exposure was 95.70% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement, Fertilizers and Power Generation & Distribution sectors. ASMF strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap

# Atlas Funds

multiples with earnings growth prospects. The Net Assets of the Fund stood at Rs. 9.17 billion, with 13.52 million units outstanding as of December 31, 2020.

## MUTUAL FUND TAXATION

### SINDH WORKER'S WELFARE FUND (SWWF)

After 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May 2015, the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions. The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter. Although, based on legal opinion, SWWF is not applicable on mutual funds MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e., starting from May 21, 2015). Accordingly, the provision for SWWF is being made daily going forward.

### FEDERAL EXCISE DUTY (FED)

The Finance Act, 2013 imposed Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMC's) with effect from June 13, 2013 and this was withdrawn on June 30, 2016. On September 04, 2013, a constitutional petition was filed in SHC jointly by various AMCs, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. FBR has challenged the decision of SHC in the Honorable Supreme Court of Pakistan (SCP). However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

### WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). However, in assessment for TY 2018, the said exemption has been denied by The Additional Commissioner Audit (AC) in case of Atlas Income Fund & other Funds of various AMC's, on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income and commented that the distribution by the Fund fell short of 90% threshold. The issue was taken to Commissioner Appeal's office, which upheld the AC decision, later subject matter was taken in Tribunal, which is pending adjudication. Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open-ended mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.



# Half Yearly Report 2020-21

## RATINGS

### • Asset Manager Rating

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

### • Fund Stability Rating - AMF

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

### • Fund Stability Rating - ASF

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

### • Fund Stability Rating - AIF

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

## FUTURE OUTLOOK

The short-term economic outlook largely depends on COVID trajectory whereas sustainable growth in medium-long term will derive from adequate structural reforms and policy measures. Based on current trends, the SBP has projected FY21 economic growth to clock in at 2.0% driven primarily by manufacturing and construction related activities taking support from the State Bank's financing incentives and the government's construction sector package. The FY21 headline inflation is expected to hover on the higher side of 7% to 9% range primarily due to supply side shocks in food items and upside volatility in international commodity and crude oil prices. Meanwhile, core inflation is expected to remain stable. The Current Account Deficit for FY21 is expected in range of 0.5% - 1.5% of GDP mainly on the back of growth in Worker's Remittances. Going forward, government's focus towards widening of tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, creating employment opportunities, and addressing social needs.

نہ تو زمیں کے لیے ہے نہ آسمان کے لیے

جہاں ہے تیرے لیے، تو نہیں جہاں کے لیے

(You are neither for the earth nor for the heaven:  
The world is for you, and not you for the world.)

## ACKNOWLEDGEMENT

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

# Atlas Money Market Fund

## Corporate Information

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### Trustee

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

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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

# Half Yearly Report 2020-21

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Money Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 23 February 2021

# Atlas Money Market Fund

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

### Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Money Market Fund (the Fund) as at 31 December 2020 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 26 February 2021

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Half Yearly Report 2020-21

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

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Cash and bank balances	4	16,709,420,935	7,522,447,993
Investments	5	-	2,617,567,408
Profit receivable on bank balances		16,441,013	1,373,040
Prepayment and other receivables	6	3,683,919	3,683,919
<b>Total assets</b>		<b>16,729,545,867</b>	<b>10,145,072,360</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	28,711,891	28,444,987
Payable to Central Depository Company of Pakistan Limited - Trustee	8	1,069,292	635,959
Payable to the Securities and Exchange Commission of Pakistan	9	1,655,966	2,295,677
Payable against redemption of units		4,301,510	16,431
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	10	92,288,621	82,173,939
<b>Total liabilities</b>		<b>128,052,432</b>	<b>113,592,145</b>
<b>NET ASSETS</b>		<b>16,601,493,435</b>	<b>10,031,480,215</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>16,601,493,435</b>	<b>10,031,480,215</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>32,801,989</b>	<b>19,854,239</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>506.1124</b>	<b>505.2600</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Money Market Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

		For the Half Year Ended		For the Quarter Ended	
		31 December		31 December	
		2020	2019	2020	2019
Note		Rupees			
<b>Income</b>					
Profit on savings account and term deposits		174,787,861	355,404,839	108,652,171	193,383,740
Income from government securities		409,953,595	370,817,904	199,337,545	180,170,785
Capital gain on sale of investments - net		950,065	4,648,168	4,850,250	2,712,678
Net unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss'		-	(2,815,220)	2,070,187	(2,815,220)
		950,065	1,832,948	6,920,437	(102,542)
<b>Total Income</b>		<b>585,691,521</b>	<b>728,055,691</b>	<b>314,910,153</b>	<b>373,451,983</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - the Management Company	7.1	27,615,880	23,815,010	13,708,773	12,131,177
Sindh Sales Tax on remuneration of the Management Company	7.2	3,590,064	3,095,951	1,782,140	1,577,053
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1	5,381,889	3,439,946	2,799,140	1,752,281
Sindh Sales Tax on remuneration of the Trustee	8.2	699,646	447,193	363,889	227,797
Annual fees to the Securities and Exchange Commission of Pakistan	9.1	1,655,966	1,058,445	861,274	539,188
Accounting and operational charges	14	9,135,100	6,640,021	4,366,949	4,043,614
Annual rating fee		238,937	216,621	119,468	108,324
Annual listing fee		13,863	13,831	7,007	6,918
Securities transaction cost		77,350	98,215	42,445	90,997
Auditors' remuneration		258,148	312,260	74,264	156,840
Printing charges		46,777	15,080	46,777	5,080
Legal and professional charges		65,780	64,416	35,000	-
Bank charges		73,257	66,390	53,739	16,167
Provision for Sindh Workers' Welfare Fund	10.1	10,736,777	13,775,446	5,812,985	7,055,931
		<b>59,589,434</b>	<b>53,058,825</b>	<b>30,073,850</b>	<b>27,711,367</b>
<b>Net income for the period before taxation</b>		<b>526,102,087</b>	<b>674,996,866</b>	<b>284,836,303</b>	<b>345,740,616</b>
<b>Taxation</b>	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>526,102,087</b>	<b>674,996,866</b>	<b>284,836,303</b>	<b>345,740,616</b>
<b>Allocation of net income for the period:</b>					
Net income for the period		526,102,087	674,996,866	284,836,303	345,740,616
Income already paid on units redeemed		(30,686,026)	(40,722,337)	(18,163,242)	(24,606,871)
		<b>495,416,061</b>	<b>634,274,529</b>	<b>266,673,061</b>	<b>321,133,745</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		950,065	1,832,948	950,065	-
- Excluding capital gains		494,465,996	632,441,581	265,722,996	321,133,745
		<b>495,416,061</b>	<b>634,274,529</b>	<b>266,673,061</b>	<b>321,133,745</b>

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Half Yearly Report 2020-21

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	526,102,087	674,996,866	284,836,303	345,740,616
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>526,102,087</b>	<b>674,996,866</b>	<b>284,836,303</b>	<b>345,740,616</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Money Market Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

31 December 2020			
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	9,951,851,809	-	9,951,851,809
Undistributed income brought forward			
- Realised income	-	21,477,608	21,477,608
- Unrealised income	-	58,150,798	58,150,798
Net assets at the beginning of the period (Units outstanding: 19,854,239) (Rs. 505.2600 per unit)	9,951,851,809	79,628,406	10,031,480,215
Issue of 32,314,806 units	16,374,982,000	-	16,374,982,000
Redemption of 19,367,056 units	(9,789,476,556)	(30,686,026)	(9,820,162,582)
Total comprehensive income for the period	-	526,102,087	526,102,087
Refund of capital	(42,192,301)	-	(42,192,301)
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020	-	(49,826,179)	(49,826,179)
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020	-	(73,589,308)	(73,589,308)
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020	-	(85,292,026)	(85,292,026)
Fourth interim distribution of Rs. 2.60 per unit declared on 23 October 2020	-	(82,163,478)	(82,163,478)
Fifth interim distribution of Rs. 3.10 per unit declared on 27 November 2020	-	(98,682,874)	(98,682,874)
Sixth interim distribution of Rs. 2.50 per unit declared on 24 December 2020	-	(79,162,119)	(79,162,119)
	-	(468,715,984)	(468,715,984)
Net assets at end of the period (Units outstanding: 32,801,989) (Rs. 506.1124 per unit)	16,495,164,952	106,328,483	16,601,493,435
Undistributed income carried forward			
- Realised income	-	106,328,483	-
	-	106,328,483	-

31 December 2019			
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	10,204,508,746	-	10,204,508,746
Undistributed income brought forward			
- Realised income	-	34,995,001	34,995,001
Net assets at the beginning of the period (Units outstanding: 20,351,995) (Rs. 503.12 per unit)	10,204,508,746	34,995,001	10,239,503,747
Issue of 17,235,220 units	8,714,296,521	-	8,714,296,521
Redemption of 16,418,194 units	(8,263,120,936)	(40,722,337)	(8,303,843,273)
Total comprehensive income for the period	-	674,996,866	674,996,866
Refund of capital	(40,238,321)	-	(40,238,321)
First interim distribution of Rs. 4.25 per unit declared on 26 July 2019	-	(90,150,581)	(90,150,581)
Second interim distribution of Rs. 4.85 per unit declared on 23 August 2019	-	(93,826,792)	(93,826,792)
Third interim distribution of Rs. 4.90 per unit declared on 20 September 2019	-	(91,424,999)	(91,424,999)
Fourth interim distribution of Rs. 6.30 per unit declared on 25 October 2019	-	(113,012,086)	(113,012,086)
Fifth interim distribution of Rs. 4.80 per unit declared on 22 November 2019	-	(96,145,088)	(96,145,088)
Sixth interim distribution of Rs. 6.20 per unit declared on 27 December 2019	-	(126,915,944)	(126,915,944)
Net assets at end of the period (Units outstanding: 21,169,021) [Rs. 504.19 per unit]	10,615,446,010	57,794,040	10,673,240,050
Undistributed income carried forward			
- Realised income	-	59,216,411	-
- Unrealised loss	-	(1,422,371)	-
	-	57,794,040	-

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		For the Half Year Ended 31 December	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES	Note	-----Rupees-----	
Net income for the period before taxation		526,102,087	674,996,866
<b>Adjustments for:</b>			
Profit on savings account and term deposits		(174,787,861)	(355,404,839)
Income from government securities		(409,953,595)	(370,817,904)
Capital gain on sale of investments - net		(950,065)	(4,648,168)
Net unrealised appreciation / (diminution) on remeasurement of investments classified as financial assets at fair value through profit or loss'		-	2,815,220
Provision for Sindh Workers' Welfare Fund		10,736,777	13,775,446
		<b>(574,954,744)</b>	<b>(714,280,245)</b>
<b>Decrease in assets</b>			
Prepayment and other receivables		-	2,425,595
<b>(Decrease) / Increase in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		266,904	833,508
Payable to Central Depository Company of Pakistan Limited - Trustee		433,333	(115,304)
Payable against purchase of investments		-	3,613,850,104
Unclaimed dividend		-	-
Payable to the Securities and Exchange Commission of Pakistan		(639,711)	(9,880,261)
Accrued expenses and other liabilities		(622,095)	4,077,772
		<b>(561,569)</b>	<b>3,608,765,819</b>
		<b>(49,414,226)</b>	<b>3,571,908,035</b>
Interest received		159,719,888	238,551,734
Investments made during the period		(49,154,283,618)	(56,272,988,759)
Investments sold / matured during the period		52,182,754,686	53,027,841,863
<b>Net cash generated from operating activities</b>		<b>3,138,776,730</b>	<b>565,312,873</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		16,374,982,000	8,714,296,521
Net payments against redemption of units		(9,815,877,503)	(8,110,767,708)
Refund of capital		(42,192,301)	(40,238,321)
Cash distribution made during the period		(468,715,984)	(611,475,490)
<b>Net cash generated from / (used in) financing activities</b>		<b>6,048,196,212</b>	<b>(48,184,998)</b>
<b>Net increase in cash and cash equivalents</b>		<b>9,186,972,942</b>	<b>517,127,875</b>
Cash and cash equivalents at the beginning of the period		7,522,447,993	10,339,271,465
<b>Cash and cash equivalents at the end of the period</b>	4	<b>16,709,420,935</b>	<b>10,856,399,340</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Money Market Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplement dated 23 May 2017. The offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019, 30 October 2019, 1 April 2020 and 21 December 2020 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 24 December 2020.
- Furthermore, PACRA maintained the stability rating of the Fund at "AA+ (f)" (Double A Plus) [31 December 2019: "AA+ (f)" (Double A)] on 17 October 2020.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
  - Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.
- 2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed

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interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

## 2.2 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2020.

**3.2** The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2020.

## 3.3 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### Standard or Interpretation

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

IFRS 16 - Leases

The Conceptual Framework for Financial Reporting

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

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	
<b>4 CASH AND BANK BALANCES</b>			
Balances with banks in savings accounts	4.1	16,707,643,707	7,458,580,094
Cheques in hand	4.2	1,777,228	63,867,899
		<b>16,709,420,935</b>	<b>7,522,447,993</b>

**4.1** The rate of return on these accounts ranges between 5.50% and 7.70% (30 June 2020: 6.00% and 12.50%).

**4.2** These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 04 January 2021 (30 June 2020: 03 July 2020).

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
<b>Investment in government securities</b>			
- Market Treasury Bills	5.1	-	2,617,567,408
		<b>-</b>	<b>2,617,567,408</b>

# Atlas Money Market Fund

## 5.1 Market Treasury Bills

Treasury Bills	Face value				Amortised cost as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investment	Market value as a percentage of net assets
	As at 01 July 2020	Purchased during the year	Sold / matured during the year	As at 31 December 2020				
	----- (Rupees) -----							
3 Months	125,000,000	29,692,185,000	29,817,185,000	-	-	-	-	-
6 Months	1,950,000,000	7,035,000,000	8,985,000,000	-	-	-	-	-
12 months	592,780,000	13,003,670,000	13,596,450,000	-	-	-	-	-
31 December 2020	2,667,780,000	49,730,855,000	52,398,635,000	-	-	-	-	-
30 June 2020					2,605,924,677	2,617,567,408	100.00	26.10

5.1.1 The cost of investments as on 31 December 2020 is Rs. Nil (30 June 2020: 2,559,416,610).

6 PREPAYMENT AND OTHER RECEIVABLES	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		Rupees	
Other Receivables	6.1	3,683,919	3,683,919
		<b>3,683,919</b>	<b>3,683,919</b>

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

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

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		Rupees	
Remuneration of the Management Company	7.1	3,731,813	3,030,437
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,605,299	3,514,120
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable	14	946,277	1,471,928
		<b>28,711,891</b>	<b>28,444,987</b>



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- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company is entitled to a remuneration equal to an amount not exceeding 2.5% of the average annual net assets in case of money market schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.35% (30 June 2020: 0.45%) per annum of the average annual net assets till 02 December 2020 and with effect from 03 December 2020 has charged the remuneration at the rate of 0.25% of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 3,590,064 (2019: Rs. 3,095,951) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 and , an amount of Rs. 3,498,885 (2019: Rs. 3,064,372) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2020: 20.429 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 31 December 2020 would have been higher by Re. 0.62 (30 June 2020: Re. 1.03) per unit.

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED- TRUSTEE- RELATED PARTY	Note	31 December 2020 Un-audited	30 June 2020 Audited
		----- Rupees -----	-----
Remuneration Payable to Trustee	8.1	946,276	562,796
SST Payable on Trustee Fee @ 13%	8.2	123,016	73,163
		<b>1,069,292</b>	<b>635,959</b>

- 8.1 With effect from June 28, 2019, the trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.065% p.a. of Net Assets
- 8.2 During the year ended 30 June 2020, an amount of Rs. 699,646 (2019: Rs 447,193) was charged on account of sales 'tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 619,793 (2019: Rs 472,644) was paid to the Trustee which acts as a collecting agent

# Atlas Money Market Fund

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	31 December 2020 Un-audited	30 June 2020 Audited
		Rupees	
Annual fees payable	9.1	<u>1,655,966</u>	<u>2,295,677</u>

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2020 Un-audited	30 June 2020 Audited
		Rupees	
Auditors' remuneration payable		367,768	500,850
Annual rating fee payable		238,937	-
Withholding tax payable		11,741,736	10,043,989
Annual listing fee payable		13,863	-
Capital gain tax payable		1,748,955	4,217,082
Provision for Sindh Workers' Welfare Fund	10.1	78,121,760	67,373,577
Zakat payable		55,602	38,441
		<u>92,288,621</u>	<u>82,173,939</u>

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2020 would have been higher by Rs. 2.38 per unit (30 June 2020: Re 3.39 per unit).

## 11 CONTINGENCIES AND COMMITMENTS

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

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 0.72% (30 June 2020: 0.98%) which includes 0.20% (30 June 2020: 0.32%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum

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limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

## 13 TAXATION

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

## 14 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company charged actual expenses within the limit of 0.12% of average annual net assets of the fund till 30 November 2020 and within the limit of 0.065% of the average annual net assets afterwards.

## 15 EARNINGS PER UNIT

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

## 16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

	For the Half Year Ended	
	31 December	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>16.1 Transactions for the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	27,615,880	23,815,010
Remuneration paid	26,914,504	23,572,089
Sindh Sales Tax on Remuneration of the Management Company	3,590,064	3,095,951
Accounting and operational charges	9,135,100	6,640,021
Issue of 280,833 (2019: 30,482) units	142,207,547	15,427,788
Redemption of 122,450 (2019: Nil) units	62,000,000	-
Dividend declared	3,456,073	67,710

# Atlas Money Market Fund

	For the Half Year Ended 31 December	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	5,381,889	3,439,946
Sindh Sales Tax on remuneration of the Trustee	699,646	447,193
Remuneration paid	4,998,409	3,541,985
<b>Atlas Battery Limited (Group Company)</b>		
Issue of 1,009,197 (2019: 30) units	510,688,710	14,912
Redemption of 1,009,197 (2019: 4,157) units	511,616,721	2,100,307
Dividend declared	11,648,152	17,543
<b>Batool Benefit Trust</b>		
Issue of 81,716 (2019: 40,722) units	41,432,300	20,545,434
Redemption of 8,064 (2019: Nil) units	4,091,961	-
Dividend declared	1,515,089	170,184
<b>Atlas Fund of Funds (Fund under common management)</b>		
Issue of 303,156 (2019: 276,049) units	153,405,000	139,280,000
Redemption of 259,175 (2019: 235,578) units	131,631,005	119,754,813
<b>Atlas Foundation (Group Company)</b>		
Issue of 49,027 (2019: 82,602) units	24,807,866	41,857,644
Redemption of 9,847 (2019: Nil) units	5,000,000	-
Dividend declared	4,437,198	3,191,349
<b>Atlas Honda Limited (Group Company)</b> <b>(Unit Holder with more than 10% holding)</b>		
Issue of 2,714,884 (2019: 273,473) units	1,376,205,466	137,625,221
Redemption of Nil (2019: 1,379,291) units	-	700,000,000
Dividend declared	84,374,632	76,236,873
<b>Atlas Engineering Limited - Employees Provident Fund</b> <b>(Retirement benefit plan of a Group Company)</b>		
Issue of 113 (2019: 17,132) units	56,968	8,665,666
Redemption of 5,876 (2019: Nil) units	2,982,267	-
Dividend declared	56,894	-
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 261,289 (2019: 961,823) units	132,371,693	485,689,489
Redemption of 479,618 (2019: 961,823) units	242,710,940	488,913,495
Dividend declared	2,374,310	10,444,953
<b>Atlas Metals (Private) Limited</b>		
Issue of 90,019 (2019: Nil) units	45,607,169	-
Dividend declared	568,542	-

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	For the Half Year Ended 31 December	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>Honda Atlas Cars (Pakistan) limited (Group Company)</b>		
Issue of Nil (2019: 2,825) units	-	1,423,583
Redemption of Nil (2019: 2,825) units	-	1,436,692
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund</b>		
Issue of 148,689 (2019: Nil) units	75,369,891	-
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund</b>		
Issue of 99,126 (2019: Nil) units	50,246,594	-
<b>Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 466 (2019: 1,383) units	235,502	696,127
Dividend declared	235,283	306,245
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 90,385 (2019: 71,198) units	45,761,490	35,940,136
Redemption of 14,841 (2019: 258,622) units	7,500,000	131,000,000
Dividend declared	2,613,733	1,777,475
<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
Issue of 1 (2019: 79,951) units	703	40,520,475
Redemption of Nil (2019: 79,951) units	-	40,303,317
Dividend declared	827	-
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Dividend declared	22,237,341	13,926,728
<b>Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)</b>		
Issue of 10,704,277 (2019: 1,357,480) units		685,855,198
Redemption of 1,027,031 (2019: 713,606) units	5,422,128,652	360,000,000
Dividend declared	520,000,000	73,700,870
	112,392,092	
<b>Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
Issue of 9,935 (2019: Nil) units	5,021,222	-
<b>Shirazi Investment (Private) Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
Issue of 2,745 (2019: 6,291) units	1,391,889	3,179,457
Redemption of 30,610 (2019: 8,698) units	15,491,157	4,400,000
Dividend declared	386,783	770,357

# Atlas Money Market Fund

		For the Half Year Ended 31 December	
		2020	2019
		Un-audited	Un-audited
Note		----- Rupees -----	
<b>Atlas Honda Limited (Employee Provident Fund)</b>			
<b>(Retirement benefit plan of a Group Company)</b>			
	Issue of 4,853 (2019: 6,535) units	2,452,376	3,288,791
	Redemption of Nil (2019: 118,699) units	-	60,000,000
	Dividend declared	2,452,376	2,024,327
<b>Directors and their close family members and</b>			
<b>key management personnel of the Management Company</b>			
16.4	Issue of 195,160 (2019: 62,205) units	98,708,948	31,333,787
	Redemption of 257,377 (2019: 46,571) units	130,324,719	23,537,889
	Dividend declared	10,917,228	8,596,410
		<b>31 December</b>	<b>30 June</b>
		<b>2020</b>	<b>2020</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- Rupees -----	
16.2	<b>Balances outstanding as at period / year end</b>		
<b>Atlas Asset Management Limited (Management Company)</b>			
	Remuneration payable to the Management Company	3,731,813	3,030,437
	Sindh Sales Tax payable on Remuneration of the Management Company	3,605,299	3,514,120
	Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
	Accounting and operational charges payable	946,277	1,471,928
	Outstanding 334,644 (30 June 2020: 176,189) units - at net asset value	169,367,723	89,020,759
<b>Central Depository Company of Pakistan Limited (Trustee)</b>			
	Remuneration payable to the Trustee	946,276	758,573
	Sindh Sales Tax payable on Remuneration of the trustee	123,016	98,614
<b>Atlas Fund of Funds (Fund under common management)</b>			
	Outstanding 43,980 (30 June 2020: Nil) units - at net asset value	22,258,990	-
<b>Atlas Metals (Private) Limited</b>			
	Outstanding 90,019 (30 June 2020: Nil) units - at net asset value	45,559,927	-
<b>Atlas Foundation (Group Company)</b>			
	Outstanding 298,993 (30 June 2020: 259,800) units - at net asset value	151,324,233	131,265,678
<b>Atlas Honda Limited (Group Company)</b>			
<b>(Unit Holder with more than 10% holding)</b>			
	Outstanding 5,811,216 (30 June 2020: 4,096,035) units - at net asset value	2,941,128,688	2,069,545,461
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund</b>			
	Outstanding 148,689 (30 June 2020: Nil) units - at net asset value	75,253,115	-
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund</b>			
	Outstanding 99,126 (30 June 2020: Nil) units - at net asset value	50,168,743	-
<b>Atlas Die Casting (Private) Limited (Group Company)</b>			
	Outstanding 55 (30 June 2020: 53) units - at net asset value	27,602	26,851



# Half Yearly Report 2020-21

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>			
Outstanding Nil (30 June 2020: 5,763) units - at net asset value		-	2,911,927
<b>Balances outstanding as at period / year end</b>			
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>			
Outstanding 162,093 (30 June 2020: 157,231) units - at net asset value		82,037,482	79,441,919
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>			
Outstanding 9,365 (30 June 2020: 37,227) units - at net asset value		4,739,518	18,809,076
<b>Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>			
Outstanding 9,935 (30 June 2020: Nil) units - at net asset value		5,028,395	-
<b>Shirazi Investments (Private) Limited (Group Company)</b>			
Outstanding 1,443,983 (30 June 2020: 1,443,983) units - at net asset value		730,817,797	729,580,878
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>			
Outstanding 193,017 (30 June 2020: 117,461) units - at net asset value		97,688,351	59,347,713
<b>Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>			
Outstanding 15,552 (30 June 2020: 17,056) units - at net asset value		7,870,977	8,617,857
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>			
Outstanding 128,950 (30 June 2020: 55,295) units - at net asset value		65,263,273	27,938,122
<b>Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)</b>			
Outstanding 9,677,246 (30 June 2020: Nil) units - at net asset value	16.3	4,897,774,158	-
<b>Directors and their close family members and key management personnel of the Management Company</b>	16.4		
Outstanding 740,561 (30 June 2020: 798,559) units - at net asset value		374,807,246	403,476,734

**16.3** Holding being less than 10% in the reporting period, disclosure is not applicable.

**16.4** Other balances due to / from related parties / connected persons included in the respective notes to the condensed interim financial statements.

## 17 FAIR VALUE MEASUREMENT

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

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

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

# Atlas Money Market Fund

## Fair value hierarchy

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

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

The fund did not hold any investment as at 31 December 2020. However, as at 30 June 2020, the Fund had financial assets at fair value through profit or loss measured using the level 2 valuation technique.

## 18 GENERAL

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

### 18.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

**18.4** Number of units have been rounded off to the nearest decimal place.

## 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 February 2021.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## Atlas Sovereign Fund

### Corporate Information

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#### **Trustee**

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

#### **Auditors**

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A.F. Ferguson & Co.  
Chartered Accountants

#### **Legal Advisers**

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Bawaney & Partners

#### **Bankers**

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

# Atlas Sovereign Fund

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Sovereign Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 23 February 2021

# Half Yearly Report 2020-21

## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS**

### **Report on review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Sovereign Fund (the Fund) as at December 31, 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2020. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

#### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Karachi: 26 February 2021

**A.F. Ferguson & Co.**  
Chartered Accountants

**Engagement Partner: Salman Hussain**

# Atlas Sovereign Fund

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

AS AT 31 DECEMBER 2020

		December 31, 2020 Un-audited ----- (Rupees) -----	June 30, 2020 Audited -----
<b>Assets</b>	<b>Note</b>		
Bank balances	4	953,010,280	301,477,720
Investments	5	1,238,741,810	1,867,851,534
Mark-up receivable	6	22,983,185	14,446,366
Receivable against issuance of units		198,831,336	-
Prepayments and other receivables		659,814	479,185
<b>Total assets</b>		<b>2,414,226,425</b>	<b>2,184,254,805</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	2,716,469	3,660,853
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	133,853	139,491
Payable to the Securities and Exchange Commission of Pakistan	9	212,700	495,192
Accrued and other liabilities	10	11,944,432	96,487,696
<b>Total liabilities</b>		<b>15,007,454</b>	<b>100,783,232</b>
<b>Net assets attributable to unit holders</b>		<b>2,399,218,971</b>	<b>2,083,471,573</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,399,218,971</b>	<b>2,083,471,573</b>
<b>Contingencies and commitments</b>	11	----- (Number of units) -----	
<b>Number of units in issue</b>		<b>23,088,524</b>	<b>20,635,634</b>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<b>103.9139</b>	<b>100.9600</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	Note	For the Half Year Ended		For the Quarter Ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		(Rupees)		(Rupees)	
<b>Income</b>					
Profit on bank balances		6,804,272	20,085,651	3,582,303	9,581,198
Income from government securities		77,498,701	149,845,804	38,266,624	84,174,748
Gain / (loss) on sale of investments - net		(2,384,555)	23,072,682	97,751	13,219,325
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	(9,052,932)	44,166,084	1,316,308	25,949,964
<b>Total income</b>		<b>72,865,486</b>	<b>237,170,221</b>	<b>43,262,986</b>	<b>132,925,235</b>
<b>Expenses</b>					
Remuneration of the Management Company	7.1	7,121,692	9,894,675	3,324,950	5,334,327
Sindh sales tax on remuneration of the Management Company	7.2	925,820	1,286,308	432,244	693,463
Remuneration of the Trustee		691,287	909,462	340,738	512,433
Sindh sales tax on remuneration of the Trustee		89,867	118,230	44,296	66,616
Annual fee to the Securities and Exchange Commission of Pakistan		212,700	279,833	104,844	157,697
Accounting and operational charges	7.4	1,807,989	1,793,349	891,161	1,182,534
Annual rating fee		184,623	167,353	119,194	83,676
Annual listing fee		13,863	13,826	7,398	6,913
Securities transaction cost		-	46,827	-	39,418
Auditors' remuneration		184,020	159,114	92,010	96,257
Printing charges		9,716	28,809	9,716	18,809
Legal and professional charges		65,780	64,416	35,000	-
Bank charges		28,745	34,030	9,802	17,731
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	1,230,587	4,447,479	770,616	2,494,306
<b>Total expenses</b>		<b>12,566,689</b>	<b>19,243,711</b>	<b>6,181,969</b>	<b>10,704,180</b>
<b>Net income for the period before taxation</b>		<b>60,298,797</b>	<b>217,926,510</b>	<b>37,081,017</b>	<b>122,221,055</b>
<b>Taxation</b>	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>60,298,797</b>	<b>217,926,510</b>	<b>37,081,017</b>	<b>122,221,055</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		60,298,797	217,926,510	37,081,017	122,221,055
Income already paid on units redeemed		(2,698,403)	(31,450,099)	(515,477)	(31,168,745)
		<b>57,600,394</b>	<b>186,476,411</b>	<b>36,565,540</b>	<b>91,052,310</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	67,238,766	1,414,059	39,169,289
- Excluding capital gains		57,600,394	119,237,645	35,151,481	51,883,021
		<b>57,600,394</b>	<b>186,476,411</b>	<b>36,565,540</b>	<b>91,052,310</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended		For the Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	60,298,797	217,926,510	37,081,017	122,221,055
Other comprehensive income / (loss) for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>60,298,797</b>	<b>217,926,510</b>	<b>37,081,017</b>	<b>122,221,055</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

<b>Qurrat-ul-Ain Jafari</b> Chief Financial Officer	<b>Muhammad Abdul Samad</b> Chief Executive Officer	<b>Iftikhar H. Shirazi</b> Chairman	<b>Tariq Amin</b> Director
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# Half Yearly Report 2020-21

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Half year ended December 31, 2020			Half year ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
------(Rupees)-----						
Net assets at beginning of the period (Units outstanding: 20,635,634) (2019: Units outstanding: 22,936,104)	2,073,891,942	9,579,631	2,083,471,573	2,298,220,458	3,016,233	2,301,236,691
Issuance of 5,947,950 (2019: 13,292,168) units						
- Capital value (at net asset value per unit at the beginning of the period)	600,505,032	-	600,505,032	1,333,603,215	-	1,333,603,215
- Element of income	10,999,134	-	10,999,134	68,325,068	-	68,325,068
Total proceeds on issuance of units	611,504,166	-	611,504,166	1,401,928,283	-	1,401,928,283
Redemption of 3,495,060 (2019: 7,297,585) units						
- Capital value (at net asset value per unit at the beginning of the period)	(352,861,258)	-	(352,861,258)	732,166,703	-	732,166,703
- Element of loss	(495,904)	(2,698,403)	(3,194,307)	20,858,297	31,450,099	52,308,396
Total payments on redemption of units	(353,357,162)	(2,698,403)	(356,055,565)	753,025,000	31,450,099	784,475,099
Total comprehensive income for the period	-	60,298,797	60,298,797	-	217,926,510	217,926,510
Net income for the period	-	60,298,797	60,298,797	-	217,926,510	217,926,510
Net assets at the end of the period (Units outstanding: 23,088,534) (2019: Units outstanding: 28,930,687)	2,332,038,946	67,180,025	2,399,218,971	2,947,123,741	189,492,644	3,136,616,385

	(Rupees)	(Rupees)
Undistributed income brought forward		
- Realised income	-	4,865,277
- Unrealised income / (loss)	9,579,631	(1,849,044)
	9,579,631	3,016,233
Accounting income available for distribution		
- Relating to capital gains	-	67,238,766
- Excluding capital gains	57,600,394	119,237,645
	57,600,394	186,476,411
Undistributed income carried forward	67,180,025	189,492,644
Undistributed income carried forward		
- Realised income	39,710,489	145,326,560
- Unrealised (loss) / income	27,469,536	44,166,084
	67,180,025	189,492,644
Net assets value per unit at beginning of the period	100.9600	100.3300
Net assets value per unit at end of the period	103.9139	108.4200

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	For the Half Year Ended	
	December 31, 2020	December 31, 2019
Note	-----	(Rupees) -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	<b>60,298,797</b>	<b>217,926,510</b>
<b>Adjustments for:</b>		
Interest income	(84,302,973)	(169,931,455)
Capital loss / (gain) on sale of investments - net	2,384,555	(23,072,682)
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	9,052,932	(44,166,084)
Provision for Sindh Workers' Welfare Fund	1,230,587	4,447,479
	<b>(71,634,899)</b>	<b>(232,722,742)</b>
<b>Increase / (Decrease) in assets</b>		
Investments	647,774,067	(1,552,670,887)
Mark-up receivable	45,664,324	(29,954,740)
Prepayments and other receivables	(180,629)	(24,003)
	<b>693,257,762</b>	<b>(1,582,649,630)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(944,384)	1,686,041
Payable to the Central Depository Company of Pakistan Limited - Trustee	(5,638)	(63,118)
Payable to the Securities and Exchange Commission of Pakistan	(282,492)	(150,589)
Accrued and other liabilities	(85,773,851)	(9,510,790)
	<b>(87,006,365)</b>	<b>(8,038,456)</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>594,915,295</b>	<b>(1,605,484,318)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	412,672,830	1,401,928,283
Amount paid against redemption of units	(356,055,565)	(764,475,099)
<b>Net cash generated from financing activities</b>	<b>56,617,265</b>	<b>637,453,184</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>651,532,560</b>	<b>(968,031,134)</b>
Cash and cash equivalents at the beginning of the period	301,477,720	1,786,431,695
<b>Cash and cash equivalents at the end of the period</b>	<b>953,010,280</b>	<b>818,400,561</b>

4

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated May 23, 2017 and September 3, 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated March 24, 2015, August 3, 2015, June 23, 2016, October 13, 2016, June 2, 2017, April 18, 2018, August 20, 2018, October 8, 2019, October 30, 2019 and 1 April 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund was launched as a money market scheme. Effective from January 2, 2019 the Funds' category was changed to Income Scheme with approval of the SECP. The Fund is listed on Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis from December 1, 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide unit holders competitive returns by investing in low risk, liquid securities including investments in Government securities, bank deposits including TDRs, money market placements, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo transactions. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Management Company rating of AM2+ (stable outlook) on December 24, 2020 and the Fund rating of AA-(f) on October 16, 2020 (stable outlook).
- 1.5 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 During the current period, the Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
  - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

# Atlas Sovereign Fund

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

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

**2.1.3** 'In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2020.

**2.1.4** These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, 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 December 31, 2020.

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

**3.1** The accounting policies adopted and the methods of computation of balance used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

**3.2** The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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		December 31, 2020	June 30, 2020				
		Un-audited	Audited				
4	BANK BALANCES	Note	----- (Rupees) -----				
	- Saving accounts	4.1	<table><tr><td>953,010,280</td><td>301,477,720</td></tr><tr><td><b>953,010,280</b></td><td><b>301,477,720</b></td></tr></table>	953,010,280	301,477,720	<b>953,010,280</b>	<b>301,477,720</b>
953,010,280	301,477,720						
<b>953,010,280</b>	<b>301,477,720</b>						

4.1 The rate of return on these balances range from 5.00% to 7.70% (June 30, 2020: 6.50% to 8.80%) per annum.

		December 31, 2020 Un-audited	June 30, 2020 Audited
5	INVESTMENTS	Note	----- (Rupees) -----
	At fair value through profit or loss		
	Investment in government securities		
	Market Treasury Bills	5.1	- 1,287,200,883
	Pakistan Investment Bonds	5.2	1,238,741,810 580,650,651
			1,238,741,810 1,867,851,534

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

Tenor	As at July 01, 2020	Acquired during the period	Sold / Matured during the period	As at December 31, 2020	Amortised Cost as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation as at December 31, 2020	Market value as a percentage of	
								Total Investments	Net assets
----- (Face value) -----				----- (Rupees) -----			----- (%) -----		
3 Months T-bills	-	1,094,500,000	1,094,500,000	-	-	-	-	-	-
6 Months T-bills	175,000,000	130,000,000	305,000,000	-	-	-	-	-	-
12 Months T-bills	1,143,045,000	65,000,000	1,208,045,000	-	-	-	-	-	-
	<b>1,318,045,000</b>	<b>1,289,500,000</b>	<b>2,607,545,000</b>	-	-	-	-	-	-
June 30, 2020					<b>1,271,027,821</b>	<b>1,287,200,883</b>	<b>16,173,062</b>	<b>68.91</b>	<b>61.78</b>

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

Tenor	As at July 01, 2020	Acquired during the period	Sold during the period	As at December 31, 2020	Amortised Cost as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation / (diminution) as at December 31, 2020	Market value as a percentage of	
								Total Investments	Net assets
----- (Face value in rupees) -----				----- (Rupees) -----			----- (%) -----		
3 Years PIB	470,500,000	175,000,000	215,000,000	430,500,000	439,513,088	435,094,694	(4,418,394)	35.12	18.00
5 Years PIB	90,000,000	627,500,000	-	717,500,000	732,792,279	728,737,116	(4,055,163)	58.83	30.00
10 Years PIB	-	75,000,000	-	75,000,000	75,489,375	74,910,000	(579,375)	6.05	3.00
	<b>560,500,000</b>	<b>877,500,000</b>	<b>215,000,000</b>	<b>1,223,000,000</b>	<b>1,247,794,742</b>	<b>1,238,741,810</b>	<b>(9,052,932)</b>	<b>100.00</b>	<b>51.00</b>
June 30, 2020					<b>520,932,679</b>	<b>580,650,651</b>	<b>59,717,972</b>	<b>31.09</b>	<b>27.87</b>

# Atlas Sovereign Fund

5.3 Unrealised appreciation / (diminution) on re-measurement of investments classified as financial asset at fair value through profit or loss - net	Note	December 31, 2020 Un-audited	June 30, 2020 Audited
		----- (Rupees) -----	-----
Market value of investments	5.1 & 5.2	1,238,741,810	1,867,851,534
Less: carrying value of investments	5.1 & 5.2	1,247,794,742	1,791,960,500
		<b>(9,052,932)</b>	<b>75,891,034</b>

## 6 MARK-UP RECEIVABLE

### Mark-up receivable on:

Banks balances	10,719	62,997
Pakistan Investment Bonds	22,972,466	14,383,369
	<b>22,983,185</b>	<b>14,446,366</b>

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

Remuneration payable to the Management Company	7.1	1,205,749	2,036,614
Sindh sales tax payable on remuneration of the Management Company	7.2	295,574	396,036
Federal Excise Duty payable on remuneration of the Management Company	7.3	905,341	905,341
Accounting and operational charges payable	7.4	309,805	322,862
		<b>2,716,469</b>	<b>3,660,853</b>

7.1 The management company has charged remuneration at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.60% of average daily net assets and maximum fee of 1.00% of average daily net assets. The aforementioned limits were revised and are effective since July 1, 2020. Previously, the management fee was being charged at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.45% of average daily net assets and maximum fee of 0.80% of average daily net assets.

The amount of the remuneration is being paid on monthly basis in arrears.

7.2 During the period, an amount of Rs. 925,820 (2019: Rs.1,286,308) was charged on account of sales tax on remuneration of Management Company levied under Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,026,282 (2019: Rs. 1,087,199) has been paid to the Management Company which acts as a collecting agent.

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

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

During the year ended June 30, 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

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response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.905 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.04 (June 30, 2020: Re 0.04) per unit.

- 7.4 In accordance with Regulation 60 of NBFC regulations, the management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a collective investment scheme (CIS).

The Management Company has charged expenses at the rate 0.17% of the average annual net assets of the Fund for the current period. The aforementioned rate was revised in the prior period and is effective since March 05, 2020. Previously, the Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019 and at 0.15% of the average annual net assets of the Fund from October 01, 2019 till March 04, 2020.

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

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.065% (December 31, 2019: 0.065%) of average daily net assets of the Fund during the period.

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

	December 31, 2020	June 30, 2020
	Un-audited	Audited
Note	----- (Rupees) -----	-----
Annual fee payable	9.1 <u>212,700</u>	<u>495,192</u>

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

In accordance with the SRO No. 685(I)/2019 dated June 28, 2019 issued by SECP, the fund has charged SECP fee at the rate of 0.02% (Dec 31, 2019: 0.02%) of average daily net assets of the Fund during the period.

## 10 ACCRUED AND OTHER LIABILITIES

	December 31, 2020	June 30, 2020
	Un-audited	Audited
Note	----- (Rupees) -----	-----
Auditors' remuneration payable	436,470	252,450
Annual rating fee payable	184,623	-
Withholding tax payable	108,283	31,010,400
Annual listing fee payable	13,863	-
Other payable	10,985	10,984
Transaction charges payable	1,204	1,204
CGT payable	1,153	511,711
Printing charges payable	-	8,025
Dividend payable	-	54,735,658
Provision for Sindh Workers' Welfare Fund	10.1 <u>11,187,851</u>	<u>9,957,264</u>
	<u>11,944,432</u>	<u>96,487,696</u>

# Atlas Sovereign Fund

**10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2020, the net asset value of the Fund as at December 31, 2020 would have been higher by Re. 0.48 (June 30, 2020: Re. 0.48) per unit.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

## 12 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2020 based on the current period results is 1.21% (December 31, 2019: 1.37%) which includes 0.12% (December 31, 2019: 0.43%) on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. The prescribed limit for the ratio is of 2.5% (December 31, 2019: 2%) under the NBFC Regulations for a collective investment scheme categorised as an "income scheme".

## 13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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

## 14 EARNINGS PER UNIT

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

## 15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

**15.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central



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Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

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

	For the Half Year Ended December 31,	
	2020	2019
	Un-audited	Un-audited
	----- (Rupees) -----	-----
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	7,121,692	9,894,675
Remuneration paid	7,952,557	8,357,220
Sindh Sales Tax on remuneration of the Management Company	925,820	1,286,308
Accounting and operational charges	1,807,989	1,793,349
Redemption of Nil (2019: 250,187) units	-	26,000,000
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	691,287	909,462
Remuneration paid	696,276	965,319
Sindh Sales Tax on Remuneration of the Trustee	89,867	118,230
<b>Atlas Foundation (Group Company)</b>		
Issue of 108,423 (2019: 239,239) units	25,000,000	25,000,000
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 49,072 (2019: 2,894,635) units	5,005,257	300,000,000
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Redemption of Nil (2019: 184,468) units	-	20,000,000
<b>Atlas Metals (Private) Limited (Group Company)</b>		
Issue of 389,227 (2019: Nil) units	40,000,000	-
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 187,565 (2019: Nil) units	19,000,000	-
Redemption of 343,763 (2019: 93,625) units	35,000,000	10,000,000

# Atlas Sovereign Fund

	For the Half Year Ended December 31,	
	2020	2019
	Un-audited ----- (Rupees) -----	Un-audited ----- (Rupees) -----
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 50,535 (2019: Nil) units	5,154,393	-
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 13,400 (2019: 7,719) units	1,360,000	800,000
Redemption of 102,284 (2019: Nil) units	10,552,020	-
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Issue of 723,875 (2019: Nil) units	75,000,000	-
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issue of 1,171,461 (2019: Nil) units	120,000,000	-
<b>Atlas Insurance (Group Company)</b>		
Issue of 986,539 (2019: 9,069,994) units	100,000,000	963,957,003
Redemption of 1,813,662 (2019: 4,556,406) units	184,784,214	493,458,719
<b>Batools Benefit Trust</b>		
Issue of 181,492 (2019: Nil) units	18,500,000	-
<b>Directors, their close family members and key management personnel of the Management Company</b>		
Issue of 11,362 (2019: 201,899) units	1,158,869	20,865,404
Redemption of Nil (2019: 1,434,668) units	-	153,200,000

**15.6 Details of balances outstanding at the period / year end with connected persons/related parties are as follows:**

	December 31,	June 30,
	2020	2020
	Un-audited ----- (Rupees) -----	Audited ----- (Rupees) -----
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	1,205,749	2,036,614
Sindh Sales Tax payable on Remuneration of the Management Company	295,574	396,036
Federal Excise Duty payable on Remuneration of the Management Company	905,341	905,341
Accounting and operational charges payable	309,805	322,862
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee inclusive of sale tax	133,853	139,491
<b>Atlas Foundation (Group Company)</b>		
Outstanding 936,644 (June 30, 2020: 828,222) units	97,330,331	83,617,293
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 19,333 (June 30, 2020: 108,216) units	2,008,967	10,162,962

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	December 31, 2020 Un-audited ----- (Rupees) -----	June 30, 2020 Audited -----
<b>Atlas Insurance (Group Company)</b> Outstanding Nil (June 30, 2020: 827,123) units	-	83,506,338
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b> Outstanding 552,692 (June 30, 2020: 552,692) units	57,432,381	55,799,784
<b>Atlas Honda Limited (Group Company)</b> Outstanding 10,231,645 (June 30, 2020: 10,182,572) units	1,063,210,135	705,482,820
<b>Shirazi Investments (Private) Limited (Group Company)</b> Outstanding 2,959,371 (June 30, 2020: 2,908,836) units	307,519,782	293,676,083
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b> Outstanding 846,910 (June 30, 2020: 1,003,109) units	88,005,721	101,273,885
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b> Outstanding 723,875 (June 30, 2020: Nil) units	75,220,674	-
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)</b> Outstanding 1,171,461 (June 30, 2020: Nil) units	121,731,081	-
<b>Atlas Metals (Private) Limited (Group Company)</b> Outstanding 389,227 (June 30, 2020: Nil) units	40,446,096	-
<b>Batools Benefit Trust (Group Company)</b> Outstanding 181,492 (June 30, 2020: Nil) units	18,859,542	-
<b>Directors, their close family members and key management Personnel and executive of the Management Company</b> Outstanding 731,808 (June 30, 2020: 720,446) units *	76,045,033	72,736,228

## 16 FAIR VALUE MEASUREMENT

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

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

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

# Atlas Sovereign Fund

## 16.1 Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

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

----- Un-audited -----				
As at December 31, 2020				
ASSETS	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Pakistan Investment Bonds	-	1,238,741,810	-	1,238,741,810
	-	1,238,741,810	-	1,238,741,810
----- Audited -----				
As at June 30, 2020				
	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Market Treasury Bills	-	1,287,200,883	-	1,287,200,883
Pakistan Investment Bonds	-	580,650,651	-	580,650,651
	-	1,867,851,534	-	1,867,851,534

## 17 GENERAL

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

### 17.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP)

# Half Yearly Report 2020-21

for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

## **18 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 25 February 2021 by the Board of Directors of the Management Company.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## Corporate Information

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**Trustee**

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

**Auditors**

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EY Ford Rhodes  
Chartered Accountants

**Legal Advisers**

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Mohsin Tayebaly & Co.

**Bankers**

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

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## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Income Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 24 February 2021

# Atlas Income Fund

## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS**

### **Report on review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Income Fund (the Fund) as at 31 December 2020 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 26 February 2021

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**



# Half Yearly Report 2020-21

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

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Bank balances	4	26,785,081	1,318,246,149
Investments	6	3,668,501,562	2,762,821,946
Receivable against Margin Trading System	5	485,814,200	-
Interest / profit accrued	7	45,799,552	49,575,012
Deposits, prepayment and other receivables	8	11,454,251	11,555,833
<b>Total assets</b>		<b>4,238,354,646</b>	<b>4,142,198,940</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	9	31,725,473	31,165,608
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	346,375	265,807
Payable to the Securities and Exchange Commission of Pakistan	11	392,446	665,764
Payable against redemption of units		284,411	114,638
Unclaimed dividend		40,464	291,511,586
Accrued expenses and other liabilities	12	42,778,207	103,021,494
<b>Total liabilities</b>		<b>75,567,376</b>	<b>426,744,897</b>
<b>NET ASSETS</b>		<b>4,162,787,270</b>	<b>3,715,454,043</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>4,162,787,270</b>	<b>3,715,454,043</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>7,725,731</b>	<b>7,151,571</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>538.8212</b>	<b>519.5300</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Iftekhar H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

		For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2020	2019	2020	2019
	Note	Rupees			
<b>Income</b>					
Interest income	15	173,933,231	200,329,585	69,777,705	105,495,111
Capital gain / (loss) on sale of investments - net		1,996,839	19,570,768	(374,239)	8,902,195
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(4,157,397)	33,664,684	7,145,246	15,796,425
		(2,160,558)	53,235,452	6,771,007	24,698,620
<b>Total income</b>		<b>171,772,673</b>	<b>253,565,037</b>	<b>76,548,712</b>	<b>130,193,731</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	9.1	19,622,336	12,931,135	10,347,997	6,836,766
Sindh Sales Tax on remuneration of the Management Company	9.2	2,550,904	1,681,048	1,345,240	888,780
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,471,674	1,175,614	776,099	604,267
Sindh Sales Tax on remuneration of the Trustee	10.2	191,318	152,830	100,893	78,555
Annual fees to the Securities and Exchange Commission of Pakistan		392,446	313,498	206,959	161,139
Accounting and operational charges	14	3,335,794	1,970,332	1,759,157	1,208,536
Auditors' remuneration		289,620	360,152	105,382	207,311
Annual rating fee		239,806	217,382	129,987	108,691
Annual listing fee		13,863	13,825	6,932	6,913
Securities transaction cost		1,814,587	282,620	1,223,143	95,232
Printing charges		17,325	17,938	17,325	7,938
Legal and professional charges		155,760	151,669	105,000	-
Bank charges		36,162	63,913	26,108	21,760
Provision for Sindh Workers' Welfare Fund	12.1	2,832,822	4,684,662	1,207,970	2,399,357
<b>Total expenses</b>		<b>32,964,417</b>	<b>24,016,618</b>	<b>17,358,192</b>	<b>12,625,245</b>
<b>Net income for the period before taxation</b>		<b>138,808,256</b>	<b>229,548,419</b>	<b>59,190,520</b>	<b>117,568,486</b>
<b>Taxation</b>	17	-	-	-	-
<b>Net income for the period after taxation</b>		<b>138,808,256</b>	<b>229,548,419</b>	<b>59,190,520</b>	<b>117,568,486</b>
<b>Allocation of net income for the period:</b>					
- Net income for the period		138,808,256	229,548,419	59,190,520	117,568,486
- Income already paid on units redeemed		(2,896,476)	(4,562,694)	(686,218)	(3,668,884)
		<b>135,911,780</b>	<b>224,985,725</b>	<b>58,504,302</b>	<b>113,899,602</b>
<b>Accounting income / loss available for distribution:</b>					
- Relating to capital gains		(2,160,558)	53,235,452	6,771,007	24,698,620
- Excluding capital gains		138,072,338	171,750,273	51,733,295	89,200,982
		<b>135,911,780</b>	<b>224,985,725</b>	<b>58,504,302</b>	<b>113,899,602</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	138,808,256	229,548,419	59,190,520	117,568,486
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>138,808,256</b>	<b>229,548,419</b>	<b>59,190,520</b>	<b>117,568,486</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	3,527,040,520	-	3,527,040,520
<b>Undistributed income brought forward</b>			
- Realised income	-	104,252,481	104,252,481
- Unrealised gain	-	84,161,042	84,161,042
<b>Net assets at the beginning of the period (Units outstanding: 7,151,571 (Rs. 519.5300 per unit))</b>	<b>3,527,040,520</b>	<b>188,413,523</b>	<b>3,715,454,043</b>
Issue of 4,394,113 units	2,325,110,204	-	2,325,110,204
Redemption of 3,819,953 units	(2,013,688,757)	(2,896,476)	(2,016,585,233)
Total comprehensive income for the period	-	138,808,256	138,808,256
<b>Net assets at end of the period (Units outstanding: 7,725,731 (Rs. 538.8212 per unit))</b>	<b>3,838,461,967</b>	<b>324,325,303</b>	<b>4,162,787,270</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	335,984,082	-
- Unrealised loss	-	(11,658,779)	-
	<b>-</b>	<b>324,325,303</b>	<b>-</b>
	31 December 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,848,807,829	-	2,848,807,829
<b>Undistributed income brought forward</b>			
- Realised income	-	154,356,101	154,356,101
- Unrealised loss	-	(14,668,788)	(14,668,788)
<b>Net assets at the beginning of the period (Units outstanding: 5,820,926 (Rs. 513.41 per unit))</b>	<b>2,848,807,829</b>	<b>139,687,313</b>	<b>2,988,495,142</b>
Issue of 1,276,395 units	698,610,550	-	698,610,550
Redemption of 1,310,215 units	(713,020,381)	(4,562,694)	(717,583,075)
Total comprehensive income for the period	-	229,548,419	229,548,419
<b>Net assets at end of the period (Units outstanding: 5,787,106 (Rs 552.79 per unit))</b>	<b>2,834,397,998</b>	<b>364,673,038</b>	<b>3,199,071,036</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	361,122,986	-
- Unrealised income	-	3,550,052	-
	<b>-</b>	<b>364,673,038</b>	<b>-</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	For the Half Year Ended	
	31 December	
	2020	2019
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	138,808,256	229,548,419
<b>Adjustments for:</b>		
Interest income	(173,933,231)	(200,329,585)
Capital gain on sale of investments - net	(1,996,839)	(19,570,768)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	4,157,397	(33,664,684)
Provision for Sindh Workers' Welfare Fund	2,832,822	4,684,662
	<b>(168,939,851)</b>	<b>(248,880,375)</b>
<b>(Increase) / decrease in assets</b>		
Receivable against Margin Trading System	(485,814,200)	4,041,602
Deposits, prepayment and other receivables	101,582	(101,529)
	<b>(485,712,618)</b>	<b>3,940,073</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	559,865	707,067
Payable to the Central Depository Company of Pakistan Limited - Trustee	80,568	(103,174)
Payable to the Securities and Exchange Commission of Pakistan	(273,318)	(2,902,613)
Unclaimed dividend	(291,471,122)	(61,527,790)
Accrued expenses and other liabilities	(63,076,109)	(15,124,035)
	<b>(354,180,116)</b>	<b>(78,950,545)</b>
	<b>(870,024,329)</b>	<b>(94,342,428)</b>
Interest received	132,181,029	141,138,966
Investments made during the period	(5,673,567,784)	(6,204,534,511)
Investment sold / redeemed / matured during the period	4,811,255,272	5,617,716,807
<b>Net cash used in operating activities</b>	<b>(1,600,155,812)</b>	<b>(540,021,166)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	2,325,110,204	698,610,550
Net payments against redemption of units	(2,016,415,460)	(718,007,516)
<b>Net cash generated from / (used in) financing activities</b>	<b>308,694,744</b>	<b>(19,396,966)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,291,461,068)</b>	<b>(559,418,132)</b>
Cash and cash equivalents at the beginning of the period	1,318,246,149	1,426,198,107
<b>Cash and cash equivalents at the end of the period</b>	<b>4 26,785,081</b>	<b>866,779,975</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Income Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelveth, Thirteenth and Fourteen Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016, 29 September 2016, 2 June 2017, 2 October 2019, 30 October 2019 and 01 April 2020 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two plus)] on 24 December 2020.  
  
Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2019: "AA- (f)" (Double A minus)] on 16 October 2020.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
  - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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- Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

## **2.2 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

**3.2** The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2020.

## **3.3 New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### **Standard or Interpretation**

IFRS 3 – Amendments to Definition of a Business  
IFRS 9 – Interest Rate Benchmark Reform  
IAS 1 – Definition of Material  
IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

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

		31 December 2020 Un-audited	30 June 2020 Audited
4	BANK BALANCES	Note	-----Rupees-----
	In local currency		
	- Profit and loss sharing accounts	4.1	26,437,719 1,188,844,960
	- Current account		5,000 5,000
	- Cheques in hand	4.2	342,362 129,396,189
			26,785,081 1,318,246,149

**4.1** The rate of return on these accounts ranges between 5.5% and 7.80% (30 June 2020: 6.00% and 7.80%) per annum.

**4.2** These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 04 January 2021 (30 June 2020: 08 July 2020) .

# Atlas Income Fund

		31 December 2020 Un-audited	30 June 2020 Audited
5	RECEIVABLE AGAINST MARGIN TRADING SYSTEM	Note	Rupees
	Receivable against margin trading system	5.1	485,814,200

5.1 This represents financing arrangements under MTS system. These carry mark up rates ranging from 8.23% to 15.48% per annum having maturity date on 1 March 2021. Such arrangements are secured against listed shares with a market value of Rs. 582,626,569.

		31 December 2020 Un-audited	30 June 2020 Audited
6	INVESTMENTS	Note	Rupees
<b>At fair value through profit or loss</b>			
	Term finance certificates - listed	5.1 & 5.1.1	330,686,832
	Term finance certificates - unlisted	5.2 & 5.2.1	290,785,716
	Sukuk certificates	5.3 & 5.3.1	343,134,196
	Government securities - Market Treasury Bills	5.4 & 5.4.1	1,705,647,350
	Government securities - Pakistan Investment Bonds	6.5	998,247,468
			3,668,501,562
			2,762,821,946

6.1 **Term finance certificates - listed**  
(Certificates having a face value of Rs. 5,000 each unless stated otherwise)

Name of the Investee Company	As at 01 July 2020	Purchased during the period	Disposed / matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of Total Investment	Market value as a percentage of net assets	Investments as a percentage of total issue size
<b>BANKS</b>									
Habib Bank Limited Tier - II (face value of Rs. 99,820 per certificate)	2,945	-	-	2,945	287,741,530	293,969,900	8.01	7.06	2.95
Sonari Bank Limited (face value of Rs. 4,990 per certificate)	7,428	-	-	7,428	36,833,317	36,716,932	1.00	0.88	1.24
<b>TELECOMMUNICATION</b>									
Telecard Limited	6.6.1	4,000	-	4,000	-	-	-	-	-
<b>PERSONAL GOODS</b>									
Azgard Nine Limited	6.6.1	5,000	-	5,000	-	-	-	-	-
Total as at 31 December 2020					324,574,847	330,686,832	9.01	7.94	
Total as at 30 June 2020					325,351,311	324,639,911			



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**6.1.1** The terms and conditions of listed term finance certificates outstanding as at 31 December 2020 are as follows:

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

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

## TELECOMMUNICATION

Telecard Limited	NPA	15 years	Semi-annually	Dec 2020	6 month KIBOR
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## PERSONAL GOODS

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

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

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

	Number of certificates			Rupees			% age		
Askari Bank Limited - V	20,000	-	20,000	-	-	-	-	-	-
Bank AL Habib Limited (face value of Rs. 4,991 per certificate)	20,000	-	-	20,000	91,589,979	90,114,702	2.46	2.16	2.50
The Bank of Punjab Limited (face value of Rs. 99,840 per certificate)	-	527	-	527	49,984,864	52,111,464	1.42	1.25	0.11
Askari Bank Limited - VII (face value of Rs. 1,000,000 per certificate)	-	150	-	150	150,075,000	148,559,550	4.05	3.57	0.01

## CHEMICALS

Agritech Limited- I	6.6.1	2,000	-	-	2,000	-	-	-	-
Agritech Limited - II	6.6.1	8,000	-	-	8,000	-	-	-	-
Agritech Limited- IV	6.6.1	2,203	-	-	2,203	-	-	-	-

## PERSONAL GOODS

Azgard Nine Limited-V	6.6.1	1,075	-	-	1,075	-	-	-	-
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Total as at 31 December 2020

291,649,843	290,785,716	7.93	6.99
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Total as at 30 June 2020

196,372,744	185,418,554
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# Atlas Income Fund

**6.2.1** The terms and conditions of unlisted term finance certificates outstanding as at 31 December 2020 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
<b>BANKS</b>					
Askari Bank Limited - V	AA-	10 years	Semi-annually	Sept 2024	6 month KIBOR + 1.20%
Bank AL Habib Limited	AA	10 years	Semi-annually	Mar 2026	6 month KIBOR + 0.75%
The Bank of Punjab Limited	AA-	10 years	Semi-annually	Dec 2026	6 month KIBOR + 1.00%
Askari Bank Limited - VII	AA	10 years	Quarterly	Mar 2026	3 month KIBOR + 1.20%
<b>CHEMICALS</b>					
Agritech Limited - I	NPA	7 years	Semi-annually	Nov 2014	6month KIBOR + 1.75%
Agritech Limited - II	NPA	7 years	Semi-annually	Jan 2015	6month KIBOR + 1.75%
Agritech Limited - IV	NPA	3.5 years	Semi-annually	Jan 2015	-
<b>PERSONAL GOODS</b>					
Azgard Nine Limited - V	NPA	5 years	Semi-annually	Mar 2017	Zero Coupon

## 6.3 Sukuk certificates

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

Name of the Investee Company	As at 01 July 2020	Purchased during the period	Disposed/ matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
----- Number of certificates ----- Rupees ----- % age -----									
<b>FERTILIZERS</b>									
Dawood Hercules Corporation Limited Sukuk 2 - Listed									
(face value Rs. 70,000)	2,000	-	-	2,000	142,551,360	141,730,680	3.86	3.40	2.33
Agritech Limited (note 5.6.1)	4,060	-	-	4,060	-	-	-	-	-
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
The Hub Power Company Limited - Listed									
(face value of Rs. 100,000 per certificate)	1,500	-	-	1,500	153,217,200	153,372,900	4.18	3.68	2.14
<b>BANKS</b>									
Meezan Bank Limited Tier - II - Unlisted									
(face value of Rs. 1,000,000 per certificate)	47	-	-	47	48,175,000	48,030,616	1.31	1.15	0.67
Total as at 31 December 2020					<u>343,943,560</u>	<u>343,134,196</u>	<u>9.35</u>	<u>8.24</u>	
Total as at 30 June 2020					<u>356,678,872</u>	<u>364,308,040</u>			

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6.3.1 The terms and conditions of sukuk certificates as at 31 December 2020 are as follows:

Name of the Investee Company	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return	Rating
<b>CHEMICALS</b>					
AgriTech Limited	7 years	Semi-annually	Aug 2015	6 month KIBOR + 2.00%	NPA
Meezan Bank Limited Tier - II	10 years	Semi-annually	Sep 2026	6 month KIBOR + 0.50%	AA
Dawood Hercules Sukuk Tier - II	5 years	Quarterly	Mar 2023	3 month KIBOR + 1.00%	AA
The Hub Power Company Limited	4 Years	Quarterly	August 2023	3 month KIBOR + 1.90%	AA+

## 6.4 Government securities - Market Treasury Bills

Tenor	As at 01 July 2020	Purchased during the period	Disposed/ matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Face Value (Rupees) -----				----- Rupees -----		----- % age -----	
3 months	-	3,822,430,000	2,340,000,000	1,482,430,000	1,472,661,030	1,472,668,780	40.14	35.38
6 months	300,000,000	460,000,000	725,000,000	35,000,000	34,818,174	34,818,770	0.95	0.84
12 months	835,000,000	675,000,000	1,310,000,000	200,000,000	198,209,806	198,159,800	5.40	4.76
<b>Total as at 31 December 2020</b>	<b>1,135,000,000</b>	<b>4,957,430,000</b>	<b>4,375,000,000</b>	<b>1,717,430,000</b>	<b>1,705,689,010</b>	<b>1,705,647,350</b>	<b>46.49</b>	<b>40.97</b>
<b>Total as at 30 June 2020</b>					<b>1,088,005,268</b>	<b>1,103,202,480</b>		

6.4.1 Market treasury bills carry an average purchase yield of 7.06% to 11.98% (30 June 2020: 7.48% to 13.30%) per annum and will mature between 14 January 2021 and 11 March 2021 (30 June 2020: 24 September 2020 and 25 March 2021). The cost of these investments as on 31 December 2020 is Rs. 1,687,827,584 (30 June 2020: Rs. 1,045,141,985).

## 6.5 Government securities - Pakistan Investment Bonds

Tenor	As at 01 July 2020	Purchased during the period	Disposed/ matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Face Value (Rupees) -----				----- Rupees -----		----- % age -----	
3 Years	684,000,000	50,000,000	335,000,000	399,000,000	410,521,828	405,056,220	11.04	9.73
5 Years	75,000,000	435,000,000	-	510,000,000	520,790,496	518,281,248	14.13	12.45
10 Years	-	75,000,000	-	75,000,000	75,489,375	74,910,000	2.04	1.80
<b>Total as at 31 December 2020</b>	<b>759,000,000</b>	<b>560,000,000</b>	<b>335,000,000</b>	<b>984,000,000</b>	<b>1,006,801,699</b>	<b>998,247,468</b>	<b>27.21</b>	<b>23.98</b>
<b>Total as at 30 June 2020</b>					<b>702,441,841</b>	<b>785,252,961</b>		

6.5.1 Pakistan Investment Bonds carry purchase yield ranging from 8.12% to 12.29% (30 June 2020: 11.52% to 12.65%) per annum and will mature between 12 July 2021 and 18 June 2030 (30 June 2020: 12 July 2021 and 19 September 2024). The cost of these investments as on 31 December 2020 is Rs. 963,196,627 (30 June 2020: Rs. 702,513,897).

# Atlas Income Fund

## 6.6 Particulars of non-compliant investments

**6.6.1** The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated 07 July 2010, prescribed certain disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The following are the details of non-compliant investments:

Non-compliant investment	Type of investment	Value before provision	Provision held	Net carrying value	Percentage of	
					Net assets	Gross assets
-----Rupees-----						
Listed						
Azgard Nine Limited	Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited	Term finance certificate	4,668,990	4,668,990	-	-	-
		12,540,501	12,540,501	-	-	-
Unlisted						
Agritech Limited-I	Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited-II	Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited-IV	Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited-V	Term finance certificate	5,375,000	5,375,000	-	-	-
		53,860,000	53,860,000	-	-	-
Unlisted						
Agritech Limited	Sukuk certificate	15,225,000	15,225,000	-	-	-
Total as at 31 December 2020		81,625,501	81,625,501	-	-	-
Total as at 30 June 2020		81,625,501	81,625,501			

**6.6.2** The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs. 81.63 million (30 June 2020: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>Un-audited</b>	<b>Audited</b>
<b>7 INTEREST / PROFIT ACCRUED</b>	-----Rupees-----	-----Rupees-----

Interest / profit on:

Savings and term deposits	-	358,431
Margin Trading System	8,348,206	-
Term finance certificates	12,822,369	24,582,029
Pakistan Investment Bonds	20,915,002	19,550,246
Sukuk certificates	3,713,975	5,084,306
	<b>45,799,552</b>	<b>49,575,012</b>

## 8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	2,750,000	2,750,000
Prepaid annual fee to the NCCPL	-	101,582
Other receivables	8,604,251	8,604,251
	<b>11,454,251</b>	<b>11,555,833</b>

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

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

9 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2020 Un-audited	30 June 2020 Audited
		-----Rupees-----	
Remuneration of the Management Company	9.1	3,553,698	3,123,029
Sindh Sales Tax payable on remuneration of the Management Company	9.2	3,984,677	3,928,692
Federal Excise Duty payable on remuneration of the Management Company	9.3	23,582,971	23,582,971
Accounting and operational charges payable	14	604,127	530,916
		<b>31,725,473</b>	<b>31,165,608</b>

- 9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 1.00% of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.
- 9.2 During the period, an amount of Rs. 2,550,904 (2019: Rs. 1,681,048) was charged on account of sales tax on remuneration of management company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 2,494,919 (2019: Rs. 1,616,886) has been paid to the Management Company which acts as a collecting agent.
- 9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board (as explained in note 8.2 above) which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

# Atlas Income Fund

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23.583 million (30 June 2020: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Has the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 31 December 2020 would have been higher by Rs. 3.05 per unit (30 June 2020: Rs 3.30 per unit).

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

		31 December 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
Trustee fee payable	10.1	266,527	234,227
Sindh sales tax payable on trustee fee		34,648	30,450
Settlement charges payable		40,000	1,000
Sindh sales tax payable on settlement charges		5,200	130
		<u>346,375</u>	<u>265,807</u>

**10.1** The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% (2019: 0.075%) per annum of the average annual net Net Assets of the Fund based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC.

**10.2** During the year, an amount of Rs. 191,318 (2019: Rs. 152,830) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 187,120 (2019: Rs 152,611) was paid to trustee which acts as collecting agent.

		31 December 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
<b>11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fees payable	11.1	<u>392,446</u>	<u>665,764</u>

**11.1** In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% of net assets per annum.

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		31 December 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		368,476	499,646
NCCPL charges payable		24,445	61,366
Printing charges payable		-	5,294
Annual listing fee payable		13,863	-
Brokerage payable		84,373	84,374
Annual rating fee payable		239,806	-
Withholding tax payable		8,271	62,697,926
Capital gain tax payable		46,264	513,001
Zakat payable		1,649	1,649
Other payables		334,343	334,343
Provision for Sindh Workers' Welfare Fund	12.1	41,656,717	38,823,895
		<b>42,778,207</b>	<b>103,021,494</b>

**12.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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.

# Atlas Income Fund

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2020 would have been higher by Rs. 5.39 per unit (30 June 2020: Rs 5.43 per unit).

## 13 CONTINGENCIES AND COMMITMENTS

- 13.1** Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). The management company believes that distribution of income by collective investment schemes includes (a) the income already distributed upon redemption of units and (b) the remaining amount of income distributed by way of cash dividend.

Open end mutual funds continuously offer issuance and redemption of units at prevailing Net Assets Value (NAV) applicable at the time of offer and redemption. The unit-holder who invests in the open end mutual fund during the year and redeems during the same year has effectively taken his due share of income for the year and the differential amount (proceeds received less original investment) is and should be treated as “distribution of profit”. In case of unit holder who existed at the beginning of the year and makes redemption during the year, the amount representing his due share of income from the current year's income is and should be considered as “distribution of profit”.

In assessment for TY 2018, the said exemption has been denied by The Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to commented that the distribution by the Fund fell short of 90% distribution threshold.

In response to the order, the Fund filed appeal with Commissioner Appeals office. In judgment dated 2018 Commissioner Appeals upheld Assessment Order passed by AC. The Fund has now initiated appeal in Appellate Tribunal, which is pending adjudication.

Meanwhile, Fund filed petition for stay in High Court of Sindh (SHC), and stay order dated January 14, 2021 has been granted by SHC. In its judgment, SHC held that since the subject matter is pending before Appellate Tribunal, therefore, the recovery of impugned demand of Rs. 138 Million will not be enforced till the final decision of Tribunal.

Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open end mutual fund. SECP agrees with MUFAPs interpretation and is also actively following up with FBR to resolve the matter at the earliest.

The management believes that the Fund has distributed required amount of income to be eligible for tax exemption under clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 and hence, no provision for taxation is required to be made in these financial statements.

- 13.2** There were no commitments outstanding as at 31 December 2020 and 30 June 2020.



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## 14 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged actual expenses within the limit of 0.17% of average annual net assets of the fund.

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2020	2019	2020	2019
		Un-audited		Un-audited	
		Rupees		Rupees	
<b>15 INTEREST INCOME</b>					
Interest on:					
Saving and term deposits		13,324,754	41,415,436	2,985,318	17,407,358
Margin Trading System		24,210,011	1,526	8,712,508	142
Term finance certificates	15.1	31,249,947	50,847,753	12,843,877	27,063,565
Sukuk certificates		15,725,800	24,891,726	7,258,097	13,050,297
Government Securities		89,422,719	81,613,802	37,977,905	46,414,407
Commercial Papers			1,559,342	-	1,559,342
		<b>173,933,231</b>	<b>200,329,585</b>	<b>69,777,705</b>	<b>105,495,111</b>

**15.1** This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (31 December 2019: Rs.Nil million). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 83.80 million (31 December 2019: Rs. 73.99 million) based on outstanding principal has not been recognised during the period.

## 16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 1.68% (30 June 2020: 1.67%) which includes 0.31% (30 June 2020: 0.45%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

## 17 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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders.

## 18 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.

# Atlas Income Fund

## 19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

	For the Half Year Ended	
	31 December	
	2020	2019
	Un-audited	Un-audited
	Rupees	
<b>19.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	19,622,336	12,931,135
Remuneration paid	19,191,667	12,437,580
Sindh Sales Tax on remuneration of the Management Company	2,550,904	1,681,048
Accounting and operational charges	3,335,794	1,970,332
Issue of Nil (2019: 1) units	-	304
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee	1,471,674	1,175,614
Sindh Sales Tax on remuneration of the Trustee	191,318	152,830
Trustee fee paid	1,439,374	1,261,919
Settlement charges	265,876	3,012
Sindh Sales Tax on settlement charges	34,564	392
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Issue of 63,320 (2019: 40,743) units	33,000,000	22,326,805
Redemption of 9,282 (2019: 23,074) units	5,000,000	12,000,000
<b>Atlas Honda Limited (Group Company)</b>		
Issue of Nil (2019: 135) units	-	71,923
Redemption of Nil (2019: Nil) units	-	-
<b>Atlas Insurance Limited</b>		
Issue of Nil (2019: 885,988) units	-	488,844,039
Redemption of Nil (2019: 885,988) units	-	488,994,657
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of 56,853 (2019: Nil) units	30,041,703	-
Redemption of 5,814 (2019: 22,190) units	3,036,000	11,714,568

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		For the Half Year Ended 31 December	
		2020	2019
		Un-audited	Un-audited
		----- Rupees -----	
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>			
Issue of 48,470 (2019: Nil) units		25,500,000	-
<b>Atlas Metals (Private) Limited</b>			
Issue of 37,963 (2019: Nil) units		20,000,000	-
<b>Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>			
Issue of 225,117 (2019: Nil) units		120,000,000	-
<b>Shirazi Investments (Private) Limited (Group Company)</b>			
Issue of 3,868 (2019: 1,983) units		2,015,774	1,054,011
<b>Directors and their close family members and key management personnel of the Management Company</b>			
Issue of 20,291 (2019: 936) units		10,751,301	500,000
Redemption of 48,440 (2019: Nil) units		25,943,742	-
		<b>31 December</b>	<b>30 June</b>
		<b>2020</b>	<b>2020</b>
		<b>Un-audited</b>	<b>Audited</b>
		-----Rupees-----	
<b>19.2 Balances as at period / year end</b>			
<b>Atlas Asset Management Limited (Management Company)</b>			
Remuneration payable to the Management Company		3,553,698	3,123,029
Sindh Sales Tax payable on remuneration of the Management Company		3,984,677	3,928,692
Federal Excise Duty payable on remuneration of the Management Company		23,582,971	23,582,971
Accounting and operational charges payable		604,127	530,916
Outstanding 100,335 (30 June 2020: 100,335) units - at net asset value		54,062,438	52,126,862
<b>Central Depository Company of Pakistan Limited (Trustee)</b>			
Remuneration payable to the Trustee		266,527	234,227
Sindh Sales Tax payable on remuneration of the trustee		34,648	30,450
Settlement charges payable		40,000	1,000
Sindh Sales Tax payable on settlement charges		5,200	130
<b>Atlas Foundation (Trust having common Director / Trustee)</b>			
Outstanding 576,971 (30 June 2020 : 522,933) units - at net asset value		310,884,081	271,679,336
<b>Atlas Honda Limited (Group Company)</b>			
Outstanding 564,023 (30 June 2020: 564,023) units - at net asset value		303,907,602	293,026,919
<b>Atlas Insurance Limited (Group Company)</b>			
Outstanding 98,569 (30 June 2020: 98,569) units - at net asset value		53,111,287	51,209,765
<b>Atlas Metals (Private) Limited</b>			
Outstanding 37,963 (30 June 2020: Nil) units - at net asset value		20,455,136	-

# Atlas Income Fund

	31 December 2020 Un-audited	30 June 2020 Audited
	-----Rupees-----	
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Outstanding 48,470 (30 June 2020: Nil) units - at net asset value	26,116,853	-
<b>Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 32,779 (30 June 2020: 32,779) units - at net asset value	17,662,057	17,029,710
<b>Atlas Honda Limited - Employess Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 67,449 (30 June 2020: 67,449) units - at net asset value	36,342,992	35,041,818
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 67,448 (30 June 2020: 16,408) units - at net asset value	36,342,254	8,524,427
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 262,130 (30 June 2020: 37,012) units - at net asset value	141,241,089	19,229,093
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 152,336 (30 June 2020: 152,336) units - at net asset value	82,081,602	79,142,868
<b>Shirazi Investments (Private) Limited (Group company)</b>		
Outstanding 3,925,631 (30 June 2020: 3,921,763) units - at net asset value	2,115,213,011	2,037,473,329
<b>Key Management Personnel of Management Company</b>		
Outstanding 126,785 (30 June 2020: 154,935) units -at net asset value	68,314,703	80,493,240

## 20 FAIR VALUE MEASUREMENT

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

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

The investments of the Fund in debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The investments of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan. The investment of the Fund in equity securities is valued on the basis of rates quoted on Stock Exchange. The estimated fair values of all other financial assets and liabilities are considered not to be significantly different from carrying values.

### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a

# Half Yearly Report 2020-21

fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

## 21 GENERAL

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

### 21.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

**21.4** Units have been rounded off to the nearest decimal places.

## 22 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 February 2021.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

## Corporate Information

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**Trustee**

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

**Auditors**

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EY Ford Rhodes  
Chartered Accountants

**Legal Advisers**

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Mohsin Tayebaly & Co.

**Bankers**

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Bank Alfalah Limited  
Habib Bank Limited  
MCB Bank Limited

# Half Yearly Report 2020-21

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Stock Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 23 February 2021

# Atlas Stock Market Fund

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

### Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Stock Market Fund (the Fund) as at 31 December 2020 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 26 February 2021

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**



# Half Yearly Report 2020-21

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

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	----- Rupees -----
<b>Assets</b>			
Cash and Bank balances	4	120,685,702	75,706,293
Investments	5	9,152,741,190	6,990,442,843
Dividend receivable		8,000,200	-
Profit receivable on bank balances		12,317	413,904
Receivable against sale of investments		268,723,704	-
Advances, deposits, prepayments and other receivables	6	13,529,987	13,529,987
<b>Total assets</b>		<b>9,563,693,100</b>	<b>7,080,093,027</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	46,800,478	39,612,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	1,048,916	736,735
Payable to the Securities and Exchange Commission of Pakistan	9	862,519	1,245,447
Payable against redemption of units		199,533,690	132,732,432
Payable against purchase of investments		47,300,691	-
Unclaimed dividend		401,733	401,733
Accrued expenses and other liabilities	10	96,427,970	63,694,863
<b>Total liabilities</b>		<b>392,375,997</b>	<b>238,423,488</b>
<b>NET ASSETS</b>		<b>9,171,317,103</b>	<b>6,841,669,539</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>9,171,317,103</b>	<b>6,841,669,539</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		----- Number of units -----	----- Number of units -----
<b>NUMBER OF UNITS IN ISSUE</b>		<b>13,518,165</b>	<b>13,240,837</b>
		----- Rupees -----	----- Rupees -----
<b>NET ASSET VALUE PER UNIT</b>		<b>678.4439</b>	<b>516.7100</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

		For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2020	2019	2020	2019
Note		Rupees -----			
<b>Income</b>					
Profit on bank balances		4,093,739	7,663,270	1,791,186	4,124,953
Dividend income		176,631,533	177,469,368	141,294,329	96,570,343
Capital gain on sale of investments - net		711,717,019	171,480,019	560,641,183	179,756,067
Net unrealised appreciation on re-measurement of investments classified as "financial assets at fair value through profit or loss'		1,502,527,817	1,003,717,726	157,982,826	1,333,556,556
		<b>2,214,244,836</b>	<b>1,175,197,745</b>	<b>718,624,009</b>	<b>1,513,312,623</b>
<b>Total income</b>		<b>2,394,970,108</b>	<b>1,360,330,383</b>	<b>861,709,524</b>	<b>1,614,007,919</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	103,502,261	56,288,280	53,562,401	32,479,041
Sindh sales tax on remuneration of the Management Company	7.2	13,455,294	7,317,476	6,963,112	4,222,275
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	4,816,703	3,317,146	2,483,821	1,875,318
Sindh sales tax on remuneration of the trustee	8.2	626,171	431,229	322,896	243,791
Annual fee to the Securities and Exchange Commission of Pakistan	9	862,519	562,883	446,354	324,791
Accounting and operational charges	14	8,285,773	3,626,390	4,748,366	2,435,928
Auditors' remuneration		207,640	339,122	37,823	202,909
Annual listing fee		13,852	13,825	7,424	6,912
Securities transaction cost		8,218,249	6,053,500	4,932,537	4,563,955
Printing charges		31,903	23,502	31,903	13,502
Legal and professional charges		100,780	98,053	70,000	-
Provision for Sindh Workers' Welfare Fund	10.1	45,094,910	25,643,549	15,760,153	25,643,549
Bank charges		103,444	81,547	95,200	73,175
<b>Total expenses</b>		<b>185,319,499</b>	<b>103,796,502</b>	<b>89,461,990</b>	<b>72,085,146</b>
<b>Net income for the period before taxation</b>		<b>2,209,650,609</b>	<b>1,256,533,881</b>	<b>772,247,534</b>	<b>1,541,922,773</b>
<b>Taxation</b>	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>2,209,650,609</b>	<b>1,256,533,881</b>	<b>772,247,534</b>	<b>1,541,922,773</b>
<b>Earnings per unit</b>	15				
<b>Allocation of net income for the period</b>					
Net income for the period		2,209,650,609	1,256,533,881	772,247,534	1,541,922,773
Income already paid on units redeemed		(168,668,885)	(1,155,135)	(114,555,884)	(1,155,135)
		<b>2,040,981,724</b>	<b>1,255,378,746</b>	<b>657,691,650</b>	<b>1,540,767,638</b>
<b>Accounting income / (loss) available for distribution:</b>					
- Relating to capital gains		2,214,244,836	1,175,197,745	718,624,009	1,513,312,623
- Excluding capital gains		(173,263,112)	80,181,001	(60,932,359)	27,455,015
		<b>2,040,981,724</b>	<b>1,255,378,746</b>	<b>657,691,650</b>	<b>1,540,767,638</b>

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	2,209,650,609	1,256,533,881	772,247,534	1,541,922,773
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period	<u>2,209,650,609</u>	<u>1,256,533,881</u>	<u>772,247,534</u>	<u>1,541,922,773</u>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	6,499,701,211	-	6,499,701,211
<b>Undistributed income brought forward</b>			
- Realised income	-	909,302,970	909,302,970
- Unrealised loss	-	(567,334,642)	(567,334,642)
<b>Net assets at the beginning of the period (Units outstanding: 13,240,837) (Rs. 516.7100 per unit)</b>	<b>6,499,701,211</b>	<b>341,968,328</b>	<b>6,841,669,539</b>
Issue of 4,515,430 units	2,815,459,028	-	2,815,459,028
Redemption of 4,238,102 units	(2,526,793,188)	(168,668,885)	(2,695,462,073)
Total comprehensive income for the period	-	2,209,650,609	2,209,650,609
<b>Net assets at end of the period (Units outstanding: 13,518,165) (Rs. 678.4439 per unit)</b>	<b>6,788,367,051</b>	<b>2,382,950,052</b>	<b>9,171,317,103</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	1,474,155,715	-
- Unrealised gain	-	908,794,337	-
	<b>-</b>	<b>2,382,950,052</b>	<b>-</b>

  

	31 December 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,841,549,792	-	4,841,549,792
<b>Undistributed income brought forward</b>			
- Realised income	-	1,073,009,596	1,073,009,596
- Unrealised loss	-	(870,121,506)	(870,121,506)
<b>Net assets at the beginning of the period (Units outstanding: 10,009,549) (Rs. 503.96 per unit)</b>	<b>4,841,549,792</b>	<b>202,888,090</b>	<b>5,044,437,882</b>
Issue of 2,937,543 units	1,516,329,893	-	1,516,329,893
Redemption of 620,062 units	(317,656,202)	(1,155,135)	(318,811,337)
Total comprehensive income for the period	-	1,256,533,881	1,256,533,881
<b>Net assets at end of the period (Units outstanding: 12,327,030) (Rs. 608.30 per unit)</b>	<b>6,040,223,483</b>	<b>1,458,266,836</b>	<b>7,498,490,319</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	1,043,001,657	-
- Unrealised gain	-	415,265,179	-
	<b>-</b>	<b>1,458,266,836</b>	<b>-</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December	
	2020	2019
Note	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	2,209,650,609	1,256,533,881
<b>Adjustment for:</b>		
Profit on bank balances	(4,093,739)	(7,663,270)
Dividend income	(176,631,533)	(177,469,368)
Capital gain on sale of investments - net	(711,717,019)	(171,480,019)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,502,527,817)	(1,003,717,726)
Provision for Sindh Workers' Welfare Fund	45,094,910	25,643,549
	<b>(2,349,875,198)</b>	<b>(1,334,686,834)</b>
<b>(Increase) / decrease in assets</b>		
Receivable against sale of investments	(268,723,704)	22,096,217
Advances, deposits, prepayment and other receivables	-	(13,675)
	<b>(268,723,704)</b>	<b>22,082,542</b>
<b>Increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	7,188,200	4,657,149
Payable to the Central Depository Company of Pakistan Limited - Trustee	312,181	210,719
Payable to the Securities and Exchange Commission of Pakistan	(382,928)	(4,872,741)
Payable against purchase of investments	47,300,691	-
Accrued expenses and other liabilities	(12,361,803)	2,973,732
	<b>42,056,341</b>	<b>2,968,859</b>
Profit received on bank balances	4,495,326	7,936,327
Dividend received	168,631,333	178,674,673
Investments made during the period	(3,823,950,931)	(2,898,506,679)
Investments sold during the period	3,875,897,420	1,624,340,734
<b>Net cash used in operating activities</b>	<b>(141,818,804)</b>	<b>(1,140,656,497)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	2,815,459,028	1,516,329,893
Net payments against redemption of units	(2,628,660,815)	(515,372,182)
<b>Net cash generated from financing activities</b>	<b>186,798,213</b>	<b>1,000,957,711</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>44,979,409</b>	<b>(139,698,786)</b>
Cash and cash equivalents at the beginning of the period	75,706,293	266,018,200
<b>Cash and cash equivalents at the end of the period</b>	<b>120,685,702</b>	<b>126,319,414</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Stock Market Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 and 23 May 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteen and Fourteen Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009, 14 October, 2013, 24 March 2015, 03 August 2015, 29 September 2016, 2 June 2017, 5 September 2019, 25 November 2019 and 1 April 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two plus)] on 24 December 2020
- 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 FOR PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
  - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
  - Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

# Half Yearly Report 2020-21

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

## **2.2 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2020.

**3.2** The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2020.

## **3.3 New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### **Standard or Interpretation**

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

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

## **4 CASH AND BANK BALANCES**

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
In local currency			
- Profit and loss sharing accounts	4.1	115,789,546	74,051,293
- Current account		5,000	5,000
- Cheque in hand	4.2	4,891,156	1,650,000
		<b>120,685,702</b>	<b>75,706,293</b>

**4.1** This rate of return on these accounts ranges between 5.50% and 7.70% (30 June 2020: 6.00% and 6.50%) per annum.

**4.2** These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 04 January 2020 (30 June 2020: 06 July 2020).

## **5 INVESTMENTS**

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
<b>At fair value through profit or loss</b>			
- Investment in listed equity securities	5.1	<b>9,152,741,190</b>	<b>6,990,442,843</b>

# Atlas Stock Market Fund

## 5.1 Listed equity securities

At fair value through profit or loss - equity securities

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

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
	Number of Shares					Rupees		% age		
COMMERCIAL BANKS										
BankIslami Pakistan Limited	8,284,250	-	-	8,284,250	-	-	-	-	-	-
Meezan Bank Limited	3,161,135	1,081,200	200,063	1,240,500	3,201,898	223,011,516	334,406,227	3.65	3.65	0.18
Bank Alfalah Limited	3,307,500	4,012,631	-	3,307,500	4,012,631	141,117,645	141,766,253	1.55	1.55	0.36
Bank Al Habib Limited	5,975,175	500,000	-	3,515,058	2,960,117	159,437,112	206,024,143	2.25	2.25	0.20
The Bank Of Punjab	5,174,500	-	-	-	5,174,500	43,465,800	47,967,615	0.52	0.52	0.35
Faysal Bank Limited	5,100,943	-	-	-	5,100,943	71,056,136	88,144,295	0.96	0.96	0.49
Habib Bank Limited (Note 5.3)	3,633,600	1,208,800	-	27,000	4,815,400	505,658,930	636,981,112	6.96	6.95	0.41
Habib Metropolitan Bank Limited	4,211,500	628,000	-	-	4,839,500	139,232,405	188,692,105	2.06	2.06	0.34
MCB Bank Limited	415,300	1,053,115	-	25,000	1,443,415	249,496,707	267,435,931	2.92	2.92	0.05
United Bank Limited (Note 5.3)	2,078,325	3,090,138	-	-	5,168,463	579,098,165	650,502,753	7.11	7.09	0.42
	41,342,228	11,573,884	200,063	16,399,308	36,716,867	2,111,574,416	2,561,920,434	27.99	27.93	
INSURANCE										
Adamjee Insurance Company Limited	1,576,500	-	-	1,576,500	-	-	-	-	-	-
EFU Life Assurance Limited	-	173,700	-	146,100	27,600	5,599,176	5,768,952	0.06	0.06	0.01
Jubilee Life Insurance Company Limited	-	120,100	-	48,100	72,000	26,744,631	28,662,480	0.31	0.31	0.04
Pakistan Reinsurance Company Limited	1,028,500	150,000	-	-	1,178,500	28,170,840	32,432,320	0.35	0.35	0.39
	2,605,000	443,800	-	1,770,700	1,278,100	60,514,647	66,863,752	0.73	0.73	
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	1,850,000	500,000	-	1,850,000	500,000	18,146,955	18,375,000	0.20	0.20	0.12
Interloop Limited	3,000	753,500	-	78,000	678,500	39,563,870	46,185,495	0.50	0.50	0.08
Kohinoor Textile Mills Limited	1,507,500	931,000	-	314,500	2,124,000	91,956,940	144,899,280	1.58	1.58	7.01
Nishat (Chunian) Limited	869,500	-	-	869,500	-	-	-	-	-	-
Nishat Mills Limited	650,000	1,290,500	-	250,000	1,690,500	151,297,140	172,042,185	1.88	1.88	0.48
	4,880,000	3,475,000	-	3,362,000	4,993,000	300,964,905	381,501,960	4.17	4.16	
CEMENT										
Attock Cement Pakistan Limited	388,600	198,500	-	136,500	450,600	59,990,471	67,612,530	0.74	0.74	0.33
Cherat Cement Company Limited	1,309,400	-	-	665,000	644,400	56,172,348	94,204,836	1.03	1.03	0.33
D.G. Khan Cement Company Limited	987,500	-	-	150,000	837,500	71,463,875	95,960,750	1.05	1.05	0.19
Fauji Cement Company Limited	30,500	5,300,000	-	-	5,330,500	108,135,880	115,511,935	1.26	1.26	0.39
Kohat Cement Company Limited	551,500	-	-	151,500	400,000	54,980,000	87,696,000	0.96	0.96	0.20
Lucky Cement Limited	740,500	67,000	-	32,500	775,000	369,767,103	539,469,750	5.89	5.88	0.24
Maple Leaf Cement Factory Limited	45,000	-	-	45,000	-	-	-	-	-	-
Pioneer Cement Limited	3,609,000	-	-	2,802,500	806,500	50,841,760	83,311,450	0.91	0.91	0.36
	7,662,000	5,565,500	-	3,983,000	9,244,500	771,351,437	1,083,767,251	11.84	11.82	
POWER GENERATION & DISTRIBUTION										
K-Electric Limited (face value Rs. 3.5 per share)	6,750,000	-	-	-	6,750,000	20,317,500	26,392,500	0.29	0.29	0.02
Lalpir Power Limited	2,950,000	2,404,000	-	500,000	4,854,000	61,184,895	62,228,280	0.68	0.68	1.28
Nishat Chunian Power Limited	619,000	-	-	619,000	-	-	-	-	-	-
Pakgen Power Limited	4,208,500	-	-	-	4,208,500	50,544,085	82,907,450	0.91	0.90	1.13
The Hub Power Company Limited	6,148,820	900,000	-	250,000	6,798,820	501,627,492	539,350,391	5.89	5.88	0.52
	20,676,320	3,304,000	-	1,369,000	22,611,320	633,673,972	710,878,621	7.77	7.75	
OIL & GAS MARKETING COMPANIES										
Hi-Tech Lubricants Limited	2,000	1,051,000	-	2,000	1,051,000	45,671,860	46,012,780	0.50	0.50	0.91
Pakistan State Oil Company Limited	1,169,153	559,024	-	87,500	1,640,677	280,334,032	353,237,758	3.86	3.85	0.35
Shell Pakistan Limited	264,700	-	-	264,700	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	1,565,200	1,700,000	-	3,264,202	998	44,813	44,331	0.00	0.00	0.00
	3,001,053	3,310,024	-	3,618,402	2,692,675	326,050,705	399,294,869	4.36	4.35	
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	353,669	-	-	68,340	285,329	352,852,108	382,289,501	4.18	4.17	0.21
Oil & Gas Development Company Limited	3,003,100	997,000	-	-	4,000,100	437,981,614	415,090,377	4.54	4.53	0.09
Pakistan Oilfield Limited	533,020	59,000	-	25,000	567,020	201,966,131	224,205,378	2.45	2.44	0.20
Pakistan Petroleum Limited (Note 5.3)	2,148,602	1,064,000	-	-	3,212,602	292,129,658	290,194,339	3.17	3.16	0.12
	6,038,391	2,120,000	-	93,340	8,065,051	1,284,929,511	1,311,779,595	14.33	14.30	
ENGINEERING										
Agha Steel Industries Limited	-	3,163,867	-	1,344,000	1,819,867	61,243,984	71,720,958	0.78	0.78	0.32
Aisha Steel Mills Limited	-	7,500,000	-	7,500,000	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	-	405,000	-	-	405,000	35,969,364	34,064,550	0.37	0.37	0.52
International Industries Limited	300,000	120,000	-	420,000	-	-	-	-	-	-
International Steels Limited	-	490,000	-	490,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	213	-	-	-	213	8,494	16,130	0.00	0.00	0.00
	300,213	11,678,867	-	9,754,000	2,225,080	97,221,842	105,801,638	1.16	1.15	



# Half Yearly Report 2020-21

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
	----- Number of Shares -----					----- Rupees -----		----- % age -----		
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	71,060	6,400	-	-	77,460	78,772,036	92,793,982	1.01	1.01	0.10
Millat Tractors Limited	84,850	-	-	4,850	80,000	56,492,800	87,527,200	0.96	0.95	0.16
	155,910	6,400	-	4,850	157,460	135,264,836	180,321,182	1.97	1.97	
AUTOMOBILE PARTS & ACCESSORIES										
Thal Limited (face value of Rs. 5 per share)	248,000	143,700	-	-	391,700	142,747,015	185,148,756	2.02	2.02	0.48
	248,000	143,700	-	-	391,700	142,747,015	185,148,756	2.02	2.02	
CABLES & ELECTRICAL GOODS										
Pak Elektron Limited	-	2,788,000	-	2,788,000	-	-	-	-	-	-
TPL Corporation Limited	-	1,198,500	-	1,198,500	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	611,500	-	611,500	-	-	-	-	-	-
	-	4,598,000	-	4,598,000	-	-	-	-	-	-
TRANSPORT										
Pakistan International Bulk Terminal Limited	4,897,500	1,000,000	-	1,397,500	4,500,000	43,932,940	57,870,000	0.63	0.63	0.25
	4,897,500	1,000,000	-	1,397,500	4,500,000	43,932,940	57,870,000	0.63	0.63	
TECHNOLOGY & COMMUNICATIONS										
Avancon Limited	-	1,470,500	-	1,470,000	500	19,254	46,425	0.00	0.00	0.00
Pakistan Telecommunication Company Limited	-	4,124,500	-	-	4,124,500	41,025,227	37,532,950	0.41	0.41	0.11
Systems Limited	1,627,050	500	-	927,550	700,000	128,587,349	293,461,000	3.21	3.20	0.57
TRG Pakistan Limited - Class 'A'	-	4,700,000	-	3,700,000	1,000,000	73,241,235	91,410,000	1.00	1.00	0.18
	1,627,050	10,295,500	-	6,097,550	5,825,000	242,873,065	422,450,375	4.62	4.61	
FERTILIZER										
Engro Corporation Limited	1,126,700	935,001	-	410,000	1,651,701	495,804,998	507,666,819	5.55	5.54	0.29
Engro Fertilizers Limited (Note 5.3)	3,163,500	100,000	-	1,750,000	1,513,500	91,338,753	95,698,605	1.05	1.04	0.11
Fauji Fertilizer Bin Qasim Limited	1,520,500	-	-	-	1,520,500	24,267,180	38,499,060	0.42	0.42	0.16
Fauji Fertilizer Bin Qasim Limited - LoR	-	-	581,340	581,340	-	-	-	-	-	-
Fauji Fertilizer Company Limited	1,146,000	372,800	-	446,000	1,072,800	117,099,040	116,398,800	1.27	1.27	0.08
	6,956,700	1,407,801	581,340	3,187,340	5,758,501	728,509,971	758,263,284	8.28	8.27	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	129,200	-	-	129,200	-	-	-	-	-	-
AGP Limited	523,000	-	-	523,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	362,000	326,000	-	362,000	326,000	58,256,694	62,536,580	0.68	0.68	0.10
Highnoon Laboratories Limited	132,320	80,100	-	-	212,420	116,011,486	127,411,640	1.39	1.39	0.61
The Searle Company Limited	706,602	148,900	69,529	300,656	624,375	116,113,495	138,284,268	1.51	1.51	0.29
	1,853,122	555,000	69,529	1,314,856	1,162,795	290,381,675	328,232,488	3.59	3.58	
CHEMICALS										
Archroma Pakistan Limited	113,450	-	-	113,450	-	-	-	-	-	-
Berger Paints Pakistan Limited	-	489,000	-	233,000	256,000	22,602,981	23,424,000	0.26	0.26	1.25
Engro Polymer & Chemicals Limited	5,340,000	268,000	-	3,481,500	2,126,500	58,016,978	101,030,015	1.10	1.10	0.23
ICI Pakistan Limited	72,000	20,000	-	42,000	50,000	35,247,534	38,004,500	0.42	0.41	0.05
Lotte Chemical Pakistan Limited	5,500,000	500,000	-	6,000,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	126,000	-	-	126,000	40,974,244	39,060,000	0.43	0.43	0.59
	11,025,450	1,403,000	-	9,869,950	2,558,500	156,841,737	201,518,515	2.20	2.20	
PAPER & BOARD										
Packages Limited	57,200	174,800	-	32,000	200,000	83,328,193	119,384,000	1.30	1.30	0.22
	57,200	174,800	-	32,000	200,000	83,328,193	119,384,000	1.30	1.30	
VANASPATI & ALLIED INDUSTRIES										
Unity Foods Limited	53,000	3,800,000	-	3,853,000	-	-	-	-	-	-
	53,000	3,800,000	-	3,853,000	-	-	-	-	-	-
LEATHER & TANNERIES										
Bata Pakistan Limited	59,600	4,000	-	1,760	61,840	84,048,317	94,728,986	1.03	1.03	0.82
Service Industries Limited	80,475	15,500	20,118	-	116,093	77,541,143	96,838,976	1.06	1.06	0.49
	140,075	19,500	20,118	1,760	177,933	161,589,460	191,567,962	2.09	2.09	
FOODS & PERSONAL CARE PRODUCTS										
Ar-Tahur Limited	2,462,500	-	246,250	450,000	2,258,750	35,380,255	45,536,400	0.50	0.50	1.40
National Foods Limited (face value of Rs. 5 per share)	72,200	-	350	72,200	350	70,132	76,438	0.00	0.00	0.00
	2,534,700	-	246,600	522,200	2,259,100	35,450,387	45,612,838	0.50	0.50	
GLASS & CERAMICS										
Tariq Glass Industries Limited	230,250	-	-	230,250	-	-	-	-	-	-
Shabbir Tiles & Ceramics Limited (face value Rs.5)	-	1,094,500	-	1,094,500	-	-	-	-	-	-
	230,250	1,094,500	-	1,324,750	-	-	-	-	-	-
MISCELLANEOUS										
Synthetic Products Enterprises Limited	900,000	-	-	900,000	-	-	-	-	-	-
TPL Properties Limited	-	4,357,000	-	-	4,357,000	43,012,659	40,563,670	0.44	0.44	1.33
Tis-Pack Films Limited	-	16,500	-	16,500	-	-	-	-	-	-
	900,000	4,373,500	-	916,500	4,357,000	43,012,659	40,563,670	0.44	0.44	
Total as at 31 December 2020						7,650,213,373	9,152,741,190	100.00	99.80	
Total as at 30 June 2020						7,113,226,257	6,990,442,843			

# Atlas Stock Market Fund

5.2 The cost of listed equity securities as at 31 December 2020 is Rs. 8,243,946,853 (30 June 2020: Rs. 7,557,777,485).

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

	31 December 2020 Un-audited	30 June 2020 Audited	31 December 2020 Un-audited	30 June 2020 Audited
	Number of shares		Market value (Rupees)	
Engro Fertilizers Limited	425,000	425,000	26,872,750	25,619,000
United Bank Limited	170,000	100,000	21,396,200	10,336,000
Habib Bank Limited	60,000	60,000	7,936,800	5,812,200
Pakistan Petroleum Limited	297,000	297,000	26,828,010	25,773,660
	<b>952,000</b>	<b>882,000</b>	<b>83,033,760</b>	<b>67,540,860</b>

## 6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2020 Un-audited	30 June 2020 Audited
Note	-----Rupees-----	

Security deposits with:

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

Withholding tax deducted

6.1

	2,500,000	2,500,000
	100,000	100,000
	10,929,987	10,929,987
	<b>13,529,987</b>	<b>13,529,987</b>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as other receivables as at 31 December 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

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7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2020 Un-audited	30 June 2020 Audited
		-----Rupees-----	
Remuneration of the Management Company	7.1	18,799,512	13,608,253
Sindh Sales Tax payable on remuneration of the Management Company	7.2	5,412,983	4,738,119
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges payable	14	2,285,995	963,918
		<b>46,800,478</b>	<b>39,612,278</b>

- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 2.4% (30 June 2020: 2.4%) per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 13,455,294 (2019: Rs. 7,317,476) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 12,780,430 (2019: Rs. 6,839,158) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2, the Management Company was of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2020: Rs 20.302 million) is being retained in the 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 December 2020 would have been higher by Rs. 1.50 (30 June 2020: Rs. 1.53) per unit.

# Atlas Stock Market Fund

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
Remuneration Payable to Trustee	8.1	868,243	648,978
SST on Trustee fee payable @13%	8.2	112,873	84,367
Payable to against CDS charges		60,000	3,000
SST on CDS Charges @ 13%		7,800	390
		<b>1,048,916</b>	<b>736,735</b>

8.1 "The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:"

On net assets:	Tariff per annum
-up to Rs 1,000 million	Rs. 0.7 million or 0.20% per annum of Net Assets, whichever is higher
-exceeding Rs 1,000 million	Rs. 2.0 million plus 0.10% per annum of Net Assets amount exceeding Rs 1,000 million

8.2 During the year, an amount of Rs. 626,172 (2019: Rs. 431,229) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 597,666 (2019: Rs. 415,657) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	31 December 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	
Annual fees payable	<b>862,519</b>	<b>1,245,447</b>

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
Auditors' remuneration payable		339,326	481,582
NCCPL charges payable		25,000	25,000
Withholding and capital gain tax payable		2,312,951	15,621,799
Transaction charges payable		3,956,443	2,919,420
Sales load payable		65,909	27,614
Annual listing fee payable		13,852	-
Zakat payable		48,093	48,075
Provision for Sindh Workers' Welfare Fund	10.1	89,666,396	44,571,373
		<b>96,427,970</b>	<b>63,694,863</b>

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**10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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

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

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

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2020 would have been higher by Rs. 6.63 per unit (30 June 2020: Rs. 3.37 per unit).

## 11 CONTINGENCIES AND COMMITMENTS

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

## 12 TOTAL EXPENSE RATIO

"The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 4.29% (30 June 2020: 3.13%) which includes 1.42% (30 June 2020: 0.46%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income

# Atlas Stock Market Fund

Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. Based on the above, no provision for taxation has been made in these condensed interim financial statements.

## 14 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund upto 2 December 2020 and charged expenses at the rate of 0.30% of the average annual net assets afterwards.

## 15 EARNINGS PER UNIT

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

## 16 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

	For the Half Year Ended	
	31 December	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>16.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	103,502,261	56,288,280
Sindh Sales Tax on remuneration of the Management Company	13,455,294	7,317,476
Remuneration paid	98,311,002	52,608,904
Accounting and operational charges	8,285,773	3,626,390
Issue of 28,121 (2019: 41,570) units	14,984,586	19,809,866
Redemption of 136,928 (2019: Nil) units	88,000,000	-

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	For the Half Year Ended 31 December	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	4,816,703	3,317,146
Sindh Sales Tax on remuneration of the Trustee	626,171	431,229
Remuneration paid	4,597,438	3,130,669
Settlement charges	298,718	141,646
Sindh Sales Tax on settlement charges	38,833	18,414
<b>Atlas Battery Limited (Group Company)</b>		
Redemption of Nil (2019: 5) units	-	2,347
<b>Atlas Foundation (Group Company)</b>		
Issue of 23,822 (2019: Nil) units	14,000,000	-
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 162,581 (2019: Nil) units	100,000,000	-
Redemption of 22,157 (2019: Nil) units	15,000,000	-
<b>Atlas Metals (Private) Limited</b>		
Issue of 30,727 (2019: Nil) units	20,000,000	-
<b>Atlas Honda Limited (Group Company)</b>		
Issue of Nil (2019: 1,146) units	-	537,873
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
Issue of 92,485 (2019: Nil) units	60,000,000	-
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
Issue of 2,013 (2019: 10,521) units	1,250,000	5,000,000
Redemption of 12,990 (2019: 16,653) units	8,000,000	9,500,000
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
Redemption of 11,310 (2019: Nil) units	7,246,299	-
<b>Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)</b>		
Redemption of 619,931 (2019: 16,653) units	400,000,000	-
<b>Sindh Province Pension Fund (Unit Holder with more than 10% holding)</b>		
Issue of Nil (2019: 961,763) units	-	536,000,000
<b>CDC-Trustee Punjab Pension Fund Trust</b>		
Issue of 557,374 (2019: Nil) units	350,000,000	-
<b>Sindh General Provident Investment Fund (Unit Holder with more than 10% holding)</b>		
Issue of Nil (2019: 1,099,069) units	-	504,000,000
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 21,450 (2019: 284,664) units	13,354,363	151,478,115
Redemption of 1,988 (2019: 510) units	1,275,000	254,369

# Atlas Stock Market Fund

		31 December 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
16.2	Details of balances with related parties as at the period / year end are as follows:		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the management company	18,799,512	13,608,253
	Sindh Sales tax payable on remuneration of the Management Company	5,412,983	4,738,119
	Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
	Accounting and operational charges payable	2,285,995	963,918
	Outstanding 97,754 (30 June 2020: 206,561) units - at net asset value	66,320,503	106,731,932
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	868,243	648,978
	Sindh Sales tax payable on remuneration of trustee	112,873	84,367
	Settlement charges payable	60,000	3,000
	Sindh Sales tax payable on settlement charges	7,800	390
	<b>Atlas Honda Limited (Group Company)</b>		
	Outstanding 28,216 (30 June 2020: 28,216 ) units - at net asset value	19,142,715	14,579,293
	<b>Atlas Foundation (Group Company)</b>		
	Outstanding 892,898 (30 June 2020: 869,076) units - at net asset value	605,781,158	449,060,074
	<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
	Outstanding 123,249 (30 June 2020: 134,226) units - at net asset value	83,617,290	69,355,779
	<b>Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
	Outstanding 99,795 (30 June 2020: 99,795) units - at net asset value	67,705,265	51,565,041
	<b>Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
	Outstanding 22,236 (30 June 2020: 22,236) units - at net asset value	15,086,083	11,489,720
	<b>Atlas Insurance Limited (Group Company)</b>		
	Outstanding 253,753 (30 June 2020: 113,329) units - at net asset value	172,157,246	58,558,370
	<b>Atlas Metals (Private) Limited</b>		
	Outstanding 30,727 (30 June 2020: Nil) units - at net asset value	20,846,711	-
	<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
	Outstanding 213,744 (30 June 2020: 213,744) units - at net asset value	145,013,383	110,443,716
	<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
	Outstanding 124,520 (30 June 2020: 32,035) units - at net asset value	84,480,072	16,553,033
	<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
	Outstanding 15,239 (30 June 2020: 26,549) units - at net asset value	10,338,547	13,717,917



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	31 December 2020 Un-audited	30 June 2020 Audited
	-----Rupees-----	
<b>Shirazi Investments (Private) Limited (Group Company)</b> <b>(Unit Holder with more than 10% holding)</b>		
Outstanding 4,110,034 (30 June 2020: 4,729,966) units - at net asset value	2,788,427,662	2,444,020,517
<b>Sindh Province Pension Fund</b> <b>(Unit Holder with more than 10% holding)</b>		
Outstanding 1,452,355 (30 June 2020: Nil) units - at net asset value	985,341,120	-
<b>CDC-Trustee Punjab Pension Fund Trust</b> <b>(Unit Holder with more than 10% holding)</b>		
Outstanding 1,360,129 (30 June 2020: Nil) units - at net asset value	922,770,812	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 1,251,613 (30 June 2020: 1,232,151) units - at net asset value	849,149,540	636,664,632

## 17 FAIR VALUE MEASUREMENT

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

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

The fair values of 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

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

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

## 18 GENERAL

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

# Atlas Stock Market Fund

## 18.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

**18.4** Number of units have been rounded off to the nearest decimal places.

## 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 February 2021.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

**Head Office- Karachi**

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Federation House,  
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**Landhi Office- Karachi**

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**Atlas Islamic Income Fund**

**Atlas Islamic Stock Fund**

**Atlas Islamic Fund of Funds**

**Atlas Islamic Dedicated Stock Fund**

**HALF YEARLY REPORT**

**31 DECEMBER 2020**

**(UN-AUDITED)**



**Managed By**

**Atlas Asset Management**

**Rated AM2+ by PACRA  
(as of December 24, 2020)**



#### **Vision**

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

#### **Mission**

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

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ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Iftikhar H. Shirazi <i>(Non-Executive Director)</i>
Directors	Mr. Tariq Amin <i>(Independent Director)</i> Ms Zehra Naqvi <i>(Independent Director)</i> Mr. Frahim Ali Khan <i>(Non-Executive Director)</i> Mr. Ali H. Shirazi <i>(Non-Executive Director)</i> Mr. M. Habib-ur-Rahman <i>(Non-Executive Director)</i>

Chief Executive Officer Mr. Muhammad Abdul Samad  
*(Executive Director)*

Company Secretary Ms Zainab Kazim

Board Committees

Audit Committee

Chairman	Mr. Tariq Amin
Members	Mr. Frahim Ali Khan Mr. M. Habib-ur-Rahman
Secretary	Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

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

Investment Committee

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

Management Committee

Chairman	Mr. Muhammad Abdul Samad
Members	Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari Ms Mishaal H. Shirazi Mr. Tariq Ahmed Siddiqui Ms Ayesha Farooq Ms Zainab Kazim Mr. M. Kamran Ahmed Mr. Najam Shehzad
Secretary	Mr. Muhammad Umar Khan

Risk Management Committee

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

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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# Half Yearly Report 2020-21

## CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited Financial Statements of Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Fund of Funds (AIFO) and Atlas Islamic Dedicated Stock Fund (AIDSF) for the half year ended December 31, 2020 of FY 2020-21.

## THE ECONOMY

During first half FY 2020-21, economic data and indicators of consumer/business sentiment have shown continued improvement. Large-scale manufacturing (LSM) registered growth of 7.4% YoY and 14.5% YoY in Oct'20 and Nov'20, respectively. The overall economic recovery is attributable to national strategy (smart lockdowns) administered to contain the pandemic as well as support/policy measures taken by the GoP (fiscal stimulus) and SBP (monetary easing). During Jul-Dec FY 2020-21, the Current Account Balance posted a surplus of US \$1.13 billion as compared to a deficit of US \$2.03 billion in same period last year. The Current Account largely benefitted from 24.90% YoY increase in Jul-Dec FY 2020-21 Worker's Remittances that stood at US \$14.20 billion. During Jul-Dec FY 2020-21, Imports increased by 5.51% YoY to US \$24.47 billion whereas Jul-Dec FY 2020-21 Exports increased by 5.10% YoY to stand at US \$12.11 billion. Total Liquid Foreign Exchange Reserves increased by 14.40% YoY to US \$20.51 billion as of Dec 31, 2020 (SBP's share stood at US \$13.41 billion) primarily due to significant improvement in Current Account Balance, multilateral inflows from IMF and World Bank to avert COVID based economic erosion and extension of debt suspension on part of G-20 debt relief deal. The headline CPI inflation remained at average 8.63% during Jul-Dec FY 2020-21. The SBP kept policy rate unchanged at 7.00% in its latest Monetary Policy Committee meeting to support economic recovery and ensure funding availability for households and businesses.

## FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 2.86% to Rs. 519.32 as on December 31, 2020, providing an annualized total return of 5.67%. The AIIF's total exposure in Sukuks was 49.03% and the remaining 50.97% in high yielding Shariah Compliant Bank Deposits/Others. The Net Assets of the Fund stood at Rs. 2.03 billion, with 3.90 million units outstanding as on December 31, 2020.

## FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) increased by 28.01% to Rs. 583.28 as on December 31, 2020. The benchmark KMI-30 index increased by 29.41% during the period under review. KMI-30 index increased from 54,995.25 points as on June 30, 2020 to 64,939.39 points as on December 31, 2020. AISF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiples with earnings growth prospects. AISF's equity exposure was 95.61% that mainly comprised of Oil & Gas Exploration, Cement, Islamic Commercial Banks, Fertilizer and Oil & Gas Marketing Companies. The Net Assets of the Fund stood at Rs. 2.54 billion, with 4.35 million units outstanding as on December 31, 2020.

## FUND OPERATIONS - AIFO

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 20.74% to Rs.577.10 as on December 31, 2020. AAAIP was 26.73% and 72.83% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 15.56% to Rs.572.43 as on December 31, 2020. AMAIP was 46.43% and 51.84% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 9.51% to Rs. 567.02 as on December 31, 2020. ACAIP was 70.81% and 27.57% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 8.20% to Rs. 539.38 as on December 31, 2020. AICPP was 82.70% and 16.29% invested in AIIF and AIDSF, respectively. Atlas Islamic Dividend Plan (AIDP) was 88.09% invested in AIIF as on December 31, 2020. The Net Assets of AIFO stood at Rs. 909.64 million as on December 31, 2020.

## FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) increased by 28.33% to Rs. 566.85 as on December 31, 2020. The benchmark KMI-30 index has increased by 29.41% during the period under review. The KMI-30 index increased from 54,995.25 points as on June 30, 2020 to 64,939.39 points as on December 31, 2020. AIDSF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiples with earnings



# Atlas Meraj

growth prospects. AIDSf equity exposure was 96.09% that mainly comprised of Oil & Gas Exploration, Cement, Islamic Commercial Banks, Fertilizer and Oil & Gas Marketing Companies. The Net Assets of the Fund stood at Rs. 369.18 million, with 0.65 million units outstanding as on December 31, 2020.

## MUTUAL FUND TAXATION

### SINDH WORKER'S WELFARE FUND (SWWF)

After 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May 2015, the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions. The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter. Although, based on legal opinion, SWWF is not applicable on mutual funds MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e., starting from May 21, 2015). Accordingly, the provision for SWWF is being made daily going forward.

### FEDERAL EXCISE DUTY (FED)

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

### WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). However, in assessment for TY 2018, the said exemption has been denied by The Additional Commissioner - Audit (AC) for Funds of various AMC's, on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income and commented that the distribution by the Fund fell short of 90% threshold. The issue was taken to Commissioner Appeal's office, which upheld the AC decision, later subject matter was taken in Tribunal, which is pending adjudication. Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open-ended mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.

# Half Yearly Report 2020-21

## RATINGS

### • ASSET MANAGER RATING

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

### • FUND STABILITY RATING - AIIF

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

## FUTURE OUTLOOK

The short-term economic outlook largely depends on COVID trajectory whereas sustainable growth in medium-long term will derive from adequate structural reforms and policy measures. Based on current trends, the SBP has projected FY21 economic growth to clock in at 2.0% driven primarily by manufacturing and construction related activities taking support from the State Bank's financing incentives and the government's construction sector package. The FY21 headline inflation is expected to hover on the higher side of 7% to 9% range primarily due to supply side shocks in food items and upside volatility in international commodity and crude oil prices. Meanwhile, core inflation is expected to remain stable. The Current Account Deficit for FY21 is expected in range of 0.5% - 1.5% of GDP mainly on the back of growth in Worker's Remittances. Going forward, government's focus towards widening of tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, creating employment opportunities, and addressing social needs.

نہ تو زمیں کے لیے ہے نہ آسمان کے لیے  
جہاں ہے تیرے لیے، تو نہیں جہاں کے لیے

(You are neither for the earth nor for the heaven:  
The world is for you, and not you for the world.)

## ACKNOWLEDGEMENT

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

Iftikhar H. Shirazi  
Chairman

Karachi: 25 February 2021

# Atlas Islamic Income Fund

## Corporate Information

---

**Trustee**

---

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

**Shariah Advisor**

---

Dr. Mufti Hassan Usmani

**Auditors**

---

EY Ford Rhodes  
Chartered Accountants

**Legal Advisers**

---

Mohsin Tayebaly & Co.

**Bankers**

---

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

# Half Yearly Report 2020-21

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Income Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

#### **Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 23 February 2021

# Atlas Islamic Income Fund

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

### Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Income Fund (the Fund) as at 31 December 2020 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 26 February 2021

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Half Yearly Report 2020-21

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

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	
<b>Assets</b>			
Cash and bank balances	4	1,019,356,525	1,584,796,999
Investments	5	1,005,939,116	555,713,327
Mark-up accrued	6	25,760,714	19,728,961
Security deposits, prepayments and other receivables	7	578,941	578,941
<b>Total assets</b>		<b>2,051,635,296</b>	<b>2,160,818,228</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	3,104,505	3,093,850
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	150,857	149,403
Payable to the Securities and Exchange Commission of Pakistan	10	212,001	373,481
Payable against redemption of units		11,660,674	-
Unclaimed dividend		332,890	332,890
Accrued expenses and other liabilities	11	10,731,946	22,267,509
<b>Total liabilities</b>		<b>26,192,873</b>	<b>26,217,133</b>
<b>NET ASSETS</b>		<b>2,025,442,423</b>	<b>2,134,601,095</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,025,442,423</b>	<b>2,134,601,095</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>3,900,154</b>	<b>4,227,883</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>519.3238</b>	<b>504.8900</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

		For the Half Year Ended		For the Quarter Ended	
		31 December		31 December	
		2020	2019	2020	2019
Income	Note	Rupees			
Mark-up income	13	71,158,245	104,507,654	35,148,170	90,293,146
Capital (loss) / gain on sale of investments - net		(263,593)	10,000	(263,593)	10,000
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(2,135,531)	674,634	(1,730,014)	363,981
		(2,399,124)	684,634	(1,993,607)	373,981
Total income		68,759,121	105,192,288	33,154,563	90,667,127
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	4,240,056	2,502,876	2,107,436	1,385,837
Sindh Sales Tax on remuneration of the Management Company	8.2	551,207	325,374	273,966	180,159
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	795,010	599,043	395,143	319,783
Sindh Sales Tax on remuneration of the Trustee	9.2	103,351	77,875	51,368	41,571
Annual fees to the Securities and Exchange Commission of Pakistan		212,001	159,744	105,370	85,275
Accounting and operational charges	14	1,802,024	1,011,911	895,661	639,565
Auditors' remuneration		91,847	147,794	(10,371)	82,640
Securities transaction cost		155,890	100,144	76,695	70,718
Annual listing fee		13,863	13,901	6,931	6,989
Annual rating fee		166,564	150,981	83,282	75,491
Printing charges		38,240	20,141	38,240	9,241
Shariah advisory fee		90,000	90,000	45,000	45,000
Bank charges		20,658	32,484	13,520	11,500
Legal and professional charges		120,760	118,033	70,000	-
Provision for Sindh Workers' Welfare Fund	11.1	1,207,153	1,996,840	580,046	1,080,562
Total expenses		9,608,624	7,347,141	4,732,287	4,034,331
Net income for the period before taxation		59,150,497	97,845,147	28,422,276	86,632,796
Taxation	16	-	-	-	-
Net income for the period after taxation		59,150,497	97,845,147	28,422,276	86,632,796
Earning per unit	17				
Allocation of net income for the period:					
- Net income for the period		59,150,497	97,845,147	28,422,276	86,632,796
- Income already paid on units redeemed		(9,627,770)	(12,728,111)	(6,757,003)	(7,552,792)
		49,522,727	85,117,036	21,665,273	79,080,004
Accounting income / (loss) available for distribution:					
- Relating to capital gains		-	684,634	(1,993,607)	373,981
- Excluding capital gains		49,522,727	84,432,402	23,658,880	78,706,023
		49,522,727	85,117,036	21,665,273	79,080,004

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	----- Rupees -----			
Net income for the period after taxation	59,150,497	97,845,147	28,422,276	86,632,796
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>59,150,497</b>	<b>97,845,147</b>	<b>28,422,276</b>	<b>86,632,796</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Atlas Islamic Income Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

31 December 2020			
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	2,122,558,890	-	2,122,558,890
<b>Undistributed income brought forward</b>			
- Realised income	-	43,071,903	43,071,903
- Unrealised loss	-	(31,029,698)	(31,029,698)
<b>Net assets at the beginning of the period (Units outstanding: 4,227,883) (Rs. 504.8900 per unit)</b>	<b>2,122,558,890</b>	<b>12,042,205</b>	<b>2,134,601,095</b>
Issue of 3,742,000 units	1,923,795,624	-	1,923,795,624
Redemption of 4,069,729 units	(2,082,477,023)	(9,627,770)	(2,092,104,793)
Total comprehensive income for the period	-	59,150,497	59,150,497
<b>Net assets at end of the period (Units outstanding: 3,900,154) (Rs. 519.3238 per unit)</b>	<b>1,963,877,491</b>	<b>61,564,932</b>	<b>2,025,442,423</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	113,332,141	-
- Unrealised loss	-	(51,767,209)	-
	<b>-</b>	<b>61,564,932</b>	<b>-</b>
31 December 2019			
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	1,384,052,950	-	1,384,052,950
<b>Undistributed income brought forward</b>			
- Realised income	-	8,274,469	8,274,469
- Unrealised loss	-	(101,200)	(101,200)
<b>Net assets at the beginning of the period (Units outstanding: 2,762,766) (Rs. 503.92 per unit)</b>	<b>1,384,052,950</b>	<b>8,173,269</b>	<b>1,392,226,219</b>
Issue of 2,116,788 units	1,104,377,558	-	1,104,377,558
Redemption of 1,609,566 units	(829,495,604)	(12,728,111)	(842,223,715)
Total comprehensive income for the period	-	97,845,147	97,845,147
<b>Net assets at end of the period (Units outstanding: 3,269,988) (Rs. 535.85 per unit)</b>	<b>1,658,934,904</b>	<b>93,290,305</b>	<b>1,752,225,209</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	92,615,670	-
- Unrealised income	-	674,635	-
	<b>-</b>	<b>93,290,305</b>	<b>-</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	For the Half Year ended 31 December	
	2020	2019
Note	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	59,150,497	97,845,147
<b>Adjustments for:</b>		
Mark-up income	(71,158,245)	(104,507,654)
Capital loss / (gain) on sale of investments - net	263,593	(10,000)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,135,531	(674,634)
Provision for Sindh Workers' Welfare Fund	1,207,153	1,996,840
	<b>(67,551,968)</b>	<b>(103,195,448)</b>
<b>Increase in assets</b>		
Security deposits, prepayments and other receivables	-	(13,599)
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	10,655	387,868
Payable to Central Depository Company of Pakistan Limited - Trustee	1,454	(53,717)
Payable to the Securities and Exchange Commission of Pakistan	(161,480)	(541,529)
Unclaimed dividend	-	(327,727)
Accrued expenses and other liabilities	(12,742,716)	(2,389,451)
	<b>(12,892,087)</b>	<b>(2,924,556)</b>
Mark-up received	65,126,492	87,469,458
Investments made during the period	(470,974,913)	(174,327,666)
Investments sold / matured during the period	18,350,000	13,350,000
<b>Net cash used in operating activities</b>	<b>(408,791,979)</b>	<b>(81,796,664)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,923,795,624	1,104,377,558
Net payments against redemption of units	(2,080,444,119)	(821,646,609)
<b>Net cash (used in) / generated from financing activities</b>	<b>(156,648,495)</b>	<b>282,730,949</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(565,440,474)</b>	<b>200,934,285</b>
Cash and cash equivalents at the beginning of the period	1,584,796,999	1,308,448,955
<b>Cash and cash equivalents at the end of the period</b>	<b>4 1,019,356,525</b>	<b>1,509,383,240</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Income Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted under a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First, Second and third Supplemental Trust Deeds dated 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh and Twelveth supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019, 30 October 2019, 1 April 2020, 1 June 2020 and 21 December 2020 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis since 14 October 2008, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors with a good and stable rate of current income consistent with long term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realise capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long medium, and short term, high quality Islamic income instruments.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 24 December 2020.
- Moreover, PACRA maintained the stability rating of the Fund at "AA- (f)" [2019: "AA- (f)"] on 16 October 2020.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
  - Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.
- 2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed

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interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2020.

## 2.2 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2020.

**3.2** The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2020.

## 3.3 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### Standard or Interpretation

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

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

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	-----
<b>4 CASH AND BANK BALANCES</b>			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	1,016,451,525	1,574,256,099
- Current account		5,000	5,000
Cheques in hand	4.2	2,900,000	10,535,900
		<b>1,019,356,525</b>	<b>1,584,796,999</b>

4.1 The rate of return on these profit & loss sharing accounts ranges between 6.00% to 6.85% (30 June 2020: 6.00% to 7.50%) per annum.

4.2 These denote cheques received against issue of units which were cleared latest by 04 January 2021 (30 June 2020: 07 July 2020).

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	-----
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Debt securities - sukuk certificates	5.1	363,180,866	298,635,827
Government of Pakistan - Ijarah Sukuk		642,758,250	257,077,500
		<b>1,005,939,116</b>	<b>555,713,327</b>

# Atlas Islamic Income Fund

## 5.1 Debt Securities - Sukuk Certificates

Particulars	Note	As at 01 July 2020	Acquired during the period	Disposed during the period	As at 31 December 2020	Carrying Value as at 31 December 2020	Market Value as at 31 December 2020	Unrealised appreciation / (diminution) as at 31 December 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets
-----Number of Certificates-----					-----Rupees-----			----- % age -----		
<b>BANKS</b>										
Meezan Bank Limited Tier I (Face Value Rs. 1,000,000)	5.1.1 & 5.1.2	50	-	-	50	51,250,000	51,096,400	(153,600)	5.08%	2.52%
Meezan Bank Limited Tier II (Face Value Rs. 1,000,000)	5.1.1 & 5.1.2	50	-	-	50	50,717,800	51,875,000	1,157,200	5.16%	2.56%
<b>Fertilizers</b>										
Dawood Hercules Corporation Limited Sukuk 2 (Face Value Rs. 70,000)	5.1.1 & 5.1.2	1,000	-	-	1,000	71,275,680	70,865,340	(410,340)	7.04%	3.50%
Dawood Hercules Corporation Limited Sukuk 1 (Face Value Rs. 60,000)	5.1.1 & 5.1.2	835	-	-	835	50,610,727	50,648,896	38,169	5.03%	2.50%
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited (Face Value Rs. 100,000)	5.1.1 & 5.1.2	550	-	-	550	56,179,640	56,236,730	57,090	5.59%	2.78%
The Hub Power Holding Limited (Face Value Rs. 100,000)	5.1.1 & 5.1.2	-	1,000	-	1,000	82,458,500	82,458,500	-	8.20%	4.07%
<b>Total - 31 December 2020</b>						<b>362,492,347</b>	<b>363,180,866</b>	<b>688,519</b>	<b>36.10%</b>	<b>17.93%</b>
<b>Total - 30 June 2020</b>						<b>292,654,575</b>	<b>298,635,827</b>	<b>5,981,252</b>	<b>53.74%</b>	<b>13.99%</b>

5.1.1 The cost of these investments at 31 December 2020 amounted to Rs. 406,701,525 (30 June 2020: Rs. 324,243,025).

5.1.2 These carry quarterly and semi annually rate of return ranging from "3 months Kibor + 1%" to " 3 months Kibor + 1.9% " and "6 months Kibor + 0.5%" (30 June 2020: "3 months Kibor + 1.00% to "3 months Kibor + 1.90%" and "6 months Kibor + 0.5% to "6 months Kibor + 0.90%) respectively, having maturity upto 09 January 2030 (30 June 2020: 09 January 2030).

## 5.2 Government of Pakistan - Ijarah Sukuk

Particulars	Note	As at 01 July 2020	Acquired during the period	Disposed during the period	As at 31 December 2020	Carrying Value as at 31 December 2020	Market Value as at 31 December 2020	Unrealised appreciation / (diminution) as at 31 December 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets
			-----Number of Certificates-----		-----Rupees-----		----- % age -----			
Government of Pakistan Ijarah Sukuks	5.2.1	262,500,000	390,000,000	-	652,500,000	645,582,300	642,758,250	(2,824,050)	63.90%	31.73%
<b>Total - 31 December 2020</b>						<b>645,582,300</b>	<b>642,758,250</b>	<b>(2,824,050)</b>	<b>63.90%</b>	<b>31.73%</b>
<b>Total - 30 June 2020</b>						<b>262,500,000</b>	<b>257,077,500</b>	<b>(5,422,500)</b>	<b>46.26%</b>	<b>12.04%</b>

5.2.1 Investment in GOP Ijarah Sukuks carried mark up ranging between 5.95% to 8.37% (30 June 2020: 6.63% to 7.65%) per annum and were due to mature between 30 April 2025 to 29 July 2025 (30 June 2020: 30 April 2025 to 29 May 2025. As at 31 December 2020, the cost of investments amounted to Rs. 651,004,800 (30 June 2020: Rs. 262,500,000).

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		31 December 2020 Un-audited	30 June 2020 Audited
6	MARK-UP ACCRUED	Note	Rupees
	Mark-up accrued on:		
	- Profit and loss sharing accounts		5,866,643
	- Sukuk certificates and GoP Ijarah Sukuk		19,894,071
			<b>25,760,714</b>

## 7 SECURITY DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES

Deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Withholding tax deducted	7.1	478,941	478,941
		<b>578,941</b>	<b>578,941</b>

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

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

		31 December 2020 Un-audited	30 June 2020 Audited
8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	Rupees
	Remuneration of the Management Company	8.1	709,332
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	359,807
	Federal Excise Duty payable on remuneration of the Management Company	8.3	1,733,901
	Accounting and operational charges payable	14	301,465
			<b>3,104,505</b>
			<b>3,093,850</b>

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets in case of income schemes. Keeping in view this maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.40% (30 June 2020: 0.40%) per annum of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

# Atlas Islamic Income Fund

8.2 During the half year ended 31 December 2020, an amount of Rs. 551,207 (2019: Rs. 325,374) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 550,316 (2019: Rs. 294,398) has been paid to the Management Company which acts as the collecting agent.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company was of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 1.734 million (30 June 2020: Rs 1.734 million) is being retained in the 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 December 2020 would have been higher by Rs. 0.44 per unit (30 June 2020: Rs. 0.41 per unit).

		31 December 2020	30 June 2020
		Un-audited	Audited
9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN- TRUSTEE- RELATED PARTY	Note	----- Rupees -----	-----
Trustee fee payable	9.1	133,001	131,715
Sindh Sales Tax payable on Trustee fee	9.2	17,291	17,123
Settlement Charges payable		500	500
Sindh Sales payable on settlement charges		65	65
		<b>150,857</b>	<b>149,403</b>

9.1 The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% p.a. of Net Assets.

9.2 During the year, an amount of Rs. 103,351 (2019: Rs. 77,875) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 103,183 (2019: Rs 81,510) was paid to trustee which acts as collecting agent

		31 December 2020	30 June 2020
		Un-audited	Audited
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees -----	-----
Annual fees payable	10.1	<b>212,001</b>	<b>373,481</b>

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



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		31 December 2020	30 June 2020
		Un-audited	Audited
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Rupees	
Auditors' remuneration payable		204,437	320,490
Payable to Shariah Advisor		45,000	45,000
Withholding tax payable		365,426	13,172,128
Provision for Sindh Workers' Welfare Fund	11.1	9,341,645	8,134,880
Annual listing fee payable		13,863	-
Annual rating fee payable		166,564	-
Zakat payable		50,457	50,457
Other payable		544,554	544,554
		<b>10,731,946</b>	<b>22,267,509</b>

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from 21 May 2015 to 31 December 2020, the net asset value of the Fund as at 31 December 2020 would have been higher by Rs. 2.40 per unit (30 June 2020: Rs. 1.92 per unit).

## 12 CONTINGENCIES AND COMMITMENTS

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

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees		Rupees	
<b>13 MARK-UP INCOME</b>				
Mark-up income on:				
- Profit and loss sharing accounts	41,255,405	90,479,891	17,663,054	78,234,958
- Government of Pakistan (GoP) ijarah sukuks	15,733,005	571,759	10,272,445	571,759
- Sukuk certificates	14,169,835	13,456,004	7,212,671	11,486,429
	<b>71,158,245</b>	<b>104,507,654</b>	<b>35,148,170</b>	<b>90,293,146</b>

## 14 ACCOUNTING AND OPERATIONAL CHARGES

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



# Atlas Islamic Income Fund

The Management Company has charged actual expenses within the limit of 0.17% of average annual net assets of the fund.

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 0.91% (30 June 2020: 0.96%) which includes 0.20% (30 June 2020: 0.30%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant income scheme.

## 16 TAXATION

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

## 17 EARNINGS PER UNIT

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

## 18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

		For the Half Year Ended	
		31 December	
		2020	2019
		Un-audited	Un-audited
		Rupees	
<b>18.1 Transactions during the period</b>			
<b>Atlas Asset Management Limited (Management Company)</b>			
Remuneration of the Management Company		4,240,056	2,502,876
Remuneration paid		4,233,204	2,264,600
Sindh Sales Tax on remuneration of the Management Company		551,207	325,374
Accounting and operational charges		1,802,024	1,011,911
<b>Central Depository Company of Pakistan Limited (Trustee)</b>			
Remuneration of the Trustee		795,010	599,043
Remuneration paid to the Trustee		793,724	609,877
Sindh Sales Tax on remuneration of the Trustee		103,351	77,875
Settlement charges paid		3,000	6,340
Sindh Sales Tax on Settlement charges		390	824

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		For the Half Year Ended	
		31 December	
		2020	2019
		Un-audited	Un-audited
		----- Rupees -----	
<b>Atlas Insurance Limited Window Takaful Operations</b>			
Issue of 98,415 (2019: 78,570) units		50,000,000	40,000,000
Redemption of 98,415 (2019: 78,570) units		50,388,503	42,024,750
<b>Shirazi Investments (Private) Limited (Group Company)</b>			
Issue of Nil (2019: 32) units		-	16,628
Redemption of 3,983 (2019: Nil) units		2,019,812	-
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>			
Issue of 120,650 (2019: Nil) units		62,000,000	-
Redemption of 34,559 (2019: 34,163) units		17,500,000	17,700,000
<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>			
Issue of 11,238 (2019: 8,490) units		5,760,000	4,490,000
Redemption of 1,185 (2019: 13,208) units		600,000	6,800,000
<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>			
Issue of 16,300 (2019: 12,358) units		8,340,000	6,520,000
Redemption of 4,147 (2019: 15,848) units		2,100,000	8,150,000
<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>			
Issue of 19,287 (2019: Nil) units		9,900,000	-
Redemption of 20,124 (2019: Nil) units		10,350,000	-
<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>			
Issue of 13,692 (2019: 10,720) units		7,020,000	5,670,000
Redemption of 11,256 (2019: 16,881) units		5,700,000	8,700,000
<b>Directors and their close family members and key management personnel of the Management Company</b>			
Issue of 4,993 (2019: 1,008) units		2,562,092	526,000
Redemption of 9,484 (2019: 392) units		4,846,824	200,000
		31 December	30 June
		2020	2020
		Un-audited	Audited
		----- Rupees -----	
<b>18.2 Details of balances with related parties as at the period / year end are as</b>			
<b>Atlas Asset Management Limited (Management Company)</b>			
Remuneration payable to the Management Company		709,332	702,480
Sindh Sales Tax payable on Remuneration of the Management Company		359,807	358,916
Federal Excise Duty payable on Remuneration of the Management Company		1,733,901	1,733,901
Accounting and operational charges payable		301,465	298,553

# Atlas Islamic Income Fund

	31 December 2020 Un-audited	30 June 2020 Audited
	----- Rupees -----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	133,001	131,715
Sindh Sales Tax payable on Remuneration of the trustee	17,291	17,123
Settlement charges payable	500	500
Sindh Sales Tax payable on settlement charges	65	65
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 37 (30 June 2020: 37) units - at net asset value	19,073	18,543
<b>Honda Atlas Power Product (Pvt) Limited (Group Company)</b>		
Outstanding 72 (30 June 2020: 72) units - at net asset value	37,527	36,484
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding Nil (30 June 2020: 3,9836) units - at net asset value	-	2,010,840
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 784,580 (30 June 2020: 698,489) units - at net asset value	407,451,035	352,660,251
<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 62,564 (30 June 2020: 52,511) units - at net asset value	32,490,961	26,512,035
<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 118,017 (30 June 2020: 105,864) units - at net asset value	61,289,063	53,449,498
<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 192,000 (30 June 2020: 189,564) units - at net asset value	99,710,026	95,708,773
<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>		
Outstanding 44,612 (30 June 2020: 45,449) units - at net asset value	23,168,059	22,946,705
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 4,511 (30 June 2020: 9,001) units - at net asset value	2,342,538	4,544,698

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

## 19 FAIR VALUE MEASUREMENT

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

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

# Half Yearly Report 2020-21

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

As at 31 December 2020 and 30 June 2020, the Fund had financial assets at fair value through profit or loss measured using the level 2 valuation technique.

## 20 GENERAL

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

### 20.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

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

## 21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 February 2021.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

## Corporate Information

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**Trustee**

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

**Shariah Advisor**

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Dr. Mufti Hassan Usmani

**Auditors**

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EY Ford Rhodes  
Chartered Accountants

**Legal Advisers**

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Mohsin Tayebaly & Co.

**Bankers**

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

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## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Stock Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 23 February 2021

# Atlas Islamic Stock Fund

## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS**

### **Report on review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Stock Fund (the Fund) as at 31 December 2020 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 26 February 2021

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Half Yearly Report 2020-21

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

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	----- Rupees -----
<b>Assets</b>			
Cash and bank balances	4	43,384,945	42,077,624
Investments	5	2,496,913,702	1,834,162,742
Profit receivable on bank balances		210,344	261,877
Dividend receivable		4,826,354	138,000
Receivable against sale of investment		61,854,431	-
Security deposits, prepayment and other receivables	6	5,197,419	5,197,419
<b>Total assets</b>		<b>2,612,387,195</b>	<b>1,881,837,662</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	18,438,979	16,364,057
Payable to Central Depository Company of Pakistan Limited - Trustee	8	366,066	266,731
Payable to the Securities and Exchange Commission of Pakistan	9	225,584	289,352
Payable against purchase of investments		21,042,176	-
Payable against redemption of units		1,935,844	17,508,280
Accrued expenses and other liabilities	10	34,756,144	24,094,124
<b>Total liabilities</b>		<b>76,764,793</b>	<b>58,522,544</b>
<b>NET ASSETS</b>		<b>2,535,622,402</b>	<b>1,823,315,118</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,535,622,402</b>	<b>1,823,315,118</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,347,175</b>	<b>4,001,514</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>583.2805</b>	<b>455.6600</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Atlas Islamic Stock Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

		For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2020	2019	2020	2019
Note		Rupees			
<b>Income</b>					
		1,367,172	3,086,008	933,780	1,260,032
		52,906,477	45,361,431	44,353,085	26,635,081
		161,319,496	63,726,137	103,085,045	67,195,391
		369,924,601	223,814,915	85,856,660	300,211,371
		531,244,097	287,541,052	188,941,705	367,406,762
<b>Total income</b>					
		585,517,746	335,988,491	234,228,570	395,301,875
<b>Expenses</b>					

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	----- Rupees -----			
Net income for the period after taxation	536,696,183	311,036,643	210,167,195	378,205,252
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>536,696,183</b>	<b>311,036,643</b>	<b>210,167,195</b>	<b>378,205,252</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

31 December 2020			
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	1,452,346,030	-	1,452,346,030
<b>Undistributed income brought forward</b>			
- Realised income	-	410,531,817	410,531,817
- Unrealised loss	-	(39,562,729)	(39,562,729)
<b>Net assets at the beginning of the period (Units outstanding: 4,001,514)</b> <b>(Rs. 455.6600 per unit)</b>	<b>1,452,346,030</b>	<b>370,969,088</b>	<b>1,823,315,118</b>
Issue of 1,889,921 units	1,015,347,473	-	1,015,347,473
Redemption of 1,544,260 units	(764,998,833)	(72,400,062)	(837,398,895)
Total comprehensive income for the period	-	536,696,183	536,696,183
Shariah non-compliant income set-aside for charity	-	(2,337,477)	(2,337,477)
<b>Net assets at end of the period (Units outstanding: 4,347,175)</b> <b>(Rs. 583.2805 per unit)</b>	<b>1,702,694,670</b>	<b>832,927,732</b>	<b>2,535,622,402</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	497,550,894	-
- Unrealised gain	-	335,376,838	-
	-	<b>832,927,732</b>	-
31 December 2019			
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	982,676,383	-	982,676,383
<b>Undistributed income brought forward</b>			
- Realised income	-	429,780,302	429,780,302
- Unrealised income	-	(207,463,077)	(207,463,077)
<b>Net assets at the beginning of the period (Units outstanding: 2,803,109)</b> <b>(Rs. 429.88 per unit)</b>	<b>982,676,383</b>	<b>222,317,225</b>	<b>1,204,993,608</b>
Issue of 1,107,092 units	516,231,428	-	516,231,428
Redemption of 876,022 units	(407,127,372)	(11,071,892)	(418,199,264)
Total comprehensive income for the period	-	311,036,643	311,036,643
Shariah non-compliant income set-aside for charity	-	(925,890)	(925,890)
<b>Net assets at end of the period (Units outstanding: 3,034,179)</b> <b>(Rs. 531.66 per unit)</b>	<b>1,091,780,439</b>	<b>521,356,086</b>	<b>1,613,136,525</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	430,887,980	-
- Unrealised gain	-	90,468,106	-
	-	<b>521,356,086</b>	-

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

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December	
	2020	2019
Note	----- Rupees -----	-----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	536,696,183	311,036,643
<b>Adjustments for:</b>		
Profit on bank balances	(1,367,172)	(3,086,008)
Dividend income	(52,906,477)	(45,361,431)
Capital gain on sale of investments - net	(161,319,496)	(63,726,137)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(369,924,601)	(223,814,915)
Provision for Sindh Workers Welfare Fund	10,952,983	6,347,687
	<b>(574,564,763)</b>	<b>(329,640,804)</b>
<b>(Increase) / decrease in assets</b>		
Receivable against sale of investments	(61,854,431)	69,269,091
Security deposits, prepayment and other receivables	-	(13,676)
	<b>(61,854,431)</b>	<b>69,255,415</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	2,074,922	415,378
Payable to the Central Depository Company of Pakistan Limited - Trustee	99,335	17,200
Payable to the Securities and Exchange Commission of Pakistan	(63,768)	(1,434,232)
Payable against purchase of investments	21,042,176	-
Accrued expenses and other liabilities	(290,963)	(311,312)
	<b>22,861,702</b>	<b>(1,312,966)</b>
Profit received on bank balances	1,418,705	3,118,538
Dividend received	45,880,646	45,402,414
Investments made during the period	(1,188,233,798)	(560,178,239)
Investments sold during the period	1,056,726,935	452,624,251
	<b>(84,207,512)</b>	<b>(59,033,036)</b>
<b>Net cash used in operating activities</b>	<b>(161,068,821)</b>	<b>(9,694,748)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,015,347,473	516,231,428
Net payments against redemption of units	(852,971,331)	(608,603,446)
<b>Net cash generated from / (used in) financing activities</b>	<b>162,376,142</b>	<b>(92,372,018)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>1,307,321</b>	<b>(102,066,766)</b>
Cash and cash equivalents at the beginning of the period	42,077,624	156,269,884
<b>Cash and cash equivalents at the end of the period</b>	<b>43,384,945</b>	<b>54,203,118</b>

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Stock Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Stock Fund (the Fund) is an open-ended collective investment scheme constituted under a trust deed entered into on 12 September 2006 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010 and 23 May 2017, respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). In addition, the Offering Document of the Fund was also revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth and Thirteen Supplements dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010, 20 September 2013, 24 March 2015, 29 September 2016, 2 June 2017, 25 May 2018, 5 September 2019, 25 November 2019, 01 April 2020 and 01 June 2020 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'shariah compliant equity scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis from 15 January 2007 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide one window facility to investors to invest in diversified and professionally managed investment portfolio of shariah compliant securities such as equities, cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding term deposit receipts) and Shariah Compliant government securities not exceeding 90 days' maturity. The investment objectives and policies are fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two plus)] on 24 December 2020.
- 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

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
  - Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

## **2.2 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended June 30, 2020.

**3.2** The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2020.

## **3.3 New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### **Standard or Interpretation**

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

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

## **4 CASH AND BANK BALANCES**

Balances with banks in:

- Profit and loss sharing accounts

- Current account

Cheques in hand

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	-----
	4.1	29,957,241	38,649,598
		2,198,509	79,208
	4.2	11,229,195	3,348,818
		<b>43,384,945</b>	<b>42,077,624</b>

**4.1** The rate of return on these profit and loss sharing accounts ranges between 5.00% and 6.85% (30 June 2020: 7.35% and 7.75%) per annum.

**4.2** These denote cheques received against issue of units which were cleared latest by 11 January 2020 (30 June 2020: 20 July 2020).

## **5 INVESTMENTS**

**At fair value through profit or loss**

- Listed equity securities

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	-----
	5.1	<b>2,496,913,702</b>	<b>1,834,162,742</b>

# Atlas Islamic Stock Fund

## 5.1 Listed equity securities

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

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Right shares during the period	Sales during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
-----Number of Certificates-----      -----Rupees-----      ----- % age -----										
At fair value through profit or loss - Listed equity securities										
BANKS										
BankIslami Pakistan Limited	3,122,100	1,700,000	-	2,911,500	1,910,600	21,589,101	22,946,306	0.92	0.90	0.17
Meezan Bank Limited	2,043,692	562,537	160,319	550,500	2,216,048	151,959,098	231,444,053	9.27	9.13	0.16
	5,165,792	2,262,537	160,319	3,462,000	4,126,648	173,548,199	254,390,359	10.19	10.03	
TEXTILE COMPOSITE										
Interloop Limited	438	355,000	-	-	355,438	19,440,277	24,194,664	0.97	0.95	0.04
Kohinoor Textile Mills Limited	400,500	269,500	-	-	670,000	27,521,630	45,707,400	1.83	1.80	0.22
Nishat Mills Limited	425,000	421,500	-	190,000	656,500	57,477,150	66,812,005	2.68	2.63	0.19
	825,938	1,046,000	-	190,000	1,681,938	104,439,057	136,714,069	5.48	5.38	
CEMENT										
Attock Cement Pakistan Limited	170,400	85,000	-	64,700	190,700	25,350,338	28,614,535	1.15	1.13	0.14
Cherat Cement Company Limited	333,500	-	-	190,000	143,500	12,508,895	20,978,265	0.84	0.83	0.07
D.G. Khan Cement Company Limited	356,500	-	-	200,000	156,500	13,354,145	17,931,770	0.72	0.71	0.04
Fauji Cement Company Limited	500,000	2,752,000	-	300,000	2,952,000	59,259,826	63,969,840	2.56	2.52	0.21
Kohat Cement Company Limited	200,450	-	-	106,400	94,050	12,927,172	20,619,522	0.83	0.81	0.05
Lucky Cement Limited (see note 5.3)	343,000	115,500	-	57,500	401,000	206,496,004	279,132,090	11.18	11.01	0.12
Gharibwal Cement Limited	-	806,500	-	806,500	-	-	-	-	-	-
	1,903,850	3,759,000	-	1,725,100	3,937,750	329,896,380	431,246,022	17.28	17.01	
POWER GENERATION & DISTRIBUTION										
K-Electric Limited (face value Rs.3.5)	3,200,000	500,000	-	-	3,700,000	11,782,000	14,467,000	0.58	0.57	0.01
The Hub Power Company Limited (see note 5.3)	2,393,280	816,000	-	2,065,591	1,143,689	92,603,452	90,728,848	3.63	3.58	0.09
	5,593,280	1,316,000	-	2,065,591	4,843,689	104,385,452	105,195,848	4.21	4.15	
OIL & GAS MARKETING COMPANIES										
Attock Petroleum Limited	66,800	-	-	66,800	-	-	-	-	-	-
Hi-Tech Lubricants Limited	37,000	489,500	-	37,000	489,500	20,650,535	21,430,310	0.86	0.85	0.42
Pakistan State Oil Company Limited (see note 5.3)	476,012	237,000	-	115,000	598,012	102,835,595	128,751,984	5.16	5.08	0.13
Shell Pakistan Limited	101,300	10,000	-	111,000	300	54,863	83,229	-	-	-
Sui Northern Gas Pipelines Limited	840,200	457,276	-	1,290,200	7,276	329,534	323,200	0.01	0.01	-
	1,521,312	1,193,776	-	1,620,000	1,095,088	123,870,527	150,588,723	6.03	5.94	
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	85,790	9,400	-	4,000	91,190	113,350,186	122,178,186	4.89	4.82	0.07
Oil & Gas Development Company Limited	1,973,712	489,465	-	50,000	2,413,177	262,996,593	250,415,377	10.03	9.88	0.06
Pakistan Oilfields Limited	165,700	87,800	-	19,000	234,500	85,882,222	92,723,645	3.71	3.66	0.08
Pakistan Petroleum Limited (see note 5.3)	882,970	942,500	-	60,000	1,765,470	165,431,930	159,474,905	6.39	6.29	0.06
	3,108,172	1,529,165	-	133,000	4,504,337	627,660,931	624,792,113	25.02	24.65	
ENGINEERING										
International Steel Limited	-	472,000	-	472,000	-	-	-	-	-	-
Agha Steel Industries Limited	-	768,967	-	140,000	628,967	20,969,985	24,787,589	0.99	0.98	0.11
International Industries Limited	75,500	-	-	75,500	-	-	-	-	-	-
	75,500	1,240,967	-	687,500	628,967	20,969,985	24,787,589	0.99	0.98	
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	-	29,000	-	1,500	27,500	32,719,222	32,943,900	1.32	1.30	0.03
Millat Tractors Limited	37,000	8,000	-	15,000	30,000	24,016,694	32,822,700	1.31	1.29	0.06
	37,000	37,000	-	16,500	57,500	56,735,916	65,766,600	2.63	2.59	
AUTOMOBILE PARTS AND ACCESSORIES										
Thal Limited (face value Rs. 5)	-	113,000	-	-	113,000	51,159,186	53,412,840	2.14	2.11	-
	-	113,000	-	-	113,000	51,159,186	53,412,840	2.14	2.11	-
CABLES & ELECTRICAL GOODS										
Pak Elektron Limited	-	475,000	-	475,000	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	250,000	-	250,000	-	-	-	-	-	-
	-	725,000	-	725,000	-	-	-	-	-	-

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Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Right shares during the period	Sales during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
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-----Number of Certificates-----      -----Rupees-----      ----- % age -----

At fair value through profit or loss - Listed equity securities

## TECHNOLOGY & COMMUNICATIONS

Pakistan Telecommunication Company Limited	-	2,198,000	-	-	2,198,000	21,718,865	20,001,800	0.80	0.79	0.06
Systems Limited	328,000	23,000	-	98,700	252,300	47,056,044	105,771,729	4.24	4.17	0.20
Avanceon Limited	-	395,000	-	395,000	-	-	-	-	-	-
	<b>328,000</b>	<b>2,616,000</b>	<b>-</b>	<b>493,700</b>	<b>2,450,300</b>	<b>68,774,909</b>	<b>125,773,529</b>	<b>5.04</b>	<b>4.96</b>	

## FERTILIZER

Engro Corporation Limited (see note 5.3)	421,656	300,400	-	54,000	668,056	199,949,419	205,333,692	8.22	8.10	0.12
Engro Fertilizers Limited	1,284,681	141,760	-	950,850	475,591	28,879,527	30,071,619	1.20	1.19	0.04
Fatima Fertilizer Company Limited	69,000	-	-	69,000	-	-	-	-	-	-
	<b>1,775,337</b>	<b>442,160</b>	<b>-</b>	<b>1,073,850</b>	<b>1,143,647</b>	<b>228,828,946</b>	<b>235,405,311</b>	<b>9.42</b>	<b>9.29</b>	

## PHARMACEUTICALS

Abbott Laboratories (Pakistan) Limited	55,000	-	-	55,000	-	-	-	-	-	-
AGP Limited	500	-	-	-	500	54,870	56,940	-	-	-
Glaxosmithkline Pakistan Limited	85,000	119,900	-	85,000	119,900	21,524,729	23,000,417	0.92	0.91	0.04
Hightnoon Laboratories Limited	59,855	34,000	-	-	93,855	50,886,520	56,295,167	2.25	2.22	0.27
The Searle Company Limited	187,872	38,000	19,678	80,178	165,372	34,733,410	41,215,663	1.65	1.63	0.08
	<b>388,227</b>	<b>191,900</b>	<b>19,678</b>	<b>220,178</b>	<b>379,627</b>	<b>107,199,529</b>	<b>120,568,187</b>	<b>4.82</b>	<b>4.76</b>	

## CHEMICALS

Dyne Pakistan Limited	-	33,000	-	33,000	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	1,862,500	170,000	-	1,173,500	859,000	23,655,295	40,811,090	1.63	1.61	0.09
ICI Pakistan Limited	20,000	10,000	-	14,900	15,100	10,617,414	11,477,359	0.46	0.45	0.02
Lotte Chemical Pakistan Limited	1,000,000	900,000	-	1,900,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	44,000	-	-	44,000	14,173,195	13,640,000	0.55	0.54	0.21
Berger Paints Pakistan Limited	-	120,000	-	20,000	100,000	8,880,700	9,150,000	0.37	0.36	0.49
	<b>2,882,500</b>	<b>1,277,000</b>	<b>-</b>	<b>3,141,400</b>	<b>1,018,100</b>	<b>57,326,604</b>	<b>75,078,449</b>	<b>3.01</b>	<b>2.96</b>	

## PAPER & BOARD

Packages Limited	33,500	63,500	-	22,000	75,000	30,932,595	44,769,000	1.79	1.77	0.08
	<b>33,500</b>	<b>63,500</b>	<b>-</b>	<b>22,000</b>	<b>75,000</b>	<b>30,932,595</b>	<b>44,769,000</b>	<b>1.79</b>	<b>1.77</b>	

## VANASPATI AND ALLIED INDUSTRIES

Unity Foods Limited	-	1,665,000	-	1,665,000	-	-	-	-	-	-
	<b>-</b>	<b>1,665,000</b>	<b>-</b>	<b>1,665,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## LEATHER & TANNERIES

Bata Pakistan Limited	16,000	-	-	-	16,000	21,489,603	24,509,443	0.98	0.97	0.21
	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,000</b>	<b>21,489,603</b>	<b>24,509,443</b>	<b>0.98</b>	<b>0.97</b>	

## FOODS & PERSONAL CARE PRODUCTS

At-Tabur Limited	697,500	387,000	99,750	-	1,184,250	19,733,785	23,874,480	0.96	0.94	0.67
	<b>697,500</b>	<b>387,000</b>	<b>99,750</b>	<b>-</b>	<b>1,184,250</b>	<b>19,733,785</b>	<b>23,874,480</b>	<b>0.96</b>	<b>0.94</b>	

## GLASS & CERAMICS

Tariq Glass Industries Limited	155,000	-	-	155,000	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited	-	695,000	-	695,000	-	-	-	-	-	-
	<b>155,000</b>	<b>695,000</b>	<b>-</b>	<b>850,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## MISCELLANEOUS

Siddiqsons Tin Plate Limited	-	200,000	-	198,000	2,000	37,497	41,140	-	-	-
Synthetic Products Enterprises Limited	163,500	-	-	163,500	-	-	-	-	-	-
	<b>163,500</b>	<b>200,000</b>	<b>-</b>	<b>361,500</b>	<b>2,000</b>	<b>37,497</b>	<b>41,140</b>	<b>-</b>	<b>-</b>	

Total as at 31 December, 2020

**2,126,989,101    2,496,913,702    100.00    98.48**

Total as at 30 June 2020

**1,781,020,716    1,834,162,742**



# Atlas Islamic Stock Fund

- 5.2 The cost of listed equity securities as at 31 December 2020 is Rs. 2,126,989,101 (30 June 2020: Rs. 1,873,725,471).
- 5.3 The above investments include following shares which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP:

	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Lucky Cement Limited	75,000	75,000	52,206,750	34,618,500
Pakistan State Oil Company Limited	110,000	110,000	23,683,000	17,397,600
Pakistan Petroleum Limited	135,000	135,000	12,194,550	11,715,300
Engro Corporation Limited	55,000	-	16,904,800	-
The Hub Power Company Limited	-	200,000	-	14,500,000
	<b>375,000</b>	<b>520,000</b>	<b>104,989,100</b>	<b>78,231,400</b>

## 6 SECURITY DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

		31 December 2020	30 June 2020
	Note	Un-audited	Audited
		Rupees	
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
Other receivable	6.1	2,597,419	2,597,419
		<b>5,197,419</b>	<b>5,197,419</b>

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

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

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7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)	Note	31 December 2020 Un-audited	30 June 2020 Audited
		Rupees	
Remuneration of the Management Company	7.1	5,136,558	3,625,897
Sindh Sales Tax payable on remuneration of the Management Company	7.2	2,224,317	2,027,926
Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
Accounting and operational charges	14	624,719	256,849
		<b>18,438,979</b>	<b>16,364,057</b>

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 2.4% (30 June 2020: 2.4%) per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs.3,519,116 (2019: Rs. 1,676,907) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 3,322,725 (2020: Rs. 1,638,652) has been paid to the Management Company which acts as the collecting agent.

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

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 10.453 million (30 June 2020: 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 December 2020 would have been higher by Rs 2.40 per unit (30 June 2020: Rs 2.61 per unit).

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN- TRUSTEE- RELATED PARTY	Note	31 December 2020 Un-audited	30 June 2020 Audited
		Rupees	
Remuneration Payable to Trustee	8.1	298,955	233,046
SST on Trustee fee payable	8.2	38,861	30,295
Payable to against CDS charges		25,000	3,000
SST on CDS Charges		3,250	390
		<b>366,066</b>	<b>266,731</b>

# Atlas Islamic Stock Fund

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows

On net assets:

up to Rs. 1,000 million Rs. 0.7 million or 0.20% per annum of Net Asset Value whichever is higher

On an amount exceeding Rs. 1,000 million Rs. 2.0 million plus 0.10% per annum of Net Asset Value exceeding Rs. 1,000 million

- 8.2 During the year, an amount of Rs. 212,164 (2019: Rs. 149,200) was charged on account of sales tax on remuneration of the 'Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 203,598 (2019: Rs. 145,398) was paid 'to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	31 December 2020 Un-audited	30 June 2020 Audited
		Rupees	Rupees
Annual fees payable	9.1	225,584	289,352

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2020 Un-audited	30 June 2020 Audited
		Rupees	Rupees
Auditors' remuneration payable		236,066	355,967
Ranking fee payable		140,000	140,000
Listing fee payable		13,864	-
Charity payable	10.1	2,108,451	261,000
Transaction charges payable		922,508	238,712
Withholding and capital gain tax payable		519,553	3,318,111
Payable to Shariah Advisor		50,000	66,667
Provision for Sindh Workers' Welfare Fund	10.2	30,323,906	19,370,923
Sales load payable		98,077	-
Zakat payable		73,735	72,760
Other payable		269,984	269,984
		<b>34,756,144</b>	<b>24,094,124</b>

- 10.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 2,337,477 (30 June 2020: Rs. 1,388,796) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

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

# Half Yearly Report 2020-21

provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of “financial institutions”. The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

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

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

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

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

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 31 December 2020 would have been higher by Rs. 6.98 per unit (30 June 2020: Rs. 4.84 per unit)

## 11 CONTINGENCIES AND COMMITMENTS

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

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 4.32% (30 June 2020: 3.46%) which includes 2.36% (30 June 2020: 0.64%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum limit of 4.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 13 TAXATION

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

## 14 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund upto 2 December 2020 and charged expenses at the rate of 0.30% of the average annual net assets afterwards.

## 15 EARNINGS PER UNIT

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

## 16 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository

# Atlas Islamic Stock Fund

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

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

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

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

	For the Half Year Ended	
	31 December	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>16.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	27,070,085	12,899,271
Remuneration paid	25,559,424	12,605,012
Sindh Sales Tax on remuneration of the Management Company	3,519,111	1,676,905
Accounting and operational charges	2,178,339	826,720
Issue of 21,235 (2019: 99) units	9,989,724	39,723
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,632,030	1,147,696
Sindh Sales Tax on remuneration of the Trustee	212,164	149,200
Remuneration paid	1,606,137	1,199,741
Settlement charges	104,314	30,164
Sindh sales tax on settlement charges	13,561	3,764
<b>Atlas Foundation (Group company)</b>		
Issue of 1,183 (2019: Nil) units	600,000	-
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 2,833 (2019: 12,294) units	1,500,000	5,000,000
Redemption of 15,064 (2019: 21,177) units	8,000,000	10,500,000
<b>Shirazi Investments (Private) Limited -Employee Provident Fund (Retirement benefit plan of group company)</b>		
Redemption of 13,126 (2019: Nil) units	7,240,102	-
<b>Atlas Honda Limited (Group Company)</b>		
Issue of Nil (2019: 534) units	-	214,321
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 140,000 (2019: Nil) units	82,455,660	-
Redemption of 165,694 (2019: Nil) units	97,455,660	-
<b>Atlas Insurance Limited Window Takaful Operation</b>		
Issue of 47,099 (2019: Nil) units	25,000,000	-
Redemption of 47,099 (2019: Nil) units	25,567,750	-
<b>Directors and their close family members and key management personnel of the Management Company (Note 15.3)</b>		
Issue of 17,301 (2019: 12,344) units	8,878,663	5,093,529
Redemption of 9,579 (2019: 11,538) units	5,223,732	4,928,171

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	31 December 2020	30 June 2020
	Un-audited	Audited
16.2 Balances as at period / year end	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration payable to the Management Company	5,136,558	3,625,897
Sindh Sales Tax payable on remuneration of the management company	2,224,317	2,027,926
Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
Accounting and operational charges payable	624,719	256,849
Outstanding 58,081 (30 June 2020: 36,846) units at net asset value	33,877,351	16,789,185
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	298,955	233,046
Sindh sales tax payable on remuneration of the Trustee	38,861	30,295
Settlement charges payable	25,000	3,000
Sindh sales tax payable on settlement charges	3,250	390
<b>Atlas Foundation (Group company)</b>		
Outstanding 104,833 (30 June 2020: 103,650) units - at net asset value	61,146,783	47,229,030
<b>Atlas Insurance Limited (Group Company)</b>		
Outstanding 616,093 (30 June 2020: 641,787) units - at net asset value	359,354,941	292,436,618
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 141,978 (30 June 2020: 154,208) units - at net asset value	82,812,884	70,266,580
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 178,081 (30 June 2020: 178,081) units - at net asset value	103,871,076	81,144,311
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 110,706 (30 June 2020: 110,706) units - at net asset value	64,572,730	50,444,358
<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 116,187 (30 June 2020: 116,187) units - at net asset value	67,769,355	52,941,568
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 442,192 (30 June 2020: 442,192) units - at net asset value	257,921,921	201,489,168
<b>Shirazi Investments (Private) Limited -Employee Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 17,700 (30 June 2020: 30,826) units - at net asset value	10,324,017	14,045,961
<b>Sindh Province Pension Fund</b>		
Outstanding 450,638 (30 June 2020: Nil) units - at net asset value	262,848,567	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 142,442 (30 June 2020: 134,720) units - at net asset value	83,083,653	61,386,454
16.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.		

# Atlas Islamic Stock Fund

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

As at 31 December 2020 and 30 June 2020, the Fund had financial assets at fair value through profit or loss measured using the level 2 valuation technique.

## 18 GENERAL

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

### 18.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

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

## 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 February 2021.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Atlas Islamic Fund of Funds

## Corporate Information

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**Trustee**

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

**Shariah Advisor**

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Dr. Mufi Muhammad Wasih Fasih Butt

**Auditors**

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EY Ford Rhodes  
Chartered Accountants

**Legal Advisers**

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Bawaney & Partners

**Bankers**

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



# Atlas Islamic Fund of Funds

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Fund of Funds (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 24 February 2021

# Half Yearly Report 2020-21

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

### Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Fund of Funds (the Fund) as at 31 December 2020 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 26 February 2021

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

Atlas Islamic Fund of Funds

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

31 December 2020 (Un Audited)										
Rupees										
Note	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan
30 June 2020 (Audited)										
Rupees										
Note	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan
Total										
ASSETS										
Bank balances										
Investments										
Profit receivable on bank deposits										
Prepayments and other receivables										
Deferred formation cost										
Total assets										
LIABILITIES										
Payable to Atlas Asset Management Company - Management Company										
Payable to the Central Depository Company of Pakistan Limited - Trustee										
Payable to the Securities and Exchange Commission of Pakistan										
Accrued expenses and other liabilities										
Total liabilities										
NET ASSETS										
UNIT HOLDERS FUND (AS PER STATEMENT ATTACHED)										
CONTINGENCIES AND COMMITMENTS										
NUMBER OF UNITS IN ISSUE										
NET ASSET VALUE PER UNIT										
FACE VALUE PER UNIT										

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

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Iftekhar H. Shirazi  
Chairman

Tariq Amin  
Director



Atlas Islamic Fund of Funds

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

For the Quarter Ended 31 December 2020							For the Quarter Ended 31 December 2019								
Note	Aggressive Allocation			Moderate Allocation			Conservative Allocation			Islamic Capital Preservation Plan			Total		
	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan
Rupees															

INCOME											
Profit on deposits with banks	(9,684)	38,549	2,794	86,296	52,600	170,415	25,481	29,252	22,181	236,759	313,673
Capital gain on sale of investments at fair value through income statement - net	476,783	520,127	686,815	7,689,805	142,826	9,436,356	656,546	773,206	951,419	-	2,381,171
Net unrealized appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss	7,201,846	5,960,691	4,063,391	5,752,345	201,279	23,179,552	19,402,123	16,571,238	11,657,844	47,921,003	95,642,210

Total income 7,678,629 6,519,367 4,670,206 13,442,150 344,105 32,615,908 20,148,671 17,233,696 12,693,263 48,157,762 98,633,084

EXPENDITURE

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

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Iftekhar H. Shirazi  
Chairman

Tariq Amin  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

For the Half Year Ended 31 December 2020							For the Half Year Ended 31 December 2019				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Net income for the period after taxation	20,775,455	17,591,232	12,075,623	37,405,376	66,1264	88,508,950	17,179,005	16,018,860	13,749,850	49,531,269	96,478,984
Other Comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	20,775,455	17,591,232	12,075,623	37,405,376	66,1264	88,508,950	17,179,005	16,018,860	13,749,850	49,531,269	96,478,984

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

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

	For the Quarter Ended 31 December 2020					For the Quarter Ended 31 December 2019					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	Rupees -----						Rupees -----				
Net income for the period after taxation	7,402,001	6,261,609	4,451,018	12,865,216	328,879	31,308,723	19,734,676	16,947,732	12,271,426	46,839,126	95,792,960
Other Comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	7,402,001	6,261,609	4,451,018	12,865,216	328,879	31,308,723	19,734,676	16,947,732	12,271,426	46,839,126	95,792,960

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

31 December 2020						31 December 2019					
Aggressive Allocation Plan	Moderate Islamic Plan	Conservative Allocation Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Plan	Moderate Islamic Plan	Conservative Allocation Plan	Islamic Capital Preservation Plan	Total	
Rupee crore						Rupee crore					
104,670,329	113,742,162	122,397,566	461,323,599	26,135,105	828,268,761	104,540,396	110,899,450	122,090,277	445,401,742	782,931,865	
Un distributed Income						Un distributed Income					
- Realised income	2,994,497	5,015,587	8,168,915	11,929,312	1,924,685	2,080,513	3,431,669	6,563,967	13,706,840	26,182,989	
- Unrealised loss	(7,487,673)	(5,950,141)	(3,936,718)	(17,106,420)	(1,924,685)	(13,606,545)	(11,451,923)	(7,796,635)	(28,246,685)	(61,181,788)	
Net assets at the beginning of the period	100,177,153	117,807,608	125,609,763	456,056,491	26,135,105	92,924,864	103,279,196	120,867,609	430,861,897	747,933,066	
(Unit: AAAP 209,596, AACAP 244,525, AICPP 914,884 & AIP 52,270)											
(2020 Unit: AAAP 209,541, AACAP 244,021 & AICPP 882,926)											
Issue of units						Issue of units					
Capital value (at net assets value per unit at the beginning of period)											
- Aggressive - units Nil (2020: 226)											
- Moderate - units 3,532 (2020: 2,259)											
- Conservative - units 3,624 (2020: 1)											
- Preservation - units Nil (2020: Nil)											
- Dividend - units 28,589											
Total proceed on issuance of units		1,941,983	2,000,000	-	14,293,380			214	-	1,003,695	
Redemption of units											
Capital value (at net assets value per unit at the beginning of period)											
- Aggressive - units 127 (2020: 37)											
- Moderate - units 1,883 (2020: 102)											
- Conservative - units 923 (2020: 1,952)											
- Preservation - units 5,113 (2020: 585)											
- Dividend - units 27,785											
Amount paid out of Element of income											
- Relating to Net Income for the period after taxation											
Total Comprehensive Income for the period											
Distributions during the period											
Net income for the period less distribution											
Net assets at the end of the period											
(Unit: AAAP 209,469, AACAP 249,404, ACAP 247,226, AICPP 909,771 & AIP 53,072)											
(2020 Unit: AAAP 209,530, AACAP 224,054, ACAP 242,070 & AICPP 882,341)											
Capital Value											
Un distributed Income											
- Realised income											
- Unrealised income / loss											
Net assets at the end of the period											
Net assets value per unit at beginning of the period											
Net assets value per unit at end of the period											

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

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Iftekhar H. Shirazi  
Chairman

Tariq Amin  
Director

For Atlas Asset Management Limited  
(Management Company)



Atlas Islamic Fund of Funds

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

31 December 2020							31 December 2019						
Rupees							Rupees						
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total		
Islamic Plan	Islamic Plan	Islamic Plan					Islamic Plan	Islamic Plan	Islamic Plan				
CASH FLOWS FROM OPERATING ACTIVITIES													
Net income for the period after taxation													
Adjustments for:													
Profit on deposits with banks													
Gain on sale of investments - net													
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss													
Provision for Sindh Workers' Welfare Fund													
Decrease / (increase) in assets													
Prepayments and other receivables													
Deferred Formation cost													
Decrease in liabilities													
Payable to Atlas Asset Management Company - Management Company													
Payable to Central Depository Company of Pakistan Limited - Trustee													
Payable to the Securities and Exchange Commission of Pakistan													
Accrued expenses and other liabilities													
Interest received													
Investments made during the period													
Investments sold during the period													
Net cash (used in) / generated from operating activities													

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

31 December 2020						31 December 2019					
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total	
Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan		Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan		

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CASH FLOWS FROM FINANCING ACTIVITIES

Receipts against issuance of units	-	1,941,983	2,000,000	-	14,293,392	18,235,75	104,046	1,003,695	213	-	1,107,954
Dividend Paid	(68,916)	(1,022,825)	(502,390)	(2,746,663)	(661,264)	(661,264)	(15,148)	(46,313)	(980,462)	(293,568)	(1,335,491)
Payments against redemption of units	(68,916)	919,138	1,497,610	(2,746,663)	(13,892,330)	(18,233,124)	88,898	957,382	(980,249)	(293,568)	(227,537)
	(68,916)	919,158	1,497,610	(2,746,663)	(260,202)	(659,013)	88,898	957,382	(980,249)	(293,568)	(227,537)
Net cash (used in) / generated from financing activities	(68,916)	919,158	1,497,610	(2,746,663)	(260,202)	(659,013)	88,898	957,382	(980,249)	(293,568)	(227,537)
Net (decrease) / increase in cash and cash equivalents	(97,022)	555,218	1,726,509	(2,066,237)	68,324	186,792	(617,602)	(998,795)	(1,469,869)	(879,268)	(3,965,524)
Cash and cash equivalents at the beginning of the period	465,585	1,550,174	382,627	6,662,567	3,357,209	12,418,182	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
Cash and cash equivalents at the end of the period	4	368,563	2,105,392	2,109,156	4,596,350	3,425,533	598,416	269,417	551,476	6,946,636	8,365,945

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

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Atlas Islamic Fund of Funds (the Fund) is an open-ended Fund constituted under a trust deed entered into on 20 August 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document of the Fund has been revised through the First, Second and Third supplements dated 05 September 2019, 14 February 2020 and 01 April 2020 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML, situated at Ground Floor, Federation House, Shahr-e Firdousi, Clifton, Karachi.

1.2 The Fund is an open-ended Shariah compliant fund of funds and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 07, 2019. Subsequent to the Initial Public Offering, the offer of units of the Allocation Plans at the Initial Offer Price discontinued. The units of the Allocation Plans could then be purchased at their Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The duration of the fund is perpetual, however, the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The objective of the Fund is to generate return on investments as per the respective Allocation Plan by investing in Shariah compliant mutual funds in line with the risk tolerance of the investor. The Management Company has appointed Dr. Mufti Muhammad Wasie Fasih Butt as its Shariah Advisor to ensure that the activities of the Funds are in compliance with the principles of Shariah.

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

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

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

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

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

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

The "Conservative Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide stable returns. It shall invest at least 20% and 70% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

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## Atlas Islamic Capital Preservation Plan (AICPP)

The Atlas Islamic Capital Preservation Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Income based Collective Investment Schemes and Shariah Compliant saving Accounts & Term Deposits, while aiming to provide capital preservation upon maturity of the allocation plan.

## Atlas Islamic Dividend Plan (AIDP)

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

1.3 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 24 December 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

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

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

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 December 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the half year ended 31 December 2020.

# Atlas Islamic Fund of Funds

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2020.

## 3.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### Standard or Interpretation

- IFRS 3 – Amendments to Definition of a Business
- IFRS 9 – Interest Rate Benchmark Reform
- IAS 1 – Definition of Material
- IFRS 16 – COVID-19 Rent Related Concessions
- The Conceptual Framework for Financial Reporting

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

## 4 BANK BALANCES

In local currency

Profit and loss sharing accounts

31 December 2020 (Un Audited)					
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note ----- Rupees -----					
4.1	368,563	2,105,392	2,109,136	4,596,350	3,425,533
	368,563	2,105,392	2,109,136	4,596,350	3,425,533
					12,604,974

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30 June 2020 (Audited)

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note	----- Rupees -----					
4.1	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182
	<u>465,585</u>	<u>1,550,174</u>	<u>382,627</u>	<u>6,662,587</u>	<u>3,357,209</u>	<u>12,418,182</u>

4.1 These carry interest rate ranging between 4% to 6.85% (30 June 2020: 6.50% to 9.90%) per annum.

31 December 2020 (Un Audited)

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note	----- Rupees -----					

## 5 INVESTMENTS

At fair value through profit or loss  
- Held for Trading

Units of Mutual Funds - listed

5.1	121,039,772	129,713,603	138,528,184	487,700,519	23,168,059	900,150,137
	<u>121,039,772</u>	<u>129,713,603</u>	<u>138,528,184</u>	<u>487,700,519</u>	<u>23,168,059</u>	<u>900,150,137</u>

30 June 2020 (Audited)

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
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Note

----- Rupees -----

At fair value through profit or loss  
- Held for Trading

Units of Mutual Funds - listed

5.1	101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742
	<u>101,926,792</u>	<u>115,682,490</u>	<u>134,087,016</u>	<u>468,438,739</u>	<u>22,946,705</u>	<u>843,081,742</u>

Atlas Islamic Fund of Funds

5.1 Units of Mutual Funds

Name of the investee company	As at 01 July 2020	Purchases during the period	Sales during the period	As at 31 December 2020	Carrying Value as at 31 December 2020	Market Value as at 31 December 2020	Appreciation as at 31 December 2020	Market Value as a % of net assets of Plan	Market Value % of total value of investments of Plan
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-----Number of shares-----Rupees-----%age-----

Aggressive Allocation Plan

Atlas Islamic Income Fund	52,511	11,238	1,185	62,564	31,673,800	32,490,961	817,161	26.88	26.84
Atlas Islamic Dedicated Stock Fund	170,737	-	14,526	156,211	68,998,712	88,548,811	19,550,099	73.25	73.16
	223,248	11,238	15,711	218,775	100,672,512	121,039,772	20,367,260	100.13	100.00

Moderate Allocation Plan

Atlas Islamic Income Fund	105,864	16,300	4,147	118,017	59,695,677	61,289,064	1,593,387	46.67	47.25
Atlas Islamic Dedicated Stock Fund	140,894	-	20,184	120,710	53,317,543	68,424,539	15,106,996	52.11	52.75
	246,758	16,300	24,331	238,727	113,013,220	129,713,603	16,700,383	98.78	100.00

Conservative Allocation Plan

Atlas Islamic Income Fund	189,564	13,692	11,256	192,000	97,045,546	99,710,031	2,664,485	71.13	71.98
Atlas Islamic Dedicated Stock Fund	86,887	-	18,407	68,480	30,247,754	38,818,153	8,570,399	27.69	28.02
	276,451	13,692	29,663	260,480	127,293,300	138,528,184	11,234,884	98.82	100.00

Islamic Capital Preservation Plan

Atlas Islamic Income Fund	698,489	120,650	34,559	764,580	397,211,744	407,451,050	10,239,306	83.03	83.55
Atlas Islamic Dedicated Stock Fund	262,120	-	120,550	141,570	62,531,727	80,249,469	17,717,742	16.35	16.45
	960,609	120,650	155,109	926,150	459,743,471	487,700,519	27,957,048	99.38	100.00

Islamic Dividend Plan

Atlas Islamic Income Fund	45,449	19,287	20,124	44,612	22,639,530	23,168,059	528,529	87.31	100.00
	45,449	19,287	20,124	44,612	22,639,530	23,168,059	528,529	87.31	100.00

Total as at 31 December 2020

1,752,515	181,167	244,937	1,688,744	823,362,033	900,150,137	76,788,104			
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Total as at 30 June 2020

1,572,278	685,324	505,087	1,752,516	831,548,988	843,081,742	11,532,754			
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6 DEFERRED FORMATION COST

Opening balance							
Less: Amortisation for the period							
6.1	168,162	168,162	168,162	168,162	-	-	672,648
	28,257	28,257	28,257	28,257	-	-	113,028
	139,905	139,905	139,905	139,905	-	-	559,620

Note

31 December 2020 (Un Audited)  
Rupees

30 June 2020 (Audited)					
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan	
----- Rupees -----					

Opening balance	6.1	224,215	224,215	224,215	224,215	-	896,860
Less: Amortisation for the period		56,053	56,053	56,053	56,053	-	224,212
		168,162	168,162	168,162	168,162	-	672,648

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

7 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED  
- MANAGEMENT COMPANY

	Note	Rupees					
Remuneration of the Management Company	7.1	-	1,400	1,457	2,782	2,679	8,318
Sindh Sales Tax payable on remuneration of Management Company	7.2	-	182	189	362	348	1,081
Front and backend load payable to the Management Company		-	-	-	7,339	-	7,339
Accounting and operational charges payable	14	17,263	18,796	20,123	70,531	4,002	130,715
		17,263	20,378	21,769	81,014	7,029	147,453

Note

Rupees



Atlas Islamic Fund of Funds

30 June 2020 (Audited)						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note	Rupees -----					
Remuneration of the Management Company	7.1	302	588	143	4,901	2,707
Sindh Sales Tax payable on remuneration of Management Company	7.2	39	76	18	637	352
Front and backend load payable to the Management Company		113	-	1,017	3,955	-
Accounting and operational charges payable	14	14,212	16,167	18,638	65,849	3,644
		14,666	16,831	19,816	75,342	6,703
						133,358

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

7.2 During the period, an amount of Rs. 7,657 (2019: 6,860) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 7,698 (2019: 7,501) has been paid to the Management Company which acts as a collecting agent.

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

31 December 2020 (Un Audited)						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note	Rupees -----					
Payable to Trustee	8.1	7,108	7,740	8,286	29,041	1,647
SST on Trustee fee payable	8.2	924	1,006	1,077	3,775	214
		8,032	8,746	9,363	32,816	1,861
						102,378

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30 June 2020 (Audited)

Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Payable to Trustee					
	5,853	6,656	7,675	27,114	48,799
SST on Trustee fee payable					
	761	866	998	3,525	6,345
	6,614	7,522	8,673	30,639	55,144

8.1 The trustee is entitled to a monthly remuneration for services rendered to the fund at the flat rate of 0.07% per annum of net assets based on the letter number CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC.

8.2 During the year, an amount of Rs.40,358 (2019: Rs. 35,195) was charged on account of sales tax on remuneration of the "Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 34,926 (2019: Rs. 36,818) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

31 December 2020 (Un Audited)

Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
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Note

Rupees

Annual fees payable	9.1	11,435	12,573	13,567	48,352	2,766	88,693
		11,435	12,573	13,567	48,352	2,766	88,693

30 June 2020 (Audited)

Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
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Rupees

Annual fees payable		19,785	22,292	25,701	91,396	4,871	164,045
		19,785	22,292	25,701	91,396	4,871	164,045

# Atlas Islamic Fund of Funds

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

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

31 December 2020 (Un Audited)						
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
Islamic Plan	Islamic Plan	Islamic Plan				
Note						
----- Rupees -----						
Auditors' remuneration payable	19,790	21,765	23,490	84,178	4,788	154,011
Withholding and capital gain tax payable	1,284	2,261	2,000	25,821	12,389	43,755
Shariah advisory fee payable	3,271	3,590	3,909	13,985	813	25,568
Listing fee payable	1,787	1,966	2,120	7,602	427	13,902
Provision for Sindh Workers' Welfare Fund	614,249	592,623	540,490	1,654,898	52,324	3,454,584
Other Payable	-	-	-	-	10,000	10,000
	640,381	622,205	572,009	1,786,484	80,741	3,701,820

30 June 2020 (Audited)						
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
Islamic Plan	Islamic Plan	Islamic Plan				
----- Rupees -----						
Auditors' remuneration payable	46,970	36,111	41,949	145,180	8,533	278,743
Withholding and capital gain tax payable	330,680	710,933	1,352,186	5,075,503	138,382	7,607,684
Printing charges payable	921	477	-	-	-	1,398
Provision for Sindh Workers' Welfare Fund	190,260	233,618	294,049	891,523	38,829	1,648,279
Shariah advisory fee payable	2,402	2,589	2,814	7,767	1,146	16,718
Annual rating fee payable	16,495	16,513	16,411	5,526	-	54,945
Dividend Payable	1,767,852	3,560,552	6,278,647	13,136,256	-	24,743,307
	2,355,580	4,560,793	7,986,056	19,261,755	186,890	34,351,074

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## 10.1

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CIs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CIs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CIs / mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 31 December 2020 would have been higher by Rs. 2.93 per unit (30 June 2020: Rs. 0.91 per unit), Rs. 2.58 per unit (30 June 2020: Rs. 1.03 per unit), Rs. 2.19 per unit (30 June 2020: Rs. 1.20 per unit) and Rs. 1.82 per unit (30 June 2020: Rs. 0.97 per unit) and Rs. 0.06 per unit (30 June 2020: Rs. 0.74 per unit) for AAAP, AMAIP, ACAIP, AICPP and AIDP respectively.

## 11 CONTINGENCIES AND COMMITMENTS

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

## 12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund is as follows :

31 December 2020 (Un Audited)					
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	
1.15	0.98	0.75	0.66	0.82	
0.77	0.60	0.39	0.35	0.04	
30 June 2020 (Audited)					
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	
0.62	0.64	0.64	0.54	0.12	
0.22	0.26	0.24	0.23	0.01	
Total expense ratio					
Government Levies and SECP Fee					

# Atlas Islamic Fund of Funds

## 13 TAXATION

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

## 14 ACCOUNTING AND OPERATIONAL CHARGES

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

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

The Management Company charged actual expenses within the limit of 0.17% of the average annual net assets of the fund.

## 15 EARNING PER UNIT

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

## 16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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16.1 Details of transaction with related parties during the period are as follows:

31 December 2020						
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
Islamic Plan	Islamic Plan	Islamic Plan				
-----Rupees-----						
<b>Atlas Asset Management Limited (Management Company)</b>						
Remuneration for the period	755	8,065	4,039	27,907	18,135	58,901
Sindh sales tax on remuneration of the Management Company	98	1,048	525	3,628	2,358	7,657
Remuneration paid	1,057	7,253	2,725	30,026	18,163	59,224
Formation cost	28,257	28,257	28,257	28,257	-	113,028
Accounting & operational charges	97,198	106,873	115,317	410,990	23,555	753,933
<b>Central Depository Company of Pakistan Limited</b>						
Remuneration of the Trustee	40,023	44,007	47,483	169,231	9,700	310,444
Sindh Sales Tax on remuneration of the Trustee	5,203	5,721	6,173	22,000	1,261	40,358
Remuneration paid	38,768	42,923	46,872	167,304	9,554	305,421
<b>Atlas Islamic Dedicated Stock Fund</b>						
Redemption in Rupees	7,460,000	10,340,000	9,420,000	64,000,000	-	91,220,000
Redemption of units	14,526	20,184	18,407	120,550	-	173,667
<b>Atlas Islamic Income Fund</b>						
Purchase in Rupees	5,760,000	8,340,000	7,020,000	62,000,000	9,900,000	93,020,000
Purchase of units	11,238	16,300	13,692	120,650	19,287	181,168
Redemption in Rupees	600,000	2,100,000	5,700,000	17,500,000	10,350,000	36,250,000
Redemption of units	1,185	4,147	11,256	34,559	20,124	71,271

Atlas Islamic Fund of Funds

31 December 2019						
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
----- Rupees -----						
<b>Atlas Asset Management Limited (Management Company)</b>						
Remuneration for the period	4,621	5,525	6,282	36,339	-	52,767
Sindh sales tax on remuneration of the Management Company	601	718	817	4,724	-	6,860
Remuneration paid	5,229	6,527	7,483	38,460	-	57,709
Formation cost	28,179	28,027	28,180	28,179	-	112,565
Accounting & operational charges	60,675	67,914	78,581	280,455	-	487,625
Issuance in amounts	4,045	3,695	-	-	-	7,740
Issue of units	9	8	-	-	-	17
<b>Central Depository Company of Pakistan Limited</b>						
Remuneration of the Trustee	33,514	37,597	43,720	155,890	-	270,721
Sindh Sales Tax on remuneration of the Trustee	4,357	4,888	5,684	20,266	-	35,195
Remuneration paid	34,891	39,169	45,817	163,349	-	283,226
<b>Atlas Islamic Dedicated Stock Fund</b>						
Purchase in Rupees	6,800,000	8,150,000	8,700,000	17,700,000	-	41,350,000
Purchase of units	18,147	21,805	23,100	45,847	-	108,899
Redemption in Rupees	4,780,000	5,620,000	6,340,000	-	-	16,740,000
Redemption of units	10,069	11,896	13,340	-	-	35,305
<b>Atlas Islamic Income Fund</b>						
Purchase in Rupees	5,040,000	7,120,000	6,340,000	-	-	18,500,000
Purchase of units	9,517	13,478	11,971	-	-	34,966
Redemption in Rupees	6,800,000	8,150,000	8,700,000	17,700,000	-	41,350,000
Redemption of units	13,208	15,848	16,881	34,163	-	80,100
Dividend Entitlement						
<b>Directors and their close family members and key management personnel of the Management Company</b>						
Redemption in Rupees	2,998	-	-	-	-	2,998
Redemption of units	7	-	-	-	-	7

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

	31 December 2020 (Un Audited)				
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan
	Islamic Plan	Islamic Plan	Islamic Plan		
Rupees					
<b>Atlas Asset Management Limited (Management Company)</b>					
Remuneration payable to the management company	-	1,400	1,457	2,782	2,679
Sindh Sales tax payable on remuneration of the Management Company	-	182	189	362	348
Sales Load Payable	-	-	-	7,339	-
Accounting and operational charges payable	17,263	18,796	20,123	70,531	4,002
Outstanding amount - at net asset value	5,960,809	6,005,911	23,902,228	-	-
Outstanding units	10,329	10,492	42,154	-	-
<b>Central Depository Company of Pakistan Limited (Trustee)</b>					
Trustee fee payable	7,108	7,740	8,286	29,041	1,647
Sindh Sales tax payable on remuneration of trustee	924	1,006	1,077	3,775	214
<b>Shirazi Investments (Private) Limited - Group Company</b>					
Outstanding amount - at net asset value	114,310,424	114,183,254	113,199,921	213,739,890	213,739,890
Outstanding units	198,079	199,471	199,639	396,267	396,267
<b>Atlas Honda Limited - Group Company</b>					
Outstanding amount - at net asset value	-	-	-	227,973,473	-
Outstanding units	-	-	-	422,656	-
<b>Atlas Islamic Dedicated Stock Fund</b>					
Outstanding amount - at net asset value	88,548,810	68,424,538	38,818,154	80,249,469	-
Outstanding units	156,212	120,710	68,480	141,571	-
<b>Atlas Islamic Income Fund</b>					
Outstanding amount - at net asset value	32,490,961	61,289,064	99,710,031	407,451,049	23,168,059
Outstanding units	62,564	118,017	192,000	784,580	44,612
<b>Directors and their close family members and key management personnel of the Management Company</b>					
Outstanding amount - at net asset value	-	5,922,546	-	4,023,809	-
Outstanding units	-	10,346	-	7,460	-



Atlas Islamic Fund of Funds

30 June 2020 (Audited)						
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
----- Rupees -----						
<b>Atlas Asset Management Limited (Management Company)</b>						
Remuneration payable to the management company	302	588	143	4,901	2,707	8,641
Sindh Sales tax payable on remuneration of the Management Company	39	76	18	637	352	1,122
Sales Load Payable	113	-	1,017	3,955	-	5,085
Accounting and operational charges payable	14,212	16,167	18,638	65,849	3,644	118,510
Outstanding amount - at net asset value	4,936,732	5,197,180	21,826,444	-	20,078,461	52,038,817
Outstanding units	10,329	10,492	42,154	-	40,157	103,132
<b>Central Depository Company of Pakistan Limited (Trustee)</b>						
Trustee fee payable	5,853	6,656	7,675	27,114	1,501	48,799
Sindh Sales tax payable on remuneration of trustee	761	866	998	3,525	195	6,345
<b>Shirazi Investments (Private) Limited - Group Company</b>						
Outstanding amount - at net asset value	94,671,714	98,807,813	103,369,096	197,535,218	-	494,383,841
Outstanding units	198,079	199,471	199,639	396,267	-	993,456
<b>Atlas Honda Limited - Group Company</b>						
Outstanding amount - at net asset value	-	-	-	210,689,683	-	210,689,683
Outstanding units	-	-	-	422,656	-	422,656
<b>Lucky Commodities (Private) Limited (Unit holder with more than 10% holding)</b>						
Outstanding amount - at net assets value	-	-	-	-	100,392,307	100,392,307
Outstanding units	-	-	-	-	200,785	200,785

# Half Yearly Report 2020-21

30 June 2020 (Audited)

Ruppes						
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
<b>Atlas Islamic Dedicated Stock Fund - Fund managed by Management Company</b>						
Outstanding amount - at net asset value	75,414,757	62,232,992	38,378,242	115,778,488	-	291,804,479
Outstanding units	170,737	140,894	86,887	262,120	-	660,638
<b>Atlas Islamic Income Fund - Fund managed by Management Company</b>						
Outstanding amount - at net asset value	26,512,035	53,449,498	95,708,774	352,660,251	22,946,705	551,277,263
Outstanding units	52,511	105,864	189,564	698,489	45,449	1,091,877
<b>Directors and their close family members and key management personnel of the Management Company</b>						
Outstanding amount - at net asset value	-	5,125,040	-	3,718,744	-	8,843,784
Outstanding units	-	10,346	-	7,460	-	17,806

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

## 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

### 17.1 Fair value hierarchy

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

# Atlas Islamic Fund of Funds

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

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

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

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

## 18 GENERAL

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

### 18.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

18.3 Units have been rounded off to the nearest decimal place

## 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 February 2021.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## Atlas Islamic Dedicated Stock Fund

### Corporate Information

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#### Trustee

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

#### Shariah Advisor

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Dr. Mufti Muhammad Wasih Fasih Butt

#### Auditors

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EY Ford Rhodes  
Chartered Accountants

#### Legal Advisers

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Bawaney & Partners

#### Bankers

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Al-Baraka Bank (Pakistan) Limited  
BankIslami Pakistan Limited

# Atlas Islamic Dedicated Stock Fund

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Dedicated Stock Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

#### **Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 23 February 2021

# Half Yearly Report 2020-21

## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS**

### **Report on review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Dedicated Stock Fund (the Fund) as at 31 December 2020 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 26 February 2021

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Atlas Islamic Dedicated Stock Fund

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

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	----- Rupees -----
<b>ASSETS</b>			
Bank balances	4	2,912,866	11,892,473
Investments	5	360,855,795	357,745,101
Receivable against sale of investments		6,059,369	1,615,350
Profit receivable on bank balances		29,180	166,871
Dividend receivable		1,675,000	-
Deferred formation cost	6	554,624	666,645
Advances, deposits, prepayments and other receivables	7	3,412,741	3,412,741
<b>Total assets</b>		<b>375,499,575</b>	<b>375,499,181</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	8	970,664	868,226
Payable to Central Depository Company of Pakistan Limited - Trustee	9	78,688	71,475
Payable to the Securities and Exchange Commission of Pakistan	10	39,320	68,922
Payable against redemption of units		-	9,000,000
Payable against purchase of investments		1,921,615	1,607,480
Accrued expenses and other liabilities	11	3,310,925	1,394,336
<b>Total liabilities</b>		<b>6,321,212</b>	<b>13,010,439</b>
<b>NET ASSETS</b>		<b>369,178,363</b>	<b>362,488,742</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>369,178,363</b>	<b>362,488,742</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- Number of units -----	----- Number of units -----
<b>NUMBER OF UNITS IN ISSUE</b>		<b>651,279</b>	<b>820,677</b>
		----- Rupees -----	----- Rupees -----
<b>NET ASSET VALUE PER UNIT</b>		<b>566.8513</b>	<b>441.6900</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	Note	For the Half Year Ended		For the Quarter Ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Profit on bank balances		111,620	288,079	(8,612)	148,928
Dividend income		9,024,096	10,908,780	7,284,750	6,716,945
Capital Gain on sale of investments - net		36,419,167	16,073,519	26,990,187	16,697,801
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		60,267,244	55,782,239	2,443,678	70,921,145
		<b>96,686,411</b>	<b>71,855,758</b>	<b>29,433,865</b>	<b>87,618,946</b>
<b>Total income</b>		<b>105,822,127</b>	<b>83,052,617</b>	<b>36,710,003</b>	<b>94,484,819</b>
<b>EXPENSES</b>					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	4,718,340	3,043,605	2,315,444	1,813,108
Sindh Sales Tax on remuneration of the Management Company	8.2	613,384	395,669	301,008	235,704
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	393,196	304,359	192,768	181,310
Sindh Sales Tax on remuneration of the Trustee	9.2	51,115	39,567	25,059	23,571
Annual fee to the Securities and Exchange Commission of Pakistan		39,320	30,441	19,277	18,159
Accounting and operational charges	13	373,494	197,507	203,130	135,953
Shariah advisory fee		40,000	25,000	20,000	12,500
Auditors' remuneration		72,962	173,814	(3,804)	118,162
Annual listing fee		13,863	62,808	6,987	31,406
Securities transaction cost		485,131	686,150	330,990	395,743
Printing and postage charges		6,494	20,601	6,494	10,601
Legal and professional charges		113,200	113,200	70,000	-
Amortization of formation cost	6	112,021	111,715	56,011	55,858
Bank charges		8,126	3,178	8,126	220
Provision for Sindh Workers Welfare Fund		1,975,630	1,556,900	663,171	1,556,900
<b>Total expenses</b>		<b>9,016,276</b>	<b>6,764,514</b>	<b>4,214,661</b>	<b>4,589,195</b>
<b>Net income for the period before taxation</b>		<b>96,805,851</b>	<b>76,288,103</b>	<b>32,495,342</b>	<b>89,895,624</b>
<b>Taxation</b>	15	-	-	-	-
<b>Net income for the period after taxation</b>		<b>96,805,851</b>	<b>76,288,103</b>	<b>32,495,342</b>	<b>89,895,624</b>
<b>Allocation of net income / (loss) for the period</b>					
Net income for the period		96,805,851	76,288,103	32,495,342	89,895,624
Income already paid on units redeemed		(16,024,990)	(2,136,871)	(2,136,871)	(2,136,871)
		<b>80,780,861</b>	<b>74,151,232</b>	<b>30,358,471</b>	<b>87,758,753</b>
<b>Accounting income / (loss) available for distribution:</b>					
- Relating to capital gains		96,686,411	71,855,758	29,433,865	87,618,946
- Excluding capital gains		(15,905,550)	2,295,474	924,606	139,807
		<b>80,780,861</b>	<b>74,151,232</b>	<b>30,358,471</b>	<b>87,758,753</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftekhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Atlas Islamic Dedicated Stock Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended		For the Quarter Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	----- Rupees -----		----- Rupees -----	
Net income for the period after taxation	96,805,851	76,288,103	32,495,342	89,895,624
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>96,805,851</b>	<b>76,288,103</b>	<b>32,495,342</b>	<b>89,895,624</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

31 December 2020			
	Capital value	Undistributed income	Total
	Rupees		
Capital value	392,806,970	-	392,806,970
<b>Undistributed loss brought forward</b>			
- Realised loss	-	(727,397)	(727,397)
- Unrealised loss	-	(29,590,831)	(29,590,831)
<b>Net assets at the beginning of the period</b>	<b>392,806,970</b>	<b>(30,318,228)</b>	<b>362,488,742</b>
(Units outstanding: 820,677) (Rs. 441.6900 per unit)			
Issue of 21,974 units	10,852,178	-	10,852,178
Redemption of 191,372 units	(84,575,743)	(16,024,990)	(100,600,733)
Total comprehensive income for the period	-	96,805,851	96,805,851
Shariah non-compliant income set-aside for charity	-	(367,675)	(367,675)
<b>Net assets at end of the period (Units outstanding: 651,279)</b>	<b>319,083,405</b>	<b>50,094,958</b>	<b>369,178,363</b>
(Rs. 566.8513 per unit)			
<b>Undistributed income carried forward</b>			
- Realised loss	-	11,707,114	-
- Unrealised income	-	38,387,844	-
	-	<b>50,094,958</b>	-
31 December 2019			
	Capital value	Undistributed income	Total
	Rupees		
Capital value	308,793,987	-	308,793,987
<b>Undistributed loss brought forward</b>			
- Realised loss	-	(3,739,329)	(3,739,329)
- Unrealised loss	-	(48,527,514)	(48,527,514)
<b>Net assets at the beginning of the period</b>	<b>308,793,987</b>	<b>(52,266,843)</b>	<b>256,527,144</b>
(Units outstanding: 620,181) (Rs. 413.63 per unit)			
Issue of 240,030 units	101,350,000	-	101,350,000
Redemption of 35,305 units	(14,603,129)	(2,136,871)	(16,740,000)
Total comprehensive income for the period	-	76,288,103	76,288,103
Shariah non-compliant income set-aside for charity	-	(218,910)	(218,910)
<b>Net assets at end of the period (Units outstanding: 824,906)</b>	<b>395,540,858</b>	<b>21,665,479</b>	<b>417,206,337</b>
(Rs. 505.76 per unit)			
<b>Undistributed income carried forward</b>			
- Realised loss	-	(2,865,491)	-
- Unrealised income	-	24,530,970	-
	-	<b>21,665,479</b>	-

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Dedicated Stock Fund

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December	
	2020	2019
Note	----- Rupees -----	----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	96,805,851	76,288,103
<b>Adjustments for:</b>		
Mark-up on bank deposits	(111,620)	(288,079)
Dividend income	(9,024,096)	(10,908,780)
Capital gain on sale of investments - net	(36,419,167)	(16,073,519)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(60,267,244)	(55,782,239)
Amortization of formation cost	112,021	111,715
Provision for Sindh Workers Welfare Fund	1,975,630	1,556,900
	<b>(103,734,476)</b>	<b>(81,384,002)</b>
<b>Decrease / (increase) in assets</b>		
Receivable against sale of investments	(4,444,019)	243,900
Advances, deposits, prepayments and other receivables	-	40,030
	<b>(4,444,019)</b>	<b>283,930</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	102,438	(772,200)
Payable to the Central Depository Company of Pakistan Limited - Trustee	7,213	28,495
Payable to the Securities and Exchange Commission of Pakistan	(29,602)	(74,033)
Payable against purchase of investments	314,135	1,820,000
Accrued expenses and other liabilities	(426,716)	18,812
	<b>(32,532)</b>	<b>1,021,074</b>
Profit received on bank balances	249,311	238,003
Dividend received	7,349,096	11,100,655
Investments made during the period	(140,918,932)	(203,039,099)
Investments sold during the period	234,494,649	112,500,356
	<b>101,174,124</b>	<b>(79,200,085)</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>89,768,948</b>	<b>(82,990,980)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	10,852,178	101,350,000
Payment against redemption of units	(109,600,733)	(16,740,000)
<b>Net cash (used in) / generated from financing activities</b>	<b>(98,748,555)</b>	<b>84,610,000</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(8,979,607)</b>	<b>1,619,020</b>
Cash and cash equivalents at the beginning of the period	11,892,473	4,490,047
<b>Cash and cash equivalents at the end of the period</b>	<b>2,912,866</b>	<b>6,109,067</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2020-21

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Dedicated Stock Fund (the Fund) is an open-ended shariah compliant scheme constituted under a trust deed entered into on 03 September 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The offering document of the Fund was revised through the First, Second, Third and Fourth supplements date 8 August 2019, 5 September 2019, 25 November 2019 and 1 April 2020 respectively with the approval of SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on 09 October 2018.
- 1.2 The Fund is an open-ended Shariah compliant fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 10, 2019. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.3 According to the Trust Deed, the principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) on 24 December 2020.
- 1.5 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 December 2020

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
  - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
  - Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

# Atlas Islamic Dedicated Stock Fund

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

## **2.2 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements at and for the year ended 30 June 2020.

**3.2** The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2020.

## **3.3 New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

### **Standard or Interpretation**

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

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

		<b>31 December 2020 Un-audited</b>	<b>30 June 2020 Audited</b>
	<b>Note</b>	<b>----- Rupees -----</b>	
<b>4 BANK BALANCES</b>			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	<b>2,912,866</b>	<b>11,892,473</b>

**4.1** The rate of return on these profit and loss sharing accounts ranges between 6.00% and 6.85% (30 June 2020: 6.50% to 7.00%) per annum.

		<b>31 December 2020 Un-audited</b>	<b>30 June 2020 Audited</b>
	<b>Note</b>	<b>----- Rupees -----</b>	
<b>5 INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss account</b>			
- Listed equity securities	5.1	<b>360,855,795</b>	<b>357,745,101</b>

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

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

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December, 2020	Average cost as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
	----- Number of shares -----			----- Rupees -----			----- % age -----			
<b>Banks</b>										
BankIslami Pakistan Limited	819,100	270,000	-	771,000	318,100	3,542,121	3,820,381	1.06	1.03	0.03
Meezan Bank Limited (Note 5.3)	448,400	83,000	27,340	223,000	335,740	22,446,513	35,064,686	9.72	9.50	0.02
	<b>1,267,500</b>	<b>353,000</b>	<b>27,340</b>	<b>994,000</b>	<b>653,840</b>	<b>25,988,634</b>	<b>38,885,067</b>	<b>10.78</b>	<b>10.53</b>	
<b>Textile Composite</b>										
Kohinoor Textile Mills Limited	91,000	20,000	-	16,000	95,000	3,518,774	6,480,900	1.80	1.76	0.03
Nishat Mills Limited	1,500	119,500	-	27,500	93,500	8,285,057	9,515,495	2.64	2.58	0.03
Interloop Limited	-	77,000	-	37,000	40,000	2,174,532	2,722,800	0.75	0.74	-
	<b>92,500</b>	<b>216,500</b>	<b>-</b>	<b>80,500</b>	<b>228,500</b>	<b>13,978,363</b>	<b>18,719,195</b>	<b>5.19</b>	<b>5.08</b>	
<b>Cement</b>										
Attock Cement Pakistan Limited	54,100	-	-	39,100	15,000	1,869,450	2,250,750	0.62	0.61	0.01
Cherat Cement Company Limited	66,850	-	-	43,000	23,850	2,079,005	3,486,632	0.97	0.94	0.01
D.G. Khan Cement Company Limited	71,500	-	-	48,500	23,000	1,962,590	2,635,340	0.73	0.71	0.01
Fauji Cement Company Limited	-	405,000	-	-	405,000	8,463,380	8,776,350	2.43	2.38	0.03
Kohat Cement Company Limited	36,500	-	-	22,500	14,000	1,924,300	3,069,360	0.85	0.83	0.01
Lucky Cement Limited	69,600	-	-	9,600	60,000	27,694,800	41,765,400	11.57	11.31	0.02
Gharibwal Cement Company Limited	100,000	100,000	-	200,000	-	-	-	-	-	-
	<b>398,550</b>	<b>505,000</b>	<b>-</b>	<b>362,700</b>	<b>540,850</b>	<b>43,993,525</b>	<b>61,983,832</b>	<b>17.17</b>	<b>16.78</b>	
<b>Power Generation &amp; Distribution</b>										
K-Electric Limited (face value Rs. 3.5)	505,500	-	-	-	505,500	1,521,555	1,976,505	0.55	0.54	-
The Hub Power Company Limited	455,903	148,000	-	455,903	148,000	12,383,470	11,740,840	3.25	3.18	0.01
	<b>961,403</b>	<b>148,000</b>	<b>-</b>	<b>455,903</b>	<b>653,500</b>	<b>13,905,025</b>	<b>13,717,345</b>	<b>3.80</b>	<b>3.72</b>	
<b>Oil &amp; Gas Marketing Companies</b>										
Attock Petroleum Limited	7,500	-	-	7,500	-	-	-	-	-	-
HI-Tech Lubricants Limited	40,000	90,000	-	40,000	90,000	3,821,404	3,940,200	1.09	1.07	0.08
Pakistan State Oil Company Limited	75,400	15,200	-	16,000	74,600	12,191,673	16,061,380	4.45	4.35	0.02
Shell Pakistan Limited	20,000	4,500	-	24,500	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	96,000	80,000	-	176,000	-	-	-	-	-	-
	<b>238,900</b>	<b>189,700</b>	<b>-</b>	<b>264,000</b>	<b>164,600</b>	<b>16,013,077</b>	<b>20,001,580</b>	<b>5.54</b>	<b>5.42</b>	
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	17,268	-	-	2,200	15,168	18,757,507	20,322,389	5.63	5.50	0.01
Oil & Gas Development Company Limited (Note 5.3)	281,400	45,000	-	-	326,400	35,907,588	33,870,528	9.39	9.17	0.01
Pakistan Oilfields Limited	45,800	4,000	-	5,800	44,000	15,645,030	17,398,040	4.82	4.71	0.02
Pakistan Petroleum Limited (Note 5.3)	248,840	38,000	-	28,800	258,040	23,009,899	23,308,754	6.46	6.31	0.01
	<b>593,408</b>	<b>87,000</b>	<b>-</b>	<b>36,800</b>	<b>643,608</b>	<b>93,320,024</b>	<b>94,899,711</b>	<b>26.30</b>	<b>25.69</b>	
<b>Engineering</b>										
International Industries Limited	15,880	12,500	-	28,380	-	-	-	-	-	-
Agha Steel Industries Limited	-	137,394	-	67,394	70,000	2,367,756	2,758,700	0.76	0.75	0.01
International Steels Limited	-	43,500	-	43,500	-	-	-	-	-	-
	<b>15,880</b>	<b>193,394</b>	<b>-</b>	<b>139,274</b>	<b>70,000</b>	<b>2,367,756</b>	<b>2,758,700</b>	<b>0.76</b>	<b>0.75</b>	
<b>Automobile Assembler</b>										
Indus Motor Company Limited	-	4,500	-	-	4,500	5,304,342	5,390,820	1.49	1.46	0.01
Millat Tractors Limited	6,200	900	-	1,700	5,400	4,167,720	5,908,086	1.64	1.60	0.01
	<b>6,200</b>	<b>5,400</b>	<b>-</b>	<b>1,700</b>	<b>9,900</b>	<b>9,472,062</b>	<b>11,298,906</b>	<b>3.13</b>	<b>3.06</b>	
<b>Automobile Parts &amp; Accessories</b>										
Thal Limited (face value Rs. 5)	-	19,400	-	1,500	17,900	8,081,288	8,460,972	2.34	2.29	0.02
	<b>-</b>	<b>19,400</b>	<b>-</b>	<b>1,500</b>	<b>17,900</b>	<b>8,081,288</b>	<b>8,460,972</b>	<b>2.34</b>	<b>2.29</b>	
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	-	60,000	-	60,000	-	-	-	-	-	-
	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Technology &amp; Communications</b>										
Pakistan Telecommunication Communication Limited	-	360,000	-	20,000	340,000	3,358,826	3,094,000	0.86	0.84	0.01
Systems Limited	60,000	-	-	25,000	35,000	6,428,800	14,673,050	4.07	3.97	0.03
Avanceon Limited	-	65,500	-	65,500	-	-	-	-	-	-
	<b>60,000</b>	<b>425,500</b>	<b>-</b>	<b>110,500</b>	<b>375,000</b>	<b>9,787,626</b>	<b>17,767,050</b>	<b>4.93</b>	<b>4.81</b>	

# Atlas Islamic Dedicated Stock Fund

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December, 2020	Average cost as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
	Number of shares				Rupees		% age			
Fertilizer										
Engro Corporation Limited (Note 5.3)	86,420	27,500	-	12,420	101,500	29,956,441	31,197,040	8.65	8.45	0.02
Engro Fertilizers Limited	269,500	-	-	212,000	57,500	3,466,100	3,635,725	1.01	0.98	-
	355,920	27,500	-	224,420	159,000	33,422,541	34,832,765	9.66	9.43	
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	8,500	-	-	8,500	-	-	-	-	-	-
AGP Limited	42,000	-	-	42,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	20,200	21,000	-	20,200	21,000	3,816,452	4,028,430	1.12	1.09	0.01
Highnoon Laboratories Limited	10,395	2,500	-	-	12,895	6,773,299	7,734,550	2.14	2.10	0.04
The Searle Company Limited	35,400	3,500	-	18,900	20,000	4,090,104	4,984,600	1.38	1.35	0.01
The Searle Company Limited - LoR	-	-	3,413	3,413	-	-	-	-	-	-
	116,495	27,000	3,413	93,013	53,895	14,679,855	16,747,580	4.64	4.54	
Chemicals										
Dynex Pakistan Limited	-	10,500	-	10,500	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	325,000	-	-	245,000	80,000	1,998,400	3,800,800	1.05	1.03	0.01
ICI Pakistan Limited	4,650	2,500	-	7,150	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	6,000	-	-	6,000	1,934,472	1,860,000	0.52	0.50	0.03
Lotte Chemical Pakistan Limited	-	180,000	-	180,000	-	-	-	-	-	-
Berger Paints Pakistan Limited	-	22,500	-	22,500	-	-	-	-	-	-
	329,650	221,500	-	465,150	86,000	3,932,872	5,660,800	1.57	1.53	
Paper & Board										
Packages Limited	6,000	5,500	-	1,500	10,000	4,041,938	5,969,200	1.65	1.62	0.01
Security Papers Limited	-	5,000	-	5,000	-	-	-	-	-	-
	6,000	10,500	-	6,500	10,000	4,041,938	5,969,200	1.65	1.62	
Vanaspati & Allied Industries										
Unity Food Limited	-	198,500	-	198,500	-	-	-	-	-	-
	-	198,500	-	198,500	-	-	-	-	-	-
Leather & Tanneries										
Bata Pakistan Limited	4,420	-	-	1,200	3,220	4,324,782	4,932,596	1.37	1.34	0.04
	4,420	-	-	1,200	3,220	4,324,782	4,932,596	1.37	1.34	
Foods & Personal Care Products										
At-Tahur Limited	228,500	-	20,850	40,000	209,350	3,279,183	4,220,496	1.17	1.14	0.13
	228,500	-	20,850	40,000	209,350	3,279,183	4,220,496	1.17	1.14	
Glass & Ceramics										
Tariq Glass Industries Limited	37,000	-	-	37,000	-	-	-	-	-	-
Shabbir Tiles & Ceramics Limited	-	110,000	-	110,000	-	-	-	-	-	-
	37,000	110,000	-	147,000	-	-	-	-	-	-
Miscellaneous										
Synthetic Products Enterprises Limited	25,500	-	-	25,500	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	-	100,000	-	100,000	-	-	-	-	-	-
	25,500	100,000	-	125,500	-	-	-	-	-	-
Total as at 31 December 2020						300,588,551	360,855,795	100.00	97.73	
Total as at 30 June 2020						365,140,564	357,745,101	100.00	98.69	

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5.2 The cost of listed equity securities as at 31 December 2020 is Rs. 322,467,879 (30 June 2020: 387,335,932).

	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Engro Corporation Limited	4,500	4,500	1,383,120	1,318,140
Meezan Bank Limited	1,000	1,000	104,440	68,850
Oil & Gas Development Company Limited	50,000	50,000	5,188,500	5,450,000
Pakistan Petroleum Limited	30,000	30,000	2,709,900	2,603,400
	<b>85,500</b>	<b>85,500</b>	<b>9,385,960</b>	<b>9,440,390</b>

		31 December 2020	30 June 2020
	Note	Un-audited	Audited
		Rupees	
<b>6 DEFERRED FORMATION COST</b>			
Opening balance	6.1	666,645	888,860
Less: Amortisation for the period		(112,021)	(222,215)
		<b>554,624</b>	<b>666,645</b>

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

		31 December 2020	30 June 2020
	Note	Un-audited	Audited
		Rupees	
<b>7 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES</b>			
<b>Security deposits held with:</b>			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
Withholding tax deducted	7.1	812,741	812,741
		<b>3,412,741</b>	<b>3,412,741</b>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan



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by the funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted from profit on bank deposits by the Funds has been shown as other receivable as at 30 June 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)	Note	31 December 2020 Un-audited	30 June 2020 Audited
		----- Rupees -----	
Remuneration of the Management Company	8.1	775,616	723,020
Sindh Sales Tax payable on remuneration of the Management Company	8.2	100,830	93,992
Accounting and operational charges payable	13	94,218	51,214
		<b>970,664</b>	<b>868,226</b>

8.1 During the half year ended 31 December 2020, the Management Company has charged its remuneration at the rate of 2.40% (30 June 2020: 2.40%) 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.

8.2 During the period, an amount of Rs. 613,384 (2019: 395,669) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 606,546 (2019: 360,283) has been paid to the Management Company which acts as the collecting agent.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN- TRUSTEE- RELATED PARTY	Note	31 December 2020 Un-audited	30 June 2020 Audited
		----- Rupees -----	
Trustee Fee	9.1	64,635	60,251
Sindh Sales tax payable on trustee fee	9.2	8,403	7,834
Settlement Charges		5,000	3,000
Sindh sales tax payable on settlement charges		650	390
		<b>78,688</b>	<b>71,475</b>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.2% p.a. of Net Assets.

9.2 During the period, an amount of Rs. 51,115 (2019: 39,567) was charged on account of sales tax on remuneration of the Trustee levied 'through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 50,546 (2019: 36,031) was paid to the Trustee which acts as a collecting agent

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	31 December 2020 Un-audited	30 June 2020 Audited
		----- Rupees -----	
Annual fees payable	10.1	<b>39,320</b>	<b>104,474</b>

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

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		31 December 2020 Un-audited	30 June 2020 Audited
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- Rupees -----	-----
Auditors' remuneration payable		153,531	276,589
Charity payable	11.1	323,169	53,764
Transaction charges payable		215,308	394,618
Annual listing fee payable		13,869	-
Withholding tax and capital gain payable		59,798	104,745
Payable to Shariah Advisor		20,000	15,000
Provision for Sindh Workers' Welfare Fund		2,525,250	549,620
		<b>3,310,925</b>	<b>1,394,336</b>

**11.1** The Shariah Advisor of the Fund, has certified an amount of Rs. 367,675 (30 June 2019: Rs. 329,525) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

## 12 CONTINGENCIES AND COMMITMENTS

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

## 13 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund upto 2 December 2020 and charged expenses at the rate of 0.30% of the average annual net assets afterwards.

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 4.58% (30 June 2020: 3.62%) which includes 1.40% (30 June 2020: 0.53%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 15 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. Based on the above, no provision in respect of taxation have been made in these condensed interim financial statements.

## 16 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.

# Atlas Islamic Dedicated Stock Fund

## 17 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

	For the Half Year ended	
	31 December	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
<b>17.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	4,718,340	3,043,605
Sindh Sales Tax on remuneration of the Management Company	613,384	395,669
Remuneration paid	4,665,744	2,789,406
Formation cost	112,021	111,715
Accounting and operational charges	373,494	197,507
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	393,196	304,359
Sindh Sales Tax on remuneration of the Trustee	51,115	39,567
Remuneration paid	388,812	277,140
Settlement charges	20,472	8,490
Sindh sales tax on settlement charges	2,661	1,104
<b>Atlas Group of Companies Management Staff Gratuity Fund</b>		
Issue of 2,426 (2019: 131,130) units	1,250,000	60,000,000
Redemption of 5,817 (2019: Nil) units	3,000,000	-
<b>Shirazi Investments (Private) Limited Employees Provident Fund</b>		
Issue of 19,548 (2019: Nil) units	9,813,177	-
Redemption of 11,894 (2019: Nil) units	6,380,733	-
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Issue of Nil (2019: 18,147) units	-	6,800,000
Redemption of 14,526 (2019: 10,069) units	7,460,000	4,780,000
<b>Atlas Moderate Allocation Islamic Plan</b>		
Issue of Nil (2019: 21,805) units	-	8,150,000
Redemption of 20,184 (2019: 11,896) units	10,340,000	5,620,000
<b>Atlas Conservative Allocation Islamic Plan</b>		
Issue of Nil (2019: 23,100) units	-	8,700,000
Redemption of 18,407 (2019: 13,340) units	9,420,000	6,340,000
<b>Atlas Islamic Capital Preservation Plan</b>		
Issue of Nil (2019: 45,847) units	-	17,700,000
Redemption of 120,549 (2019: Nil) units	64,000,000	-

# Half Yearly Report 2020-21

17.2 Balances as at period / year end	For the Half Year ended 31 December	
	2020	2019
	Un-audited	Un-audited
	Rupees	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	775,616	723,020
Sindh Sales Tax payable on remuneration of the management company	100,830	93,992
Accounting and operational charges payable	94,218	51,214
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration payable to the Trustee	64,635	60,251
Sindh sales tax payable on remuneration of the Trustee	8,403	7,834
Settlement charges payable	5,000	3,000
Sindh sales tax payable on settlement charges	650	390
<b>Atlas Group of Companies Management Staff Gratuity Fund</b>		
Outstanding 146,156 (30 June 2020: 149,547) units at net asset value	82,848,698	66,053,424
<b>Shirazi Investments (Private) Limited Employees Provident Fund</b>		
Outstanding 18,150 (30 June 2020: 10,497) units at net asset value	10,288,606	4,636,206
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Outstanding 156,212 (30 June 2020: 170,738) units at net asset value	88,548,820	75,413,050
<b>Atlas Moderate Allocation Islamic Plan</b>		
Outstanding 120,710 (30 June 2019: 140,894) units at net asset value	68,424,552	62,231,583
<b>Atlas Conservative Allocation Islamic Plan</b>		
Outstanding 68,480 (30 June 2020: 86,888) units at net asset value	38,818,168	38,377,373
<b>Atlas Islamic Capital Preservation Plan</b>		
Outstanding 141,571 (30 June 2020: 262,120) units at net asset value	80,249,480	115,775,867

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

## 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

### 18.1 Fair value hierarchy

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

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

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

# Atlas Islamic Dedicated Stock Fund

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

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

## 19 GENERAL

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

### 19.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

**19.3** Units have been rounded off to the nearest decimal place

## 20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 February 2021.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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