



**Atlas Money Market Fund**

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**Atlas Liquid 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 2021**

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**(UN-AUDITED)**

**Atlas  
funds**  
*Nurturing your investments*



**Managed By**

**Atlas Asset Management**

**Rated AM2+ by PACRA  
(as of December 24, 2021)**



#### **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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**CONTENTS**

ORGANISATION	2
CHAIRMAN'S REVIEW	3
<hr/>	
<b>ATLAS MONEY MARKET FUND</b>	
CORPORATE INFORMATION	7
TRUSTEE REPORT TO THE UNIT HOLDERS	8
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	9
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	10
CONDENSED INTERIM INCOME STATEMENT	11
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	12
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	13
CONDENSED INTERIM CASH FLOW STATEMENT	14
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	15
<hr/>	
<b>ATLAS LIQUID FUND</b>	
CORPORATE INFORMATION	27
TRUSTEE REPORT TO THE UNIT HOLDERS	28
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	29
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	30
CONDENSED INTERIM INCOME STATEMENT	31
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	32
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	33
CONDENSED INTERIM CASH FLOW STATEMENT	34
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	35
<hr/>	
<b>ATLAS SOVEREIGN FUND</b>	
CORPORATE INFORMATION	46
TRUSTEE REPORT TO THE UNIT HOLDERS	47
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	48
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	49
CONDENSED INTERIM INCOME STATEMENT	50
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	51
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	52
CONDENSED INTERIM CASH FLOW STATEMENT	53
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	54
<hr/>	
<b>ATLAS INCOME FUND</b>	
CORPORATE INFORMATION	65
TRUSTEE REPORT TO THE UNIT HOLDERS	66
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	67
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	68
CONDENSED INTERIM INCOME STATEMENT	69
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	70
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	71
CONDENSED INTERIM CASH FLOW STATEMENT	72
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	73
<hr/>	
<b>ATLAS STOCK MARKET FUND</b>	
CORPORATE INFORMATION	93
TRUSTEE REPORT TO THE UNIT HOLDERS	94
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	95
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	96
CONDENSED INTERIM INCOME STATEMENT	97
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	98
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	99
CONDENSED INTERIM CASH FLOW STATEMENT	100
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	101

# 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  
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(92-21) 35379501-04  
Fax: (92-21) 35379280  
Email: info@atlasfunds.com.pk  
Website: www.atlasfunds.com.pk

# Half Yearly Report 2021-22

## CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited Financial Statements of Atlas Money Market Fund (AMF), Atlas Liquid Fund (ALF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the half year period ended December 31, 2021 of FY22.

## THE ECONOMY

Recovery in domestic demand stemming from expansionary monetary and fiscal policy, coupled with high international commodity prices due to revival of economic activities around the world amid supply constraints, has led to sharp increase in inflation and trade deficit. The Jul-Dec current account balance stood at US \$9.01 billion deficit compared to US \$1.25 billion surplus in same period last year largely on back of 66.23% YoY increase in Jul-Dec FY22 imports of US \$40.65 billion compared to US \$24.45 billion in same period last year. The Jul-Dec FY22 exports increased by 24.91% YoY to stand at US \$15.13 billion while Jul-Dec FY22 worker's remittances increased by 11.30% YoY to stand at US \$15.81 billion. Total liquid foreign exchange reserves increased by 18.33% YoY to US \$24.27 billion as of Dec 24, 2021 (SBP's share stood at US \$17.86 billion) primarily due to IMF's new SDR allocation of US \$2.80 billion, growth in worker's remittances, inflows from multilateral and bilateral lenders and extension of debt suspension as part of G20 debt relief deal. Average CPI inflation for first half FY22 remained at 9.81%. The State Bank's Monetary Policy Committee increased policy rate by 275bps to 9.75% during Jul-Dec FY22 in order to counter inflationary pressure and ensure economic growth remains sustainable.

## FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 4.52% to Rs. 507.48 as on December 31, 2021, providing an annualized total return of 8.97%. The AMF total exposure in Bank Balances and Others stood at 99.78% and 0.22%, 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. 23.25 billion, with 45.82 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AMF amounting to Rs. 95.99 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AMF by 0.81%. This is one-off event and is not likely to be repeated in the future.

## FUND OPERATIONS - ALF

The Atlas Liquid Fund was launched on November 23, 2021 via initial offer at Rs. 500 per unit. The ALF provided 1.02% return on absolute basis (9.83% annualized) as on December 31, 2021. The ALF total exposure in Bank Balances and Others stood at 99.88% and 0.12%, respectively. ALF presents a good investment opportunity for investors to earn competitive returns (with a periodic payout) while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 2.02 billion, with 4.05 million units outstanding as of December 31, 2021.

## FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 2.78% to Rs. 103.93 as on December 31, 2021, providing an annualized total return of 5.51%. The ASF total exposure in Pakistan Investment Bonds, Bank Balances, Commercial Paper, TFC/Sukuk and Other/Receivables stood at 57.96%, 35.81%, 2.93%, 1.98% and 1.32%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 2.01 billion, with 19.36 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASF amounting to Rs. 13.07 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASF by 1.04%. This is one-off event and is not likely to be repeated in the future.

## FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 3.83% to Rs. 542.56 as on December 31, 2021, providing

# Atlas Funds

an annualized total return of 7.59%. AIF total exposure in Pakistan Investment Bonds, Bank Balances, Term Finance Certificates/Sukuk, Commercial Paper and Others stood at 44.01%, 32.16%, 11.39%, 10.10% and 2.34%, respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 3.93 billion with 7.23 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AIF amounting to Rs. 45.73 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AIF by 1.65%. This is one-off event and is not likely to be repeated in the future.

## FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund decreased by 3.13% to Rs. 666.54 as on December 31, 2021. The benchmark KSE-100 index decreased by 5.83% during the same period. The KSE-100 index decreased from 47,356.02 points as on June 30, 2021 to 44,596.07 points as on December 31, 2021. The ASMF equity portfolio exposure stood at 98.43% that mainly comprised of Commercial Banks, Cement, Oil & Gas Exploration and Fertilizer sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects of earnings growth. The Net Assets of your Fund stood at Rs. 10.00 billion, with 15.00 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASMF amounting to Rs. 107.31 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASMF by 1.05%. This is one-off event and is not likely to be repeated in the future.

## MUTUAL FUND TAXATION

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

Levy of WWF has become provincial subject and as Sindh Government has imposed SWWF on industrial, service sectors and financial institutions. Sindh Revenue Board (SRB) has demanded SWWF from mutual funds claiming that these are "financial institutions". According to legal and tax advisors' interpretations, obtained by MUFAP, mutual funds do not fall under the definition of "financial institutions". The Companies Act 2017 has also excluded mutual funds from the definition of financial institutions. However, asset management companies are included in the definition of financial institutions. Nevertheless, as abundant precaution mutual funds made provision in respect of SWWF as recommended by MUFAP from the date of enactment (May 21, 2015) of Sindh Workers Welfare Fund Act, 2014.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds and pension funds do not qualify as Financial Institutions/ Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognized in the financial statements of the Funds.

## 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

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

# Half Yearly Report 2021-22

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 AMC's 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 (SCP) on January 28, 2016 by the Company along with other AMC's. 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. Thereafter, subject matter was taken to Tribunal, which in its judgment decided the case in favor of Fund and vacated the previous orders issued by FBR & Appeal office. Later, FBR issued assessment order of AIF for TY: 2015 and the said exemption was denied again citing the charge that the distribution fell short of 90%. The issue was taken to Commissioner Appeals Office, which decided the case in favor of Fund and annulled the previous order issued by FBR. Recently, FBR issued assessment orders for TY: 2016 & 2017 in AIF, on the same issue of distribution of income while withdrawing exemption. Appeal has been filed in Commissioner Appeals office which is pending adjudication, meanwhile stay order has also been obtained from Commissioner Appeals. 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.

## 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 - ALF**

PACRA has assigned a stability rating of "AA (f)" (Double A 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.

# Atlas Funds

## FUTURE OUTLOOK

The leading indicators of domestic demand suggest strong economic growth in FY22 wherein State Bank of Pakistan expects economic growth to remain in 4% to 5% range. The increase in import figures, stemming primarily from upsurge in global commodity prices, is likely to moderate going forward on back of expected normalization in global commodity prices due to easing supply disruptions and monetary tightening by major central banks around the world. In contrast to sharp rise in imports, the recent policy rate hikes, proposed fiscal measures in finance supplementary bill and market-based flexible exchange rate system will help curb imports, while growth in worker's remittances and encouraging pickup in exports will likely help contain CAD under 4% of GDP. Inflation is expected to remain in 9% to 11% range in FY22, which is higher than previous estimates due to PKR devaluation, high commodity prices and demand side pressures, whereas recent monetary tightening will help curtail inflation outlook. Going forward, government's focus towards widening tax base to ease fiscal pressure, and measures to increase exports as well as encourage import substitution to ease external pressure will be instrumental in sustaining economic activity, financial stability, safeguarding jobs and addressing social needs.

دے ولولہ شوق جسے لذت پرواز  
کر سکتا ہے وہ ذرہ مہر کو تاراج

A mote endowed with strong desire for flight  
Can reach the Sun and Moon with effort slight.

## ACKNOWLEDGEMENT

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

Iftikhar H. Shirazi  
Chairman

Karachi: 21 February 2022



## Corporate Information

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### **Trustee**

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

### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

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Bawaney & Partners

### **Bankers**

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

# Atlas Money Market 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 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, 2021 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: 28 February 2022

# Half Yearly Report 2021-22

## **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 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (herein-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 2021 and 31 December 2020 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 2021.

#### **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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Atlas Money Market Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	-----Rupees-----	
<b>Assets</b>			
Cash and bank balances	4	23,261,559,620	24,359,094,276
Investments	5	-	-
Profit receivable on bank balances		33,687,010	54,608,057
Prepayment and other receivables	6	18,625,672	3,685,722
<b>Total assets</b>		<b>23,313,872,302</b>	<b>24,417,388,055</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	26,345,123	30,378,679
Payable to Central Depository Company of Pakistan Limited - Trustee	8	961,378	1,443,603
Payable to the Securities and Exchange Commission of Pakistan	9	2,248,223	3,602,024
Payable against redemption of units	14	3,094,745	31,822,945
Accrued expenses and other liabilities	10	26,782,451	121,315,452
<b>Total liabilities</b>		<b>59,431,920</b>	<b>188,562,703</b>
<b>NET ASSETS</b>		<b>23,254,440,382</b>	<b>24,228,825,352</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>23,254,440,382</b>	<b>24,228,825,352</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>45,823,766</b>	<b>47,894,700</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>507.4755</b>	<b>505.8769</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

# Half Yearly Report 2021-22

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended		For the Quarter Ended	
		31 December		31 December	
		2021	2020	2021	2020
Note		-----Rupees-----			
<b>Income</b>					
	Profit on savings account and term deposits	576,206,795	174,787,861	327,380,531	108,652,171
	Income from government securities	342,438,018	409,953,595	129,033,562	199,337,545
	Capital (loss) / gain on sale of investments - net	(1,964,172)	950,065	(3,109,836)	4,850,250
	Net unrealised appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss'	-	-	674,725	2,070,187
		(1,964,172)	950,065	(2,435,111)	6,920,437
<b>Total Income</b>		<b>916,680,641</b>	<b>585,691,521</b>	<b>453,978,982</b>	<b>314,910,153</b>
<b>Expenses</b>					
	Remuneration of Atlas Asset Management Limited - the Management Company	12,169,540	27,615,880	6,128,457	13,708,773
	Sindh Sales Tax on remuneration of the Management Company	1,582,040	3,590,064	796,699	1,782,140
	Remuneration of the Central Depository Company of Pakistan Limited - Trustee	6,786,791	5,381,889	2,860,087	2,799,140
	Sindh Sales Tax on remuneration of the Trustee	882,283	699,646	371,811	363,889
	Annual fees to the Securities and Exchange Commission of Pakistan	2,248,248	1,655,966	1,040,031	861,274
	Accounting and operational charges	-	9,135,100	-	4,366,949
	Annual rating fee	262,717	238,937	131,359	119,468
	Annual listing fee	13,863	13,863	6,931	7,007
	Securities transaction cost	180,332	77,350	131,845	42,445
	Auditors' remuneration	367,768	258,148	183,884	74,264
	Printing charges	43,930	46,777	43,930	46,777
	Legal and professional charges	42,900	65,780	10,500	35,000
	Bank charges	54,974	73,257	20,700	53,739
	(Reversal) / Provision for Sindh Workers' Welfare Fund	(91,874,642)	10,736,777	11,405	5,812,985
		(67,239,256)	59,589,434	11,737,639	30,073,850
<b>Net income for the period before taxation</b>		<b>983,919,897</b>	<b>526,102,087</b>	<b>442,241,343</b>	<b>284,836,303</b>
	<b>Taxation</b>	-	-	-	-
<b>Net income for the period after taxation</b>		<b>983,919,897</b>	<b>526,102,087</b>	<b>442,241,343</b>	<b>284,836,303</b>
<b>Allocation of net income for the period:</b>					
	Net income for the period	983,919,897	526,102,087	442,241,343	284,836,303
	Income already paid on units redeemed	(67,411,661)	(30,686,026)	(41,799,318)	(18,163,242)
		<b>916,508,236</b>	<b>495,416,061</b>	<b>400,442,025</b>	<b>266,673,061</b>
<b>Accounting income available for distribution:</b>					
	- Relating to capital gains	-	950,065	-	6,920,437
	- Excluding capital gains	916,508,236	494,465,996	400,442,025	259,752,624
		<b>916,508,236</b>	<b>495,416,061</b>	<b>400,442,025</b>	<b>266,673,061</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

# Atlas Money Market Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2021	2020	2021	2020
	----- Rupees -----			
Net income for the period after taxation	983,919,897	526,102,087	442,241,343	284,836,303
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	983,919,897	526,102,087	442,241,343	284,836,303

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 2021-22

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

31 December 2021			
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	24,121,020,637	-	24,121,020,637
Undistributed income brought forward			
- Realised income	-	107,804,715	107,804,715
- Unrealised income	-	-	-
Net assets at the beginning of the period (Units outstanding: 47,894,699) (Rs. 505.8769 per unit)	24,121,020,637	107,804,715	24,228,825,352
Issue of 32,900,009 units	16,735,015,581	-	16,735,015,581
Redemption of 34,970,943 units	(17,712,938,032)	(67,411,661)	(17,780,349,693)
Total comprehensive income for the period	-	983,919,897	983,919,897
Refund of capital	(83,149,481)	-	(83,149,481)
First interim distribution of Rs. 2.85 per unit declared on 30 July 2021	-	(117,249,323)	(117,249,323)
Second interim distribution of Rs. 4.85 per unit declared on 27 August 2021	-	(218,841,446)	(218,841,446)
Third interim distribution of Rs. 2.75 per unit declared on 24 September 2021	-	(127,890,777)	(127,890,777)
Fourth interim distribution of Rs. 2.95 per unit declared on 22 October 2021	-	(128,784,806)	(128,784,806)
Fifth interim distribution of Rs. 2.95 per unit declared on 19 November 2021	-	(98,110,627)	(98,110,627)
Sixth interim distribution of Rs. 4.50 per unit declared on 24 December 2021	-	(138,944,295)	(138,944,295)
	-	(829,821,274)	(829,821,274)
Net assets at end of the period (Units outstanding: 23,254,440,382) (Rs. 507.4755 per unit)	23,059,948,705	194,491,677	23,254,440,382
Undistributed income carried forward			
- Realised income	-	194,491,677	-
- Unrealised gain	-	-	-
	-	194,491,677	-

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. 505.26 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	-
- Unrealised income	-	-	-
	-	106,328,483	-

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

# Atlas Money Market Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		For the Half Year Ended 31 December	
		2021	2020
Note ----- Rupees -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		983,919,897	526,102,087
<b>Adjustments for:</b>			
Profit on savings account and term deposits		(576,206,795)	(174,787,861)
Income from government securities		(342,438,018)	(409,953,595)
Capital loss / (gain) on sale of investments - net		1,964,172	(950,065)
(Reversal) / provision for Sindh Workers' Welfare Fund		(91,874,642)	10,736,777
		<b>(1,008,555,283)</b>	<b>(574,954,744)</b>
<b>Increase in assets</b>			
Prepayment and other receivables		(14,939,950)	-
<b>Decrease in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		(4,033,556)	266,904
Payable to Central Depository Company of Pakistan Limited - Trustee		(482,225)	433,333
Payable to the Securities and Exchange Commission of Pakistan		(1,353,801)	(639,711)
Accrued expenses and other liabilities		(3,628,758)	(622,095)
		<b>(9,498,340)</b>	<b>(561,569)</b>
		<b>(49,073,676)</b>	<b>(49,414,226)</b>
Interest received		939,565,860	159,719,888
Investments made during the period		(79,132,802,290)	(49,154,283,618)
Investments sold / matured during the period		79,130,838,118	52,182,754,686
<b>Net cash generated from operating activities</b>		<b>888,528,012</b>	<b>3,138,776,730</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		16,735,015,581	16,374,982,000
Net payments against redemption of units	14	(17,809,077,893)	(9,815,877,503)
Refund of capital		(83,149,481)	(42,192,301)
Cash distribution made during the period	14	(828,850,875)	(468,715,984)
<b>Net cash (used in) / generated from financing activities</b>		<b>(1,986,062,668)</b>	<b>6,048,196,212</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,097,534,656)</b>	<b>9,186,972,942</b>
Cash and cash equivalents at the beginning of the period		24,359,094,276	7,522,447,993
<b>Cash and cash equivalents at the end of the period</b>	4	<b>23,261,559,620</b>	<b>16,709,420,935</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 2021-22

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 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 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6 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 2021 and maintained the Fund rating to AA(f) on 15 October 2021.

### 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

# Atlas Money Market Fund

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 2021.
- 2.1.3** The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.
- 2.1.4** 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 2021.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

## **2.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>2.3 Standards, interpretations and amendments</b>	<b>Effective date</b>
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

# Half Yearly Report 2021-22

"The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements."

"Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan."

## Standards

## IASB Effective date (annual periods beginning on or after)

IFRS 1 - First-time Adoption of International Financial Reporting Standards

01 July 2009

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 10.1 and 6.1 respectively.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## 2.6 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, 2021.

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 2021.

		31 December 2021 Un-audited	30 June 2021 Audited
4 CASH AND BANK BALANCES	Note	----- Rupees -----	
Balances with banks in savings accounts	4.1	23,261,369,620	24,356,653,257
Cheques in hand	4.2	190,000	2,441,019
		<u>23,261,559,620</u>	<u>24,359,094,276</u>

4.1 The rate of return on these accounts ranges between 5.00% and 12.45% (30 June 2021: 5.50% and 7.95%).

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 05 January 2022 (3 January 2022: 10 July 2021).

# Atlas Money Market Fund

		31 December 2021	30 June 2021
		Un-audited	Audited
5 INVESTMENTS	Note	----- Rupees -----	-----
At fair value through profit or loss			
Investment in government securities			
- Market Treasury Bills	5.1	-	-

## 5.1 Market Treasury Bills

Particulars	As at 01 July 2021	Purchased during the year	Sold / matured during the year	As at 31 December 2021	Carrying Cost as at December 31, 2021	Market value as at December 31, 2021
----- Face value -----				----- (Rupees) -----		
3 Months	-	39,268,000,000	39,268,000,000	-	-	-
6 Months	-	38,868,810,000	38,868,810,000	-	-	-
12 Months	-	2,000,000,000	2,000,000,000	-	-	-
31 December 2021	-	80,136,810,000	80,136,810,000	-	-	-
30 June 2021					-	-

		31 December 2021	30 June 2021
		Un-audited	Audited
6 PREPAYMENT AND OTHER RECEIVABLES	Note	Rupees	
Prepaid legal and professional charges		263,199	-
Other receivables	6.1	18,362,473	3,685,722
		<b>18,625,672</b>	<b>3,685,722</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 tax recoverable as at 31 December 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

# Half Yearly Report 2021-22

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2021 Un-audited	30 June 2021 Audited
		Rupees	Rupees
Remuneration of the Management Company	7.1	2,474,742	4,913,531
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,441,879	3,758,922
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable		-	1,277,724
		<b>26,345,123</b>	<b>30,378,679</b>

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 0.10% from 01 July 2021 to 30 November 2021 and 0.16% from 01 December 2021 to 31 December 2021 (30 June 2021: 0.35% from 01 July 2020 to 02 December 2020 and 0.25% from 03 December 2021 to 30 June 2021) 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. 1,582,040 (2020: Rs. 3,590,064) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1,899,083 (2020: Rs. 3,498,885) 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 2021 would have been higher by Re. 0.45 (30 June 2021: Re. 0.43) per unit.

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	31 December 2021 Un-audited	30 June 2021 Audited
		Rupees	Rupees
Remuneration Payable to Trustee	8.1	850,778	1,277,526
Sindh Sales Tax Payable on Trustee Fee	8.2	110,600	166,077
		<b>961,378</b>	<b>1,443,603</b>

8.1 The trustee is entitled to monthly remuneration for services rendered to the fund. The trustee charged 0.065%

# Atlas Money Market Fund

p.a of Net assets from 01 July 2021 to 30 September 2021 and 0.055% p.a of net assets from 01 October 2021 to 31 December 2021 based on the letter no. CDC/CEO/L-259/01/2021 dated October 11, 2021.

- 8.2 During the period ended, an amount of Rs. 882,283 (2020: Rs 699,646) 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. 937,760 (2020: Rs 619,793) was paid to the Trustee which acts as a collecting agent.

		31 December 2021	30 June 2021
		Un-audited	Audited
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees -----	----- Rupees -----

Annual fees payable	9.1	2,248,223	3,602,024
---------------------	-----	-----------	-----------

- 9.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1 )2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs.

		31 December 2021	30 June 2021
		Un-audited	Audited
10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- Rupees -----	----- Rupees -----

Auditors' remuneration payable		383,158	491,697
Printing charges payable		59,929	59,929
Annual rating fee payable		262,716	-
Withholding tax payable		20,346,951	23,790,606
Annual listing fee payable		13,863	-
Capital gain tax withheld		2,073,027	2,610,406
Provision for Sindh Workers' Welfare Fund	10.1	-	91,874,642
Zakat payable		21,361	12,533
Transaction charges payable		175,408	-
Dividend payable		3,446,038	2,475,639
		<b>26,782,451</b>	<b>121,315,452</b>

- 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 Mutual Fund Association of Pakistan (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 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, 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 91.89 million for



# Half Yearly Report 2021-22

the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2021 and 30 June 2021.

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 0.22% (30 June 2021: 0.65%) which includes 0.04% (30 June 2021: 0.20%) 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 2% 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 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. The Fund has not recorded tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised).

## 14 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audit 30-Jun-21	Cashflows Outflows	Non-Cash Changes		Un-audited 31-Dec-21
			Redemption of Unit	Dividend Distribution	
	----- Rupees -----				
Dividend payable	2,475,639	(828,850,875)	-	829,821,274	3,446,038
Payable against redemption of units	31,822,945	(17,809,077,893)	17,780,349,693	-	3,094,745
Total	<b>34,298,584</b>	<b>(18,637,928,768)</b>	<b>17,780,349,693</b>	<b>829,821,274</b>	<b>6,540,783</b>

## 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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.

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:

# Atlas Money Market Fund

		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	
16.1	Transactions for the period (Cont....)		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration of the Management Company	12,169,540	27,615,880
	Remuneration paid	14,608,329	26,914,504
	Sindh Sales Tax on Remuneration of the Management Company	1,582,040	3,590,064
	Issue of 50,059 (2020: 280,833) units	25,500,671	142,207,547
	Redemption of 298,251 (2020: 122,450) units	151,446,302	62,000,000
	Dividend declared	220,814	3,456,073
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration of the Trustee	6,786,791	5,381,889
	Sindh Sales Tax on remuneration of the Trustee	882,283	699,646
	Remuneration paid	7,213,539	4,998,409
	<b>Atlas Battery Limited (Group Company)</b>		
	Issue of 853 (2020: 1,009,197) units	431,742	510,688,710
	Redemption of 853 (2020: 1,009,197) units	433,990	511,616,721
	Dividend declared	4,105	11,648,152
	<b>Batool Benefit Trust</b>		
	Issue of 3,619 (2020: 81,716) units	1,831,448	41,432,300
	Redemption of 30,926 (2020: 8,064) units	15,700,000	4,091,961
	Dividend declared	2,136,431	1,515,089
	<b>Atlas Fund of Funds (Fund under common management)</b>		
	Issue of 276,939 (2020: 303,156) units	140,300,000	153,405,000
	Redemption of 274,966 (2020: 259,175) units	140,084,422	131,631,005
	<b>Atlas Foundation (Group Company)</b>		
	Issue of 5,101 (2020: 49,027) units	2,581,608	24,807,866
	Redemption of 70,785 (2020: 9,847) units	36,000,000	5,000,000
	Dividend declared	3,037,099	4,437,198
	<b>Atlas Honda Limited (Group Company)</b> <b>(Unit Holder with more than 10% holding)</b>		
	Issue of 408,296 (2020: 2,714,884) units	206,634,127	1,376,205,466
	Dividend declared	243,091,664	84,374,632
	<b>Atlas Engineering Limited - Employees Provident Fund</b> <b>(Retirement benefit plan of a Group Company)</b>		
	Issue of Nil (2020: 113) units	-	56,968
	Redemption of Nil (2020: 5,876) units	-	2,982,267
	Dividend declared	-	56,894
	<b>Atlas Insurance Limited (Group Company)</b>		
	Issue of nil (2020: 261,289) units	-	132,371,693
	Redemption of nil (2020: 479,618) units	-	242,710,940
	Dividend declared	-	2,374,310



# Half Yearly Report 2021-22

		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	
16.1	Transactions for the period (Cont....)		
	<b>Atlas Metals (Private) Limited</b>		
	Issue of 41,266 (2020: 90,019) units	20,959,120	45,607,169
	Redemption of 82,779 (2020: nil) units	42,100,000	-
	Dividend declared	2,302,692	568,542
	<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund</b>		
	Issue of 4,890 (2020: 148,689) units	2,474,460	75,369,891
	Redemption of 154,318 (2020: Nil) units	78,621,649	-
	Dividend declared	2,474,460	-
	<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund</b>		
	Issue of 4,300 (2020: 99,126) units	2,176,365	50,246,594
	Dividend declared	2,176,365	-
	<b>Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
	Issue of 675 (2020: 466) units	341,441	235,502
	Dividend declared	341,441	235,283
	<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
	Issue of 445,998 (2020: 90,385) units	226,559,886	45,761,490
	Redemption of 666,710 (2020: 14,841) units	338,114,236	7,500,000
	Dividend declared	1,559,886	2,613,733
	<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
	Issue of 2 (2020: 1) units	828	703
	Dividend declared	1,183	827
	<b>Shirazi Investments (Private) Limited (Group Company)</b>		
	Issue of 17,153 (2020: nil) units	8,678,342	-
	Redemption of 1,066,275 (2020: nil) units	541,183,647	-
	Dividend declared	8,161,418	22,237,341
	<b>Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)</b>		
	Issue of 15,073,813 (2020: 10,704,277) units	7,670,944,903	5,422,128,652
	Redemption of 16,144,974 (2020: 1,027,031) units	8,215,632,103	520,000,000
	Dividend declared	171,574,792	112,392,092
	<b>Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
	Issue of nil (2020: 9,935) units	-	5,021,222
	<b>Shirazi Investment (Private) Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
	Issue of nil (2020: 2,745) units	-	1,391,889
	Redemption of nil (2020: 30,610) units	-	15,491,157
	Dividend declared	-	386,783

# Atlas Money Market Fund

		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
16.1	Transactions for the period (Cont....)	Note -----	Rupees -----
	<b>Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)</b>		
	Issue of 4,259 (2020: 4,853 ) units	2,155,390	2,452,376
	Redemption of 9,868 (2020: Nil) units	5,000,000	-
	Dividend declared	2,155,390	2,452,376
	<b>Directors and their close family members and key management personnel of the Management Company</b>	16.4	
	Issue of 77,689 (2020: 195,160) units	39,391,468	98,708,948
	Redemption of 337,052 (2020: 257,377 ) units	170,908,770	130,324,719
	Dividend declared	22,232,692	10,917,228
		<b>31 December 2021</b>	<b>30 June 2021</b>
		<b>Un-audited</b>	<b>Audited</b>
16.2	Balances outstanding as at period / year end	-----	Rupees -----
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	2,474,742	4,913,531
	Sindh Sales Tax payable on Remuneration of the Management Company	3,441,879	3,758,922
	Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
	Accounting and operational charges payable	-	1,277,724
	Outstanding 29,764 (30 June 2021: 277,956) units - at net asset value	15,104,501	140,611,520
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	850,778	1,277,526
	Sindh Sales Tax payable on Remuneration of the trustee	110,600	166,077
	<b>Atlas Fund of Funds (Fund under common management)</b>		
	Outstanding 1,973 (2021: Nil) units	1,001,249	-
	<b>Atlas Metals (Private) Limited</b>		
	Outstanding 111,436 (2021:152,948) units	56,551,040	77,372,860
	<b>Atlas Foundation (Group Company)</b>		
	Outstanding 122,260 (2021: 187,943 ) units - at net asset value	62,043,955	95,076,605
	<b>Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)</b>		
	Outstanding 11,900,441 (2021: 11,492,146) units - at net asset value	6,039,182,247	5,813,611,193
	<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund</b>		
	Outstanding Nil (2021: 149,428 ) units	-	75,592,173
	<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund</b>		
	Outstanding 106,926 (2021: 102,626) units	54,262,325	51,916,133
	<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
	Outstanding 58 (2021: 56 ) - at net asset value	29,434	28,329

# Half Yearly Report 2021-22

	31 December 2021 Un-audited	30 June 2021 Audited
	----- Rupees -----	
<b>16.2 Balances outstanding as at period / year end (Cont....)</b>		
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 100,900 (2021: 106,509 ) units - at net asset value	51,204,278	53,880,443
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding nil (2021: 1,049,122 ) units - at net asset value	-	530,726,585
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 50,183 (2021: 117,461) units - at net asset value	25,466,643	137,039,523
<b>Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 16,775 (2021: 16,101 ) units - at net asset value	8,512,902	8,145,124
<b>Batool's Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 85,766 (2021: 113,073) units - at net asset value	43,524,164	57,201,019
<b>Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)</b>		
Outstanding 10,075,527 (2021: 11,146,688) units - at net asset value	5,113,083,046	5,638,851,971
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 904,909 (2021: 1,324,489) units - at net asset value	459,219,383	670,028,547
<b>Atlas Autos Limited</b>		
Outstanding nil (2021:818,385) units	-	414,002,196
<b>Atlas Energy Limited</b>		
Outstanding nil (2021: 16,090) units	-	8,139,747
<b>Atlas Engineering Limited</b>		
Outstanding nil (2021:767,785) units	-	388,404,793

**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 investments of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

The Fund did not hold any financial instruments carried at par value as at 31 December 2021. The fair values of all

# Atlas Money Market Fund

other financial assets and liabilities of the Fund, approximate their carrying amounts due to short-term maturities of these instruments.

## 18 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

## 19 GENERAL

**19.1** This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

**19.3** Number of 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 21 February 2022.

**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 Liquid 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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Bank Alfalah Limited

# Atlas Liquid 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 Liquid 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, 2021 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: 28 February 2022

# Half Yearly Report 2021-22

## **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 Liquid Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the 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.

#### **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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Atlas Liquid Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		31 December 2021
	Note	----- Rupees -----
<b>Assets</b>		
Bank balances	4	2,023,851,694
Investments	5	-
Deferred formation cost	6	590,023
Prepaid and other receivables	7	1,797,145
<b>Total assets</b>		<b>2,026,238,862</b>
<b>Liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	8	944,113
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	113,968
Payable to the Securities and Exchange Commission of Pakistan	10	43,584
Payable against redemption of units	15	101,064
Accrued expenses and other liabilities	11	1,371,506
<b>Total liabilities</b>		<b>2,574,235</b>
<b>NET ASSETS</b>		<b>2,023,664,627</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,023,664,627</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	Number of units
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,047,329</b>
		----- Rupees -----
<b>NET ASSET VALUE PER UNIT</b>		<b>500.0000</b>

The annexed notes from 1 to 23 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 2021-22

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

		From 23 November 2021 To 31 December 2021	Note ----- Rupees -----
<b>Income</b>			
Profit on deposits with banks		11,236,159	
Capital gain on sale of investments at fair value through income statement - net		11,245,118	
<b>Total income</b>		<b>22,481,277</b>	
<b>Expenses</b>			
Remuneration of Atlas Asset Management Company - Management Company	8.1	348,673	
Sindh Sales Tax on remuneration of the Management Company	8.2	45,328	
Remuneration to the Central Depository Company of Pakistan Limited	9.1	119,856	
Sindh Sales Tax on remuneration of the Trustee	9.2	15,582	
Annual fee - Securities and Exchange Commission of Pakistan	10.1	43,584	
Auditor's remuneration		56,219	
Transaction Charges		565	
Amortization of preliminary expenses and floatation costs	6	12,546	
Annual Listing fee		18,653	
Legal and professional charges		10,500	
Bank charges		7,302	
<b>Total expenses</b>		<b>678,808</b>	
<b>Net income for the period before taxation</b>		<b>21,802,469</b>	
<b>Taxation</b>	14	-	
<b>Net income for the period after taxation</b>		<b>21,802,469</b>	
<b>Allocation of net income for the period:</b>			
Net income for the period after taxation		21,802,469	
Income already paid on units redeemed		-	
		<b>21,802,469</b>	
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		11,245,118	
- Excluding capital gains		10,557,351	
		<b>21,802,469</b>	

The annexed notes from 1 to 23 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 Liquid Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

	From 23 November 2021 To 31 December 2021 ----- Rupees -----
Net income for the period after taxation	21,802,469
Other comprehensive income for the period	-
Total comprehensive income for the period	21,802,469

The annexed notes from 1 to 23 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 2021-22

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

	From 23 November 2021 To 31 December 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Issue of 4,922,246 units	2,461,123,000	-	2,461,123,000
Redemption of 874,917 units	(437,458,373)	-	(437,458,373)
Dividend Distributions	-	(21,802,469)	(21,802,469)
Total comprehensive income for the period	-	21,802,469	21,802,469
<b>Net assets at end of the period (Units outstanding: 4,047,329) (Rs. 500.00 per unit)</b>	<b>2,023,664,627</b>	<b>-</b>	<b>2,023,664,627</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	-	-
- Unrealised income	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

The annexed notes from 1 to 23 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 Liquid Fund

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

FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

		From 23 November 2021 To 31 December 2021
	Note	-----Rupees-----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation		21,802,469
<b>Adjustments for:</b>		
Interest income		(11,236,159)
Capital gain on sale of investments at fair value through income statement - net		(11,245,118)
Amortization of preliminary expenses and floatation costs		12,546
		<b>(22,468,731)</b>
<b>Increase in assets</b>		
Prepaid and other receivables		(1,797,145)
		<b>(1,797,145)</b>
<b>Increase in liabilities</b>		
Payable to Atlas Asset Management Company - Management Company		341,544
Payable to Central Depository Company of Pakistan Limited - Trustee		113,968
Payable to the Securities and Exchange Commission of Pakistan		43,584
Accrued expenses and other liabilities		1,371,506
		<b>1,870,602</b>
Interest received		11,236,159
Investments - net		11,245,118
<b>Net cash generated from operating activities</b>		<b>21,888,472</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units		2,461,123,000
Cash Dividend Distribution		(21,802,469)
Payments against redemption of units	15	(437,357,309)
<b>Net cash generated from financing activities</b>		<b>2,001,963,222</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,023,851,694</b>
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	4	<b>2,023,851,694</b>

The annexed notes from 1 to 23 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 2021-22

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

FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 31 DECEMBER 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Liquid Fund (the Fund) is an open-ended Fund constituted under a trust deed registered dated 30 July 2021 under the Sindh Trust Act, 2020 entered into between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. 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 Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of the Fund and registered as a notified entity on 06 September 2021. SECP has approved this Offering Document on 07 September 2021.
- 1.2 The Fund has been categorised as a 'money market 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 23 November 2021, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 The objective of Atlas Liquid Fund (ALF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consist of money market instruments.
- 1.4 The management company may decide to distribute all net profit (after deducting all expenses of the Fund) on a periodic basis (that is Daily, Weekly, Monthly, Quarterly and Yearly) as dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management has distributed as dividend all the income earned by the Fund during the period to the unit holders on daily basis.
- 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.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Management Company rating of AM2+ (stable outlook) on December 24, 2021 and Fund rating to AA(f) on 29 December 2021.

### 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 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 2021.

# Atlas Liquid Fund

## 2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

## 2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period

# Half Yearly Report 2021-22

in which the estimate is revised if the revision affects only that period, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the condensed interim financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as taxes recoverable as disclosed in notes 5.1 respectively.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## 2.6 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

The significant accounting policies adopted in the preparation of these condensed interim financial statements are set out below:

### 3.1 Financial instruments

#### a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

#### b) Classification

##### Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

# Atlas Liquid Fund

## **Business model assessment**

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

## **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

## **c) Subsequent Measurement**

### **Debt instruments at fair value through profit or loss**

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Given the objectives of the Fund, all investments have been classified as FVTPL.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

### **Debt instruments at fair value through profit or loss**

Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost. Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio.

### **Debt instruments at FVOCI**

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss. The Fund has not used this classification for its investment portfolio.

## **Financial liabilities**

### **Financial liabilities measured at amortised cost**

This category includes all financial liabilities, other than those measured at fair value through profit or loss.



# Half Yearly Report 2021-22

## d) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

## e) **Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

## f) **Impairment of financial assets**

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

## g) **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 3.2 **Cash and cash equivalents**

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

## 3.3 **Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

## 3.4 **Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the previous business day, plus the allowable sales load, transaction cost and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the previous business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

## 3.5 **Distributions to unit holders**

Distribution to unit holders is recognised upon declaring and approval by the Distribution Committee of the

# Atlas Liquid Fund

Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

## **3.6 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period.

## **3.7 Revenue recognition**

- Interest income on bank balances, placements and deposits is recognised on effective yield basis.
- Gains or losses on sale of investments are included in the Income Statement in the period in which it arises.
- Unrealised appreciation / (loss) in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

## **3.8 Expenses**

All expenses chargeable to the Fund including remuneration of Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

## **3.9 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 period 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 period end, as cash dividend, to the unitholders.

## **3.10 Net asset value per unit**

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

## **3.11 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.

## **3.12 Preliminary expenses and floatation costs**

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from November 23, 2021 in accordance with the Trust Deed and the NBFC Regulations.

# Half Yearly Report 2021-22

31 December  
2021

Un-audited

----- Rupees -----

## 4 BANK BALANCES

In local currency

- Profit and loss sharing accounts

**2,023,851,694**

4.1 The rate of return on these profit and loss sharing accounts ranges between 8.60% to 11.1% per annum.

## 5 INVESTMENTS

### 5.1 Government securities - Market Treasury Bills

Instrument	As at 23 November 2021	Acquired during the period	Sold / matured during the period	As at 31 December 2021	Carrying value	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets
		----- Face value (Rupees) -----		----- (Rupees) -----		----- Percentage -----		
03 Months - T-bills	-	12,639,000,000	12,639,000,000	-	-	-	-	-
06 Months - T-bills	-	18,398,900,000	18,398,900,000	-	-	-	-	-
December 31, 2021	-	<b>31,037,900,000</b>	<b>31,037,900,000</b>	-	-	-	-	-

31 December  
2021

Un-audited

----- Rupees -----

## 6 DEFERRED FORMATION COST

Opening balance

Formation cost

Less: Amortisation for the period

-

602,569

(12,546)

**590,023**

6.1 Formation cost represents expenditure incurred in connection with the establishment and registration of the Fund. These are being amortised over a period of five years commencing the date of initial offering in accordance with the Trust Deed of the Fund and the NBFC Regulations.

31 December  
2021

Un-audited

----- Rupees -----

## 7 PREPAID AND OTHER RECEIVABLES

Prepaid listing fee

Prepaid legal and professional charges

Other receivables

Note

7.1

88,847

22,786

1,685,512

**1,797,145**

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 151. However, several 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 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

# Atlas Liquid Fund

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 banks has been shown as other receivable as at 31 December 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		<b>31 December 2021 Un-audited</b>
<b>8 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED</b>	<b>Note</b>	<b>----- Rupees -----</b>
<b>- Management Company</b>		
Remuneration of the Management Company	8.1	293,401
Sindh Sales Tax on remuneration of the Management Company	8.2	38,143
Initial deposit against account opening		10,000
Preliminary Expenses and Flotation Cost	6.1	602,569
		<b>944,113</b>

8.1 As per the section 61 of the NBFC Regulations, 2008, 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 limit. The Management Company has charged management fee at the rate of 0.16% per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.

8.2 During the period, an amount of Rs. 45,328 was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 7,185 has been paid to the Management Company which acts as the collecting agent.

		<b>31 December 2021 Un-audited</b>
<b>9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY</b>	<b>Note</b>	<b>----- Rupees -----</b>
Payable To Trustee	9.1	100,856
Sindh Sales Tax payable on trustee fee	9.2	13,112
		<b>113,968</b>

9.1 The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.055% p.a. of Net Assets based on the letter no. CCDC/CEO/L-259/01/2021 dated October 11, 2021 issued by CDC.

9.2 During the period, an amount of Rs. 15,582 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. 2,470 was paid to the Trustee which acts as a collecting agent.

		<b>31 December 2021 Un-audited</b>
<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>	<b>----- Rupees -----</b>
Annual fees payable	10.1	43,584

10.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee equal to 0.02% of the average annual net assets of the Fund to the Securities and Exchange Commission of Pakistan (SECP).

# Half Yearly Report 2021-22

31 December  
2021

Un-audited

----- Rupees -----

## 11 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable  
Withholding tax payable

56,219
1,315,287
<b>1,371,506</b>

## 12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 December 2021.

## 13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 0.32% which includes 0.05% representing government levies on the Fund such as provision for sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

## 14 TAXATION

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

## 15 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audit 30-Jun-21	Cashflows Outflows	Non-Cash Changes		Un-audited 31-Dec-21
			Redemption of Unit	Dividend Distribution	
	----- Rupees -----				
Payable against redemption of units	-	(437,357,309)	437,458,373	-	101,064

## 16 EARNINGS 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.

## 17 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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.

# Atlas Liquid Fund

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 are as follows:

	From 23 November 2021 To 31 December 2021 Un-audited ----- Rupees -----
<b>17.1 Transactions during the period</b>	
<b>Atlas Asset Management Limited (Management Company)*</b>	
Remuneration for the period	348,673
Sindh sales tax on remuneration of the Management Company	45,328
Remuneration paid	55,272
Formation cost	602,569
<b>Central Depository Company of Pakistan Limited</b>	
Remuneration of the Trustee	119,856
Sindh Sales Tax on remuneration of the Trustee	15,582
Remuneration paid	19,000
<b>Atlas Group of Companies - Management Staff Gratuity Fund</b>	
Issue of 200,166 units	100,083,003
Redemption of 200,166 units	100,083,003
Dividend Entitlement	83,003
<b>Atlas Honda Limited</b>	
Issue of 4,034,808 units	2,017,403,891
Dividend Entitlement	17,403,891
	<b>31 December 2021 Un-audited ----- Rupees -----</b>
<b>17.2 Details of balances with related parties as at the period end are as follows:</b>	
<b>Atlas Asset Management Limited (Management Company)</b>	
Remuneration payable to the management company	293,401
Sindh Sales tax payable on remuneration of the Management Company	38,143
Preliminary Expenses and Flotation Cost	590,023
<b>Central Depository Company of Pakistan Limited (Trustee)</b>	
Trustee fee payable	100,856
Sindh Sales tax payable on remuneration of trustee	13,112
<b>Atlas Honda Limited</b>	
Outstanding 4,034,808 units	2,017,403,996

## 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 18.1 Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest a majority of its assets in short-term instruments in order to maintain liquidity.

# Half Yearly Report 2021-22

As at the reporting date, Atlas Honda Limited - a related party held 4,033,745 units in issue which constitute 99.66% of the unitholders' Fund. This expose liquidity risk to redemption of major unitholder.

## 19. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

As disclosed in note 18, in case of redemption from major unitholder the Fund size will fall below the minimum limit of one hundred million rupees as per the requirement of NBFC Regulation.

## 20. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

The investments of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

The Fund did not hold any financial instruments carried at par value as at 31 December 2021. 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.

## 21. IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

"During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation. "

## 22. GENERAL

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

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

22.3 This is the first year of operations of the Fund, hence there is no comparative information to report in these condensed interim financial statements.

## 23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 21 February 2022.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Sovereign Fund

## Corporate Information

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**Trustee**

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

**Auditors**

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A.F. Ferguson & Co.  
Chartered Accountants

**Legal Advisers**

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Bawaney & Partners

**Bankers**

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



# Half Yearly Report 2021-22

## 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, 2021 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: 28 February 2022

# Atlas Sovereign 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 Sovereign Fund (the Fund) as at December 31, 2021 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 then ended December 31, 2021. 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, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

#### 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: 28 February 2022

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

**Engagement Partner: Salman Hussain**

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		December 31 2021 (Un-audited)	June 30 2021 (Audited)
	Note	----- (Rupees) -----	
<b>Assets</b>			
Bank balances	4	721,709,467	1,054,508,016
Receivable against sale of units		26,001	-
Investments	5	1,267,243,808	1,187,198,151
Mark-up receivable	6	23,485,598	19,723,378
Deposits, prepayments and other receivables	7	3,120,260	3,197,602
<b>Total assets</b>		<b>2,015,585,134</b>	<b>2,264,627,147</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	2,535,299	2,767,104
Payable to Central Depository Company of Pakistan Limited - Trustee	9	105,577	135,046
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	223,684	431,255
Payable against redemption of units		-	1,611,019
Accrued expenses and other liabilities	11	802,143	34,369,690
<b>Total liabilities</b>		<b>3,666,703</b>	<b>39,314,114</b>
<b>Net assets</b>		<b>2,011,918,431</b>	<b>2,225,313,033</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,011,918,431</b>	<b>2,225,313,033</b>
<b>Contingencies and commitments</b>	12		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>19,358,544</b>	<b>22,006,687</b>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<b>103.9292</b>	<b>101.1199</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 Sovereign Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended December 31,		For the Quarter Ended December 31,		
		2021	2020	2021	2020	
Note		(Rupees)		(Rupees)		
<b>Income</b>						
	Interest income	94,374,104	84,302,973	46,194,499	41,848,927	
	Capital (Loss) / gain on sale of investments - net	(2,251,653)	(2,384,555)	(3,769,328)	97,751	
	Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	(30,899,188)	(9,052,932)	(21,746,829)	1,316,308	
	<b>Total income</b>	<b>61,223,263</b>	<b>72,865,486</b>	<b>20,678,342</b>	<b>43,262,986</b>	
<b>Expenses</b>						
	Remuneration of Atlas Asset Management Limited - Management Company	8.1	4,822,740	7,121,692	2,432,523	3,324,950
	Sindh sales tax on remuneration of the Management Company	8.2	626,958	925,820	316,230	432,244
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	676,165	691,287	287,755	340,738
	Sindh sales tax on remuneration of the Trustee	9.2	87,900	89,867	37,404	44,296
	Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		224,149	212,700	104,638	104,844
	Accounting and operational charges	8.4	1,840,138	1,807,989	1,046,384	891,161
	Annual rating fee		202,971	184,623	101,485	119,194
	Annual listing fee		13,863	13,863	6,931	7,398
	Securities transaction cost		107,585	-	107,585	-
	Auditors' remuneration		184,021	184,020	92,011	92,010
	Printing and stationery charges		41,862	9,716	41,862	9,716
	Legal and professional charges		42,900	65,780	10,500	35,000
	Bank and settlement charges		5,059	28,745	2,052	9,802
	<b>Total operating expenses</b>		<b>8,876,311</b>	<b>11,336,102</b>	<b>4,587,360</b>	<b>5,411,353</b>
	<b>Net income from operating activities</b>		<b>52,346,952</b>	<b>61,529,384</b>	<b>16,090,982</b>	<b>37,851,633</b>
	Reversal of provision for / (provision for) Sindh Workers' Welfare Fund	11.1	12,565,416	(1,230,587)	-	(770,616)
	<b>Net income for the period before taxation</b>		<b>64,912,368</b>	<b>60,298,797</b>	<b>16,090,982</b>	<b>37,081,017</b>
	<b>Taxation</b>	15	-	-	-	-
	<b>Net income for the period after taxation</b>		<b>64,912,368</b>	<b>60,298,797</b>	<b>16,090,982</b>	<b>37,081,017</b>
<b>Allocation of net income for the period</b>						
	Net income for the period after taxation		64,912,368	60,298,797	16,090,982	37,081,017
	Income already paid on units redeemed		(11,241,219)	(2,698,403)	(3,735,919)	(515,477)
			<b>53,671,149</b>	<b>57,600,394</b>	<b>12,355,063</b>	<b>36,565,540</b>
<b>Accounting income available for distribution</b>						
	- Relating to capital gains		-	-	-	1,414,059
	- Excluding capital gains		53,671,149	57,600,394	12,355,063	35,151,481
			<b>53,671,149</b>	<b>57,600,394</b>	<b>12,355,063</b>	<b>36,565,540</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 2021-22

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended December 31,		For the Quarter Ended December 31,	
	2021	2020	2021	2020
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	64,912,368	60,298,797	16,090,982	37,081,017
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>64,912,368</b>	<b>60,298,797</b>	<b>16,090,982</b>	<b>37,081,017</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 Sovereign Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021			31 December 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period (audited)	2,212,324,575	12,988,458	2,225,313,033	2,073,891,942	9,579,631	2,083,471,573
Issuance of 2,975,308 units (2020: 5,947,950 units)						
- Capital value	300,862,895	-	300,862,895	600,505,032	-	600,505,032
- Element of income	2,534,793	-	2,534,793	10,999,134	-	10,999,134
	303,397,688	-	303,397,688	611,504,166	-	611,504,166
Redemption of 5,623,451 units (2020: 3,495,060 units)						
- Capital value	(568,642,773)	-	(568,642,773)	(352,861,258)	-	(352,861,258)
- Element of loss	(1,820,666)	(11,241,219)	(13,061,885)	(495,904)	(2,698,403)	(3,194,307)
	(570,463,439)	(11,241,219)	(581,704,658)	(353,357,162)	(2,698,403)	(356,055,565)
Total comprehensive income for the period	-	64,912,368	64,912,368	-	60,298,797	60,298,797
	-	64,912,368	64,912,368	-	60,298,797	60,298,797
Net assets at the end of the period (un-audited)	1,945,258,824	66,659,607	2,011,918,431	2,332,038,946	67,180,025	2,399,218,971
Undistributed income brought forward comprising of :	--- (Rupees) ---			--- (Rupees) ---		
- Realised income		4,528,613			-	
- Unrealised income		8,459,845			9,579,631	
		12,988,458			9,579,631	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		53,671,149			57,600,394	
		53,671,149			57,600,394	
Undistributed income carried forward		66,659,607			67,180,025	
Undistributed income carried forward comprising of :						
- Realised income		99,144,359			39,710,489	
- Unrealised (loss) / income		(32,484,752)			27,469,536	
		66,659,607			67,180,025	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		101.1199			100.9600	
Net assets value per unit at end of the period		103.9292			103.9139	

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 2021-22

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the Half Year Ended December 31,	
	2021	2020
Note	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	64,912,368	60,298,797
<b>Adjustments for:</b>		
Interest income	(94,374,104)	(84,302,973)
Loss on sale of investments - net	2,251,653	2,384,555
Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'	30,899,188	9,052,932
(Reversal of provision for) / provision for Sindh Workers' Welfare Fund	(12,565,416)	1,230,587
	<b>(73,788,679)</b>	<b>(71,634,899)</b>
<b>(Increase) / decrease in assets</b>		
Investments	(113,196,498)	647,774,067
Deposits, prepayments and other receivables	77,342	(180,629)
	<b>(113,119,156)</b>	<b>647,593,438</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(231,805)	(944,384)
Payable to Central Depository Company of Pakistan Limited - Trustee	(29,469)	(5,638)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(207,571)	(282,492)
Accrued expenses and other liabilities	(21,002,131)	(85,773,851)
	<b>(21,470,976)</b>	<b>(87,006,365)</b>
Mark-up received	90,611,884	45,664,324
<b>Net cash (used in) / generated from operating activities</b>	<b>(52,854,559)</b>	<b>594,915,295</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received from issuance of units	303,371,687	412,672,830
Amount paid on redemption of units	(583,315,677)	(356,055,565)
<b>Net cash (used in) / generated from financing activities</b>	<b>(279,943,990)</b>	<b>56,617,265</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(332,798,549)</b>	<b>651,532,560</b>
Cash and cash equivalents at the beginning of the period	1,054,508,016	301,477,720
<b>Cash and cash equivalents at the end of the period</b>	<b>721,709,467</b>	<b>953,010,280</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 Sovereign Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 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 August 19, 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, Eight, 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 April 1, 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahra e Firdousi, Clifton, Karachi.
- 1.2 During the current period, the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The Fund was launched as "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.
- 1.4 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.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Management Company rating of AM2+ (stable outlook) on December 24, 2021 and the Fund rating of AA-(f) on October 15, 2021 (stable outlook).
- 1.6 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.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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
- 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.



# Half Yearly Report 2021-22

- 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard (IAS) 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, 2021.

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

- 3.1** The accounting policies adopted and the methods of computation 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, 2021.

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

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2021.

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 June 30, 2021.

- 3.3 Standards, interpretations and amendments to 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, 2021. 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 Standards, interpretations and amendments to 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, 2022. 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.

# Atlas Sovereign Fund

		December 31 2021 (Un-audited)	June 30 2021 (Audited)
4 BANK BALANCES	Note	----- (Rupees) -----	-----
In saving accounts	4.1	<u>721,709,467</u>	<u>1,054,508,016</u>

4.1 The rate of return on these balances range from 9.60% to 11.10% (June 30, 2021: 5.5% to 8.25%) per annum.

		December 31 2021 (Un-audited)	June 30 2021 (Audited)
5 INVESTMENTS	Note	----- (Rupees) -----	-----
<b>Financial assets 'at fair value through profit or loss'</b>			
Market Treasury Bills	5.1	-	-
Pakistan Investment Bonds	5.2	1,168,229,738	1,162,799,909
Sukuk certificates - unlisted	5.2	40,000,000	-
Commerical papers	5.3	59,014,070	24,398,242
		<u>1,267,243,808</u>	<u>1,187,198,151</u>

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

Particulars	Issue date	As at July 1, 2021	Acquired during the period	Sold / matured during the period	As at December 31, 2021	Amortised Cost as at December 31, 2021	Market Value as at December 31, 2021	Unrealised appreciation as at December 31, 2021	Market value as a percentage of	
									total Investments	Net assets
----- (Face value) -----						----- (Rupees) -----			----- age % -----	
3 Months T-bills		-	1,611,000,000	1,611,000,000	-	-	-	-	-	-
6 Months T-bills		-	2,187,000,000	2,187,000,000	-	-	-	-	-	-
12 Months T-bills		-	107,000,000	107,000,000	-	-	-	-	-	-
		-	3,905,000,000	3,905,000,000	-	-	-	-	-	-
June 30, 2021						-	-	-	-	-

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

Particulars	Issue date	As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at December 31, 2021	Balance as at December 31, 2021			Market value as a percentage of	
						Carrying value	Market value	Unrealised (diminution) / appreciation	total investments	net assets
----- Face value -----						----- (Rupees) -----			----- age % -----	
3 Years PIB-fixed rate	September 19, 2019	195,500,000	495,500,000	341,000,000	350,000,000	350,920,447	344,436,065	(6,484,382)	27.18	17.12
3 Years PIB-floating rate	June 18, 2020	175,000,000	-	-	175,000,000	175,210,000	174,912,500	(297,500)	13.80	8.69
5 Years PIB-fixed rate	September 19, 2019	510,000,000	-	80,000,000	430,000,000	435,072,229	411,229,924	(23,842,305)	32.45	20.44
5 Years PIB-floating rate	June 18, 2020	162,500,000	-	-	162,500,000	162,678,750	162,516,250	(162,500)	12.82	8.08
10 Years PIB-fixed rate	December 10, 2020	50,000,000	-	50,000,000	-	-	-	-	-	-
10 Years PIB-floating rate	June 18, 2020	75,000,000	-	-	75,000,000	75,247,500	75,135,000	(112,500)	5.93	3.73
Total as at December 31, 2021						1,199,128,926	1,168,229,738	(30,899,187)	92.19	58.07
Total as at June 30, 2021						1,167,748,164	1,162,799,909	59,717,972		

# Half Yearly Report 2021-22

## 5.3 Sukuk certificates - unlisted - 'at fair value through profit or loss'

Name of Investee Company	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Balance as at December 31, 2021		Market value as a percentage of	
					Carrying value	Market value	total investments	net assets
----- Face value -----					----- (Rupees) -----		----- age % -----	
OBS AGP (PRIVATE) LIMITED - SUKUK CERTIFICATE	-	40,000,000	-	40,000,000	40,000,000	40,000,000	3.16	1.99
Total as at December 31, 2021					40,000,000	40,000,000	3.16	1.99
Total as at June 30, 2021					-	-	-	-

## 5.4 Commercial papers - 'at fair value through profit or loss'

Name of the security	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Balance as at December 31, 2021		Market value as a percentage of	
					Carrying value	Market value	total investments	net assets
----- Face value -----					----- (Rupees) -----		----- age % -----	
K-Electric Limited - ICP	25,000,000	-	25,000,000	-	-	-	-	-
Mughal Iron & Steel Industries Limited - ICP	-	62,000,000	-	62,000,000	59,014,070	59,014,070	4.66	2.93
Total as at December 31, 2021					59,014,070	59,014,070	4.66	2.93
Total as at June 30, 2021					24,398,242	24,398,242	-	-

## 5.5 Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'

	December 31 2021 (Un-audited)	June 30 2021 (Audited)
Market value of investments	1,267,243,808	1,187,198,151
Less: carrying value of investments	1,298,142,996	1,192,146,406
	<b>(30,899,188)</b>	<b>(4,948,255)</b>

## 6 MARK-UP RECEIVABLE

### Mark-up receivable on:

- banks balances	51,023	538,566
- sukuk certificates - unlisted	814,737	-
- Pakistan investment bonds	22,619,838	19,184,812
	<b>23,485,598</b>	<b>19,723,378</b>

## 7 DEPOSITS AND OTHER RECEIVABLES

Advance tax	494,777	594,777
Deposit with Central Depository Company of Pakistan Limited (CDCPL)	102,825	102,825
Deposit with National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
Prepaid legal charges	22,658	-
	<b>3,120,260</b>	<b>3,197,602</b>

# Atlas Sovereign Fund

8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	December 31 2021 (Un-audited)	June 30 2021 (Audited)
			----- (Rupees) -----	-----
	Remuneration payable to the Management Company	8.1	1,018,921	1,248,121
	Sindh sales tax payable on remuneration of the Management Company	8.2	271,294	297,284
	Federal excise duty payable on remuneration of the Management Company	8.3	905,341	905,341
	Accounting and operational charges payable	8.4	339,743	316,358
			<b>2,535,299</b>	<b>2,767,104</b>

8.1 During the current period, the Management Company has charged remuneration at the following rates:

From July 1, 2021 to November 30, 2021	0.40%
From December 01, 2021 to December 31, 2021	0.60%

Previously, the management fee was charged at the rate of 0.4% of average daily net assets of the Fund.

8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8.3 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 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 0.05 (June 30, 2021: Re 0.04) per unit.

8.4 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).

During the current period, the Management Company has charged expenses at the rate 0.4% of the average annual net assets of the Fund from July 1, 2021 to November 30, 2021 and 0.6% of the average annual net assets of the Fund from December 1, 2021 to December 31, 2021 for the current period. Previously, the Management Company has charged expenses at the rate 0.17% of the average annual net assets of the Fund.

# Half Yearly Report 2021-22

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31 2021 (Un-audited)	June 30 2021 (Audited)
		(Rupees)	
		-----	-----
Remuneration payable to the Trustee	9.1	93,432	119,509
Sindh sales tax payable on remuneration of the Trustee	9.2	12,145	15,537
		<b>105,577</b>	<b>135,046</b>

9.1 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% from July 1, 2021 to September 30, 2021 and 0.055% from October 1, 2021 to December 31, 2021 (December 31, 2020: 0.065%) of average daily net assets of the Fund during the period.

9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	December 31 2021 (Un-audited)	June 30 2021 (Audited)
		(Rupees)	
		-----	-----
Annual fee payable	10.1	<b>223,684</b>	<b>431,255</b>

10.1 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% (December 31, 2020: 0.02%) of average daily net assets of the Fund during the period.

11 ACCRUED AND OTHER LIABILITIES	Note	December 31 2021 (Un-audited)	June 30 2021 (Audited)
		(Rupees)	
		-----	-----
Auditors' remuneration payable		443,760	259,740
Annual rating fee payable		204,041	-
Withholding tax payable		129,242	16,760,259
Annual listing fee payable		12,530	-
Other payables		10,985	10,984
Settlement charges payable		1,217	1,204
CGT payable		368	1,830
Printing and stationery charges payable		-	2,071
Dividend payable		-	4,768,186
Provision for Sindh Workers' Welfare Fund	11.1	-	12,565,416
		<b>802,143</b>	<b>34,369,690</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, 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 Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management

# Atlas Sovereign Fund

companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of 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 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

## 13 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2021 based on the current period results is 0.79% (December 31, 2020: 1.21%) which includes 0.08% (December 31, 2020: 0.12%) 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% (December 31, 2020: 2%) under the NBFC Regulations for a collective investment scheme categorised as an "income scheme".

	Note	December 31 2021	December 31 2020
		Un-audited (Rupees)	
14 CASH AND CASH EQUIVALENTS			
Bank balances	4	721,709,467	1,704,809,989

## 15 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute atleast 90% of the income to be earned by the Fund in cash during the year ending June 30, 2021 to the unit holders in the manner as explained above. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

## 16 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.

# Half Yearly Report 2021-22

## 17 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

- 17.1** Connected persons / related parties 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 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.
- 17.2** 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.
- 17.3** Remuneration of the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.4** Remuneration of the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.5** Details of transactions with connected persons / related parties during the period are as follows:

	For the Half Year Ended December 31,	
	2021 Un-audited ----- (Rupees) -----	2020 Un-audited -----
<b>Atlas Asset Management Limited - Management Company</b>		
Management remuneration	4,822,740	7,121,692
Remuneration paid	5,051,940	7,952,557
Sindh sales tax on remuneration of the Management Company	626,958	925,820
Accounting and operational charges payable	1,840,138	1,807,989
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of Trustee	676,165	691,287
Remuneration paid	702,242	696,276
Sindh sales tax on remuneration of the Trustee	87,900	89,867
<b>Atlas Foundation (Group Company)</b>		
Issue of Nil (2020: 108,423) units	-	25,000,000
<b>Atlas Honda Limited (Group Company)</b>		
Issue of Nil (2020:49,072 ) units	-	5,005,257
<b>Atlas Metals (Private) Limited (Group Company)</b>		
Issue of 86,889 (2020:389,227 ) units	9,000,000	40,000,000
Redemption of 272,645 (2020: Nil) units	28,200,000	-
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 242,407 (2020: 187,565) units	25,000,000	19,000,000
Redemption of 281,384 (2020:343,763 ) units	29,000,000	35,000,000
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of Nil (2020: 50,535 ) units	-	5,154,393
Redemption of 966,883 (2020: Nil) units	100,000,000	-

# Atlas Sovereign Fund

	For the Half Year Ended December 31,	
	2021	2020
	Un-audited ----- (Rupees) -----	Un-audited
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issuance of nil (2020: 13,400 ) units	-	1,360,000
Redemption of nil (2020:102,284) units	-	10,552,020
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Issuance of nil (2020:723,875 ) units	-	75,000,000
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issuance of nil (2020:1,171,461 ) units	-	120,000,000
<b>Atlas Insurance (Group Company)</b>		
Issuance of nil (2020: 986,539) units	-	100,000,000
Redemption of nil (2020: 1,813,662) units	-	184,784,214
<b>Batools Benefit Trust</b>		
Issuance of nil (2020: 181,492) units	-	18,500,000
<b>Directors, their close family members and key management personnel of the Management Company</b>		
Issuance of 36,931 (2021: 11,362) units	3,979,880	1,158,869
Redemption of 45,632 (2020: Nil) units	4,909,326	-

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

	December 31	June 30
	2021	2021
	(Un-audited) ----- Rupees -----	(Audited)
<b>Atlas Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company	1,018,921	1,248,121
Sindh sales tax payable on remuneration of the Management Company	271,294	297,284
Federal Excise Duty payable on remuneration of the Management Company	905,341	905,341
Accounting and operational charges payable	339,743	316,358
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	93,431	119,510
Sales tax	12,146	15,536
<b>Atlas Foundation (Group Company)</b>		
Outstanding units 937,187 (2021: 937,187) units-net asset value	97,400,991	94,768,256
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding units 585,755 (2021: 585,755) units	60,877,049	59,231,487
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding units 10,751,988 (2021: 10,751,988) units	1,117,445,511	1,087,239,951



# Half Yearly Report 2021-22

	December 31 2021 (Un-audited) ----- Rupees -----	June 30 2021 (Audited) ----- Rupees -----
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding units 1,993,012 (2021: 2,959,895) units	207,132,143	299,304,286
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding units 858,598 (2021: 897,575) units - at net asset value	89,233,403	90,762,694
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Outstanding units 1,988,000 (2021: 1,988,000) units - at net asset value	206,611,250	201,026,361
<b>Atlas Metals (Private) Limited (Group Company)</b>		
Outstanding units 323,287 (2021: 509,042) units - at net asset value	33,598,959	51,474,276
<b>Batools Benefit Trust (Group Company)</b>		
Outstanding units 190,986 (2021: 190,986) units - at net asset value	19,849,022	19,312,485
<b>Directors, their close family members and key management Personnel and executive of the Management Company</b>		
Outstanding units 757,926 (2021: 814,723) units at - net asset value	78,770,643	82,384,708

\*This reflects position of related parties as at December 31, 2021.

## 18 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.

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

# Atlas Sovereign Fund

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2021 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Pakistan Investment Bonds	-	1,168,229,738	-	1,168,229,738
Sukuk certificates - unlisted	-	40,000,000	-	40,000,000
Commerical papers*	-	59,014,070	-	59,014,070
	-	<b>1,267,243,808</b>	-	<b>1,267,243,808</b>
	As at June 30, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Pakistan Investment Bonds	-	1,162,799,909	-	1,162,799,909
Sukuk certificates - unlisted	-	-	-	-
Commerical papers*	-	24,398,242	-	24,398,242
	-	<b>1,187,198,151</b>	-	<b>1,187,198,151</b>

\* The valuation of commercial paper has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 as the residual maturity of this investment is upto six months and are placed with counterparties which have high credit rating.

## 19 GENERAL

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

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

## 20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 21 February 2022 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

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## Atlas Income Fund

### Corporate Information

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#### Trustee

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

#### Auditors

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EY Ford Rhodes  
Chartered Accountants

#### Legal Advisers

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Mohsin Tayebaly & Co.

#### Bankers

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Allied Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Samba Bank Limited  
Soneri Bank Limited  
The First Microfinance Bank Limited  
Zarai Taraqati Bank Limited

# Atlas Income 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 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, 2021 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: 28 February 2022

# Half Yearly Report 2021-22

## **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 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of 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 2021 and 31 December 2020 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 2021.

#### **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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Atlas Income Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
<b>Assets</b>			
Bank balances	4	1,276,590,996	2,146,464,962
Investments	5	2,599,906,282	2,383,532,812
Receivable against Margin Trading System		-	527,223,489
Interest / profit accrued	6	49,910,921	45,277,174
Deposits, prepayment and other receivables	7	43,182,341	56,721,155
<b>Total assets</b>		<b>3,969,590,540</b>	<b>5,159,219,592</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	30,583,394	32,526,165
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	316,682	353,377
Payable to the Securities and Exchange Commission of Pakistan	10	522,843	853,312
Payable against redemption of units	17	1,669,781	1,374,017
Payable against purchase of investment		-	18,957,296
Dividend payable		69,123	32,852,713
Accrued expenses and other liabilities	11	11,129,797	83,871,854
<b>Total liabilities</b>		<b>44,291,621</b>	<b>170,788,734</b>
<b>NET ASSETS</b>		<b>3,925,298,919</b>	<b>4,988,430,858</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,925,298,919</b>	<b>4,988,430,858</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>7,234,794</b>	<b>9,546,130</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>542.5585</b>	<b>522.5605</b>

The annexed notes from 1 to 23 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 2021-22

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2021	2020	2021	2020
	Note	Rupees			
<b>Income</b>					
Interest income	14	215,019,891	173,933,231	109,530,968	69,777,705
Capital (loss) / gain on sale of investments - net		(1,873,879)	1,996,839	(10,424,765)	(374,239)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(33,541,651)	(4,157,397)	(28,964,349)	7,145,246
		(35,415,530)	(2,160,558)	(39,389,114)	6,771,007
<b>Total income</b>		<b>179,604,361</b>	<b>171,772,673</b>	<b>70,141,854</b>	<b>76,548,712</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	13,631,174	19,622,336	6,988,442	10,347,997
Sindh Sales Tax on remuneration of the Management Company	8.2	1,772,053	2,550,904	908,498	1,345,240
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,960,660	1,471,674	964,250	776,099
Sindh Sales Tax on remuneration of the Trustee	9.2	254,886	191,318	125,353	100,893
Annual fees to the Securities and Exchange Commission of Pakistan		522,842	392,446	257,133	206,959
Accounting and operational charges	13	4,344,613	3,335,794	2,571,334	1,759,157
Auditors' remuneration		368,476	289,620	184,229	105,382
Annual rating fee		263,673	239,806	131,837	129,987
Annual listing fee		13,938	13,863	7,007	6,932
Securities transaction cost		2,333,240	1,814,587	982,261	1,223,143
Printing and postage charges		43,930	17,325	43,930	17,325
Legal and professional charges		487,557	155,760	287,190	105,000
Bank charges		13,467	36,162	3,566	26,108
(Reversal) / Provision for Sindh Workers' Welfare Fund	11.1	(44,638,021)	2,832,822	-	1,207,970
<b>Total expenses</b>		<b>(18,627,511)</b>	<b>32,964,417</b>	<b>13,455,031</b>	<b>17,358,192</b>
<b>Net income for the period before taxation</b>		<b>198,231,872</b>	<b>138,808,256</b>	<b>56,686,823</b>	<b>59,190,520</b>
<b>Taxation</b>	16	-	-	-	-
<b>Net income for the period after taxation</b>		<b>198,231,872</b>	<b>138,808,256</b>	<b>56,686,823</b>	<b>59,190,520</b>
<b>Allocation of net income for the period:</b>					
- Net income for the period		198,231,872	138,808,256	56,686,823	59,190,520
- Income already paid on units redeemed		(82,086,027)	(2,896,476)	(56,686,823)	(686,218)
		<b>116,145,845</b>	<b>135,911,780</b>	<b>-</b>	<b>58,504,302</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital (loss) / gains		-	-	-	6,771,007
- Excluding capital gains		116,145,845	135,911,780	-	51,733,295
		<b>116,145,845</b>	<b>135,911,780</b>	<b>-</b>	<b>58,504,302</b>

The annexed notes from 1 to 23 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2021	2020	2021	2020
	----- Rupees -----			
Net income for the period after taxation	198,231,872	138,808,256	56,686,823	59,190,520
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	198,231,872	138,808,256	56,686,823	59,190,520

The annexed notes from 1 to 23 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 2021-22

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	4,773,825,599	-	4,773,825,599
<b>Undistributed income brought forward</b>			
- Realised income	-	185,109,189	185,109,189
- Unrealised gain	-	29,496,070	29,496,070
<b>Net assets at the beginning of the period (Units outstanding: 9,546,130) (Rs. 522.5605 per unit)</b>	<b>4,773,825,599</b>	<b>214,605,259</b>	<b>4,988,430,858</b>
Issue of 3,514,347 units	1,873,830,307	-	1,873,830,307
Redemption of 5,825,681 units	(3,053,108,091)	(82,086,027)	(3,135,194,118)
Total comprehensive income for the period	-	198,231,872	198,231,872
<b>Net assets at end of the period (Units outstanding: 7,234,794) (Rs. 542.5585 per unit)</b>	<b>3,594,547,815</b>	<b>330,751,104</b>	<b>3,925,298,919</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	359,429,553	-
- Unrealised loss	-	(28,678,449)	-
	<b>-</b>	<b>330,751,104</b>	<b>-</b>
	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 loss	-	84,161,042	84,161,042
<b>Net assets at the beginning of the period (Units outstanding: 7,151,571) (Rs. 519.53 per unit)</b>	<b>3,527,040,520</b>	<b>188,413,523</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 income	-	(11,658,779)	-
	<b>-</b>	<b>324,325,303</b>	<b>-</b>

The annexed notes from 1 to 23 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 CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the Half Year Ended	
	31 December	
	2021	2020
Note	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	198,231,872	138,808,256
<b>Adjustments for:</b>		
Interest income	(215,019,891)	(173,933,231)
Capital loss / (gain) on sale of investments - net	1,873,879	(1,996,839)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	33,541,651	4,157,397
(Reversal) / Provision for Sindh Workers' Welfare Fund	(44,638,021)	2,832,822
	<b>(224,242,382)</b>	<b>(168,939,851)</b>
<b>Decrease / (increase) in assets</b>		
Receivable against Margin Trading System	527,223,489	(485,814,200)
Deposits, prepayment and other receivables	13,538,814	101,582
	<b>540,762,303</b>	<b>(485,712,618)</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(1,942,771)	559,865
Payable to the Central Depository Company of Pakistan Limited - Trustee	(36,694)	80,568
Payable to the Securities and Exchange Commission of Pakistan	(330,469)	(273,318)
Payable against purchase of investment	(18,957,296)	-
Dividend payable	(32,783,589)	(291,471,122)
Accrued expenses and other liabilities	(28,104,036)	(63,076,109)
	<b>(82,154,855)</b>	<b>(354,180,116)</b>
	<b>432,596,938</b>	<b>(870,024,329)</b>
Interest received	210,386,144	132,181,029
Investments made during the period	(8,736,288,457)	(5,673,567,784)
Investment sold / redeemed / matured during the period	8,484,499,457	4,811,255,272
<b>Net cash (used in) from operating activities</b>	<b>(41,402,856)</b>	<b>(1,600,155,812)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,873,830,307	2,325,110,204
Net payments against redemption of units	(3,134,898,355)	(2,016,415,460)
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,261,068,048)</b>	<b>308,694,744</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(869,873,966)</b>	<b>(1,291,461,068)</b>
Cash and cash equivalents at the beginning of the period	2,146,464,962	1,318,246,149
<b>Cash and cash equivalents at the end of the period</b>	<b>4 1,276,590,996</b>	<b>26,785,081</b>

The annexed notes from 1 to 23 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 2021-22

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 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) [2020: AM2+ (AM Two Plus)] on 24 December 2021 and maintained stability rating of the Fund to AA-(f) on 15 October 2021.
- 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.
- 1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 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;

# Atlas Income Fund

- 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; and
- 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 2021.

**2.1.3** The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.

**2.1.4** 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 2021.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

## **2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standards, interpretations and amendments</b>	<b>Effective date</b>
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023

# Half Yearly Report 2021-22

<b>Standards, interpretations and amendments</b>	<b>Effective date</b>
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 11.1 and 7.1 respectively.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## 2.6 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, 2021.

# Atlas Income Fund

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 2021.

		31 December 2021 Un-audited	30 June 2021 Audited
4 BANK BALANCES	Note	----- Rupees -----	-----
In local currency			
- Profit and loss sharing accounts	4.1	1,276,352,796	2,145,467,153
- Current account		5,000	5,000
- Cheques in hand	4.2	233,200	992,808
		<b>1,276,590,996</b>	<b>2,146,464,962</b>

4.1 The rate of return on these accounts ranges between 5.5% and 11.1% (30 June 2021: 5.50% and 7.95%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 11 January 2022 (30 June 2021: 28 July 2021).

		31 December 2021 Un-audited	30 June 2021 Audited
5 INVESTMENTS	Note	----- Rupees -----	-----
<b>At fair value through profit or loss</b>			
Term finance certificates - listed	5.1	37,842,085	37,058,292
Term finance certificates - unlisted	5.2	304,250,177	298,812,248
Sukuk certificates	5.3	110,000,000	201,665,984
Government securities - Market Treasury Bills	5.4	-	396,979,395
Government securities - Pakistan Investment Bonds	5.5	1,746,935,114	1,277,512,883
Commercial papers	5.6	400,878,905	24,398,246
Investment in ordinary shares	5.8	-	143,201,863
Investment in Future contracts		-	3,903,900
		<b>2,599,906,282</b>	<b>2,383,532,812</b>

## 5.1 Term finance certificates - listed

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

Name of the Investee Company	Note	As at 01 July 2021	Purchased during the period	Disposed / matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	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>										
			----- Number of certificates -----			----- Rupees -----		----- age % -----		
Soneri Bank Limited (face value of Rs. 4,990 per certificate)		7,428	-	-	7,428	37,050,864	37,842,085	1.46	0.96	1.24
<b>TELECOMMUNICATION</b>										
Telecard Limited	5.7.1	4,000	-	-	4,000	-	-	-	-	-
<b>PERSONAL GOODS</b>										
Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-	-	-	-
Total as at 31 December 2021						37,050,864	37,842,085	1.46	0.96	1.24
Total as at 30 June 2021						36,825,928	37,058,292	1.55	0.74	1.24

# Half Yearly Report 2021-22

5.1.1 The terms and conditions of listed term finance certificates outstanding as at 31 December 2021 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
<b>BANKS</b>					
Soneri Bank Limited	A+	8 years	Semi-annually	July 2023	6 month KIBOR + 1.35%
<b>TELECOMMUNICATION</b>					
Telecard Limited	NPA	15 years	Semi-annually	Dec 2020	3 month KIBOR
<b>PERSONAL GOODS</b>					
Azgard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%

## 5.2 Term finance certificates - unlisted

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

Name of the Investee Company	Note	As at 01 July 2021	Issued during the period	Disposed/ matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	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 %-----		
BANKS										
The Bank of Punjab Limited - TFC (Face Value Rs. 99,820)		527	-	-	527	53,120,555	54,777,276	2.11	1.40	2.11
Askari Bank Limited - TFC VII (Face Value Rs. 1,000,000)		150	-	-	150	150,671,100	151,500,000	5.83	3.86	2.50
Samba Bank Limited TFC (Face Value Rs. 99,980)		950	-	-	950	94,981,000	97,972,902	3.77	2.50	1.90
CHEMICALS										
Agritech Limited- I	5.7.1	2,000	-	-	2,000	-	-	-	-	-
Agritech Limited - II	5.7.1	8,000	-	-	8,000	-	-	-	-	-
Agritech Limited- IV	5.7.1	2,203	-	-	2,203	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited-VI (Face Value Rs. 5,000)	5.7.1	-	1,208	-	1,208	-	-	-	-	-
Azgard Nine Limited-VII (Face Value Rs. 5,000)	5.7.1	-	2,770	-	2,770	-	-	-	-	-
Total as at 31 December 2021						298,772,655	304,250,177	11.71	-	6.51
Total as at 30 June 2021						295,049,779	298,812,248	12.54	5.99	4.80

5.2.1 The terms and conditions of unlisted term finance certificates outstanding as at 31 December 2021 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
<b>BANKS</b>					
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 2030	3 month KIBOR + 1.20%
Samba Bank Limited TFC	AA-	10 years	Semi-annually	Mar 2031	6 month KIBOR +1.35%
<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 - VI	NPA	7 years	Annually / Quarterly with 2 year grace period	April 2028	5%
Azgard Nine Limited - VII	NPA	10 years	At maturity	Mar 2031	Zero Coupon

# Atlas Income Fund

## 5.3 Sukuk certificates

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

Name of the Investee Company	As at 01 July 2021	Purchased during the period	Disposed/ matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	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>Unlisted</b>									
<b>FERTILIZERS</b>									
Agritech Limited (note 5.6.1)	4,060	-	-	4,060	-	-	-	-	-
<b>BANKS</b>									
Meezan Bank Limited Tier - II - Unlisted (Face value of Rs. 1,000,000 per certificate)	47	-	47	-	-	-	-	-	-
<b>Pharmaceutical</b>									
OBS AGP Private Limited Sukuk Certificates (note 5.3.2) (Face Value Rs. 100,000)	-	1,100	-	1,100	110,000,000	110,000,000	4%	3%	-
<b>Listed</b>									
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
The Hub Power Company Limited (face value of Rs. 100,000 per certificate)	1,500	-	1,500	-	-	-	-	-	-
Total as at 31 December 2021					110,000,000	110,000,000	-	-	-
Total as at 30 June 2021					201,392,200	201,665,984			

5.3.1 The terms and conditions of sukuk certificates as at 31 December 2021 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return	Rating
OBS AGP Private Limited	NPA	7 years	Semi-annually	Aug 2015	6 month KIBOR + 2.00%	NPA

5.3.2 OBS AGP Private Limited Sukuk have been measured at their initial investment value, as their market values are not available at MUFAP.

## 5.4 Government securities - Market Treasury Bills

Tenor	As at 01 July 2021	Purchased during the period	Disposed/ matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
----- Face Value (Rupees) ----- Rupees ----- age % -----								
3 months	400,000,000	4,778,250,000	5,178,250,000	-	-	-	-	-
6 months	-	1,723,000,000	1,723,000,000	-	-	-	-	-
12 months	-	355,000,000	355,000,000	-	-	-	-	-
Total as at 31 December 2021	400,000,000	6,856,250,000	7,256,250,000	-	-	-	-	-
Total as at 30 June 2021					396,954,566	396,979,395		

5.4.1 Market treasury bills carry nil average purchase yield (30 June 2021: 7.33% to 7.34%) per annum. The cost of these investments as on 31 December 2021 is nil (30 June 2021: Rs. 393,356,100) and were issued between 15-July-2021 and 30-December-2021.



# Half Yearly Report 2021-22

## 5.5 Government securities - Pakistan Investment Bonds

Tenor	As at 01 July 2021	Purchased during the period	Disposed / matured during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	Face Value (Rupees)				Rupees		age %	
3 Years - Fixed	439,000,000	1,485,000,000	674,000,000	1,250,000,000	1,252,730,290	1,230,128,802	47.31	31.34
3 Years - Floating	50,000,000	-	-	50,000,000	50,060,000	49,975,000	1.92	1.27
5 Years - Fixed	540,000,000	-	235,000,000	305,000,000	308,597,715	291,686,312	11.22	7.43
5 Years - Floating	100,000,000	-	-	100,000,000	100,110,000	100,010,000	3.85	2.55
10 Years - Fixed	100,000,000	-	100,000,000	-	-	-	-	-
10 Years - Floating	75,000,000	-	-	75,000,000	75,247,500	75,135,000	2.89	1.91
<b>Total as at 31 December 2021</b>	<b>1,304,000,000</b>	<b>1,485,000,000</b>	<b>1,009,000,000</b>	<b>1,780,000,000</b>	<b>1,786,745,505</b>	<b>1,746,935,114</b>	<b>67.19</b>	<b>44.50</b>
<b>Total as at 30 June 2021</b>					<b>1,282,786,465</b>	<b>1,277,512,883</b>		

**5.5.1** Pakistan Investment Bonds carry purchase yield ranging from 8.12% to 9.68% (30 June 2021: 7.83% to 9.78%) per annum, were issued between 19 September 2019 and 18 June 2020 and will mature between 19 September 2022 and 18 June 2030 (30 June 2021: 10 December, 2030). The cost of these investments as on 31 December 2021 is Rs. 1,786,137,680 (30 June 2021: Rs. 1,259,749,272).

## 5.6 Commercial Papers

(Certificates having a face value of Rs. 100,000 each unless stated otherwise)

Name of investee company	As at 01 July 2021	Purchased during the year	Disposed / matured during the year	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	Number of Certificates				Rupees		age %	
K-Electric Islamic commercial paper (ICP-18)	-	25	-	25	-	-	-	-
K-Electric Islamic commercial paper (ICP-21)	-	150	-	150	147,353,022	147,353,022	5.67	3.75
Lucky Electric Power Company Limited - ICP	-	200	-	200	193,559,973	193,559,973	7.44	4.93
Mughal Iron & Steel Industries Limited - CP	-	63	-	63	59,965,910	59,965,910	2.31	1.53
<b>Total as at 31 December 2021</b>	<b>-</b>	<b>438</b>	<b>-</b>	<b>438</b>	<b>400,878,905</b>	<b>400,878,905</b>	<b>15.42</b>	<b>10.21</b>

**5.6.1** The nominal value of these commercial papers is Rs. 1,000,000 per certificate with 8.08% to 9.62% expected profit rate. These commercial papers will mature between 25 March 2022 and 21 July 2022.

**5.6.2** The securities are valued on the basis of amortization on its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non trade debt securities with residual maturity of up six months.

## 5.7 Particulars of non-compliant investments

**5.7.1** 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

# Atlas Income Fund

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	Principal Value	Valuation Loss	Value of Investment before Provision	Provision held	Value of Investment after provision	Percentage of		Suspended Mark up	Payments after declared NPA/ Financial Structuring	Payment after June 30, 2021
							Net assets	Gross assets			
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- 5.7.2

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. 90.21 million (30 June 2021: Rs 81.89 million), has been made in accordance with the provisioning requirements specified by the SECP.
- 5.7.3

During the FY 2012-13, the Fund received zero coupon term finance certificates of Azgard Nine Limited having face value of Rs. 5,375,000. These TFCs were received against outstanding mark-up of Azgard Nine Limited's TFCs payable as of 31 March 2012.
- 5.7.4

Atlas Income Fund (AIF) has opted for Option C (of Creditors’ Scheme of Arrangement as approved by Lahore High Court (LHC) was implemented from April 29, 2021), which is no waiver of principal or mark-up amount amongst other options available i.e. Option A (waiver of principal and mark-up amount) and Option B (no waiver of principal and but waiver of mark-up amount). AIF hold TFC of Rs.13,509,594 (fully provided for) at face value out of which TFC valuing Rs. 5,375,000 are Zero Coupon TFCs received through conversion of overdue mark-up up till March 31, 2012. Furthermore, accrued mark-up as at April 29, 2021 stands at Rs. 8,479,650.

**Settlement of Accrued Markup and Zero Coupon PPTFC:** During the period, total accrued mark-up till April 29, 2021 of Rs. 13,850,000 is converted into zero coupon secured PPTFC (2,770 certificates having face value of Rs. 5,000) having one time bullet payment on 10th anniversary of the issuance date (i.e. April 28, 2031) as per the arrangement. Following are the details of the option selected by AIF:

Description	Amount
	----- Rupees -----
Outstanding Markup	8,479,650
Zero Coupon PPTFC	5,375,000
Payment received	(4,650)
<b>New Zero Coupon PPTFC</b>	<b>13,850,000</b>

**Settlement of Principal Amount:** During the period, Principal portion is converted into Sub PPTFC (1,208 certificates having face value of Rs. 5,000) with repayment period of 7 years having 2 years of Grace period while remaining amount of Rs. 1,939,375 will be paid against the sale of Muzaffargah Unit, both accruing annual markup at 5% p.a.

# Half Yearly Report 2021-22

## Description

## Amount

----- Rupees -----

Outstanding Principal

8,134,594

Payment Received by AIF post settlement of Markup for option A & B creditors and Principal amount for option A creditors from cash proceeds of right issue and sale of Ferozepur property.

(154,858)

Payment against sale of Muzaffargah Unit (within 2 years) \*

(1,735,255)

Payment to be made by ANL on future date from internal sources \*

(204,480)

(1,939,735)

## Issuance of Sub PPTFC

6,040,000

The instrument will continue to remain non-performing as per the provisioning policy for non-performing exposure of collective investment scheme dated February 12, 2013 which states that "The terms and conditions of rescheduled/restructured debt security are fully met for a period of at least one year"

## 5.8 Listed equity securities - Spread Transactions

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

Name of Investee Company	As at 01 July 2021	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 31 December 2021	Carrying Cost	Market Value	Market Value as a Percentage of total investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
----- Number of shares -----						----- Rupees -----		----- age % -----		
<b>Cement</b>										
D.G. Khan Cement Company Limited	332,500	787,500	-	1,120,000	-	-	-	-	-	-
Fauji Cement Company Limited	127,000	-	-	127,000	-	-	-	-	-	-
Lucky Cement Limited	-	29,000	-	29,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	1,427,000	3,466,000	-	4,893,000	-	-	-	-	-	-
						-	-	-	-	-
<b>Oil and Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	-	5,000	-	5,000	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	117,000	-	-	117,000	-	-	-	-	-	-
						-	-	-	-	-
<b>Oil and Gas Exploration Companies</b>										
Oil and Gas Development Company Limited	-	400,000	-	400,000	-	-	-	-	-	-
Pakistan Petroleum Limited	7,500	-	-	7,500	-	-	-	-	-	-
						-	-	-	-	-
<b>Engineering</b>										
International Steels Limited	-	1,000,000	-	1,000,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	90,000	90,000	-	180,000	-	-	-	-	-	-
						-	-	-	-	-
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	738,500	50,000	-	788,500	-	-	-	-	-	-
						-	-	-	-	-
<b>Technology and Communications</b>										
Pakistan Telecommunication Company Limited	200,000	-	-	200,000	-	-	-	-	-	-
						-	-	-	-	-
<b>Fertilizer</b>										
Engro Fertilizers Limited	100,000	-	-	100,000	-	-	-	-	-	-
						-	-	-	-	-
<b>Chemicals</b>										
Lotte Chemical Pakistan Limited	32,500	44,500	-	77,000	-	-	-	-	-	-
						-	-	-	-	-
<b>Foods and Personal Care Products</b>										
Unity Foods Limited	-	1,918,001	-	1,918,001	-	-	-	-	-	-
						-	-	-	-	-
<b>Total as at 31 December 2021</b>						-	-	-	-	-
<b>Total as at 30 June 2021</b>						144,061,078	143,201,863	6.01	2.87	

5.8 The cost of listed equity securities as at 31 December 2021 is nil (30 June 2021: 144,061,078).

# Atlas Income Fund

		31 December 2021 Un-audited	30 June 2021 Audited
6 INTEREST / PROFIT ACCRUED	Note	----- Rupees -----	-----
Interest / profit on:			
Savings and term deposits		662,500	11,784,176
Margin Trading System		-	1,445,307
Term finance certificates		5,339,333	4,998,463
Pakistan Investment Bonds		41,650,425	24,182,681
Sukuk certificates		2,258,664	2,866,548
		<b>49,910,921</b>	<b>45,277,174</b>

## 7 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
Margin Deposit - Futures		32,661,957	47,681,770
Prepaid legal and professional charges		1,480,999	-
Other receivables	7.1	6,189,385	6,189,385
		<b>43,182,341</b>	<b>56,721,155</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 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 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		31 December 2021 Un-audited	30 June 2021 Audited
8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	----- Rupees -----	-----
Remuneration of the Management Company	8.1	2,427,130	4,169,613
Sindh Sales Tax payable on remuneration of the Management Company	8.2	3,838,225	4,064,748
Federal Excise Duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable	13	735,068	708,833
		<b>30,583,394</b>	<b>32,526,165</b>

# Half Yearly Report 2021-22

- 8.1 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.
- 8.2 During the period, an amount of Rs. 1,772,053 (2020: Rs. 2,550,904) was charged on account of sales tax on remuneration of management company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,998,575 (2021: Rs. 2,494,919) has been paid to the Management Company which acts as a 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 (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.

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 2021: 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 2021 would have been higher by Rs. 3.26 per unit (30 June 2021: Rs 2.47 per unit).

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY	Note	31 December 2021 Un-audited	30 June 2021 Audited
		----- Rupees -----	----- Rupees -----
Trustee fee payable	9.1	280,053	312,722
Sindh sales tax payable on trustee fee		36,629	40,654
		<b>316,682</b>	<b>353,377</b>

- 9.1 The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% (2021: 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.
- 9.2 During the period, an amount of Rs. 254,886 (2020: Rs. 191,318) 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. 258,911 (2020: Rs 187,120) was paid to trustee which acts as collecting agent.

# Atlas Income Fund

		31 December 2021 Un-audited	30 June 2021 Audited
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees -----	-----

Annual fees payable	10.1	<b>522,843</b>	<b>853,312</b>
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**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) at the rate of 0.02% of net assets per annum.

		31 December 2021 Un-audited	30 June 2021 Audited
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- Rupees -----	-----

Auditors' remuneration payable		371,236	488,258
NCCPL charges payable		385,329	147,733
Printing charges payable		4,263	4,263
Brokerage payable		56,558	3,631,447
Zakat payable		5,167	5,167
Withholding tax payable		127,539	34,002,269
Capital gain tax payable		9,567,768	220,353
Provision for Sindh Workers' Welfare Fund	11.1	-	44,638,021
Fund rating fee payable		265,089	-
Annual listing fee		12,506	-
Legal and professional charges payable		-	400,000
Other payable		334,343	334,343
		<b>11,129,797</b>	<b>83,871,854</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, 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 Mutual Fund Association of Pakistan (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 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, 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 44.64 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

# Half Yearly Report 2021-22

## 12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 December 2021 and on 30 June 2021.

## 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 expense at the rate of 0.12% from July 01, 2021 to September 14, 2021 and 0.2 % from September 15, 2021 to 31 December 2021 of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

	Note	For the Half Year Ended		For the Quarter Ended	
		31 December		31 December	
		2021	2020	2021	2020
		Un-audited		Un-audited	
		Rupees		Rupees	
<b>14 INTEREST INCOME</b>					
Interest on:					
Saving and term deposits		64,376,895	13,324,754	30,091,274	2,985,318
Margin Trading System		14,253,209	24,210,011	2,575,314	8,712,508
Term finance certificates	14.1	15,098,850	31,249,947	7,671,326	12,843,877
Sukuk certificates		7,462,283	15,725,800	3,298,476	7,258,097
Government Securities		104,933,732	89,422,719	56,999,656	37,977,905
Commercial Papers		8,894,921	-	8,894,921	-
		<b>215,019,891</b>	<b>173,933,231</b>	<b>109,530,968</b>	<b>69,777,705</b>

**14.1** This includes mark-up received on non-performing term finance certificates amounting to Rs. nil (31 December 2020: Rs.Nil million). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 80.45 million (31 December 2020: Rs. 80.45 million) based on outstanding principal has not been recognised during the period.

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 1.00% (30 June 2021: 1.79%) which includes 0.10% (30 June 2021: 0.29%) representing government levies on the Fund such as provision for 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.

## 16 TAXATION

**16.1** The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% net accounting income other than capital gains to the unit holders. 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. The Fund has not recorded tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised).

**16.2** On December 21, 2018, an income tax order was issued through which a tax demand including penalty and



# Atlas Income Fund

default surcharge of Rs. 15,863,027 was raised by the Deputy Commissioner Inland Revenue (ACIR) under section 161 of the Income Tax Ordinance, 2001 in respect of monitoring of withholding taxes paid/deducted under various sections of the Income Tax Ordinance, 2001 for tax year 2017 along with reconciliation under rule 44(4) of the Income Tax Rules, 2002.

An appeal was filed before the Commissioner Inland Revenue (CIR-A) against the said order (Appeals). The CIR has passed appellate order dated April 24, 2019 and upheld the action of Deputy Commissioner Inland Revenue (DCIR) in computing default of withholding tax on amounts inclusive of accruals yet to be paid instead of actual payment as required under section 158 of the Ordinance. He, however, has accepted the Fund's contention that the DCIR had worked out the default by applying incorrect withholding rates. Therefore, he has directed the DCIR to rework the alleged default. The CIR-A has further acknowledged the tax advisor's argument that default was erroneously computed without excluding dividends which were exempted from withholding tax. The DCIR has been directed to rework the default, if any, in respect of payment of dividend.

Furthermore, the CIR-A has not given specific findings on non-consideration of reconciliation of expenses furnished under rule 44(4) and non-application of withholding provisions on reimbursement of certain expenses to the Management Company. However, he remanded back the matter of non-deduction of tax on payments of securities transaction cost which were subject to separate withholding of tax under section 233A by Pakistan Stock Exchange Limited. He has also set aside the default surcharge and penalty for re-adjudication by the tax officer. The effect to the appellate order of the CIR-A is pending.

An appeal has been filed before the Appellate Tribunal against the appellate order of the Commissioner (Appeals) which is pending for hearing. Based on consultation with the tax advisor, the Management Company of the fund is confident that the matter will be decided favorably and hence, no provision is considered necessary in the condensed interim financial statements.

## **16.3 Tax cases related to income tax exemption under clause (99), Part I of the Second Schedule to the Income Tax Ordinance, 2001**

**16.3.1** On December 2, 2020, an income tax order was passed through which a tax demand of Rs. 138,242,375 was raised by the concerned Additional Commissioner Inland Revenue (ACIR) of Federal Board of Revenue (FBR) by rejecting the Fund's claim for income tax exemption under clause (99) contained in Part I of the Second Schedule to the Income Tax Ordinance, 2001 for tax year 2018. The order was passed by misconstruing that the Fund allegedly distributed less than 90% of its income to its unitholders which is the sole criterion for income tax exemption claim under clause (99). Whilst reaching this conclusion, the ACIR disregarded the distributions made during the year to outgoing unitholders on redemption of units. The order was maintained by CIR-A though order dated December 08, 2020 upheld Assessment Order passed by CIR.

An appeal was filed against the order of CIR-A before the Appellate Tribunal Inland Revenue (ATIR).

The ATIR decided the matter in favor of the Fund and has remanded back the matter for re-adjudication in light of the FBR Chairman's order vide Appellate Order dated August 31, 2021.

**16.3.2** On June 28, 2021, ACIR passed order in which a tax demand of Rs. 186,101,310 has been raised by rejecting the Fund's claim for income tax exemption under clause (99) contained in Part I of the Second Schedule to the Income Tax Ordinance, 2001 on alleged failure to distribute at least 90% of income to its unitholders. The order has been passed by the ACIR by misconstruing 'element of loss' of Rs. 395,794,812 appearing in the audited financial statements to be 'element of income'. Based on this, the ACIR has held that this amount should have been added whilst determining the distribution required for purposes of clause (99). The Fund obtained stay from the CIR-A against recovery of impugned tax demand.

The Fund filed appeal against order with the Commissioner Inland Revenue - Appeals. Based on the facts of



# Half Yearly Report 2021-22

the case, the matter was decided in favour of the Fund and remanded back for re-adjudication through Appellate Order dated October 28, 2021. The Fund is also directed to furnish relevant details / evidence to the ACIR, in order to get verified the claim of 'element of loss' unit holder wise, on the date of transaction.

**16.3.3** During the period, the ACIR passed orders dated December 1, 2021 through which tax demands of Rs. 177,181,627 and 150,148,048 against tax year 2016 and 2017 were raised, respectively, by rejecting the Fund's claim for income tax exemption under clause (99) contained in Part I of the Second Schedule to the Income Tax Ordinance, 2001 on alleged failure to distribute at least 90% of income to its unitholders. The orders were passed by the ACIR by misconstruing 'element of loss' of Rs. 134,064,111 and 271,103,485 in the tax year 2016 and 2017 respectively appearing in the annual financial statements to be 'element of income'. Based on this, the ACIR has held that these amount should have been added whilst determining the distribution required for purposes of clause. The Fund has already obtained stay from the CIR-A against recovery of impugned tax demands with whom the matter is presently pending in appeal. Based on consultation with the tax advisor, the Management Company of the fund is confident that the matter will be decided in favor of the Fund and hence, no provision is considered necessary in the financial statements.

It is worth mentioning here that subsequent to passing of the impugned order, the Chairman of FBR was approached for intervention and order dated February 25, 2021 was passed from his office under section 7 of the FBR Act, 2007 holding that redemption payments are to be construed as 'distribution' for purposes of clause (99).

## 17 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited 30-Jun-21	Cash Outflows	Non-Cash Changes Redemption of Unit	Un-audited 31-Dec-21
			Rupees	
Payable against redemption of units	1,374,017	(3,134,898,355)	3,135,194,118	1,669,781

## 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.

## 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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.

# Atlas Income Fund

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	
	2021	2020
	----- Rupees -----	
<b>19.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	13,631,174	19,622,336
Remuneration paid	15,373,658	19,191,667
Sindh Sales Tax on remuneration of the Management Company	1,772,053	2,550,904
Accounting and operational charges	4,344,613	3,335,794
Redemption of 100,335 (2020: Nil) units	52,975,675	-
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee	1,960,660	1,471,674
Sindh Sales Tax on remuneration of the Trustee	254,886	191,318
Trustee fee paid	1,993,329	1,439,374
Settlement charges	-	265,876
Sindh Sales Tax on settlement charges	-	34,564
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Issue of 70,168 (2020: 63,320) units	37,000,000	33,000,000
Redemption of nil (2020: 9,282) units	-	5,000,000
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 1,676,344 (2020: Nil) units	900,000,000	-
<b>Atlas Honda Limited - Employees Provident Fund</b>		
Redemption 9,324 (2020: Nil) units	5,000,000	-
<b>Atlas Honda Limited - Non Management Staff Gratuity Fund</b>		
Redemption 1,865 (2020: Nil) units	1,000,000	-
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of Nil (2020: 56,853) units	-	30,041,703
Redemption of Nil (2020: 5,814) units	-	3,036,000
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of 206,469 (2020: 48,470) units	108,500,000	25,500,000
Redemption of 72,987 (2020: Nil) units	39,149,942	-
<b>Atlas Metals (Private) Limited</b>		
Issue of 18,447 (2020: 37,963) units	10,000,000	20,000,000
Redemption 52,577 (2020: Nil) units	28,200,000	-
<b>Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Issue of Nil (2020: 225,117) units	-	120,000,000
<b>Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund</b>		
Redemption of 162,038 (2020: Nil) units	87,913,196	-

# Half Yearly Report 2021-22

		For the Half Year Ended	
		31 December	
		2021	2020
		----- Rupees -----	
19.1	<b>Transactions during the period (Cont....)</b>		
	<b>Shirazi Investments (Private) Limited (Group Company)</b>		
	Issue of Nil (2020: 3,868) units	-	2,015,774
	Redemption of 1,672,330 (2020: Nil) units	900,000,000	-
	<b>M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>		
	Issue of 5,729 (2020: nil) units	3,000,000	-
	Redemption of 5,729 (2020: nil) units	3,073,090	-
	<b>Directors and their close family members and personnel of the Management Company</b>		
	Issue of 17,067 (2020: 20,291) units	9,000,000	10,751,301
	Redemption of nil (2020: 48,440) units	-	25,943,742
		<b>31 December</b>	<b>30 June</b>
		<b>2021</b>	<b>2021</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- Rupees -----	
19.2	<b>Balances as at period / year end</b>		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	2,427,130	4,169,613
	Sindh Sales Tax payable on remuneration of the Management Company	3,838,225	4,064,748
	Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
	Accounting and operational charges payable	735,068	708,833
	Outstanding Nil (30 June 2021: 100,335) units - at net asset value	-	52,430,926
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	280,053	312,722
	Sindh Sales Tax payable on remuneration of the trustee	36,629	40,654
	Settlement charges payable	-	-
	Sindh Sales Tax payable on settlement charges	-	-
	<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
	Outstanding 606,740 (30 June 2021 : 536,572) units - at net asset value	329,191,930	280,391,373
	<b>Atlas Honda Limited (Group Company)</b>		
	Outstanding 2,270,870 (30 June 2021: 594,525) units - at net asset value	1,232,079,703	310,675,541
	<b>Atlas Insurance Limited (Group Company)</b>		
	Outstanding 103,900 (30 June 2021: 103,900) units - at net asset value	56,371,854	54,294,061
	<b>Atlas Metals (Private) Limited</b>		
	Outstanding 64,312 (30 June 2021: 98,441) units - at net asset value	34,892,940	51,441,626
	<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
	Outstanding 185,040 (30 June 2021: 51,558) units - at net asset value	100,394,922	26,941,964
	<b>Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
	Outstanding 31,028 (30 June 2021: 32,894) units - at net asset value	16,834,704	17,188,871
	<b>Atlas Honda Limited - Employess Provident Fund (Retirement benefit plan of group company)</b>		
	Outstanding 17,942 (30 June 2021: 162,038) units - at net asset value	9,734,466	84,674,812

# Atlas Income Fund

	31 December 2021 Un-audited	30 June 2021 Audited
19.2 Balances as at period / year end (Cont....)	----- Rupees -----	
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 71,241 (30 June 2021: 71,241) units - at net asset value	38,652,605	37,227,920
<b>Atlas Autos Private Limited</b>		
Outstanding Nil (30 June 2021: 1,569,589) units - at net asset value	-	820,205,472
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)</b>		
Outstanding 278,826 (30 June 2021: 278,826) units - at net asset value	151,279,274	145,703,317
<b>Atlas Energy Limited</b>		
Outstanding Nil (30 June 2021: 10,695) units - at net asset value	-	5,588,874
<b>Shirazi Investments (Private) Limited (Group company)</b>		
Outstanding 2,253,312 (30 June 2021: 3,925,643) units - at net asset value	1,222,553,744	2,051,385,734
<b>Key Management Personnel of Management Company</b>		
Outstanding 150,770 (30 June 2021: 488,479) units -at net asset value	81,801,425	255,259,992

## 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 valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

### 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: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

# Half Yearly Report 2021-22

As at December 31, 2021, the Fund held the following instruments measured at fair values:

	Fair value			
	Level 1	Level 2	Level 3	Total
<b>December 31, 2021 (Un-audited)</b>	(Rupees)			
<b>Financial assets measured at fair value</b>				
Term finance certificates - listed	37,842,085	-	-	37,842,085
Term finance certificates - unlisted	-	304,250,177	-	304,250,177
Government securities - Pakistan				
-Investment Bonds	-	1,746,935,114	-	1,746,935,114
	<b>37,842,085</b>	<b>2,051,185,291</b>	<b>-</b>	<b>2,089,027,377</b>
<b>June 30, 2021 (Audited)</b>	(Rupees)			
<b>Financial assets measured at fair value</b>				
Term finance certificates - listed	37,058,292	-	-	37,058,292
Term finance certificates - unlisted	-	298,812,248	-	298,812,248
Sukuk certificates	-	201,665,984	-	201,665,984
Government securities - Market Treasury Bills	-	396,979,395	-	396,979,395
Government securities - Pakistan				
- Investment Bonds	-	1,277,512,883	-	1,277,512,883
Investment in ordinary shares	-	143,201,863	-	143,201,863
Investment in Future contracts	-	3,903,900	-	3,903,900
	<b>37,058,292</b>	<b>2,322,076,274</b>	<b>-</b>	<b>2,359,134,566</b>

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

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.

## 21 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

"During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation. "

## 22 GENERAL

**22.1** Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

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

# Atlas Income Fund

## 23 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 21 February 2022.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## Atlas Stock Market Fund

### Corporate Information

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#### **Trustee**

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

#### **Auditors**

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EY Ford Rhodes  
Chartered Accountants

#### **Legal Advisers**

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Mohsin Tayebaly & Co.

#### **Bankers**

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Bank Alfalah Limited  
Habib Bank Limited  
MCB Bank Limited

# Atlas Stock Market Fund

## 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, 2021 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: 28 February 2022



# Half Yearly Report 2021-22

## **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 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (herein-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 2021 and 31 December 2020 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 2021.

#### **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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Atlas Stock Market Fund

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

AS AT 31 DECEMBER 2021

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
<b>Assets</b>			
Cash and Bank balances	4	144,908,353	311,116,752
Investments	5	9,924,890,850	9,840,526,442
Profit receivable on bank balances		-	914,389
Receivable against sale of investments		-	98,787,808
Advances, deposits, prepayments and other receivables	6	13,640,948	13,529,987
<b>Total assets</b>		<b>10,083,440,151</b>	<b>10,264,875,378</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	50,988,521	48,685,188
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	1,034,225	1,046,330
Payable to the Securities and Exchange Commission of Pakistan	9	1,024,554	1,804,473
Payable against redemption of units		1,182,947	114,849
Payable against purchase of investments		24,159,155	-
Unclaimed dividend		401,733	401,732
Accrued expenses and other liabilities	10	9,126,369	350,353,228
<b>Total liabilities</b>		<b>87,917,504</b>	<b>402,405,800</b>
<b>NET ASSETS</b>		<b>9,995,522,647</b>	<b>9,862,469,578</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>9,995,522,647</b>	<b>9,862,469,578</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>14,996,138</b>	<b>14,333,327</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>666.5398</b>	<b>688.0795</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

# Half Yearly Report 2021-22

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended		For the Quarter Ended	
		31 December		31 December	
		2021	2020	2021	2020
Note		Rupees -----			
Income					
Profit on bank balances		4,334,453	4,093,739	1,616,702	1,791,186
Dividend income		384,849,378	176,631,533	218,381,127	141,294,329
Capital gain on sale of investments - net		72,036,056	711,717,019	41,973,613	560,641,183
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(723,134,203)	1,502,527,817	(115,804,712)	157,982,826
		(651,098,147)	2,214,244,836	(73,831,099)	718,624,009
Total (loss) / income		(261,914,316)	2,394,970,108	146,166,730	861,709,524
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	125,488,331	103,502,261	63,470,346	53,562,401
Sindh sales tax on remuneration of the Management Company	7.2	16,313,483	13,455,294	8,251,145	6,963,112
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	5,627,006	4,816,703	2,790,869	2,483,821
Sindh sales tax on remuneration of the trustee	8.2	731,510	626,171	362,812	322,896
Annual fee to the Securities and Exchange Commission of Pakistan	9	1,024,579	862,519	507,762	446,354
Accounting and operational charges	12	23,474,773	8,285,773	12,694,069	4,748,366
Auditors' remuneration		339,635	207,640	169,817	37,823
Annual listing fee		13,863	13,852	6,932	7,424
Securities transaction cost		6,044,710	8,218,249	3,249,997	4,932,537
Printing charges		35,195	31,903	35,194	31,903
Legal and professional charges		42,900	100,780	10,500	70,000
(Reversal) / Provision for Sindh Workers' Welfare Fund	10.1	(105,137,220)	45,094,910	-	15,760,153
Bank charges		15,666	103,444	7,951	95,200
Total expenses		74,014,431	185,319,499	91,557,395	89,461,990
Net (loss) / income for the period before taxation		(335,928,747)	2,209,650,609	54,609,335	772,247,534
Taxation	14	-	-	-	-
Net (loss) / income for the period after taxation		(335,928,747)	2,209,650,609	54,609,335	772,247,534
Earnings per unit	13				
Allocation of net income for the period					
Net income for the period		-	2,209,650,609	54,609,336	772,247,534
Income already paid on units redeemed		-	(168,668,885)	-	(114,555,884)
		-	2,040,981,724	54,609,336	657,691,650
Accounting income available for distribution:					
- Relating to capital gains		-	2,214,244,836	-	718,624,009
- Excluding capital gains		-	(173,263,112)	54,609,336	(60,932,359)
		-	2,040,981,724	54,609,336	657,691,650

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

# Atlas Stock Market Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2021	2020	2021	2020
	-----Rupees-----			
Net (loss) / income for the period after taxation	(335,928,747)	2,209,650,609	54,609,335	772,247,534
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(335,928,747)</u>	<u>2,209,650,609</u>	<u>54,609,335</u>	<u>772,247,534</u>

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

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	7,557,133,362	-	7,557,133,362
<b>Undistributed income brought forward</b>			
- Realised income	-	1,331,130,189	1,331,130,189
- Unrealised Income	-	974,206,027	974,206,027
<b>Net assets at the beginning of the period (Units outstanding: 14,333,327) (Rs.688.0795 per unit)</b>	<b>7,557,133,362</b>	<b>2,305,336,216</b>	<b>9,862,469,578</b>
Issue of 1,789,185 units	1,232,818,323	-	1,232,818,323
Redemption of 1,126,375 units	(763,836,507)	-	(763,836,507)
Total comprehensive loss for the period	-	(335,928,747)	(335,928,747)
<b>Net assets at end of the period (Units outstanding: 14,996,138) (Rs. 666.5398 per unit)</b>	<b>8,026,115,178</b>	<b>1,969,407,469</b>	<b>9,995,522,647</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	2,168,243,937	-
- Unrealised loss	-	(198,836,467)	-
	<b>-</b>	<b>1,969,407,469</b>	<b>-</b>
	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>

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 Stock Market Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		For the Half Year Ended	
		31 December	
		2021	2020
Note		----- Rupees -----	-----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Net (loss) / income for the period after taxation	(335,928,746)	2,209,650,609
<b>Adjustment for:</b>			
	Profit on bank balances	(4,334,453)	(4,093,739)
	Dividend income	(384,849,378)	(176,631,533)
	Capital gain on sale of investments - net	(72,036,056)	(711,717,019)
	Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	723,134,203	(1,502,527,817)
	(Reversal) / Provision for Sindh Workers' Welfare Fund	(105,137,220)	45,094,910
		156,777,096	(2,349,875,198)
<b>Decrease / (increase) in assets</b>			
	Receivable against sale of investments	-	(268,723,704)
	Advances, deposits, prepayment and other receivables	(110,961)	-
		(110,961)	(268,723,704)
<b>Increase in liabilities</b>			
	Payable to Atlas Asset Management Limited - Management Company	2,303,333	7,188,200
	Payable to the Central Depository Company of Pakistan Limited - Trustee	(12,105)	312,181
	Payable to the Securities and Exchange Commission of Pakistan	(779,919)	(382,928)
	Payable against purchase of investments	24,159,155	47,300,691
	Accrued expenses and other liabilities	(236,089,639)	(12,361,803)
		(210,419,174)	42,056,341
	Profit received on bank balances	5,248,842	4,495,326
	Dividend received	384,849,378	168,631,333
	Investments made during the period	(2,844,890,595)	(3,823,950,931)
	Investments sold during the period	2,109,428,040	3,875,897,420
	<b>Net cash (used in) / generated from operating activities</b>	<b>(735,046,121)</b>	<b>(141,818,804)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Net receipts from issuance of units	1,331,606,131	2,815,459,028
15	Net payments against redemption of units	(762,768,410)	(2,628,660,815)
	<b>Net cash generated from financing activities</b>	<b>568,837,721</b>	<b>186,798,213</b>
	<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(166,208,400)</b>	<b>44,979,409</b>
	Cash and cash equivalents at the beginning of the period	311,116,752	75,706,293
4	<b>Cash and cash equivalents at the end of the period</b>	<b>144,908,353</b>	<b>120,685,702</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

# Half Yearly Report 2021-22

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 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 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the period, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two plus)] on 24 December 2021.

### 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:

# Atlas Stock Market Fund

- 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 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 2021.

**2.1.3** The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.

**2.1.4** 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 2021.

**2.2 New / Revised Standards, Interpretations and Amendments**

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

**2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022



# Half Yearly Report 2021-22

<b>Standards, interpretations and amendments</b>	<b>Effective date</b>
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to

# Atlas Stock Market Fund

classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 10.1 and 6.1 respectively.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## 2.6 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, 2021.

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 2021.

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
<b>4 CASH AND BANK BALANCES</b>			
In local currency			
- Profit and loss sharing accounts	4.1	142,414,074	278,461,795
- Current account		5,000	5,000
- Cheque in hand	4.2	2,489,279	32,649,957
		<b>144,908,353</b>	<b>311,116,752</b>

4.1 This rate of return on these accounts ranges between 5.5% and 11.10% (30 June 2021: 5.5% 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 January 03, 2022 (30 June 2021: 06 July 2020).

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
- Investment in listed equity securities	5.1	<b>9,924,890,850</b>	<b>9,840,526,442</b>

# Half Yearly Report 2021-22

## 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 2021	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	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										
Bank Alfalah Limited	-	9,225,001	-	70,000	9,155,001	301,629,032	316,763,035	3.19	3.17	0.52
Bank Al Habib Limited	3,306,292	2,265,246	-	70,100	5,501,438	388,735,366	379,654,236	3.83	3.80	0.49
Faysal Bank Limited	994,943	300,000	-	1,294,943	-	-	-	-	-	-
Habib Bank Limited (Note 5.3)	4,705,400	2,229,120	-	90,000	6,844,520	832,126,324	798,207,922	8.04	7.99	0.47
Habib Metropolitan Bank Limited	5,713,500	100,000	-	5,813,000	500	20,324	21,415	0.00	0.00	-
MCB Bank Limited	785,915	909,911	-	55,000	1,640,826	260,843,012	251,620,667	2.54	2.52	0.14
Meezan Bank Limited	3,577,898	75,000	547,934	2,384,341	1,816,491	183,127,182	243,609,608	2.45	2.44	0.11
United Bank Limited (Note 5.3)	4,958,463	916,627	-	65,000	5,810,090	717,860,475	793,542,092	8.00	7.94	0.47
	24,042,411	16,020,905	547,934	9,842,384	30,768,866	2,684,341,715	2,783,418,975	28.05	27.85	
INSURANCE										
Adamjee Insurance Company Limited	670,000	-	-	-	670,000	27,784,900	26,800,000	0.27	0.27	0.19
IGI Holdings Limited (face value Rs. 5 per share)	263,900	15,000	-	-	278,900	53,690,485	42,847,407	0.43	0.43	0.20
Jubilee Life Insurance Company Limited	95,200	-	-	-	95,200	31,868,200	20,563,200	0.21	0.21	0.11
Pakistan Reinsurance Company Limited	1,178,500	-	-	-	1,178,500	28,672,905	26,398,400	0.27	0.26	0.39
	2,207,600	15,000	-	-	2,222,600	142,016,490	116,609,007	1.18	1.17	
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	1,218,000	958,000	-	40,000	2,136,000	110,955,036	100,520,160	1.01	1.01	0.42
Interloop Limited	1,117,500	661,000	43,455	20,000	1,801,955	125,063,088	130,984,109	1.32	1.31	0.20
Kohinoor Textile Mills Limited	1,306,000	462,500	-	5,000	1,763,500	133,564,498	122,422,170	1.23	1.22	0.59
Nishat (Chunian) Limited	-	1,250,000	-	-	1,250,000	62,888,570	56,937,500	0.57	0.57	0.52
Nishat Mills Limited	1,971,500	1,020,700	-	56,200	2,936,000	272,795,898	233,646,880	2.35	2.34	0.84
	5,613,000	4,352,200	43,455	121,200	9,887,455	705,267,090	644,510,819	6.48	6.45	
CEMENT										
Attock Cement Pakistan Limited	431,100	-	-	346,200	84,900	15,266,718	11,797,704	0.12	0.12	0.06
Cherat Cement Company Limited	597,900	220,000	-	105,000	712,900	120,057,732	105,730,199	1.07	1.06	0.37
D.G. Khan Cement Company Limited	1,665,000	425,000	-	55,000	2,035,000	234,029,004	168,782,900	1.70	1.69	0.46
Fauji Cement Company Limited	7,914,000	2,500,000	-	750,000	9,664,000	212,957,390	177,527,680	1.79	1.78	0.70
Kohat Cement Company Limited	683,000	115,700	-	7,000	791,700	163,919,487	149,314,620	1.50	1.49	0.39
Lucky Cement Limited	737,000	181,000	-	64,000	854,000	716,544,717	580,105,120	5.84	5.80	0.26
Maple Leaf Cement Factory Limited	1,090,000	1,250,000	-	765,000	1,575,000	67,238,190	56,621,250	0.57	0.57	0.14
Pioneer Cement Limited	190,000	555,000	-	5,000	740,000	72,270,882	65,675,000	0.66	0.66	0.33
	13,308,000	5,246,700	-	2,097,200	16,457,500	1,602,284,120	1,315,554,473	13.25	13.17	
POWER GENERATION & DISTRIBUTION										
The Hub Power Company Limited	6,223,808	755,000	-	725,000	6,253,808	496,728,441	446,146,663	4.50	4.46	0.48
Kot Addu Power Company Limited	1,335,000	-	-	-	1,335,000	59,207,250	43,187,250	0.44	0.43	0.15
K-Electric Limited (face value Rs. 3.5 per share)	9,500,000	-	-	-	9,500,000	39,710,000	32,680,000	0.33	0.33	0.03
Lalpur Power Limited	7,464,000	-	-	-	7,464,000	133,307,040	105,317,040	1.06	1.05	1.97
Pakgen Power Limited	3,248,000	-	-	-	3,248,000	80,095,680	77,952,000	0.79	0.78	0.87
	27,770,808	755,000	-	725,000	27,800,808	809,048,411	705,282,953	7.12	7.05	
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	1,433,177	137,500	-	70,000	1,500,677	336,190,843	272,958,140	2.75	2.73	0.32
Sui Northern Gas Pipelines Limited	2,074,098	700,000	-	75,000	2,699,098	131,655,401	90,284,828	0.91	0.90	0.43
	3,507,275	837,500	-	145,000	4,199,775	467,846,244	363,242,968	3.66	3.63	
OIL & GAS EXPLORATION COMPANIES										
Mani Petroleum Company Limited	265,049	15,000	-	13,000	267,049	410,578,399	441,760,467	4.45	4.42	0.20
Oil & Gas Development Company Limited (Note 5.3)	4,918,100	350,000	-	215,000	5,053,100	477,669,426	435,577,220	4.39	4.36	0.12
Pakistan Oilfields Limited	256,020	-	-	-	256,020	100,836,037	91,557,872	0.92	0.92	0.09
Pakistan Petroleum Limited (Note 5.3)	2,767,602	100,000	-	60,000	2,807,602	243,051,284	221,912,862	2.24	2.22	0.10
	8,206,771	465,000	-	288,000	8,383,771	1,232,135,146	1,190,808,422	12.00	11.92	

# Atlas Stock Market Fund

Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	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 % -----				
ENGINEERING										
Aisha Steel Mills Limited	-	2,000,000	-	-	2,000,000	49,714,720	30,120,000	0.30	0.30	0.26
Amreli Steels Limited	-	854,500	-	-	854,500	40,774,794	38,247,420	0.39	0.38	0.29
Crescent Steel & Allied Products Limited	405,000	-	-	-	405,000	34,011,900	20,808,900	0.21	0.21	0.52
International Industries Limited	469,000	50,000	-	223,800	295,200	61,037,664	40,976,712	0.41	0.41	0.22
International Steels Limited	494,000	100,000	-	593,616	384	35,836	25,390	0.00	0.00	0.04
Intefaq Iron Industries Limited	-	727,000	-	51,500	675,500	12,556,872	8,085,735	0.08	0.08	0.47
Mughal Iron And Steel Industries Limited	591,213	370,000	103,681	40,000	1,024,894	96,748,217	106,701,714	1.08	1.07	0.31
	1,959,213	4,101,500	103,681	908,916	5,255,478	294,880,002	244,965,871	2.47	2.45	
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	56,200	54,640	-	-	110,840	142,205,248	136,222,360	1.37	1.36	0.14
Millat Tractors Limited	90,000	-	1,052	90,000	1,052	946,458	907,076	0.01	0.01	0.00
Pak Suzuki Motor Company Limited	215,000	128,500	-	203,000	140,500	49,985,959	32,773,030	0.33	0.33	0.17
	361,200	183,140	1,052	293,000	252,392	193,137,665	169,902,466	1.72	1.70	
AUTOMOBILE PARTS & ACCESSORIES										
Panther Tyres Limited	1,025,363	-	205,072	-	1,230,435	70,883,344	51,382,966	0.52	0.51	0.73
Thal Limited (face value Rs. 5 per share)	395,700	37,200	-	-	432,900	182,380,846	165,666,501	1.67	1.66	0.53
	1,421,063	37,200	205,072	-	1,663,335	253,264,190	217,049,467	2.19	2.17	
TRANSPORT										
Pakistan International Bulk Terminal Limited	7,400,000	-	-	-	7,400,000	84,212,000	54,464,000	0.55	0.54	0.41
	7,400,000	-	-	-	7,400,000	84,212,000	54,464,000	0.55	0.54	
TECHNOLOGY & COMMUNICATIONS										
Air Link Communication Limited	-	786,525	58,989	656,500	189,014	12,571,606	10,974,153	0.11	0.11	0.05
Hum Network Limited (face value Rs. 5 per share)	-	1,317,000	-	1,300,000	17,000	121,015	109,820	0.00	0.00	0.02
Octopus Digital Limited	-	74,336	-	74,000	336	13,642	26,127	0.00	0.00	0.00
Pakistan Telecommunication Company Limited	5,226,000	-	-	-	5,226,000	61,875,840	45,466,200	0.46	0.45	0.14
Systems Limited	451,700	-	-	336,100	115,600	64,761,432	87,837,504	0.89	0.88	0.08
TRG Pakistan Limited	865,000	500,000	-	418,608	946,392	117,196,064	111,579,617	1.12	1.12	0.17
	6,542,700	2,677,861	58,989	2,785,208	6,494,342	256,539,599	255,993,421	2.58	2.56	
FERTILIZER										
Engro Fertilizers Limited (Note 5.3)	3,153,500	110,000	-	40,000	3,223,500	227,239,615	245,276,115	2.47	2.45	0.24
Engro Corporation Limited	1,544,701	135,000	-	95,500	1,584,201	466,662,008	431,568,036	4.35	4.32	0.27
Fauji Fertilizer Bin Qasim Limited	1,700,000	650,000	-	-	2,350,000	61,004,135	58,233,000	0.59	0.58	0.18
Fauji Fertilizer Company Limited	955,000	2,118,891	-	136,801	2,937,090	300,216,824	294,472,643	2.97	2.95	0.23
	7,353,201	3,013,891	-	272,301	10,094,791	1,055,122,582	1,029,549,794	10.38	10.30	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	113,500	81,000	-	-	194,500	152,447,910	139,555,695	1.41	1.40	0.20
Ferozsons Laboratories Limited	15,700	-	-	15,700	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	210,800	-	-	-	210,800	34,923,236	28,776,308	0.29	0.29	0.07
Hightnoon Laboratories Limited	259,542	-	-	-	259,542	155,725,200	162,953,445	1.64	1.63	0.68
The Searle Company Limited	201,572	-	18,471	200,000	20,043	3,740,667	2,880,580	0.03	0.03	0.01
	801,114	81,000	18,471	215,700	684,885	346,837,013	334,166,028	3.37	3.35	
CHEMICALS										
Engro Polymer & Chemicals Limited	2,428,500	2,829,500	-	1,996,000	3,262,000	166,412,788	176,833,020	1.78	1.77	0.36
ICI Pakistan Limited	40,000	-	-	40,000	-	-	-	-	-	-
	2,468,500	2,829,500	-	2,036,000	3,262,000	166,412,788	176,833,020	1.78	1.77	
PAPER & BOARD										
Packages Limited	208,000	-	-	-	208,000	113,401,600	103,432,160	1.04	1.03	0.23
	208,000	-	-	-	208,000	113,401,600	103,432,160	1.04	1.03	
LEATHER & TANNERIES										
Bata Pakistan Limited	35,440	-	-	35,360	80	137,152	173,692	0.00	0.00	0.00
Service Global Footwear Limited	915,837	125,000	-	-	1,040,837	60,434,739	48,253,203	0.49	0.48	0.51
Service Industries Limited	120,836	-	-	120,800	36	21,155	16,867	0.00	0.00	0.00
	1,072,113	125,000	-	156,160	1,040,953	60,593,046	48,443,762	0.49	0.48	
FOODS & PERSONAL CARE PRODUCTS										
At-Tahur Limited	3,933,750	50,000	478,050	745,000	3,716,800	77,497,733	85,523,568	0.86	0.86	1.87
Shezan International Limited	76,000	-	7,600	-	83,600	25,183,360	18,532,448	0.19	0.19	0.87
Treet Corporation Limited	1,156,500	-	-	1,156,500	-	-	-	-	-	-
Unity Foods Limited	831,800	-	-	831,800	-	-	-	-	-	-
	5,998,050	50,000	485,650	2,733,300	3,800,400	102,681,093	104,056,016	1.05	1.05	

# Half Yearly Report 2021-22

Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	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 %		
GLASS & CERAMICS										
Shabbir Tiles & Ceramics Limited (face value Rs. 5 per share)	1,157,000	191,500	-	1,348,500	-	-	-	-	-	-
Tariq Glass Industries Limited	-	487,900	-	-	487,900	52,891,140	52,946,908	0.53	0.53	0.35
	1,157,000	679,400	-	1,348,500	487,900	52,891,140	52,946,908	0.53	0.53	
REFINERY										
Attock Refinery Limited	285,500	-	-	285,500	-	-	-	-	-	-
National Refinery Limited	48,000	-	-	-	48,000	25,113,120	13,660,320	0.14	0.14	0.06
	333,500	-	-	285,500	48,000	25,113,120	13,660,320	0.14	0.14	
Total as at 31 December 2021						10,648,025,053	9,924,890,850	100.00	99.31	
Total as at 30 June 2021						8,373,929,774	9,840,526,442			

5.2 The cost of listed equity securities as at 31 December 2021 is Rs. 10,123,727,318 (30 June 2021: Rs. 8,866,320,415).

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:

	Number of shares		Market value (Rupees)	
	31 December 2021 Un-audited	30 June 2021 Audited	31 December 2021 Un-audited	30 June 2021 Audited
Pakistan Petroleum Limited	297,000	297,000	23,474,880	25,788,510
Habib Bank Limited	60,000	60,000	6,997,200	7,342,200
Engro Fertilizers Limited	425,000	425,000	32,338,250	29,864,750
United Bank Limited	170,000	170,000	23,218,600	20,774,000
Oil & Gas Development Company Limited	100,000	100,000	8,620,000	9,503,000
	<b>1,052,000</b>	<b>1,052,000</b>	<b>94,648,930</b>	<b>93,272,460</b>

## 6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	31 December 2021 Un-audited	30 June 2021 Audited
Deposits with CDC		100,000	100,000
Prepaid legal and professional charges		110,961	-
Deposits with NCCPL		2,500,000	2,500,000
Other receivables	6.1	10,929,987	10,929,987
		<b>13,640,948</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

# Atlas Stock Market Fund

(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 2021 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	Un-audited 31 December 2021	Audited 30 June 2021
		Rupees	
Remuneration of the Management Company	7.1	20,840,121	20,250,329
Sindh Sales Tax payable on remuneration of the Management Company	7.2	5,678,261	5,601,589
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges payable	12	4,168,151	2,531,282
		<b>50,988,521</b>	<b>48,685,188</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% from 01 July 2021 to 30 September 2021 and 2.5% from 01 October 2021 to 31 December 2021 (30 June 2021: 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. 16,313,483 (2020: Rs. 13,455,294) 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. 16,236,810 (2020: Rs. 12,780,430) 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

# Half Yearly Report 2021-22

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 2021 would have been higher by Rs.1.35 (30 June 2021: Rs. 1.42) per unit.

8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	31 December 2021 Un-audited	30 June 2021 Audited
			Rupees	
	Remuneration Payable to Trustee	8.1	918,533	925,955
	Sindh Sales tax payable on trustee fee	8.2	115,692	120,375
			<b>1,034,225</b>	<b>1,046,330</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. 731,510 (2020: Rs. 626,172) 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. 736,193 (2020: Rs. 597,666) was paid to the Trustee which acts as a collecting agent.

9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	31 December 2021 Un-audited	30 June 2021 Audited
		Rupees	
	Annual fees payable	<b>1,024,554</b>	<b>1,804,473</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) an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.

10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2021 Un-audited	30 June 2021 Audited
			Rupees	
	Auditors' remuneration payable		363,395	457,002
	Printing charges payable		-	8,736
	NCCPL charges payable		25,000	25,000
	Annual listing fee payable		13,599	-
	Transaction charges payable		7,186,903	10,051,896
	Withholding and capital gain tax payable		884,814	50,110,148
	Zakat payable		83,816	83,816
	Sale Load Payable		57,920	68,090
	Other payable		111,938	66,820
	Dividend payable		398,983	184,344,500
	Provision for Sindh Workers' Welfare Fund	10.1	-	105,137,220
			<b>9,126,369</b>	<b>350,353,228</b>



# Atlas Stock Market 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 Mutual Fund Association of Pakistan (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 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, 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 105 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2021 and 30 June 2021.

## 12 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.4% of the average annual net assets of the Fund upto 14 September 2021 and charged expenses at the rate of 0.5% of the average annual net assets afterwards.

## 13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 3.50% (30 June 2021: 3.96%) which includes 0.38% (30 June 2021: 1.05%) 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.

## 14 TAXATION

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

## 15 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited			Un-audited
	30-Jun-21	Cash Outflows	Non-Cash Changes	31-Dec-21
			Redemption of Unit	
	Rupees			
Payable against redemption of units	114,849	(762,768,410)	763,836,507	1,182,947



# Half Yearly Report 2021-22

## 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.

## 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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	
		2021	2020
		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		125,488,331	103,502,261
Sindh Sales Tax on remuneration of the Management Company		16,313,483	13,455,294
Remuneration paid		124,898,539	98,311,002
Accounting and operational charges		23,474,773	8,285,773
Issue of 2,234 (2020:28,121 ) units		1,542,322	14,984,586
Redemption of Nil (2020:136,928) units		-	88,000,000
<b>Central Depository Company of Pakistan Limited (Trustee)</b>			
Remuneration of the Trustee		5,627,006	4,816,703
Sindh Sales Tax on remuneration of the Trustee		731,510	626,171
Remuneration paid		5,357,451	4,597,438
Settlement charges		323,256	298,718
Sindh Sales Tax on settlement charges		32,491	38,833
<b>Atlas Foundation</b>			
Issue Nil of (2020:23,822) units		-	14,000,000
<b>Atlas Insurance Limited (Group Company)</b>			
Issue 317,221 of (2020:162,581) units		207,412,432	100,000,000
Redemption of 287,031 (2020: 22,157) units		187,412,432	15,000,000
<b>Atlas Metals (Private) Limited</b>			
Issue of 3,778 (2020: 30,727) units		2,500,000	20,000,000
Redemption of 32,394 (2020: Nil) units		22,150,000	-
<b>Honda Atlas Cars (Pakistan) Limited- Employees Gratuity Fund (Retirement Benefit plan of a Group Company)</b>			
Issue of Nil (2020: 92,485) units		-	60,000,000
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>			
Issue of 13,687 (2020: 2,013) units		9,000,000	1,250,000
Redemption of 4,315 (2020: 12,990) units		3,000,000	8,000,000

# Atlas Stock Market Fund

		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	----- Rupees -----
17.1	Transactions during the period (Cont.....)		
	<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
	Redemption of 3,462 (2020: 11,310) units	2,400,936	7,246,299
	<b>Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)</b>		
	Redemption of Nill (2020: 619,931) units	-	400,000,000
	<b>CDC-Trustee Punjab Pension Fund Trust</b>		
	Issue of 214,280 (2020: 557,374) units	150,000,000	350,000,000
	<b>Directors and their close family members and key management personnel of the Management Company</b>		
	Issue of 6,495 (2020: 21,450) units	3,459,053	13,354,363
	Redemption of 28,802 (2020: 1,988) units	20,300,000	1,275,000
		<b>31 December 2021</b>	<b>30 June 2021</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- Rupees -----	----- Rupees -----
17.2	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	20,840,121	20,250,329
	Sindh Sales tax payable on remuneration of the Management Company	5,678,261	5,601,589
	Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
	Accounting and operational charges payable	4,168,151	2,531,282
	Outstanding 93,768 (30 June 2021: 91,534) units - at net asset value	62,500,104	62,982,893
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	918,533	925,955
	Sindh Sales tax payable on remuneration of trustee	115,692	120,375
	<b>Atlas Honda Limited (Group Company)</b>		
	Outstanding 29,783 (30 June 2021: 29,783 ) units - at net asset value	19,851,800	20,493,072
	<b>Atlas Foundation (Group Company)</b>		
	Outstanding 894,455 (30 June 2021:894,455 ) units - at net asset value	596,189,964	615,456,149
	<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
	Outstanding 141,596 (30 June 2021:132,224 ) units - at net asset value	94,379,044	90,980,624
	<b>Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
	Outstanding 90,998 (30 June 2021: 90,998) units - at net asset value	60,653,769	62,613,838
	<b>Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
	Outstanding 20,726 (30 June 2021: 20,725) units - at net asset value	13,814,623	14,261,052
	<b>Atlas Insurance Limited (Group Company)</b>		
	Outstanding 317,221 (30 June 2021: 287,031) units - at net asset value	211,440,421	197,499,863

# Half Yearly Report 2021-22

	31 December 2021 Un-audited ----- Rupees -----	30 June 2021 Audited -----
<b>17.2 Details of balances with related parties as at the period / year end are as follows: (Cont.....)</b>		
<b>Atlas Metals (Private) Limited</b>		
Outstanding 33,281 (30 June 2021: 61,896) units - at net asset value	22,183,386	42,589,708
<b>Batoos Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 225,620 (30 June 2021: 225,620) units - at net asset value	150,384,972	155,244,767
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
Outstanding 132,660 (30 June 2021: 132,660) units - at net asset value	88,423,198	91,280,656
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
Outstanding Nil (30 June 2021: 3,462) units - at net asset value	-	2,382,131
<b>Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)</b>		
Outstanding 3,829,218 (30 June 2021: 3,829,218) units - at net asset value	2,552,326,460	2,634,806,675
<b>Sindh Province Pension Fund (Unit Holder with more than 10% holding)</b>		
Outstanding 1,547,293 (30 June 2021: Nil) units - at net asset value	1,031,332,141	-
<b>CDC-Trustee Punjab Pension Fund Trust (Unit Holder with more than 10% holding)</b>		
Outstanding 1,562,207 (30 June 2021: Nil) units - at net asset value	1,041,273,463	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 1,841,109 (30 June 2021: 2,117,293) units - at net asset value	1,227,172,447	1,456,866,235

## 18 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 Pakistan Stock Exchange Limited.

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

# Atlas Stock Market Fund

## Financial assets 'at fair value through profit or loss'

- Listed equity securities

As at December 31, 2021 (Unaudited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

9,924,890,850	-	-	9,924,890,850
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## Financial assets 'at fair value through profit or loss'

- Listed equity securities

As at June 30, 2021 (Audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

9,840,526,442	-	-	9,840,526,442
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There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

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.

## 19 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation. "

## 20 GENERAL

**20.1** This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subject to limited scope review by the statutory auditors of the Fund.

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

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

## 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 21 February 2022.

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

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**Atlas Islamic Money Market Fund**

**Atlas Islamic Income Fund**

**Atlas Islamic Stock Fund**

**Atlas Islamic Dedicated Stock Fund**

**Atlas Islamic Fund of Funds**

**HALF YEARLY REPORT**

**31 DECEMBER 2021**

**(UN-AUDITED)**



**Managed By**

**Atlas Asset Management**

**Rated AM2+ by PACRA  
(as of December 24, 2021)**



#### **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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**CONTENTS**

ORGANISATION	2
CHAIRMAN'S REVIEW	3
<hr/>	
<b>ATLAS ISLAMIC MONEY MARKET FUND</b>	
CORPORATE INFORMATION	6
TRUSTEE REPORT TO THE UNIT HOLDERS	7
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	8
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	9
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	14
<hr/>	
<b>ATLAS ISLAMIC INCOME FUND</b>	
CORPORATE INFORMATION	24
TRUSTEE REPORT TO THE UNIT HOLDERS	25
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	26
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	27
CONDENSED INTERIM INCOME STATEMENT	28
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	29
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	30
CONDENSED INTERIM CASH FLOW STATEMENT	31
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	32
<hr/>	
<b>ATLAS ISLAMIC STOCK FUND</b>	
CORPORATE INFORMATION	46
TRUSTEE REPORT TO THE UNIT HOLDERS	47
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	48
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	49
CONDENSED INTERIM INCOME STATEMENT	50
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	51
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	52
CONDENSED INTERIM CASH FLOW STATEMENT	53
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	54
<hr/>	
<b>ATLAS ISLAMIC DEDICATED STOCK FUND</b>	
CORPORATE INFORMATION	68
TRUSTEE REPORT TO THE UNIT HOLDERS	69
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	70
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	71
CONDENSED INTERIM INCOME STATEMENT	72
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	73
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	74
CONDENSED INTERIM CASH FLOW STATEMENT	75
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	76
<hr/>	
<b>ATLAS ISLAMIC FUND OF FUNDS</b>	
CORPORATE INFORMATION	88
TRUSTEE REPORT TO THE UNIT HOLDERS	89
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	90
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	91
CONDENSED INTERIM INCOME STATEMENT	93
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	97
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	101
CONDENSED INTERIM CASH FLOW STATEMENT	103
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	105



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 Islamic Money Market Fund (AIMF), Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Dedicated Stock Fund (AIDSF) and Atlas Islamic Fund of Funds (AIFO) for the half year period ended December 31, 2021 of FY22.

## THE ECONOMY

Recovery in domestic demand stemming from expansionary monetary and fiscal policy, coupled with high international commodity prices due to revival of economic activities around the world amid supply constraints, has led to sharp increase in inflation and trade deficit. The Jul-Dec current account balance stood at US \$9.01 billion deficit compared to US \$1.25 billion surplus in same period last year largely on back of 66.23% YoY increase in Jul-Dec FY22 imports of US \$40.65 billion compared to US \$24.45 billion in same period last year. The Jul-Dec FY22 exports increased by 24.91% YoY to stand at US \$15.13 billion while Jul-Dec FY22 worker's remittances increased by 11.30% YoY to stand at US \$15.81 billion. Total liquid foreign exchange reserves increased by 18.33% YoY to US \$24.27 billion as of Dec 24, 2021 (SBP's share stood at US \$17.86 billion) primarily due to IMF's new SDR allocation of US \$2.80 billion, growth in worker's remittances, inflows from multilateral and bilateral lenders and extension of debt suspension as part of G20 debt relief deal. Average CPI inflation for first half FY22 remained at 9.81%. The State Bank's Monetary Policy Committee increased policy rate by 275bps to 9.75% during Jul-Dec FY22 in order to counter inflationary pressure and ensure economic growth remains sustainable.

## FUND OPERATIONS - AIMF

Atlas Islamic Money Market Fund increased by 3.72% on absolute basis (7.38% annualized) as on December 31, 2021. The AIMF total exposure in high yielding Shariah Compliant Bank Balances/Others, Shariah Compliant Term Deposit and Commercial Paper stood at 61.07%, 26.44% and 12.49%, respectively. AIMF presents a good investment opportunity for investors to earn attractive returns (with a periodic payout) while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 1.28 billion, with 2.57 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AIMF amounting to Rs. 0.46 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AIMF by 0.11%. This is one-off event and is not likely to be repeated in the future.

## FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 3.95% to Rs. 525.88 as on December 31, 2021, providing an annualized total return of 7.85%. The AIIF total exposure in high yielding Shariah Compliant Bank Balances/Others, Sukuks, Commercial Paper and Placement with Banks stood at 36.19%, 34.15%, 16.14% and 13.52%, respectively. The Net Assets of your Fund stood at Rs. 2.03 billion, with 3.86 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AIIF amounting to Rs. 11.19 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AIIF by 0.91%. This is one-off event and is not likely to be repeated in the future.

## FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) decreased by 3.94% to Rs. 550.55 as on December 31, 2021. The benchmark KMI-30 index decreased by 6.44% during the same period. The KMI-30 index decreased from 76,621.54 points as on June 30, 2021 to 74,288.26 points as on December 31, 2021. AISF strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospect of earnings growth. AISF equity portfolio exposure stood at 98.06% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks. The Net Assets of your Fund stood at Rs. 4.04 billion, with 7.34 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AISF amounting to Rs. 34.63 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AISF by 1.24%. This is one-off event and is not likely to be repeated in the future.

## FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) decreased by 3.03% to Rs. 486.26 as on December 31, 2021. The benchmark KMI-30 index decreased by 6.44% during the same period. The KMI-30 index decreased from 76,621.54 points as on June 30, 2021 to 74,288.26 points as on December 31, 2021. AIDSF strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospects of earnings growth. AIDSF equity portfolio exposure stood at 98.08% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks. The Net Assets of your Fund stood at Rs. 486.26 million, with 0.85 million units outstanding as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers'

# Atlas Meraj

Welfare Fund by AIDSf amounting to Rs. 3.13 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AIDSf by 1.06%. This is one-off event and is not likely to be repeated in the future.

## FUND OPERATIONS - AIFO

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAI) decreased by 1.16% to Rs. 587.58 as on December 31, 2021. AAAI was 23.97% and 66.25% invested in AIIF and AIDSf, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAI) increased by 0.23% to Rs. 584.70 as on December 31, 2021. AMAI was 43.77% and 49.29% invested in AIIF and AIDSf, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAI) increased by 2.16% to Rs. 579.33 as on December 31, 2021. ACAI was 68.98% and 24.59% invested in AIIF and AIDSf, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP II) increased by 1.41% to Rs. 507.07 as on December 31, 2021. AICPP II was 57.62% and 41.60% invested in AIMF and AIDSf, respectively. During the period, Atlas Islamic Dividend Plan (AIDP) provided 3.90% return (7.73% annualized basis). AIDP was 88.73% invested in AIIF. During the period under review, Atlas Islamic Capital Preservation Plan II (AICPP-II) reached its maturity providing since inception return of 23.15% against benchmark of 15.84%. The Net Assets of AIFO stood at Rs. 914.42 million as of December 31, 2021. During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AAAI, AMAI, ACAI, AICPP and AIDP amounting to Rs. 0.79, 0.79, 0.72, 2.11 and 0.07 million respectively, has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AAAI, AMAI, ACAI, AICPP II and AIDP by 0.59%, 0.58%, 0.51% and 0.53%, respectively. This is one-off event and is not likely to be repeated in the future.

## MUTUAL FUND TAXATION

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

Levy of WWF has become provincial subject and as Sindh Government has imposed SWWF on industrial, service sectors and financial institutions. Sindh Revenue Board (SRB) has demanded SWWF from mutual funds claiming that these are "financial institutions". According to legal and tax advisors' interpretations, obtained by MUFAP, mutual funds do not fall under the definition of "financial institutions". The Companies Act 2017 has also excluded mutual funds from the definition of financial institutions. However, asset management companies are included in the definition of financial institutions. Nevertheless, as abundant precaution mutual funds made provision in respect of SWWF as recommended by MUFAP from the date of enactment (May 21, 2015) of Sindh Workers Welfare Fund Act, 2014.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds and pension funds do not qualify as Financial Institutions/ Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognized in the financial statements of the Funds.

### 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

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 (SCP) 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.

# Half Yearly Report 2020-21

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. Thereafter, subject matter was taken to Tribunal, which in its judgment decided the case in favor of Fund and vacated the previous orders issued by FBR & Appeal office. Later, FBR issued assessment order of AIF for TY: 2015 and the said exemption was denied again citing the charge that the distribution fell short of 90%. The issue was taken to Commissioner Appeals Office, which decided the case in favor of Fund and annulled the previous order issued by FBR. Recently, FBR issued assessment orders for TY: 2016 & 2017 in AIF, on the same issue of distribution of income while withdrawing exemption. Appeal has been filed in Commissioner Appeals office which is pending adjudication, meanwhile stay order has also been obtained from Commissioner Appeals. 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 MUFAPs interpretation and is also actively following up with FBR to resolve the matter at the earliest.

## 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 - AIMF

PACRA has assigned a stability rating of "AA (f)" (Double A 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.

### • 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 leading indicators of domestic demand suggest strong economic growth in FY22 wherein State Bank of Pakistan expects economic growth to remain in 4% to 5% range. The increase in import figures, stemming primarily from upsurge in global commodity prices, is likely to moderate going forward on back of expected normalization in global commodity prices due to easing supply disruptions and monetary tightening by major central banks around the world. In contrast to sharp rise in imports, the recent policy rate hikes, proposed fiscal measures in finance supplementary bill and market-based flexible exchange rate system will help curb imports, while growth in worker's remittances and encouraging pickup in exports will likely help contain CAD under 4% of GDP. Inflation is expected to remain in 9% to 11% range in FY22, which is higher than previous estimates due to PKR devaluation, high commodity prices and demand side pressures, whereas recent monetary tightening will help curtail inflation outlook. Going forward, government's focus towards widening tax base to ease fiscal pressure, and measures to increase exports as well as encourage import substitution to ease external pressure will be instrumental in sustaining economic activity, financial stability, safeguarding jobs and addressing social needs.

دے ولولہ شوق جسے لذت پرواز  
کر سکتا ہے وہ ذرہ مہ و مہر کو تاراج

A mote endowed with strong desire for flight  
Can reach the Sun and Moon with effort slight.

## 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.

Ittikhar H. Shirazi  
Chairman

Karachi: 21 February 2022

# Atlas Islamic 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

**Shariah Advisor**

---

Dr. Mufti Hassan Usmani

**Auditors**

---

EY Ford Rhodes  
Chartered Accountants

**Legal Advisers**

---

Bawaney & Partners

**Bankers**

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Askari Bank Limited - Islamic Banking  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited

# Half Yearly Report 2021-22

## 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 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, 2021 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: 28 February 2022

# Atlas Islamic 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 Islamic Money Market Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (herein-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 2021 and 31 December 2020 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 2021.

#### **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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		December 31, 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
<b>Assets</b>			
Bank balances	4	1,116,369,480	282,877,302
Investments	5	160,565,961	350,806,346
Markup accrued	6	7,975,014	3,364,300
Prepayments and other receivables	7	468,911	494,442
Deferred formation cost		579,449	782,290
<b>Total assets</b>		<b>1,285,958,815</b>	<b>638,324,680</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	81,095	897,019
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	76,463	53,922
Payable to the Securities and Exchange Commission of Pakistan	10	97,819	53,533
Payable against redemption of units	17	2,764,904	-
Accrued expenses and other liabilities	11	414,721	707,269
<b>Total liabilities</b>		<b>3,435,002</b>	<b>1,711,743</b>
<b>NET ASSETS</b>		<b>1,282,523,813</b>	<b>636,612,937</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,282,523,813</b>	<b>636,612,937</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,565,047</b>	<b>1,273,226</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>500.0000</b>	<b>500.0000</b>

The annexed notes from 1 to 23 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 Money Market Fund

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

		For the half year ended December 31, 2021	For the Quarter ended December 31, 2021
	Note	----- Rupees -----	
<b>Income</b>			
Mark up Income	13	37,289,897	22,396,102
Capital loss on sale of investments - net		(106,782)	(50,726)
<b>Total income</b>		<b>37,183,115</b>	<b>22,345,376</b>
<b>Expenses</b>			
Remuneration to Atlas Asset Management Company - Management Company		244,301	138,052
Sindh sales tax on remuneration of the Management Company		31,760	17,949
Accounting and Operational charges		150,000	75,000
Remuneration to the Central Depository Company of Pakistan Limited		289,981	151,856
Sindh sales tax on remuneration of the Trustee		37,698	19,742
Annual fee - Securities and Exchange Commission of Pakistan		97,720	55,220
Auditor's remuneration		212,603	136,987
Transaction Charges		18,874	(28,022)
Amortization of preliminary expenses and floatation costs		80,309	27,805
Annual Listing fee		13,863	6,933
Fund Rating Fee		86,586	43,293
Shariah advisory fee		40,000	20,000
Bank charges		13,546	6,105
Printing Charges		30,530	23,030
Legal and Professional Charges		53,700	26,560
Reversal of provision for Sindh Workers' Welfare Fund		(338,463)	-
<b>Total expenses</b>		<b>1,063,008</b>	<b>720,510</b>
<b>Net income for the period before taxation</b>		<b>36,120,107</b>	<b>21,624,867</b>
<b>Taxation</b>	16	-	-
<b>Net income for the period after taxation</b>		<b>36,120,107</b>	<b>21,624,867</b>
<b>Allocation of net income for the period:</b>			
Net income for the period after taxation		36,120,107	21,624,867
Income already paid on units redeemed		-	-
		<b>36,120,107</b>	<b>21,624,867</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	-
- Excluding capital gains		36,120,107	21,624,867
		<b>36,120,107</b>	<b>21,624,867</b>

The annexed notes from 1 to 23 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 2021-22

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the half year ended December 31, 2021	For the Quarter ended December 31, 2021
	----- Rupees -----	
Net income for the period after taxation	36,120,107	21,624,867
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>36,120,107</u>	<u>21,624,867</u>

The annexed notes from 1 to 23 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 Money Market Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the half year ended December 31, 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	636,612,937	-	636,612,937
<b>Undistributed income brought forward</b>			
- Realised income	-	-	-
- Unrealised loss	-	-	-
<b>Net assets at the beginning of the period (Units outstanding: 1,273,226) (Rs. 500 per unit)</b>	<b>636,612,937</b>	<b>-</b>	<b>636,612,937</b>
Issue of 3,064,820 units	1,532,409,891	-	1,532,409,891
Redemption of 1,772,998 units	(886,499,014)	-	(886,499,014)
Total comprehensive income for the period	-	36,120,107	36,120,107
Cash Dividend Distributions	-	(36,120,107)	(36,120,107)
<b>Net assets at the beginning of the period (Units outstanding: 2,565,047) (Rs. 500 per unit)</b>	<b>1,282,523,814</b>	<b>-</b>	<b>1,282,523,814</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	-	-
- Unrealised loss	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

The annexed notes from 1 to 23 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 2021-22

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		For the half year ended December 31, 2021
		Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation		36,120,107
<b>Adjustments for:</b>		
Mark up Income		(37,289,897)
Reversal of provision for Sindh Workers' Welfare Fund		(338,463)
Capital loss on sale of investments - net		106,782
Amortization of preliminary expenses and floatation costs		80,309
		<b>(37,441,269)</b>
<b>Increase in assets</b>		
Prepayments and other receivables		25,531
<b>(Decrease) / increase in liabilities</b>		
Payable to Atlas Asset Management Company - Management Company		(815,924)
Payable to Central Depository Company of Pakistan Limited - Trustee		22,541
Payable to the Securities and Exchange Commission of Pakistan		44,286
Accrued expenses and other liabilities		168,449
		<b>(580,648)</b>
Markup received		32,679,181
Investments - net		190,133,602
<b>Net cash used in operating activities</b>		<b>220,936,505</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units		1,532,409,891
Dividend Distribution		(36,120,107)
Payments against redemption of units	17	(883,734,110)
<b>Net cash generated from financing activities</b>		<b>612,555,673</b>
<b>Net increase in cash and cash equivalents</b>		<b>833,492,178</b>
Cash and cash equivalents at the beginning of the period		282,877,302
<b>Cash and cash equivalents at the end of the period</b>	4	<b>1,116,369,480</b>

The annexed notes from 1 to 23 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 Money Market Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 17 September 2020 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. 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 money market 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 07 January 2021, 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 Atlas Islamic Money Market Fund (AIMF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consist of Shariah Compliant money market instruments.
- 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the year, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6 As per the offering document of the Fund, the management company may decide to distribute all net profit (after deducting all expenses of the Fund) on a periodic basis (that is Daily, Weekly, Monthly, Quarterly and Yearly) as dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management has distributed as dividend all the net income earned by the Fund during the period to the unit holders on daily basis.
- 1.7 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two plus) [2020: AM2+ (AM Two plus)] on 24 December 2021 and maintain the Fund rating to AA(f) on 15 October 2021.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.
- 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 2021.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021.

# Half Yearly Report 2021-22

**2.1.4** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2021.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

### **Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>2.3 Standards, interpretations and amendments</b>	<b>Effective date</b>
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

## **2.4 Critical accounting estimates and judgements**

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the

# Atlas Islamic Money Market Fund

basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 11.1 and 7.1 respectively.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## 2.6 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 applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended 30 June 2021.

3.2 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.

3.3 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 2021.

3.4 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the period ended 30 June 2021.

		December 31, 2021 Un-audited	June 30, 2021 Audited
	Note	-----Rupees -----	
<b>4 BANK BALANCES</b>			
In local currency			
- Profit and loss sharing accounts	4.1	776,369,480	282,877,302
- Investment in Term Deposit Receipt	4.2	340,000,000	-
		<b>1,116,369,480</b>	<b>282,877,302</b>

4.1 The rate of return on these profit and loss sharing accounts ranges between 6.5% and 10% (30 June 2021: ranges between 4.5% to 6.5% per annum)

4.2 The rate of return on this investment ranges from 10.75% to 10.85% (30 June 2021: Nil) and will be matured on 16 March 2022 and 31 January 2022 (30 June 2021: Nil).

		December 31, 2021 Un-audited	June 30, 2021 Audited
	Note	-----Rupees -----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
- Investment in Islamic Commercial Paper	5.1	160,565,961	83,519,658
- Investment in Bai-Muajjal	5.2	-	267,286,688
		<b>160,565,961</b>	<b>350,806,346</b>

# Half Yearly Report 2021-22

## 5.1 Investment in Islamic Commercial Paper

Name of the Investee Company	As at 01 July 2021	Purchases during the period	Sold/ matured during the period	As at 31 December 2021	Carrying Value as at 31 December 2021	Market Value as at 31 December 2021	Market Value as a % of net assets of fund	Market Value as a % of total value of investments of fund
	----- Face Value (Rupees) -----				----- Rupees -----		----- % age -----	
K-Electric Limited - Islamic Commercial Paper (ICP-16)	80,000,000	-	80,000,000	-	-	-	-	-
K-Electric Limited - Islamic Commercial Paper (ICP-17)	5,000,000	-	5,000,000	-	-	-	-	-
K-Electric Limited - Islamic Commercial Paper (ICP-18)	-	160,000,000	160,000,000	-	-	-	-	-
K-Electric Limited - Islamic Commercial Paper (ICP-20)	-	50,000,000	-	50,000,000	49,724,471	49,724,471	3.88%	30.97%
K-Electric Limited - Islamic Commercial Paper (ICP-21)	-	100,000,000	-	100,000,000	98,235,348	98,235,348	7.66%	61.18%
K-Electric Limited - Islamic Commercial Paper (ICP-23)	-	13,000,000	-	13,000,000	12,606,142	12,606,142	0.98%	7.85%
<b>31 December 2021</b>	<b>85,000,000</b>	<b>323,000,000</b>	<b>245,000,000</b>	<b>163,000,000</b>	<b>160,565,961</b>	<b>160,565,961</b>	<b>12.52%</b>	<b>100.00%</b>
<b>30 June 2021</b>					<b>83,519,662</b>	<b>83,519,662</b>	<b>13.12</b>	<b>23.81</b>

**5.1.1** The nominal value of these commercial papers is Rs 1,000,000 per certificate with 8.05% to 9.41% (30 June 2021: 8.37% to 8.48%) expected profit rate.

**5.1.2** The securities are valued on the basis of amortization to its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of upto six months.

## 5.2 Investment in Bai Muajjal

Name of the Investee Company	As at 01 July 2021	Purchases during the period	Sold / matured during the period	As at 31 December 2021	Carrying Value as at 31 December 2021	Market Value as at 31 December 2021	Market Value as a % of net assets of fund	Market Value as a % of total value of investments of fund
	----- Face Value (Rupees) -----				----- Rupees -----		----- % age -----	
Bai Muajjal (18-05-2021)	88,650,000	-	88,650,000	-	-	-	-	-
Bai Muajjal (19-05-2021)	88,677,000	-	88,677,000	-	-	-	-	-
Bai Muajjal (17-06-2021)	89,959,688	-	89,959,688	-	-	-	-	-
Bai Muajjal (27-09-2021)	-	159,256,800	159,256,800	-	-	-	-	-
<b>31 December 2021</b>	<b>267,286,688</b>	<b>159,256,800</b>	<b>426,543,488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>30 June 2021</b>					<b>267,286,688</b>	<b>267,286,688</b>	<b>41.99%</b>	<b>76.19%</b>

## 6 MARKUP ACCRUED

Markup accrued on:

- Profit and loss sharing accounts
- Bai-Muajjal
- Islamic Term Deposit Receipts

	December 31, 2021	June 30, 2021
	Un-audited	Audited
<b>Note</b>	-----Rupees -----	
	7,093,712	1,720,877
	-	1,643,422
	881,302	-
	<b>7,975,014</b>	<b>3,364,300</b>

## 7 PREPAYMENTS AND OTHER RECEIVABLES

- Unamortized premium on Bai Muajjal
- Prepaid rating fee
- Tax recoverable
- Security deposit with CDC
- Others

7.1

	-	53,390
	7,118	96,760
	344,291	344,291
	102,534	-
	14,968	-
	<b>468,911</b>	<b>494,442</b>



# Atlas Islamic Money Market Fund

- 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 151. However, several 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 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 banks has been shown as other receivable as at 31 December 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		December 31, 2021	June 30, 2021
		Un-audited	Audited
8	PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED	Note	-----Rupees -----
	- Management Company		
	Remuneration of the Management Company	8.1	48,877
	Sindh Sales Tax on remuneration of the Management Company	8.2	6,341
	Accounting and operational charges reimbursable by the Fund		25,877
	Preliminary Expenses and Flotation Cost		-
			843,784
			<b>81,095</b>
			<b>897,019</b>

- 8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 1% of average annual net assets, within allowed expense ratio. With effect from 07 January 2021 Management Company decided the management fee 0.05%. The fee is payable to the Management Company monthly in arrears.
- 8.2 During the period, an amount of Rs. 31,760 was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 28,667 has been paid to the Management Company which acts as the collecting agent.

		December 31, 2021	June 30, 2021
		Un-audited	Audited
9	PAYABLE TO CENTRAL DEPOSITORY	Note	-----Rupees -----
	<b>COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY</b>		
	Payable To Trustee	9.1	53,659
	Sindh Sales Tax on Trustee fee Payable	9.2	6,976
	Settlement charges payable		15,828
	Sindh Sales Tax on Settlement charges		-
			1,981
			<b>76,463</b>
			<b>53,922</b>

- 9.1 The trustee is entitled to monthly remuneration for services rendered to the fund. The trustee charged 0.065% p.a of Net assets from 01 July 2021 to 30 September 2021 and 0.055% p.a of net assets from 01 October 2021 to 31 December 2021 based on the letter no. CDC/CEO/L-259/01/2021 dated October 11, 2021.
- 9.2 During the year, an amount of Rs. 37,698 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. 6,850 was paid to the Trustee which acts as a collecting agent.

# Half Yearly Report 2021-22

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31, 2021 Un-audited	June 30, 2021 Audited
		-----Rupees-----	
Annual fees payable	10.1	<b>97,819</b>	<b>53,533</b>

**10.1** In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1) 2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2021 Un-audited	June 30, 2021 Audited
		-----Rupees-----	
Auditors' remuneration payable		192,351	162,000
Shariah advisory fee payable		20,001	20,000
Withholding tax payable		175,424	175,747
Transaction charges payable		-	11,058
Annual listing fee		13,927	-
Provision for Sindh Workers' Welfare Fund	11.1	-	338,463
Other payable		13,018	-
		<b>414,721</b>	<b>707,269</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, 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 Mutual Fund Association of Pakistan (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 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 / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund, amounting to Rs. 0.34 million for the period from 07 January 2021 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

## 12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 December 2021 and 30 June 2021.

# Atlas Islamic Money Market Fund

**For the half  
year ended  
December 31,  
2021  
Un-audited  
---Rupees---**

## 13 MARKUP INCOME

Markup income on:

- Profit and loss sharing accounts
- Commercial Paper / Bai Muajjal
- Islamic Term Deposit Receipts

20,946,131
11,065,963
5,277,803
37,289,897

## 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 Rs. 300,000 for one year.

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2021 is 0.29% (2021: 0.66%) which includes 0.04% (2021: 0.16%) representing government levies on the Fund such as provision for sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant money market 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. 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. Based on the above, no provision in respect of taxation have been made in these condensed interim financial statements. Since the management has distributed the income earned by the Fund during the period to the unit holders, no provision for taxation has been made in these condensed interim financial statements.

## 17 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited 30 June 2021	Cashflows Outflows	Non-Cash Changes Redemption of Unit	Dividend Distribution	Un-audited 31 December 2021
			-----Rupees-----		
Payable against redemption of units	-	(883,734,110)	886,499,014	-	2,764,904

## 18 EARNINGS 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.

## 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. It also includes staff retirement benefit funds of the above connected person / related parties.

# Half Yearly Report 2021-22

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 December 31, 2021 Un-audited ----Rupees----
<b>19.1 Transactions during the period</b>	
<b>Atlas Asset Management Limited (Management Company)</b>	
Remuneration for the period	244,301
Sindh sales tax on remuneration of the Management Company	31,760
Remuneration paid	220,411
Formation cost	80,309
Accounting & operational charges	150,000
Issue of 286,971 units	143,485,524
Redemption of 438,177 units	219,088,279
Dividend Entitlement	1,974,167
<b>Central Depository Company of Pakistan Limited</b>	
Remuneration of the Trustee	289,981
Sindh Sales Tax on remuneration of the Trustee	37,698
Remuneration paid	268,805
<b>Atlas Foundation</b>	
Issue of 3,235 units	1,617,307
Dividend Entitlement	1,617,307
<b>Atlas Honda Limited - Employee Provident Fund</b>	
Issue of 3,833 units	1,916,350
Dividend Entitlement	1,916,350
<b>Atlas Group of Companies, Management Staff Gratuity Fund</b>	
Issue of 738,111 units	369,055,610
Redemption of 426,441 units	213,220,543
Dividend Entitlement	3,290,727
<b>Atlas Honda Limited</b>	
Issue of 1,941 units	970,389
Dividend Entitlement	970,389
<b>Shirazi Investments (Private) Limited</b>	
Issue of 12,938 units	6,469,225
Dividend Entitlement	6,469,225
<b>M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>	
Issue of 8,030 units	4,015,223
Dividend Entitlement	15,223
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan II*</b>	
Issue of 951,731 units	475,865,485
Redemption of 400,000 units	200,000,000

# Atlas Islamic Money Market Fund

## 19.1 Transactions during the period (Cont....)

For the half  
year ended  
December 31,  
2021  
Un-audited  
----Rupees----

### Honda Atlas Cars (Pak.) Ltd. - Emp. Prov. Fund

Issue of 157,842 units

78,920,856

Dividend Entitlement

299,208

### Atlas Insurance Limited, Staff Provident Fund Trust

Issue of 459 units

229,504

Dividend Entitlement

229,504

### Directors and their close family members and key management

#### Personnel and executive of the Management Company

Issue of 17,739 units

8,869,293

Redemption of 9,652 units

4,825,910

Dividend Entitlement

44,293

December 31,  
2021

June 30,  
2021

Un-audited

Audited

----- Rupees -----

## 19.2 Investments / outstanding balances as at period / year end

### Atlas Asset Management Limited (Management Company)

Outstanding Nil (2021: 151,206) units - at net asset value

- 75,602,756

### Atlas Foundation

Outstanding 105,769 (2021: 102,535) units - at net asset value

52,884,725 51,267,418

### Atlas Honda Limited (Employee Provident Fund)

Outstanding 106,821 (2021: 102,989) units - at net asset value

53,410,695 51,494,345

### Atlas Group of Companies, Management Staff Gratuity Fund

Outstanding 352,803 (2021: 41,133) units - at net asset value

176,401,433 20,566,365

### Atlas Honda Limited

Outstanding 63,462 (2021: 61,521) units - at net asset value

31,730,843 30,760,454

### Honda Atlas Cars (Pak.) Ltd. - Emp. Prov. Fund

Outstanding 157,842 (2021: nil) units - at net asset value

78,920,856 -

### Shirazi Investments (Private) Limited

Outstanding 423,078 (2021: 410,139) units - at net asset value

211,538,888 205,069,643

### M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund

Outstanding 8,030 (2021: nil) units - at net asset value

4,015,223 -

### The University of Lahore\*

Outstanding Nil (2021: 132,535) units - at net asset value

- 66,267,426

### Atlas Insurance Ltd., Staff Provident Fund Trust

Outstanding 12,793 (2021: 12,334) units - at net asset value

6,396,502 6,166,998

### Directors and their close family members and key management

#### Personnel and executive of the Management Company

Outstanding 8,087 (2021: nil) units - at net asset value

4,043,382 -

### CDC - Trustee Atlas Islamic Capital Preservation Plan II\* (Atlas Islamic Fund of Fund)

Outstanding 551,731 (2021: Nil) units - at net asset value

275,865,485 -

\* This represents 10% or more of the unit holding of the fund

# Half Yearly Report 2021-22

## 20. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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 valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

The fair values of financial assets and liabilities of the Fund approximate their carrying amounts due to short-term maturities of these instruments.

## 21. IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

## 22. GENERAL

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

**22.2** Since the fund's operation started from January 07, 2021, there is no comparative information to report in the condensed interim income statement, statement of comprehensive income, statement of movement in unit holder's fund, cash flow statement and related notes.

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

## 23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 21 February 2022.

**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 Income Fund

## Corporate Information

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**Trustee**

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

**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  
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 2021-22

## 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, 2021 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: 28 February 2022



# 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 Money Market Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (herein-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 2021 and 31 December 2020 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 2021.

#### **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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		Un-audited 31 December 2021	Audited 30 June 2021
	Note	----- Rupees -----	----- Rupees -----
<b>Assets</b>			
Cash and bank balances	4	699,517,290	1,161,547,092
Investments	5	1,298,367,294	1,066,779,465
Markup accrued	6	36,266,977	27,394,595
Security deposits, prepayments and other receivables	7	603,773	580,800
<b>Total assets</b>		<b>2,034,755,334</b>	<b>2,256,301,951</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	2,916,806	3,206,990
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	150,481	164,233
Payable to the Securities and Exchange Commission of Pakistan	10	224,956	427,796
Payable against redemption of units	14	564,398	75,723,636
Dividend Payable		448,433	448,433
Accrued expenses and other liabilities	11	1,610,801	19,297,347
<b>Total liabilities</b>		<b>5,915,875</b>	<b>99,268,435</b>
<b>NET ASSETS</b>		<b>2,028,839,459</b>	<b>2,157,033,516</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,028,839,459</b>	<b>2,157,033,516</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>3,857,996</b>	<b>4,263,884</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>525.8791</b>	<b>505.8846</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 Islamic Income Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2021	2020	2021	2020
<b>Income</b>	<b>Note</b>	<b>Rupees</b>			
Markup income	13	88,058,146	71,158,245	45,139,810	35,148,170
Capital loss on sale of investments - net		(1,682,300)	(263,593)	(1,834,300)	(263,593)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(3,690,795)	(2,135,531)	(4,702,015)	(1,730,014)
		<b>(5,373,095)</b>	<b>(2,399,124)</b>	<b>(6,536,315)</b>	<b>(1,993,607)</b>
<b>Total income</b>		<b>82,685,051</b>	<b>68,759,121</b>	<b>38,603,495</b>	<b>33,154,563</b>
<b>Expenses</b>					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	3,936,624	4,240,056	1,918,058	2,107,436
Sindh Sales Tax on remuneration of the Management Company	8.2	511,765	551,207	249,350	273,966
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	843,563	795,010	411,014	395,143
Sindh Sales Tax on remuneration of the Trustee	9.2	109,671	103,351	53,432	51,368
Annual fees to the Securities and Exchange Commission of Pakistan		224,956	212,001	109,604	105,370
Accounting and operational charges	14	1,349,695	1,802,024	657,619	895,661
Auditors' remuneration		204,440	91,847	102,211	(10,371)
Securities transaction cost		155,903	155,890	154,247	76,695
Annual listing fee		13,862	13,863	6,934	6,931
Annual rating fee		183,104	166,564	91,559	83,282
Printing charges		25,674	38,240	25,674	38,240
Shariah advisory fee		90,000	90,000	45,000	45,000
Bank charges		6,409	20,658	901	13,520
Legal and professional charges		61,260	120,760	10,903	70,000
(Reversal) / provision for Sindh Workers' Welfare Fund	11.1	(10,817,933)	1,207,153	-	580,046
<b>Total expenses</b>		<b>(3,101,007)</b>	<b>9,608,624</b>	<b>3,836,506</b>	<b>4,732,287</b>
<b>Net income for the period before taxation</b>		<b>85,786,058</b>	<b>59,150,497</b>	<b>34,766,989</b>	<b>28,422,276</b>
<b>Taxation</b>	16	-	-	-	-
<b>Net income for the period after taxation</b>		<b>85,786,058</b>	<b>59,150,497</b>	<b>34,766,989</b>	<b>28,422,276</b>
<b>Earning per unit</b>	18				
<b>Allocation of net income for the period:</b>					
- Net income for the period		85,786,058	59,150,497	34,766,989	28,422,276
- Income already paid on units redeemed		(29,003,115)	(9,627,770)	(13,743,027)	(6,757,003)
		<b>56,782,943</b>	<b>49,522,727</b>	<b>21,023,962</b>	<b>21,665,273</b>
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		56,782,943	49,522,727	21,023,962	21,665,273
		<b>56,782,943</b>	<b>49,522,727</b>	<b>21,023,962</b>	<b>21,665,273</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

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2021	2020	2021	2020
	-----Rupees-----			
Net income for the period after taxation	85,786,058	59,150,497	34,766,989	28,422,276
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>85,786,058</u>	<u>59,150,497</u>	<u>34,766,989</u>	<u>28,422,276</u>

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 Islamic Income Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	31 December 2021		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,139,275,085	-	2,139,275,085
<b>Undistributed income brought forward</b>			
- Realised income	-	16,233,656	16,233,656
- Unrealised loss	-	1,524,775	1,524,775
<b>Net assets at the beginning of the period (Units outstanding: 4,263,884) (Rs. 505.8846 per unit)</b>	<b>2,139,275,085</b>	<b>17,758,431</b>	<b>2,157,033,516</b>
Issue of 4,325,549 units	2,228,023,423	-	2,228,023,423
Redemption of 4,731,435 units	(2,413,000,422)	(29,003,116)	(2,442,003,538)
Total comprehensive income for the period	-	85,786,058	85,786,058
<b>Net assets at end of the period (Units outstanding: 3,857,996) (Rs. 525.8791 per unit)</b>	<b>1,954,298,085</b>	<b>74,541,373</b>	<b>2,028,839,459</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	76,242,093	-
- Unrealised loss	-	(1,700,720)	-
	<b>-</b>	<b>74,541,373</b>	<b>-</b>
	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 year (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 year	-	59,150,497	59,150,497
<b>Net assets at end of the year (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 income	-	(51,767,209)	-
	<b>-</b>	<b>61,564,932</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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2021-22

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		For the Half Year ended 31 December	
		2021	2020
Note		Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Net income for the period before taxation	85,786,058	59,150,497
	<b>Adjustments for:</b>		
	Markup income	(88,058,146)	(71,158,245)
	Capital loss on sale of investments - net	1,682,300	263,593
	Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	3,690,795	2,135,531
	(Reversal) / provision for Sindh Workers' Welfare Fund	(10,817,933)	1,207,153
		<b>(93,502,984)</b>	<b>(67,551,968)</b>
	<b>Increase in assets</b>		
	Security deposits, prepayments and other receivables	(22,973)	-
		<b>(22,973)</b>	<b>-</b>
	<b>Decrease in liabilities</b>		
	Payable to Atlas Asset Management Limited - Management Company	(290,184)	10,655
	Payable to Central Depository Company of Pakistan Limited - Trustee	(13,751)	1,454
	Payable to the Securities and Exchange Commission of Pakistan	(202,840)	(161,480)
	Accrued expenses and other liabilities	(6,868,613)	(12,742,716)
		<b>(7,375,388)</b>	<b>(12,892,087)</b>
	Mark-up received	79,185,760	65,126,492
	Investments made during the period	(723,231,678)	(470,974,913)
	Investments sold / matured during the period	486,270,754	18,350,000
	<b>Net cash used in operating activities</b>	<b>(172,890,450)</b>	<b>(408,791,979)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Net receipts from issuance of units	2,228,023,423	1,923,795,624
14	Net payments against redemption of units	(2,517,162,776)	(2,080,444,119)
	<b>Net cash used in from financing activities</b>	<b>(289,139,354)</b>	<b>(156,648,495)</b>
	<b>Net decrease in cash and cash equivalents</b>	<b>(462,029,804)</b>	<b>(565,440,474)</b>
	Cash and cash equivalents at the beginning of the period	1,161,547,092	1,584,796,999
	<b>Cash and cash equivalents at the end of the period</b>	<b>699,517,289</b>	<b>1,019,356,525</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 Islamic Income Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted under a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed was revised through the First, Second and third Supplemental Trust Deeds dated 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016, 02 June 2017, 2 October 2019, 30 October 2019, 1 April 2020, 1 June 2020 and 21 December 2021 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 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2021 and maintained the stability rating of the Fund to AA-(f) on 15 October 2021.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 These 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;

# Half Yearly Report 2021-22

- 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 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 2021.

**2.1.3** The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.

**2.1.4** 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 2021.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

### **Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>2.3 Standards, interpretations and amendments</b>	<b>Effective date</b>
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022



# Atlas Islamic Income Fund

Standards, interpretations and amendments	Effective date
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023
The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.	
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 11.1 and 8.1 respectively.

# Half Yearly Report 2021-22

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## 2.6 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, 2021.

3.2 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the half year ended 31 December 2021.

		31 December 2021 Un-audited	30 June 2021 Audited
4 CASH AND BANK BALANCES	Note	----- Rupees -----	-----
Balances with banks in:			
- Profit and loss sharing accounts	4.1	696,911,501	1,151,880,873
- Current account		5,000	5,000
Cheques in hand	4.2	2,600,788	9,661,219
		<b>699,517,289</b>	<b>1,161,547,092</b>

4.1 The rate of return on these profit and loss sharing accounts ranges between 6.60% to 10.85% to (30 June 2021: 5.50% to 6.90%) per annum.

4.2 This denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequent to the year end by 05 January 2022 (2021: 28 July 2021).

		31 December 2021 Un-audited	30 June 2021 Audited
5 INVESTMENTS	Note	----- Rupees -----	-----
<b>At fair value through profit or loss</b>			
Debt securities - sukuk certificates	5.1	381,446,530	242,211,575
Islamic commercial paper	5.2	328,404,714	240,591,390
Government of Pakistan - Ijarah Sukuk	5.3	313,516,050	283,976,500
Certificate of Musharika		-	300,000,000
Islamic Term Deposit Receipts	5.4	275,000,000	-
		<b>1,298,367,294</b>	<b>1,066,779,465</b>

# Atlas Islamic Income Fund

## 5.1 Debt securities - sukuk certificates

Particulars	Note	As at 01 July 2021	Acquired during the period	Disposed during the period	As at 31 December 2021	Carrying Value as at 31 December 2021	Market Value as at 31 December 2021	Unrealised appreciation / (diminution) as at 31 December 2021	Market Value as a percentage of total investments	Market Value as a percentage of net assets
<div>----- Number of Certificates -----</div> <div>----- Rupees -----</div> <div>----- % age -----</div>										
<u>Unlisted</u>										
<b>BANKS</b>										
Meezan Bank Limited Tier I (Face Value Rs. 1,000,000)	5.1.1 & 5.1.2	50	-	50	-	-	-	-	0.00%	0.00%
Meezan Bank Limited Tier II (Face Value Rs. 1,000,000)	5.1.1 & 5.1.2	50	-	-	50	51,875,000	52,000,000	125,000	4.87%	2.56%
Albaraka Bank (Pakistan) Limited - Tier II (Face Value Rs. 1,000,000)	-	75	-	75	75,000,000	75,000,000	-	7.03%	3.70%	
<b>Pharmaceutical</b>										
OBS AGP (Private) Limited (Face Value Rs. 100,000)	5.1.3	-	1,150	-	1,150	115,000,000	115,000,000	-	10.78%	5.67%
<u>Listed</u>										
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited (Face Value Rs. 100,000)	5.1.1 & 5.1.2	550	-	-	550	56,096,975	56,988,030	891,055	5.34%	2.81%
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	-	7.73%	4.06%
Total - 31 December 2021						380,430,475	381,446,530	1,016,055	35.76%	18.80%
Total - 30 June 2021						240,605,940	242,211,575	1,605,635	22.70%	11.23%

5.1.1 The cost of these investments at 31 December 2021 amounted to Rs.380,430,452 (30 June 2021: Rs.237,458,500).

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%" to "6 month Kibor+2.50%" (30 June 2021: "3 months Kibor + 1.00%" and "6 months Kibor + 0.5% to "6 months Kibor + 0.90%") respectively, having maturity upto 09 January 2030 (30 June 2021: 09 January 2030).

5.1.3 OBS AGP Private Limited and Albaraka Bank (Pakistan) Limited Sukuk have been measured at their initial investment value, as their market values are not available at MUFAP.

## 5.2 Islamic commercial paper

Instrument	As at 01 July 2021	Acquired during the period	Disposed during the period	As at 31 December 2021	Carrying Value as at 31 December 2021	Market value as at 31 December 2021	Market Value as a percentage of total investments	Market Value as a percentage of net assets
	----- Number of certificates -----				----- Rupees -----		----- % age -----	
K-Electric Limited - ICP 16	40	-	40	-	-	-	-	-
K-Electric Limited - ICP 17	130	-	130	-	-	-	-	-
K-Electric Limited - ICP 18	75	-	75	-	-	-	-	-
K-Electric Limited - ICP-20	-	75	-	75	74,586,706	74,586,706	5.7%	3.68%
K-Electric Limited - ICP-21	-	25	-	25	24,558,837	24,558,837	1.9%	1.21%
K-Electric Limited - ICP-23	-	63	-	63	61,091,306	61,091,306	4.7%	3.01%
MUGHAL-CP	-	75	-	75	96,779,877	96,779,877	7.5%	4.77%
Lucky Electric Power Limited - ICP-1	-	100	-	100	71,387,988	71,387,988	5.5%	3.52%
Total - December 31, 2021					328,404,714	328,404,714	25.3%	16.2%
Total - June 30, 2021					240,591,390	240,591,390		

# Half Yearly Report 2021-22

**5.2.1** The nominal value of these commercial paper is Rs. 1,000,000 per certificate with 7.48% to 9.21% (June 30, 2021: 8.41%) expected profit rate and will mature between 27 January 2022 to 21 July 2022.

**5.2.2** The securities are valued on the basis of amortization on its face value as per the requirements of circular 33 of 2012 with respect to thinly and non trade debt securities with residual maturity of up to six months.

## 5.3 Government of Pakistan - Ijarah Sukuk

Instrument	As at 01 July 2021	Acquired during the period	Disposed during the period	As at 31 December 2021	Carrying Value as at 31 December 2021	Market Value as at 31 December 2021	Unrealised diminution as at 31 December 2021	Market Value as a percentage of total investments	Market Value as a percentage of net assets
	----- Face Value (Rupees) -----				----- Rupees -----			----- % age -----	
Government of Pakistan Ijarah Sukuks									
30-Apr-2020	1,225	-	780	445	43,218,400	42,938,050	(280,350)	3.31%	2.12%
29-May-2020	750	-	-	750	75,472,500	75,135,000	(337,500)	5.79%	3.70%
29-Jul-2020	900	-	-	900	89,532,000	86,400,000	(3,132,000)	6.65%	4.26%
06-Oct-2021	-	1,100	-	1,100	110,000,000	109,043,000	(957,000)	8.40%	5.37%
Total - 31 December 2021					318,222,900	313,516,050	(4,706,850)	24%	2.12%
Total - 30 June 2021					283,732,300	283,976,500	244,200	26.62%	13.17%

**5.3.1** Investment in GOP Ijarah Sukuks carried mark up ranging between 6.4% to 10.1% (30 June 2021: 6.40% to 8.37%) per annum and were due to mature between 30 April, 2025 to 06 October, 2025 (30 June 2021: 30 April 2025 to 29 July 2025). As at 31 December 2021, the cost of investments amounted to Rs. 320,265,846 (30 June 2021: Rs. 287,204,800).

**5.4** The Islamic Term Receipts are placed with Faysal Bank Limited carries profit at the rate of 10.85% and having maturity on 16 March 2022.

## 6 MARK-UP ACCRUED

	31 December 2021	30 June 2021
	Un-audited	Audited
Note	Rupees	

Mark-up accrued on:

- Profit and loss sharing accounts
- Sukuk certificates and GoP Ijarah
- Certificate of Musharika

8,843,152	6,844,089
27,423,825	17,094,342
-	3,456,164
<b>36,266,977</b>	<b>27,394,595</b>

## 7 SECURITY DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES

Deposit with Central Depository Company of Pakistan Limited  
Prepayments  
Tax recoverable

100,000	100,000
22,973	-
480,800	480,800
<b>603,773</b>	<b>580,800</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

# Atlas Islamic Income Fund

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 tax recoverable as at 31 December 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Had the Tax Recoverable not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 31 December 2021 would have been lower by Rs. 0.14 per unit (30 June 2021: Rs. 0.11 Per unit).

		31 December 2021	30 June 2021
		Un-audited	Audited
8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	Rupees
	Remuneration of the Management Company	8.1	621,461
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	348,371
	Federal Excise Duty payable on remuneration of the Management Company	8.3	1,733,902
	Accounting and operational charges payable	14	213,072
			<b>2,916,806</b>
			<b>3,206,990</b>

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company set the maximum limit of 1.5% of average annual net assets, within allowed expense. The Management Company has charged its remuneration at rate of 0.35% (2021: 0.3% from 01 July 2020 to 31 December 2020 and 0.40% from 01 January 2021 to 30 June 2021) per annum of the average annual net assets. The Management Company is entitled to an amount not exceeding 2% of the average annual net assets, within allowed expense.

8.2 During the half year ended 31 December 2021, an amount of Rs.511,764.65 (2020: Rs. 551,207) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 531,755 (2020: Rs. 550,316) 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

# Half Yearly Report 2021-22

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 2021 would have been higher by Rs. 0.45 per unit (30 June 2021: Rs. 0.41 per unit).

		31 December 2021	30 June 2021
		Un-audited	Audited
9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN- TRUSTEE- RELATED PARTY	Note ----- Rupees -----	
	Trustee fee payable	9.1 133,170	145,338
	Sindh Sales Tax payable on Trustee fee	9.2 17,311	18,895
		<b>150,481</b>	<b>164,233</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 based on the letter no. CDC/CEO/L-112/01/2019 dated 27 June 2019 issued by the Trustee.
- 9.2 During the period, an amount of Rs.109,671 (2020: Rs. 103,351) 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. 109,671 (2020: Rs 103,183) was paid to trustee which acts as collecting agent.

		31 December 2021	30 June 2021
		Un-audited	Audited
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note ----- Rupees -----	
	Annual fees payable	10.1 224,956	427,796

- 10.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee at the rate of to 0.02% (30 June 2021: 0.02%) of net assets to the Securities and Exchange Commission of Pakistan (SECP).

		31 December 2021	30 June 2021
		Un-audited	Audited
11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note ----- Rupees -----	
	Auditors' remuneration payable	256,010	287,550
	Payable to Shariah Advisor	45,000	45,000
	Withholding tax and capital gain tax payable	471,421	7,540,917
	Provision for Sindh Workers' Welfare Fund	11.1 -	10,817,933
	Annual listing fee payable	13,862	-
	Printing charges payable	-	12,357
	Rating fee payable	182,081	-
	Zakat payable	97,870	49,036
	Other payable	544,557	544,554
		<b>1,610,801</b>	<b>19,297,347</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, 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 Mutual Fund Association

# Atlas Islamic Income Fund

of Pakistan (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 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, 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 10.8 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2021 and as at 30 June 2021.

For the Half Year Ended		For the Quarter Ended	
31 December		31 December	
2021	2020	2021	2020
Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----		----- Rupees -----	

## 13 MARK-UP INCOME

Mark-up income on:

- Profit and loss sharing accounts	35,895,165	41,255,405	18,604,123	17,663,054
- Government of Pakistan (GoP) ijarah sukuk	11,072,552	15,733,005	6,242,611	10,272,445
- Sukuk certificates	16,320,627	14,169,835	8,668,425	7,212,671
- Profit on Placements	11,294,075	-	5,697,671	-
- Commercial papers	13,475,727	-	5,926,961	-
	<b>88,058,146</b>	<b>71,158,245</b>	<b>45,139,791</b>	<b>35,148,170</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.

The Management Company has charged expenses at the rate 0.12% of the average annual net assets of the Fund for allocation of such expenses to the Fund.

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 0.69% (30 June 2021: 0.93 %) which includes 0.08% (30 June 2021: 0.21%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 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

# Half Yearly Report 2021-22

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% net accounting income other than capital gains to the unit holders. 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. The Fund has not recorded tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

## 17 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited 30 June 2021	Cash Outflows	Non-Cash Changes Redemption of Unit	Un-audited 31 December 2021
	----- Rupees -----			
Payable against redemption of units	75,723,636	(2,517,162,776)	2,442,003,538	564,398

## 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.

## 19 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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	
	2021	2020
	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	3,936,624	4,240,056
Remuneration paid	4,090,411	4,233,204
Sindh Sales Tax on remuneration of the Management Company	511,765	551,207
Accounting and operational charges	1,349,695	1,802,024
Issue of 447,895 (2020: Nil) units	231,109,354	-
Redemption of 63,468 (2020: nil) units	33,000,000	-



# Atlas Islamic Income Fund

		For the Half Year Ended 31 December	
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	
19.1	Transactions during the period (Cont....)		
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration of the Trustee	843,563	795,010
	Remuneration paid to the Trustee	855,730	793,724
	Sindh Sales Tax on remuneration of the Trustee	109,671	103,351
	Settlement charges paid	-	3,000
	Sindh Sales Tax on Settlement charges	-	390
	<b>Atlas Insurance Limited Window Takaful Operations</b>		
	Issue of nil (2020: 98,415) units	-	50,000,000
	Redemption of nil (2020: 98,415) units	-	50,388,503
	<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of 40,782 (2020: 120,650)	20,777,273	62,000,000
	Redemption of 991,845 (2020: 34,559) units	510,176,351	17,500,000
	<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of 2,589 (2020: 11,238) units	1,350,000	5,760,000
	Redemption of 7,469 (2020: 1,185) units	3,900,000	600,000
	<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of nil (2020: 16,300) units	-	8,340,000
	Redemption of 10,323 (2020: 4,147) units	5,400,000	2,100,000
	<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of nil (2020: 19,287) units	-	9,900,000
	Redemption of nil (2020: 20,124) units	-	10,350,000
	<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
	Issue of nil (2020: 13,692) units	-	7,020,000
	Redemption of 14,200 (2020: 11,256) units	7,400,000	5,700,000
	<b>Directors and their close family members and key management personnel of the Management Company</b>		
	Issue of 10,622 (2020: 4,993) units	5,401,806	2,562,092
	Redemption of 12,694 (2020: 9,484) units	6,492,215	4,846,824
	<b>Atlas Group of Companies, Management Staff Gratuity Fund</b>		
	Issue of 161,916 (2020: nil) units	84,083,003	-
	Redemption of 8,851 (2020: Nil) Units	4,629,516	-
	<b>Shirazi Investments Private Limited</b>		
	Issue of 8 (2020: Nil) Units	4,038	-
	Redemption of 8 (2020: 3,983) Units	4,126	2,019,812
	<b>Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund</b>		
	Issue of 167,868 (2020: Nil) Units	87,913,196	-

# Half Yearly Report 2021-22

19.2	Details of balances with related parties as at the period / year end are as	31 December 2021 Un-audited	Audited 30 June 2021
		----- Rupees -----	
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	621,461	8,555,924
	Sindh Sales Tax payable on Remuneration of the Management Company	348,371	8,483,155
	Federal Excise Duty payable on Remuneration of the Management Company	1,733,902	1,112,270
	Accounting and operational charges payable	213,072	3,636,267
	Outstanding 384,428 (30 June 2021: nil) units - at net asset value	202,162,452	-
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	133,170	1,604,236
	Sindh Sales Tax payable on Remuneration of the trustee	17,311	208,550
	Settlement charges payable	-	1,590,613
	Sindh Sales Tax payable on settlement charges	-	202,500
	<b>Atlas Honda Limited (Group Company)</b>		
	Outstanding 39 (30 June 2021: 39) units - at net asset value	20,322	19,549
	<b>Honda Atlas Power Product (Private) Limited (Group Company)</b>		
	Outstanding 76 (30 June 2021: 76) units - at net asset value	39,984	38,464
	<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
	Outstanding nil (30 June 2021: 951,064) units - at net asset value	-	481,128,597
	<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
	Outstanding 59,254 (30 June 2021: 64,135) units - at net asset value	31,160,483	32,444,798
	<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
	Outstanding 112,492 (30 June 2021: 122,815) units - at net asset value	59,157,157	62,129,986
	<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
	Outstanding 187,073 (30 June 2021: 201,272) units - at net asset value	98,377,571	101,820,596
	<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>		
	Outstanding 47,352 (30 June 2021: 47,352) units - at net asset value	24,901,474	23,954,692
	<b>Directors and their close family members and key management personnel of the Management Company</b>		
	Outstanding 2,680 (30 June 2021: 8,457) units - at net asset value	1,409,571	4,278,266
	<b>Atlas Group of Companies, Management Staff Gratuity Fund</b>		
	Outstanding 153,065 (30 June 2021: Nil) units - at net asset value	80,493,554	-
	<b>Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund</b>		
	Outstanding 167,868 (30 June 2021: Nil) units - at net asset value	88,278,224	-

# Atlas Islamic Income Fund

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

## 20 FAIR VALUE MEASUREMENT

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

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

The investments of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan. Corporate Sukuks 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 valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

### 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: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

	Fair value			
	Level 1	Level 2	Level 3	Total
<b>December 31, 2021 (Un-audited)</b>	----- (Rupees) -----			
<b>Financial assets measured at fair value</b>				
Debt securities - sukuk certificates	56,988,030	134,458,500	-	191,446,530
Government of Pakistan - Ijarah Sukuk	-	313,516,050	-	313,516,050
	<u>56,988,030</u>	<u>447,974,550</u>	<u>-</u>	<u>504,962,580</u>

	Fair value			
	Level 1	Level 2	Level 3	Total
<b>June 30, 2021 (Un-audited)</b>	----- (Rupees) -----			
<b>Financial assets measured at fair value</b>				
Debt securities - sukuk certificates	-	242,211,575	-	242,211,575
Government of Pakistan - Ijarah Sukuk	-	283,976,500	-	283,976,500
	<u>-</u>	<u>526,188,075</u>	<u>-</u>	<u>526,188,075</u>

# Half Yearly Report 2021-22

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

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.

## 20 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

## 21 GENERAL

**21.1** This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

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

## 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 21 February 2022.

**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

# Half Yearly Report 2021-22

## 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, 2021 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: 28 February 2022

# 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 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of 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 2021 and 31 December 2020 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 2021.

#### 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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		Un-audited 31 December 2021	Audited 30 June 2021
	Note	----- Rupees -----	
<b>Assets</b>			
Cash and bank balances	4	69,142,215	79,257,880
Investments	5	3,994,611,934	2,680,575,760
Profit receivable on bank balances		502,378	352,047
Dividend receivable		-	3,801,825
Receivable against sale of investment		3,985,968	38,060,666
Security deposits, prepayment and other receivables	6	5,242,631	5,197,419
<b>Total assets</b>		<b>4,073,485,126</b>	<b>2,807,245,597</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	23,277,819	18,770,072
Payable to Central Depository Company of Pakistan Limited - Trustee	8	478,594	346,485
Payable to the Securities and Exchange Commission of Pakistan	9	330,852	476,814
Payable against redemption of units		3,737,887	1,384,692
Accrued expenses and other liabilities	10	6,950,041	79,526,084
<b>Total liabilities</b>		<b>34,775,193</b>	<b>100,504,147</b>
<b>NET ASSETS</b>		<b>4,038,709,933</b>	<b>2,706,741,450</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>4,038,709,933</b>	<b>2,706,741,450</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>7,335,750</b>	<b>4,722,705</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>550.5517</b>	<b>573.1337</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 Stock Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended		For the Quarter Ended		
		31 December		31 December		
		2021	2020	2021	2020	
Note		Rupees -----				
<b>Income</b>						
	Profit on bank balances	4,407,274	1,367,172	1,687,466	933,780	
	Dividend income	106,711,036	52,906,477	66,850,596	44,353,085	
	Capital (loss) / gain on sale of investments - net	(30,442,096)	161,319,496	(27,114,259)	103,085,045	
	Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(214,038,959)	369,924,601	(67,451,333)	85,856,660	
		(244,481,055)	531,244,097	(94,565,592)	188,941,705	
	<b>Total (loss) / income</b>	<b>(133,362,745)</b>	<b>585,517,746</b>	<b>(26,027,530)</b>	<b>234,228,570</b>	
<b>Expenses</b>						
	Remuneration of Atlas Asset Management Limited - Management Company	7.1	40,630,425	27,070,085	23,126,989	13,901,134
	Sindh Sales Tax on remuneration of the Management Company	7.2	5,281,953	3,519,111	3,006,506	1,807,147
	Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1	2,158,499	1,632,030	1,177,134	831,269
	Sindh Sales Tax on remuneration of the Trustee	8.2	280,592	212,164	153,015	108,065
	Annual fee to the Securities and Exchange Commission of Pakistan		330,878	225,584	185,016	115,842
	Accounting and operational charges	14	7,682,386	2,178,339	4,625,396	1,245,541
	Shariah advisory fee		100,000	100,000	50,000	50,000
	Auditors' remuneration		236,066	117,699	118,033	(334)
	Securities transaction cost		4,381,372	2,655,720	2,846,909	1,596,466
	Annual listing fee		13,863	13,864	6,931	6,952
	Printing charges		23,997	32,664	23,997	32,664
	Legal and professional charges		42,900	100,780	12,053	70,000
	Bank charges		14,844	10,540	10,064	7,503
	(Reversal) / Provision for Sindh Workers' Welfare Fund	10.2	(33,881,485)	10,952,983	-	4,289,126
	<b>Total expenses</b>		<b>27,296,290</b>	<b>48,821,563</b>	<b>35,342,043</b>	<b>24,061,375</b>
	<b>Net (loss) / income for the period before taxation</b>		<b>(160,659,035)</b>	<b>536,696,183</b>	<b>(61,369,573)</b>	<b>210,167,195</b>
	<b>Taxation</b>	13	-	-	-	-
	<b>Net (loss) / income for the period after taxation</b>		<b>(160,659,035)</b>	<b>536,696,183</b>	<b>(61,369,573)</b>	<b>210,167,195</b>
<b>Allocation of net income for the period</b>						
	Net income for the period		-	536,696,183	-	210,167,195
	Income already paid on units redeemed		-	(72,400,062)	-	(39,196,154)
			-	464,296,121	-	170,971,041
<b>Accounting income available for distribution:</b>						
	- Relating to capital gains		-	531,244,097	-	188,941,705
	- Excluding capital gains		-	(66,947,976)	-	(17,970,664)
			-	464,296,121	-	170,971,041

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 2021-22

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended		For the Quarter Ended	
	31 December		31 December	
	2021	2020	2021	2020
	----- Rupees -----			
Net (loss) / income for the period after taxation	(160,659,035)	536,696,183	(61,369,573)	210,167,195
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(160,659,035)</u>	<u>536,696,183</u>	<u>(61,369,573)</u>	<u>210,167,195</u>

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 Stock Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

31 December 2021			
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,956,495,995	-	1,956,495,995
<b>Undistributed income brought forward</b>			
- Realised income	-	443,117,090	443,117,090
- Unrealised income	-	307,128,365	307,128,365
<b>Net assets at the beginning of the period (Units outstanding: 4,722,705) (Rs. 573.1337 per unit)</b>	<b>1,956,495,995</b>	<b>750,245,455</b>	<b>2,706,741,450</b>
Issue of 4,038,589 units	2,295,408,139	-	2,295,408,139
Redemption of 1,425,546 units	(798,821,401)	-	(798,821,401)
Total comprehensive loss for the period	-	(160,659,035)	(160,659,035)
Shariah non-compliant income set-aside for charity	-	(3,959,220)	(3,959,220)
<b>Net assets at end of the period (Units outstanding: 7,335,750) (Rs. 550.5517 per unit)</b>	<b>3,453,082,733</b>	<b>585,627,200</b>	<b>4,038,709,933</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	589,104,404	-
- Unrealised loss	-	(3,477,204)	-
	<b>-</b>	<b>585,627,200</b>	<b>-</b>
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 income	-	(39,562,729)	(39,562,729)
<b>Net assets at the beginning of the period (Units outstanding: 4,001,514) (Rs. 455.66 per unit)</b>	<b>1,452,346,030</b>	<b>370,969,088</b>	<b>1,823,315,118</b>
Issue of 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) (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>-</b>	<b>832,927,732</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 2021-22

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the Half Year Ended	
	31 December	
	2021	2020
Note	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	(160,659,035)	536,696,183
<b>Adjustments for:</b>		
Profit on bank balances	(4,407,274)	(1,367,172)
Dividend income	(106,711,036)	(52,906,477)
Capital loss / (gain) on sale of investments - net	30,442,096	(161,319,496)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	214,038,959	(369,924,601)
(Reversal) / Provision for Sindh Workers' Welfare Fund	(33,881,485)	10,952,983
	<b>99,481,260</b>	<b>(574,564,763)</b>
<b>Decrease / (increase) in assets</b>		
Receivable against sale of investments	34,074,698	(61,854,431)
Security deposits, prepayment and other receivables	(45,212)	-
	<b>34,029,486</b>	<b>(61,854,431)</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	4,507,747	2,074,922
Payable to the Central Depository Company of Pakistan Limited - Trustee	132,109	99,335
Payable to the Securities and Exchange Commission of Pakistan	(145,962)	(63,768)
Payable against purchase of investments	-	21,042,176
Accrued expenses and other liabilities	(42,653,778)	(290,963)
	<b>(38,159,884)</b>	<b>22,861,702</b>
Profit received on bank balances	4,256,943	1,418,705
Dividend received	110,512,861	45,880,646
Investments made during the period	(2,257,396,055)	(1,188,233,798)
Investments sold during the period	698,878,826	1,056,726,935
	<b>(1,443,747,425)</b>	<b>(84,207,512)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,509,055,598)</b>	<b>(161,068,821)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	2,295,408,139	1,015,347,473
Net payments against redemption of units	(796,468,206)	(852,971,331)
<b>Net cash generated from financing activities</b>	<b>1,498,939,933</b>	<b>162,376,142</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(10,115,665)</b>	<b>1,307,321</b>
Cash and cash equivalents at the beginning of the period	79,257,880	42,077,624
<b>Cash and cash equivalents at the end of the period</b>	<b>69,142,215</b>	<b>43,384,945</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 Stock Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 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 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the period, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two plus)] on 24 December 2021.

### 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:

# Half Yearly Report 2021-22

- 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 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 2021.

**2.1.3** The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.

**2.1.4** 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 2021.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

### **Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>2.3 Standards, interpretations and amendments</b>	<b>Effective date</b>
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022

# Atlas Islamic Stock Fund

Standards, interpretations and amendments	Effective date
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 10.2 and 7.1 respectively.

# Half Yearly Report 2021-22

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## 2.6 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, 2021.

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 2021.

		31 December 2021 Un-audited	30 June 2021 Audited
4 CASH AND BANK BALANCES	Note	----- Rupees -----	
Balances with banks in:			
- Profit and loss sharing accounts	4.1	66,916,290	47,467,565
- Current account		862,815	1,477,487
Cheques in hand	4.2	1,363,110	30,312,828
		<u>69,142,215</u>	<u>79,257,880</u>

4.1 The rate of return on these profit and loss sharing accounts ranges between 6.75% and 10.85% (30 June 2021: 5.00% to 6.90%) per annum.

4.2 These denote cheques received against issue of units which were cleared latest by 22 January 2022 (30 June 2021: 20 July 2021).

		31 December 2021 Un-audited	30 June 2021 Audited
5 INVESTMENTS	Note	----- Rupees -----	
At fair value through profit or loss			
- Listed equity securities	5.1	<u>3,994,611,934</u>	<u>2,680,575,760</u>



# 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 2021	Purchases during the period	Bonus / Right shares received during the period	Sales during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	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										
Meezan Bank Limited	2,227,795	630,854	337,169	345,704	2,850,114	310,948,427	382,228,789	9.57	9.46	0.18
	2,227,795	630,854	337,169	345,704	2,850,114	310,948,427	382,228,789	9.57	9.46	
TEXTILE COMPOSITE										
Interloop Limited	371,938	885,500	21,643	30,000	1,249,081	88,186,155	90,795,698	2.27	2.25	0.14
Kohinoor Textile Mills Limited (face value Rs. 5)	442,000	456,500	-	-	898,500	69,869,960	62,373,870	1.56	1.54	0.15
Nishat Mills Limited	600,500	1,143,100	-	67,000	1,676,600	152,113,177	133,423,828	3.34	3.30	0.48
	1,414,438	2,485,100	21,643	97,000	3,824,181	310,169,292	286,593,396	7.17	7.09	
CEMENT										
Attock Cement Pakistan Limited	127,500	-	-	127,500	-	-	-	-	-	-
Cherat Cement Company Limited	133,000	611,300	-	122,000	622,300	89,897,968	92,293,313	2.31	2.29	0.32
D.G. Khan Cement Company Limited	482,000	333,420	-	168,000	647,420	68,626,491	53,697,015	1.34	1.33	0.15
Fauji Cement Company Limited	2,402,000	3,470,500	-	420,000	5,452,500	111,323,573	100,162,425	2.51	2.48	0.40
Kohat Cement Company Limited	246,050	70,900	-	7,500	309,450	62,597,580	58,362,270	1.46	1.45	0.15
Lucky Cement Limited (see note 5.3)	329,200	240,500	-	40,500	529,200	428,781,884	359,474,976	9.00	8.90	0.16
Maple Leaf Cement Factory Limited	495,000	1,385,000	-	765,000	1,115,000	44,237,618	40,084,250	1.00	0.99	0.10
Pioneer Cement Limited	-	150,000	-	-	150,000	13,389,698	13,312,500	0.33	0.33	0.07
	4,214,750	6,261,620	-	1,650,500	8,825,870	818,854,812	717,386,749	17.96	17.77	
POWER GENERATION & DISTRIBUTION										
K-Electric Limited / (face value Rs.3.5)	5,265,000	-	-	-	5,265,000	22,007,700	18,111,600	0.45	0.45	0.02
The Hub Power Company Limited (see note 5.3)	1,593,689	3,110,146	-	419,707	4,284,128	332,837,775	305,629,692	7.65	7.57	0.33
	6,858,689	3,110,146	-	419,707	9,549,128	354,845,475	323,741,292	8.10	8.02	
OIL & GAS MARKETING COMPANIES										
Attock Petroleum Limited	-	12,000	-	12,000	-	-	-	-	-	-
Pakistan State Oil Company Limited (see note 5.3)	451,012	385,000	-	70,000	766,012	162,865,924	139,329,923	3.49	3.45	0.16
Sui Northern Gas Pipelines Limited	702,776	550,000	-	55,000	1,197,776	56,351,033	40,065,607	1.00	0.99	0.19
	1,153,788	947,000	-	137,000	1,963,788	219,216,957	179,395,530	4.49	4.44	
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	95,790	65,080	-	6,880	153,990	244,631,618	254,734,878	6.38	6.31	0.12
Oil & Gas Development Company Limited	2,395,177	1,389,500	-	235,000	3,549,677	324,591,444	305,982,157	7.66	7.58	0.08
Pakistan Oilfields Limited	82,594	6,000	-	5,000	83,594	32,629,745	29,894,886	0.75	0.74	0.03
Pakistan Petroleum Limited (see note 5.3)	1,605,970	1,020,000	-	120,000	2,505,970	206,899,115	198,071,869	4.96	4.90	0.09
	4,179,531	2,480,580	-	366,880	6,293,231	808,751,922	788,683,790	19.75	19.53	
ENGINEERING										
Aisha Steel Mills Limited	-	1,205,000	-	60,000	1,145,000	24,720,001	17,243,700	0.43	0.43	0.15
International Industries Limited	152,500	86,300	-	125,000	113,800	21,788,489	15,796,578	0.40	0.39	0.09
International Steel Limited	157,000	50,000	-	207,000	-	-	-	-	-	-
Iteffaq Iron Industries Limited	-	649,500	-	-	649,500	10,852,070	7,774,515	0.19	0.19	0.45
Mughal Iron and Steel Industries Limited	158,000	608,200	36,945	36,700	766,445	75,180,418	79,794,589	2.00	1.98	0.23
	467,500	2,599,000	36,945	428,700	2,674,745	132,540,978	120,609,382	3.02	2.99	
AUTOMOBILE ASSEMBLER										
Millat Tractors Limited	32,850	14,030	-	38,350	8,530	7,633,186	7,354,907	0.18	0.18	0.01
Pak Suzuki Motors Limited	84,500	190,300	-	187,000	87,800	26,852,932	20,480,228	0.51	0.51	0.11
	117,350	204,330	-	225,350	96,330	34,486,118	27,835,135	0.69	0.69	
AUTOMOBILE PARTS AND ACCESSORIES										
Panther tiers Limited	351,506	570,000	99,301	10,000	1,010,807	53,866,190	42,211,300	1.06	1.05	0.60
Thal Limited (face value Rs. 5)	113,000	83,600	-	2,000	194,600	79,307,893	74,471,474	1.86	1.84	0.24
	464,506	653,600	99,301	12,000	1,205,407	133,174,083	116,682,774	2.92	2.89	-
REFINERY										
Atock Refinery Limited	100,000	15,000	-	103,000	12,000	3,057,799	1,728,360	0.04	0.04	0.01
National Refinery Limited	14,000	5,000	-	500	18,500	9,258,900	5,264,915	0.13	0.13	0.02
	114,000	20,000	-	103,500	30,500	12,316,699	6,993,275	0.17	0.17	

# Half Yearly Report 2021-22

Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / Right shares received during the period	Sales during the period	As at 31 December 2021	Carrying value as at 31 December 2021	Market value as at 31 December 2021	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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At fair value through profit or loss -  
Listed equity securities

----- Number of Certificates ----- Rupees ----- % age -----

## TECHNOLOGY & COMMUNICATIONS

AirLink Communications Limited	-	361,725	15,879	361,000	16,604	1,097,555	964,028	0.02	0.02	0.00400
Octopus Digital Limited	-	27,352	-	27,000	352	14,291	27,372	-	-	-
Pakistan Telecommunication Company Limited	2,353,000	-	-	-	2,353,000	27,859,520	20,471,100	0.51	0.51	0.06
Systems Limited	122,000	10,000	-	77,000	55,000	31,894,477	41,791,200	1.05	1.05	0.04
	<b>2,475,000</b>	<b>399,077</b>	<b>15,879</b>	<b>465,000</b>	<b>2,424,956</b>	<b>60,865,843</b>	<b>63,253,700</b>	<b>1.58</b>	<b>1.58</b>	

## FERTILIZER

Engro Fertilizers Limited	1,205,456	968,797	444,661	658,463	1,960,451	140,920,063	149,170,717	3.73	3.69	0.15
Engro Corporation Limited (see note 5.3)	637,500	825,083	-	96,500	1,366,083	395,615,996	372,148,331	9.32	9.21	0.24
Fauji Fertilizers Bin Qasim Limited	-	2,609,000	-	40,000	2,569,000	67,937,959	63,659,820	1.59	1.58	0.20
	<b>1,842,956</b>	<b>4,402,880</b>	<b>444,661</b>	<b>794,963</b>	<b>5,895,534</b>	<b>604,474,018</b>	<b>584,978,868</b>	<b>14.64</b>	<b>14.48</b>	

## PHARMACEUTICALS

Abbott Laboratories (Pakistan) Limited	33,550	59,500	-	-	93,050	72,022,030	66,764,306	1.67	1.65	0.10
Glaxosmithkline Pakistan Limited	65,000	-	-	5,000	60,000	9,940,200	8,190,600	0.21	0.20	0.02
Glaxosmithkline Consumer Health Care Pakistan Limited	-	27,000	-	25,000	2,000	570,277	482,120	0.01	0.01	-
Highnoon Laboratories Limited	103,240	23,100	-	-	126,340	76,653,714	79,322,569	1.99	1.96	0.33
The Searle Company Limited	105,872	5,000	2,061	110,500	2,433	452,346	349,671	0.01	0.01	-
	<b>307,662</b>	<b>114,600</b>	<b>2,061</b>	<b>140,500</b>	<b>283,823</b>	<b>159,638,567</b>	<b>155,109,266</b>	<b>3.89</b>	<b>3.83</b>	

## CHEMICALS

Engro Polymer & Chemicals Limited	1,150,000	1,440,000	-	715,000	1,875,000	97,561,441	101,643,750	2.54	2.52	0.21
ICI Pakistan Limited	21,000	-	-	21,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	8,000	-	-	8,000	-	-	-	-	-	-
	<b>1,179,000</b>	<b>1,440,000</b>	<b>-</b>	<b>744,000</b>	<b>1,875,000</b>	<b>97,561,441</b>	<b>101,643,750</b>	<b>2.54</b>	<b>2.52</b>	

## PAPER & BOARD

Packages Limited	77,500	17,500	-	-	95,000	51,462,325	47,240,650	1.18	1.17	0.11
	<b>77,500</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>95,000</b>	<b>51,462,325</b>	<b>47,240,650</b>	<b>1.18</b>	<b>1.17</b>	

## Transport

Pakistan International Bulk Terminal Limited	950,000	950,000	-	65,000	1,835,000	18,964,573	13,505,600	0.34	0.33	0.10
	<b>950,000</b>	<b>950,000</b>	<b>-</b>	<b>65,000</b>	<b>1,835,000</b>	<b>18,964,573</b>	<b>13,505,600</b>	<b>0.34</b>	<b>0.33</b>	

## LEATHER & TANNERIES

Bata Pakistan Limited	8,780	-	-	8,780	-	-	-	-	-	-
Service Global Footwear Limited	261,014	138,000	-	-	399,014	21,949,145	18,498,286	0.46	0.46	0.20
	<b>269,794</b>	<b>138,000</b>	<b>-</b>	<b>8,780</b>	<b>399,014</b>	<b>21,949,145</b>	<b>18,498,286</b>	<b>0.46</b>	<b>0.46</b>	

## FOODS & PERSONAL CARE PRODUCTS

At-Tahur Limited	1,404,250	200,000	137,910	280,000	1,462,160	31,769,705	33,644,302	0.84	0.83	0.74
Treet Corporation Limited	275,000	-	-	275,000	-	-	-	-	-	-
Unity Foods Limited	348,500	100,000	-	448,500	-	-	-	-	-	-
	<b>2,027,750</b>	<b>300,000</b>	<b>137,910</b>	<b>1,003,500</b>	<b>1,462,160</b>	<b>31,769,705</b>	<b>33,644,302</b>	<b>0.84</b>	<b>0.83</b>	

## GLASS & CERAMICS

Shabbir Tiles and Ceramics Limited (face value Rs.5)	400,000	-	-	400,000	-	-	-	-	-	-
Tanq Glass Industries Limited	-	250,000	-	5,000	245,000	26,660,513	26,587,400	0.67	0.66	0.18
	<b>400,000</b>	<b>250,000</b>	<b>-</b>	<b>405,000</b>	<b>245,000</b>	<b>26,660,513</b>	<b>26,587,400</b>	<b>0.67</b>	<b>0.66</b>	

Total as at 31 December, 2021

**4,208,650,893**    **3,994,611,934**    **100.00**    **98.88**

Total as at 30 June 2021

**2,340,246,204**    **2,680,575,760**

5.2

The cost of listed equity securities as at 31 December 2021 is Rs. 3,998,089,138 (30 June 2021: Rs. 2,373,447,395).

# Atlas Islamic Stock Fund

- 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:

	Number of shares		Market value (Rupees)	
	31 December 2021 Un-audited	30 June 2021 Audited	31 December 2021 Un-audited	30 June 2021 Audited
Lucky Cement Limited	75,000	75,000	50,946,000	64,758,000
Pakistan State Oil Company Limited	110,000	110,000	20,007,900	24,667,500
Pakistan Petroleum Limited	135,000	135,000	10,670,400	11,722,050
Engro Corporation Limited	55,000	55,000	14,983,100	16,203,550
	<b>375,000</b>	<b>375,000</b>	<b>96,607,400</b>	<b>117,351,100</b>

## 6 SECURITY DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	Note	31 December 2021 Un-audited	30 June 2021 Audited
		----- Rupees -----	----- 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
Prepaid legal and professional		45,212	-
Other receivable	6.1	2,597,419	2,597,419
		<b>5,242,631</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 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

# Half Yearly Report 2021-22

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)	Note	31 December 2021 Un-audited	30 June 2021 Audited
		----- Rupees -----	----- Rupees -----
Remuneration of the Management Company	7.1	8,465,565	5,386,550
Sindh Sales Tax payable on remuneration of the Management Company	7.2	2,657,085	2,256,816
Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
Accounting and operational charges	14	1,701,784	673,321
		<b>23,277,819</b>	<b>18,770,072</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% from 01 July 2021 to 30 September 2021 and 2.5% from 01 October 2021 to 31 December 2021 (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. 5,281,953 (2020: Rs. 3,519,116) 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. 4,881,684 (2020: Rs. 3,322,725) 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 2021: 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 2021 would have been higher by Rs. 1.42 per unit (30 June 2021: Rs. 2.21 per unit).

# Atlas Islamic Stock Fund

		31 December 2021	30 June 2021
8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN- TRUSTEE- RELATED PARTY	Note	Un-audited	Audited
		Rupees	
Remuneration Payable to Trustee	8.1	423,553	306,631
Sindh Sales tax payable on trustee fee	8.2	55,041	39,854
		<b>478,594</b>	<b>346,485</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:**

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 period, an amount of Rs. 280,592 (2020: Rs. 212,164) 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.265,405 (2020: Rs. 203,598) was paid to the Trustee which acts as a collecting agent.

		31 December 2021	30 June 2021
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	Un-audited	Audited
		Rupees	
Annual fees payable	9.1	330,852	476,814

- 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) an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.

		31 December 2021	30 June 2021
10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Un-audited	Audited
		Rupees	
Auditors' remuneration payable		290,639	330,421
Ranking fee payable		140,000	140,000
Listing fee payable		13,863	-
Charity payable	10.1	1,732,489	1,579,943
Transaction charges payable		3,910,750	2,324,516
Withholding and capital gain tax payable		92,770	14,830,976
Payable to Shariah Advisor		50,001	50,001
Provision for Sindh Workers' Welfare Fund	10.2	-	33,881,485
Printing charges payable		-	14,033
Zakat payable		68,153	57,205
Dividend payable		185,722	26,047,520
Others		465,654	269,984
		<b>6,950,041</b>	<b>79,526,084</b>

# Half Yearly Report 2021-22

- 10.1** The Shariah Advisor of the Fund, has certified an amount of Rs. 3,959,220 (30 June 2021: Rs. 4,280,368) 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, 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 Mutual Fund Association of Pakistan (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 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, 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 33.88 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2021 and as at 30 June 2021.

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 3.69% (30 June 2021: 4.00%) which includes 0.39% (30 June 2021: 1.00%) representing government levies on the Fund such as provision for 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. 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. Based on the above, no provision in respect of taxation have been made in these condensed interim financial statements, as the Fund does not have income during the period.

## 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 Stock Fund

The Management Company has charged expenses at the rate of 0.40% of the average annual net assets of the Fund upto 14 September 2021 and charged expenses at the rate of 0.50% of the average annual net assets afterwards.

## 15 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited 30 June 2021	Cash Outflows	Non-Cash Changes Redemption of Unit	Un-audited 31 December 2021
	----- Rupees -----			
Payable against redemption of units	1,384,692	(796,468,206)	798,821,401	3,737,887

## 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.

## 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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:

	Un-audited For the Half Year Ended 31 December 2021	Un-audited 2020
	----- Rupees -----	
<b>17.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	40,630,425	27,070,085
Remuneration paid	37,551,410	25,559,424
Sindh Sales Tax on remuneration of the Management Company	5,281,953	3,519,111
Accounting and operational charges	7,682,386	2,178,339
Issue of 17,119 (2020: 21,235) units	10,000,000	9,989,724
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	2,158,499	1,632,030
Sindh Sales Tax on remuneration of the Trustee	280,592	212,164
Remuneration paid	2,041,577	1,606,137
Settlement charges	98,936	104,314
Sindh sales tax on settlement charges	12,862	13,561
<b>Atlas Foundation (Group company)</b>		
Issue of 51,214 (2020: 1,183) units	30,000,000	600,000



# Half Yearly Report 2021-22

		Un-audited For the Half Year Ended 31 December	Un-audited
		2021	2020
		----- Rupees -----	
17.1	Transactions during the period (Cont....)		
	<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
	Issue of 16,784 (2020: 2,833) units	9,149,942	1,500,000
	Redemption of 2,606 (2020: 15,064) units	1,500,000	8,000,000
	<b>Shirazi Investments (Private) Limited -Employee Provident Fund (Retirement benefit plan of group company)</b>		
	Redemption of 5,545 (2020:13,126) units	3,202,710	7,240,102
	<b>Atlas Insurance Limited (Group Company)</b>		
	Issue of 715,419 (2020:140,000) units	393,129,657	82,455,660
	Redemption of 672,438 (2020:165,694) units	368,129,657	97,455,660
	<b>Atlas Insurance Limited Window Takaful Operation</b>		
	Issue of nil (2020: 47,099) units	-	25,000,000
	Redemption of nil (2020: 47,099) units	-	25,567,750
	<b>Shirazi Investments (Private) Limited</b>		
	Issue of 1,344,510 (2020: Nil) units	769,444,774	-
	<b>Directors and their close family members and key management personnel of the Management Company (Note 15.3)</b>		
	Issue of 18,251 (2020: 17,301) units	10,561,044	8,878,663
	Redemption of 5,926 (2020: 9,579) units	3,420,016	5,223,732
		<b>31 December 2021</b>	<b>30 June 2021</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- Rupees -----	
17.2	Balances as at period / year end		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration payable to the Management Company	8,465,565	5,386,550
	Sindh Sales Tax payable on remuneration of the management company	2,657,085	2,256,816
	Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
	Accounting and operational charges payable	1,701,784	673,321
	Outstanding 75,742 (30 June 2021: 58,622) units at net asset value	41,699,784	33,598,630
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	423,553	3,384,045
	Sindh sales tax payable on remuneration of the Trustee	55,041	439,926
	Settlement charges payable	-	192,075
	Sindh sales tax payable on settlement charges	-	24,970
	<b>Atlas Foundation (Group company)</b>		
	Outstanding 156,149 (30 June 2021: 104,935) units - at net asset value	85,967,987	60,141,610
	<b>Atlas Insurance Limited (Group Company)</b>		
	Outstanding 672,438 (30 June 2021: 629,456) units - at net asset value	370,211,726	360,762,619
	<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
	Outstanding 170,481 (30 June 2021: 156,301) units - at net asset value	93,858,334	89,581,735



# Atlas Islamic Stock Fund

	31 December 2021 Un-audited ----- Rupees -----	30 June 2021 Audited -----
<b>17.2 Balances as at period / year end (Cont....)</b>		
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 191,152 (30 June 2021: 191,152) units - at net asset value	105,239,195	109,555,795
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding 118,832 (30 June 2021: 118,832) units - at net asset value	65,423,238	68,106,706
<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding 108,026 (30 June 2021: 108,026) units - at net asset value	59,473,749	61,913,186
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 1,786,702 (30 June 2021: 442,192) units - at net asset value	983,672,017	253,435,088
<b>Shirazi Investments (Private) Limited -Employee Provident Fund (Retirement benefit plan of group company)</b>		
Outstanding NIL (30 June 2021: 5,545) units - at net asset value	-	3,178,203
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Outstanding 168,561 (30 June 2020: 180,136) units - at net asset value	92,801,326	103,243,267
<b>17.3</b> 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 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.

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.

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

# Half Yearly Report 2021-22

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).

As at December 31, 2021 (Unaudited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>			
- Listed equity securities	3,994,611,934	-	-
			3,994,611,934
As at June 30, 2021 (Audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>			
- Listed equity securities	2,680,575,760	-	-
			2,680,575,760

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

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.

## 19 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

## 20 GENERAL

**20.1** This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, the figures for the quarter ended December 31, 2021 and December 31, 2020 as reported in this condensed interim financial information has not been subject to limited scope review by the auditors.

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

**20.3** 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 21 February 2022.

**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**

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 Muhammad Wasih Fasih Butt

**Auditors**

EY Ford Rhodes  
Chartered Accountants

**Legal Advisers**

Bawaney & Partners

**Bankers**

Al-Baraka Bank (Pakistan) Limited  
BankIslami Pakistan Limited

# Half Yearly Report 2021-22

## 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, 2021 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: 28 February 2022

# Atlas Islamic Dedicated 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 Dedicated Stock Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (herein-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 2021 and 31 December 2020 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 2021.

#### 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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		31 December 2021 Un-audited	30 June 2021 Audited
	Note	----- Rupees -----	
<b>ASSETS</b>			
Bank balances	4	3,316,774	13,799,438
Investments	5	482,292,386	310,475,376
Receivable against sale of investments		2,347,289	8,924,517
Profit receivable on bank balances		41,155	21,760
Dividend receivable		-	121,000
Deferred formation cost	6	332,409	444,430
Advances, deposits, prepayments and other receivables	7	3,412,746	3,412,741
<b>Total assets</b>		<b>491,742,759</b>	<b>337,199,262</b>
<b>LIABILITIES</b>			
Payable against redemption of units		-	4,795,000
Payable to Atlas Asset Management Limited - Management Company	8	1,350,804	852,066
Payable to Central Depository Company of Pakistan Limited - Trustee	9	91,815	63,934
Payable to the Securities and Exchange Commission of Pakistan	10	39,216	75,204
Payable against purchase of investments		2,688,426	-
Accrued expenses and other liabilities	11	1,308,868	4,092,386
<b>Total liabilities</b>		<b>5,479,129</b>	<b>9,878,590</b>
<b>NET ASSETS</b>		<b>486,263,630</b>	<b>327,320,672</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>486,263,630</b>	<b>327,320,672</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>850,019</b>	<b>549,177</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>572.0620</b>	<b>596.0206</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 Islamic Dedicated Stock Fund

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

		For the Half Year Ended		For the Quarter Ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	----- Rupees -----	----- Rupees -----		
<b>INCOME</b>					
Profit on bank balances		374,655	111,620	200,640	(8,612)
Dividend income		12,847,514	9,024,096	9,606,994	7,284,750
Capital gain / (loss) on sale of investments - net		752,784	36,419,167	(925,963)	26,990,187
Net unrealised (diminution) / appreciation on re-measurement of investments classified 'as 'financial assets at fair value 'through profit or loss'		(20,735,858)	60,267,244	(7,123,179)	2,443,678
		(19,983,074)	96,686,411	(8,049,142)	29,433,865
<b>Total (loss) / income</b>		<b>(6,760,905)</b>	<b>105,822,127</b>	<b>1,758,492</b>	<b>36,710,003</b>
<b>EXPENSES</b>					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	4,828,727	4,718,340	2,995,160	2,315,444
Sindh Sales Tax on remuneration of the Management Company	8.2	627,734	613,384	389,370	301,008
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	392,410	393,196	239,612	192,768
Sindh Sales Tax on remuneration of the Trustee	9.2	51,013	51,115	31,149	25,059
Annual fee to the Securities and Exchange Commission of Pakistan		39,241	39,320	23,961	19,277
Accounting and operational charges	13	917,172	373,494	599,031	203,130
Shariah advisory fee		40,000	40,000	20,000	20,000
Auditors' remuneration		153,532	72,962	76,766	(3,804)
Securities transaction cost		678,415	485,131	557,695	330,990
Printing and postage charges		25,509	6,494	25,509	6,494
Amortization of formation cost	6	112,021	112,021	56,014	56,011
Legal and professional charges		53,432	113,200	10,500	70,000
Annual listing fee		13,864	13,863	6,932	6,987
(Reversal) / Provision for Sindh Workers Welfare Fund	11.2	(3,063,673)	1,975,630	-	663,171
Bank charges		1,299	8,126	1,299	8,126
<b>Total expenses</b>		<b>4,870,696</b>	<b>9,016,276</b>	<b>5,032,998</b>	<b>4,214,661</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(11,631,601)</b>	<b>96,805,851</b>	<b>(3,274,506)</b>	<b>32,495,342</b>
Taxation	15	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(11,631,601)</b>	<b>96,805,851</b>	<b>(3,274,506)</b>	<b>32,495,342</b>
<b>Allocation of net income for the period</b>					
Net income for the period		-	96,805,851	-	32,495,342
Income already paid on units redeemed		-	(16,024,990)	-	(2,136,871)
		-	80,780,861	-	30,358,471
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	96,686,411	-	29,433,865
- Excluding capital gains		-	(15,905,550)	-	924,606
		-	80,780,861	-	30,358,471

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

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

	For the Half Year Ended		For the Quarter Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- Rupees -----		----- Rupees -----	
Net (loss) / income for the period after taxation	(11,631,601)	96,805,851	(3,274,506)	32,495,342
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(11,631,601)</b>	<b>96,805,851</b>	<b>(3,274,506)</b>	<b>32,495,342</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 Islamic Dedicated Stock Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2021

31 December 2021			
	Capital value	Undistributed income	Total
	Rupees		
Capital value	275,872,943	-	275,872,943
<b>Undistributed loss brought forward</b>			
- Realised loss	-	18,532,020	18,532,020
- Unrealised loss	-	32,915,709	32,915,709
<b>Net assets at the beginning of the period (Units outstanding: 549,177)</b>	<b>275,872,943</b>	<b>51,447,729</b>	<b>327,320,672</b>
(Rs. 596.0206 per unit)			
Issue of 365,206 units	209,629,516	-	209,629,516
Redemption of 64,364 units	(38,627,273)	-	(38,627,273)
Total comprehensive (loss) for the period	-	(11,631,601)	(11,631,601)
Shariah non-compliant income set-aside for charity	-	(427,684)	(427,684)
<b>Net assets at end of the period (Units outstanding: 850,019)</b>	<b>446,875,186</b>	<b>39,388,444</b>	<b>486,263,630</b>
(Rs. 572.0620 per unit)			
<b>Undistributed income carried forward</b>			
- Realised income	-	36,725,568	-
- Unrealised Income	-	2,662,876	-
	<b>-</b>	<b>39,388,444</b>	<b>-</b>
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 (Units outstanding: 820,677)</b>	<b>392,806,970</b>	<b>(30,318,228)</b>	<b>362,488,742</b>
(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>-</b>	<b>50,094,958</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

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Half Yearly Report 2021-22

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		For the Half Year Ended 31 December	
		2021	2020
Note		Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Net (loss) / income for the period before taxation	(11,631,601)	96,805,851
<b>Adjustments for:</b>			
	Profit on bank balances	(374,655)	(111,620)
	Dividend income	(12,847,514)	(9,024,096)
	Capital gain on sale of investments - net	(752,784)	(36,419,167)
	Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	20,735,858	(60,267,244)
11.2	(Reversal) / Provision for Sindh Workers Welfare Fund	(3,063,673)	1,975,630
	Amortization of formation cost	112,021	112,021
		<b>3,809,253</b>	<b>(103,734,476)</b>
<b>Decrease / (increase) in assets</b>			
	Receivable against sale of investments	6,577,228	(4,444,019)
	Advances, deposits, prepayments and other receivables	(5)	-
		<b>6,577,223</b>	<b>(4,444,019)</b>
<b>Increase / (decrease) in liabilities</b>			
	Payable to Atlas Asset Management Limited - Management Company	498,738	102,438
	Payable to the Central Depository Company of Pakistan Limited - Trustee	27,881	7,213
	Payable to the Securities and Exchange Commission of Pakistan	(35,988)	(29,602)
	Payable against purchase of investments	2,688,426	314,135
	Accrued expenses and other liabilities	280,155	(426,716)
		<b>3,459,212</b>	<b>(32,532)</b>
	Profit received on bank balances	355,260	249,311
	Dividend received	12,540,830	7,349,096
	Investments made during the period	(275,127,509)	(140,918,932)
	Investments sold during the period	83,327,425	234,494,649
		<b>(178,903,994)</b>	<b>101,174,124</b>
	<b>Net cash generated (used in) / from operating activities</b>	<b>(176,689,907)</b>	<b>89,768,948</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Amount received on issue of units	209,629,516	10,852,178
16	Payment against redemption of units	(43,422,273)	(109,600,733)
	<b>Net cash (used in) / generated from financing activities</b>	<b>166,207,243</b>	<b>(98,748,555)</b>
	<b>Net decrease in cash and cash equivalents</b>	<b>(10,482,664)</b>	<b>(8,979,607)</b>
	Cash and cash equivalents at the beginning of the period	13,799,438	11,892,473
4	<b>Cash and cash equivalents at the end of the period</b>	<b>3,316,774</b>	<b>2,912,866</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 Islamic Dedicated Stock Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 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 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act “Sindh Act 2020” as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the period, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two plus) [2020: AM2+ (AM Two plus)] on 24 December 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

### 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.

# Half Yearly Report 2021-22

- 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 2021.
- 2.1.3** The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2020.
- 2.1.4** 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 2021.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

## **2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standards, interpretations and amendments</b>	<b>Effective date</b>
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

# Atlas Islamic Dedicated Stock Fund

Standards		IASB Effective date (annual periods beginning on or after)			
IFRS 1 - First-time Adoption of International Financial Reporting Standards		01 July 2009			
2.4 Critical accounting estimates and judgements					
<p>The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.</p> <p>The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 11.2 and 7.1 respectively.</p>					
2.5 Accounting convention					
<p>These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.</p>					
2.6 Functional and presentation currency					
<p>These condensed interim financial statements have been presented in Pakistani Rupees which is the functional and presentation currency of the Fund.</p>					
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 2021.					
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 2021.					
		31 December 2021 Un-audited	30 June 2021 Audited		
		Note -----	Rupees -----		
4	BANK BALANCES				
Balances with banks in:					
	- Profit and loss sharing accounts	4.1	<table><tr><td>3,316,774</td><td>13,799,438</td></tr></table>	3,316,774	13,799,438
3,316,774	13,799,438				
4.1 The rate of return on these profit and loss sharing accounts ranges between 6.75% and 10.85% (30 June 2021: 6.00% to 6.90%) per annum.					
		31 December 2021 Un-audited	30 June 2021 Audited		
		Note -----	Rupees -----		
5	INVESTMENTS				
Financial assets at fair value through profit or loss account					
	- Listed equity securities	5.1	<table><tr><td>482,292,386</td><td>310,475,376</td></tr></table>	482,292,386	310,475,376
482,292,386	310,475,376				

# Half Yearly Report 2021-22

## 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 2021	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December, 2021	Average cost as at 31 December 2021	Market value as at 31 December 2021	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>										
Meezan Bank Limited (Note 5.3)	263,240	134,500	34,611	82,500	349,851	39,810,857	46,918,518	9.73	9.65	0.02
	263,240	134,500	34,611	82,500	349,851	39,810,857	46,918,518	9.73	9.65	-
<b>Textile Composite</b>										
Kohinoor Textile Mills Limited	45,500	90,000	-	-	135,500	9,687,930	9,406,410	1.95	1.93	0.05
Nishat Mills Limited	57,500	150,100	-	1,000	206,600	18,757,824	16,441,228	3.41	3.38	0.06
Interloop Limited	20,000	135,000	2,850	-	157,850	11,135,575	11,474,117	2.38	2.36	0.02
	123,000	375,100	2,850	1,000	499,950	39,581,329	37,321,755	7.74	7.67	-
<b>Cement</b>										
Attock Cement Pakistan Limited	17,000	-	-	17,000	-	-	-	-	-	-
Cherat Cement Company Limited	17,450	62,500	-	4,000	75,950	11,015,758	11,264,145	2.34	2.32	0.04
D.G. Khan Cement Company Limited	53,000	-	-	4,000	49,000	5,778,080	4,064,060	0.84	0.84	0.01
Fauji Cement Company Limited	331,500	697,000	-	95,000	933,500	18,000,600	17,148,395	3.56	3.53	0.07
Kohat Cement Company Limited	17,500	42,500	-	-	60,000	11,263,978	11,316,000	2.35	2.33	0.03
Lucky Cement Limited	37,350	22,400	-	3,900	55,850	44,734,895	37,937,788	7.87	7.80	0.02
Maple Leaf Cement Factory Limited	70,000	75,000	-	75,000	70,000	2,948,978	2,516,500	0.52	0.52	0.01
Pioneer Cement Limited	-	10,000	-	-	10,000	897,620	887,500	0.18	0.18	-
	543,800	909,400	-	198,900	1,254,300	94,639,909	85,134,388	17.66	17.51	-
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited	171,000	365,000	-	45,500	490,500	37,554,029	34,992,270	7.26	7.20	0.04
K-Electric Limited (face value Rs. 3.5)	715,500	-	-	-	715,500	2,990,790	2,461,320	0.51	0.51	-
	886,500	365,000	-	45,500	1,206,000	40,544,819	37,453,590	7.77	7.71	-
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	11,528	7,980	-	900	18,608	29,594,135	30,781,912	6.38	6.33	0.01
Oil & Gas Development Company Limited (Note 5.3)	290,900	200,000	-	53,500	437,400	39,207,279	37,703,880	7.82	7.75	0.01
Pakistan Oilfields Limited	12,500	-	-	500	12,000	4,726,320	4,291,440	0.89	0.88	-
Pakistan Petroleum Limited (Note 5.3)	214,040	160,000	-	43,000	331,040	26,528,278	26,165,402	5.43	5.38	0.01
	528,968	367,980	-	97,900	799,048	100,056,012	98,942,634	20.52	20.34	-
<b>Oil &amp; Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	51,500	55,000	-	7,500	99,000	20,662,299	18,007,110	3.73	3.70	0.02
Sui Northern Gas Pipelines Limited	45,000	102,500	-	2,000	145,500	6,969,556	4,866,975	1.01	1.00	0.02
	96,500	157,500	-	9,500	244,500	27,631,855	22,874,085	4.74	4.7	-
<b>Engineering</b>										
Aisha Steel Mills Limited	-	187,500	-	-	187,500	3,881,150	2,823,750	0.59	0.58	0.02
International Industries Limited	12,000	16,500	-	16,000	12,500	2,390,889	1,735,125	0.36	0.36	0.01
International Steels Limited	11,500	7,500	-	19,000	-	-	-	-	-	-
Inteq Iron Industries limited	-	45,000	-	-	45,000	821,250	538,650	0.11	0.11	0.03
Mughal Iron And Steel Industries Limited	8,000	69,000	2,775	-	79,775	7,756,098	8,305,375	1.72	1.71	0.02
	31,500	325,500	2,775	35,000	324,775	14,849,387	13,402,900	2.78	2.76	-
<b>Automobile Assembler</b>										
Millat Tractors Limited	5,775	2,335	-	4,500	3,610	3,243,999	3,112,686	0.65	0.64	0.01
Pak Suzuki Motor Company Limited	9,500	16,500	-	10,000	16,000	4,858,097	3,732,160	0.77	0.77	0.02
	15,275	18,835	-	14,500	19,610	8,102,096	6,844,846	1.42	1.41	-
<b>Automobile Parts &amp; Accessories</b>										
Panther Tyres Limited	31,580	50,000	6,316	-	87,896	4,508,210	3,670,537	0.76	0.75	0.05
Thal limited (face value Rs. 5)	17,900	8,000	-	-	25,900	10,487,762	9,911,671	2.06	2.04	0.03
	49,480	58,000	6,316	-	113,796	14,995,972	13,582,208	2.82	2.79	-
<b>Technology &amp; Communications</b>										
Air Link Communication Limited	-	20,100	1,507	20,000	1,607	106,886	93,302	0.02	0.02	-
Octopus Digital Limited	-	2,753	-	2,500	253	10,272	19,673	-	-	-
Pakistan Telecommunication Company Ltd.	295,000	-	-	5,000	290,000	3,433,600	2,523,000	0.52	0.52	0.01
Systems Limited	14,800	-	-	6,800	8,000	4,481,760	6,078,720	1.26	1.25	0.01
	309,800	22,853	1,507	34,300	299,860	8,032,518	8,714,695	1.80	1.79	-

# Atlas Islamic Dedicated Stock Fund

Name of Investee Company	As at 01 July 2021	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December, 2021	Average cost as at 31 December 2021	Market value as at 31 December 2021	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
<div>-----Number of shares-----Rupees-----% age-----</div>										
Fertilizer										
Engro Fertilizers Limited	129,500	172,001	36,000	92,500	245,001	17,247,464	18,642,126	3.87	3.83	0.02
Engro Corporation Limited (Note 5.3)	70,000	86,500	-	7,500	149,000	42,884,756	40,590,580	8.42	8.35	0.03
Fauji Fertilizer Bin qasim limited	-	300,000	-	-	300,000	7,858,590	7,434,000	1.54	1.53	0.02
	199,500	558,501	36,000	100,000	694,001	67,990,810	66,666,706	13.83	13.71	-
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	-	11,500	-	-	11,500	8,963,732	8,251,365	1.71	1.70	0.01
Glaxosmithkline Pakistan Limited	21,000	-	-	5,000	16,000	2,650,720	2,184,160	0.45	0.45	0.01
Hightoon Laboratories Limited	14,184	2,000	-	500	15,684	9,450,400	9,847,199	2.04	2.03	0.04
The Searle Company Limited	17,500	-	1,500	17,500	1,500	279,946	215,580	0.04	0.04	-
	52,684	13,500	1,500	23,000	44,684	21,344,798	20,498,304	4.24	4.22	-
Chemicals										
Engro Polymer & Chemicals Limited	99,500	135,000	-	40,000	194,500	10,213,938	10,543,845	2.19	2.17	0.02
Sitara Chemical Industries Limited	3,800	-	-	3,800	-	-	-	-	-	-
	103,300	135,000	-	43,800	194,500	10,213,938	10,543,845	2.19	2.17	-
Paper & Board										
Packages Limited	11,400	-	-	1,000	10,400	5,670,080	5,171,608	1.07	1.06	0.01
	11,400	-	-	1,000	10,400	5,670,080	5,171,608	1.07	1.06	-
Transport										
Pakistan International Bulk Terminal Limited	145,000	-	-	-	145,000	1,650,100	1,067,200	0.22	0.22	0.01
	145,000	-	-	-	145,000	1,650,100	1,067,200	0.22	0.22	-
Leather & Tanneries										
Bata Pakistan Limited	1,020	-	-	1,020	-	-	-	-	-	-
Service Global Footwear Limited	25,000	5,000	-	-	30,000	1,743,240	1,390,800	0.29	0.29	0.01
	26,020	5,000	-	1,020	30,000	1,743,240	1,390,800	0.29	0.29	-
Foods & Personal Care Products										
At-Tahur Limited	209,350	50,000	21,522	123,000	157,872	3,507,209	3,632,635	0.75	0.75	0.08
Treet corporation limited	27,000	-	-	27,000	-	-	-	-	-	-
Unity Foods limited	35,000	-	-	35,000	-	-	-	-	-	-
	271,350	50,000	21,522	185,000	157,872	3,507,209	3,632,635	0.75	0.75	-
Glass & Ceramics										
Shabbir Tiles & Ceramics Limited (face value Rs. 5)	46,500	-	-	46,500	-	-	-	-	-	-
Tariq Glass Industries Limited	-	14,000	-	-	14,000	1,540,000	1,519,280	0.32	0.31	0.01
	46,500	14,000	-	46,500	14,000	1,540,000	1,519,280	0.32	0.31	-
Refinery										
Attock Refinery Limited	10,300	-	-	10,000	300	76,935	43,209	0.01	0.01	-
National Refinery Limited	2,000	-	-	-	2,000	1,046,380	569,180	0.12	0.12	-
	12,300	-	-	10,000	2,300	1,123,315	612,389	0.13	0.13	-
Total as at 31 December 2021						503,028,244	482,292,386	100	99	
Total as at 30 June 2021						260,988,012	310,475,376	100	95	

5.2 The cost of listed equity securities as at 31 December 2021 is Rs. 479,629,509.82 (30 June 2021: 277,559,667).

# Half Yearly Report 2021-22

- 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 2021 Un-audited	30 June 2021 Audited	31 December 2021 Un-audited	30 June 2021 Audited
	Number of shares		Market value (Rupees)	
Engro Corporation Limited	24,500	4,500	6,674,290	1,325,745
Meezan Bank Limited	37,500	7,500	5,029,125	865,575
Oil & Gas Development Company Limited	100,000	50,000	8,620,000	4,751,500
Pakistan Petroleum Limited	30,000	30,000	2,371,200	2,604,900
	<b>192,000</b>	<b>92,000</b>	<b>22,694,615</b>	<b>9,547,720</b>

## 6 DEFERRED FORMATION COST

	31 December 2021 Un-audited	30 June 2021 Audited
Note	Rupees	
Opening balance	444,430	666,645
Less: Amortisation for the period	(112,021)	(222,215)
	<b>332,409</b>	<b>444,430</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.

## 7 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	31 December 2021 Un-audited	30 June 2021 Audited
Note	Rupees	
<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	812,746	812,741
	<b>3,412,746</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 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



# Atlas Islamic Dedicated Stock Fund

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 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		31 December 2021 Un-audited	30 June 2021 Audited
8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)		Note	Rupees
Remuneration of the Management Company	8.1	1,015,643	678,938
Sindh Sales Tax payable on remuneration of the Management Company	8.2	132,033	88,261
Accounting and operational charges payable	13	203,128	84,867
		<b>1,350,804</b>	<b>852,066</b>

8.1 During the period ended 31 December 2021, the Management Company has charged its remuneration at the rate of 2.40% from 01 July 2021 to 30 September 2021 and 2.5% from 01 October 2021 to 31 December 2021 (30 June 2021: 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. 627,734 (2020: 613,384) 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. 583,962 (2020: 606,546) has been paid to the Management Company which acts as the collecting agent.

		31 December 2021 Un-audited	30 June 2021 Audited
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN- TRUSTEE- RELATED PARTY		Note	Rupees
Trustee Fee	9.1	81,252	56,578
Sindh Sales tax payable on trustee fee	9.2	10,563	7,356
		<b>91,815</b>	<b>63,934</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. 51,013 (2020: 51,115) 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. 47,806 (2020: 50,546) was paid to the Trustee which acts as a collecting agent

		31 December 2021 Un-audited	30 June 2021 Audited
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		Note	Rupees
Annual fees payable	10.1	<b>39,216</b>	<b>75,204</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) an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.

# Half Yearly Report 2021-22

		31 December 2021	30 June 2021
		Un-audited	Audited
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Rupees	
Auditors' remuneration payable		175,930	249,913
Transaction charges payable		782,531	479,905
Withholding tax and capital gain payable		70,317	55,141
Payable to Shariah Advisor		20,002	20,010
Provision for Sindh Workers' Welfare Fund	11.2	-	3,063,673
Printing charges payable		8,414	12,520
Legal and professional charges		-	-
Charity payable	11.1	251,674	211,224
		<b>1,308,868</b>	<b>4,092,386</b>

**11.1** The Shariah Advisor of the Fund, has certified an amount of Rs.427,684 (31 December 2020: Rs. 367,675) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

**11.2** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Fund Association of Pakistan (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 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, 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 3.06 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

## 12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 December 2021 and 30 June 2021.

## 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 0.4% of the average annual net assets of the Fund upto 14 September 2021 and charged expenses at the rate of 0.5% of the average annual net assets afterwards.

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2021 is 4.04% (30 June 2021: 4.36%) which includes

# Atlas Islamic Dedicated Stock Fund

0.4% (30 June 2021: 1.07%) representing government levies on the Fund such as provision for sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% 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. 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. Based on the above, no provision in respect of taxation have been made in these condensed interim financial statements, as the Fund does not have income during the period.

## 16 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited 30 June 2021	Cash Outflows	Non-Cash Changes Redemption of Unit	Un-audited 31 December 2021
	----- Rupees -----			
Payable against redemption of units	4,795,000	(43,422,273)	38,627,273	-

## 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 / 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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	
	Un-audited 2021	Un-audited 2020
	----- Rupees -----	
<b>18.1 Transactions during the period</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	4,828,727	4,718,340
Sindh Sales Tax on remuneration of the Management Company	627,734	613,384
Remuneration paid	4,492,022	4,665,744
Formation cost	112,021	112,021
Accounting and operational charges	917,172	373,494

# Half Yearly Report 2021-22

		For the Half Year ended 31 December	
		Un-audited 2021	Un-audited 2020
		-----	-----
		Rupees	
18.1	Transactions during the period (Cont....)		
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration of the Trustee	392,410	393,196
	Sindh Sales Tax on remuneration of the Trustee	51,013	51,115
	Remuneration paid	375,793	388,812
	Settlement charges	20,707	20,472
	Sindh sales tax on settlement charges	2,692	2,661
	<b>Atlas Group of Companies Management Staff Gratuity Fund</b>		
	Issue of 17,005 (2020: 2,426) units	9,629,516	1,250,000
	Redemption of nil (2020: 5,817) units	-	3,000,000
	<b>Shirazi Investments (Private) Limited Employees Provident Fund</b>		
	Issue of nil (2020: 19,548) units	-	9,813,177
	Redemption of 1,717 (2020: 11,894) units	1,000,000	6,380,733
	<b>Atlas Aggressive Allocation Islamic Plan</b>		
	Redemption of 7,288 (2020: 14,526) units	4,350,000	7,460,000
	<b>Atlas Moderate Allocation Islamic Plan</b>		
	Redemption of 5,023 (2020: 20,184) units	3,000,000	10,340,000
	<b>Atlas Conservative Allocation Islamic Plan</b>		
	Redemption of 6,697 (2020: 18,407) units	4,000,000	9,420,000
	<b>Atlas Islamic Capital Preservation Plan</b>		
	Redemption of 43,639 (2020: 120,549) units	26,277,273	64,000,000
		<b>31 December 2021</b>	<b>30 June 2021</b>
		<b>Un-audited</b>	<b>Audited</b>
		-----	-----
		Rupees	
18.2	Balances as at period / year end		
	<b>Atlas Asset Management Limited (Management Company)</b>		
	Remuneration of the Management Company	1,015,643	678,938
	Sindh Sales Tax payable on remuneration of the management company	132,033	88,261
	Accounting and operational charges payable	203,128	84,867
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration payable to the Trustee	81,252	751,931
	Sindh sales tax payable on remuneration of the Trustee	10,563	97,752
	<b>Atlas Group of Companies Management Staff Gratuity Fund</b>		
	Outstanding 166,523 (30 June 2021: 149,518) units at net asset value	95,261,497	89,115,763
	<b>Shirazi Investments (Private) Limited Employees Provident Fund</b>		
	Outstanding 6,964 (30 June 2021: 8,681) units at net asset value	3,983,840	5,173,787
	<b>Atlas Aggressive Allocation Islamic Plan</b>		
	Outstanding 150,573 (30 June 2021: 157,862) units at net asset value	86,137,107	94,088,818
	<b>Atlas Moderate Allocation Islamic Plan</b>		
	Outstanding 116,448 (30 June 2021: 121,471) units at net asset value	66,615,487	72,399,074
	<b>Atlas Conservative Allocation Islamic Plan</b>		
	Outstanding 61,309 (30 June 2021: 68,006) units at net asset value	35,072,555	40,533,210
	<b>Atlas Islamic Capital Preservation Plan</b>		
	Outstanding nil (30 June 2021: 53,846) units at net asset value	-	32,093,325

# Atlas Islamic Dedicated Stock Fund

**18.3** 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.

## 19 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date using the rate at which they are quoted on Pakistan Stock Exchange Limited.

### 19.1 Fair value hierarchy

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

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

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

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

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

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

		Level 1	Level 2	Level 3
	Note	(Rupees in '000)		
<b>December 31, 2021 (Un-audited)</b>				
Listed equity securities -				
At fair value through profit or loss	5	482,292,386	-	-
<b>June 30, 2021 (Audited)</b>				
Listed equity securities -				
At fair value through profit or loss	5	310,475,376	-	-

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

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.

## 20 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

# Half Yearly Report 2021-22

## 21 GENERAL

- 21.1** This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, the figures for the quarter ended December 31, 2021 and December 31, 2020 as reported in this condensed interim financial information has not been subject to limited scope review by the auditors.
- 21.2** Figures have been rounded off to the nearest Rupee unless otherwise stated.
- 21.3** Units have been rounded off to the nearest decimal place

## 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 21 February 2022.

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

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## Corporate Information

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**Trustee**

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

**Shariah Advisor**

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Dr. Mufti Muhammad Wasih Fasih Butt

**Auditors**

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EY Ford Rhodes  
Chartered Accountants

**Legal Advisers**

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Bawaney & Partners

**Bankers**

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

# Half Yearly Report 2021-22

## 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, 2021 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: 28 February 2022



# Atlas Islamic Fund of Funds

## 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 Fund (the Fund) as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' Fund together with the notes forming part thereof (herein-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 2021 and 31 December 2020 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 2021.

#### 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 condensed 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 auditors' review report is Arslan Khalid.

Karachi: 25 February 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		31 December 2021 (Un Audited)						
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total
Note		----- Rupees -----						
ASSETS								
Bank balances	4	12,542,600	9,251,987	9,032,885	3,137,379	3,902,239	25,689	37,892,779
Investments - net	5	117,297,850	125,772,486	133,450,150	24,901,473	475,058,368	-	876,480,327
Receivable against sale of investments		-	-	-	-	-	-	-
Profit receivable on deposit with banks		75,025	34,644	42,318	76,903	30,155	400	259,445
Other receivables	6	12,608	10,580	17,830	14,528	25,573	43,057	124,176
Deferred Formation cost	7	83,851	83,852	83,852	-	-	-	251,555
Total assets		130,011,934	135,153,549	142,627,035	28,130,283	479,016,335	69,146	915,008,282
LIABILITIES								
Payable to Atlas Asset Management Company - Management Company	8	27,117	23,189	24,771	9,073	81,756	-	165,906
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	8,619	8,717	9,494	1,879	32,008	-	60,717
Payable to the Securities and Exchange Commission of Pakistan	10	13,259	13,678	14,247	2,766	31,900	15,301	91,151
Payable to unitholders	20	-	-	-	-	-	39,078	39,078
Accrued expenses and other liabilities	11	36,593	32,651	35,875	50,920	62,719	14,767	233,525
Total liabilities		85,588	78,235	84,387	64,638	208,383	69,146	590,377
NET ASSETS		129,926,346	135,075,314	142,542,648	28,065,645	478,807,952	-	914,417,905
UNIT HOLDER'S FUND								
(AS PER STATEMENT ATTACHED)		129,926,346	135,075,314	142,542,648	28,065,645	478,807,952	-	914,417,905
NUMBER OF UNITS IN ISSUE		221,120	231,017	246,046	56,131	944,261		
NET ASSET VALUE PER UNIT		587.5823	584.6979	579.3324	500.0000	507.0718		
FACE VALUE PER UNIT		500.00	500.00	500.00	500.00	500.00		

Contingencies and commitments 12

The annexed notes 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 Fund of Funds

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2021

		30 June 2021 (Audited)					
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan	Total
Note		----- Rupees -----					
<b>ASSETS</b>							
Bank balances	4	4,258,055	3,920,135	554,548	3,260,822	3,951,358	15,944,918
Investments - net	5	126,533,606	134,529,047	142,353,795	23,954,693	507,138,596	934,509,737
Receivable against sale of investments		2,110,000	-	1,825,000	-	-	3,935,000
Profit receivable on deposit with banks		8,042	17,536	16,468	18,658	192,708	253,412
Other receivables		11,150	9,063	10,318	66,875	43,037	140,443
Deferred Formation cost	7	112,109	112,109	112,109	-	112,109	448,436
<b>Total assets</b>		<b>133,032,962</b>	<b>138,587,890</b>	<b>144,872,238</b>	<b>27,301,048</b>	<b>511,437,808</b>	<b>955,231,946</b>
<b>LIABILITIES</b>							
Payable to Atlas Asset Management Company - Management Company	8	39,205	21,759	42,521	6,864	81,082	191,432
Payable to the Central Depository Company of Pakistan Limited - Trustee		8,555	8,726	9,382	1,763	33,046	61,472
Payable to the Securities and Exchange Commission of Pakistan		23,851	25,904	27,688	5,414	98,034	180,891
Payable to unitholders		-	-	-	-	-	-
Accrued expenses and other liabilities	11	4,470,390	4,759,598	6,537,206	119,025	15,455,269	31,341,488
<b>Total liabilities</b>		<b>4,542,001</b>	<b>4,815,987</b>	<b>6,616,798</b>	<b>133,066</b>	<b>15,667,431</b>	<b>31,775,284</b>
<b>NET ASSETS</b>		<b>128,490,961</b>	<b>133,771,902</b>	<b>138,255,440</b>	<b>27,167,982</b>	<b>495,770,377</b>	<b>923,456,662</b>
<b>UNIT HOLDER'S FUND</b>							
(AS PER STATEMENT ATTACHED)		128,490,961	133,771,902	138,255,440	27,167,982	495,770,377	923,456,662
<b>NUMBER OF UNITS IN ISSUE</b>		<b>216,140</b>	<b>229,306</b>	<b>243,795</b>	<b>54,336</b>	<b>933,099</b>	
<b>NET ASSET VALUE PER UNIT</b>		<b>594.4797</b>	<b>583.3773</b>	<b>567.0963</b>	<b>500.0000</b>	<b>531.3157</b>	
<b>FACE VALUE PER UNIT</b>		<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	

Contingencies and commitments 12

The annexed notes 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 2021-22

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

For the half year ended December 31, 2021					For the period from 01 September 2021 to 31 December 2021	For the period from 01 July 2021 to 31 August 2021	
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total
Note	----- Rupees -----						
<b>INCOME</b>							
Profit on deposits with banks	320,173	174,832	101,345	119,985	100,341	(114,245)	702,431
Dividend income	-	-	-	-	6,845,765	-	6,845,765
Capital gain on sale of investments at fair value through income statement - net	123,675	184,144	224,809	-	1,058,280	8,537,771	10,128,678
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets' at fair value through profit or loss'	(2,459,431)	(540,705)	2,271,544	946,780	(807,116)	-	(588,927)
	(2,335,756)	(356,561)	2,496,353	946,780	251,164	8,537,771	9,539,751
	(2,015,583)	(181,729)	2,597,698	1,066,765	7,197,270	8,423,526	17,087,947
<b>EXPENDITURE</b>							
Remuneration to Atlas Asset Management Company - Management Company	8.1	45,120	21,903	15,652	16,474	13,083	126,768
Sindh sales tax on remuneration of the Management Company	8.2	5,866	2,847	2,034	2,142	1,700	16,479
Accounting & Operational charges		112,914	116,477	121,316	23,719	271,153	717,240
Remuneration to the Central Depository Company of Pakistan Limited		46,494	47,961	49,953	9,770	111,651	325,274
Sindh sales tax on remuneration of the Trustee		6,044	6,234	6,494	1,270	14,515	42,285
Annual fee - Securities and Exchange Commission of Pakistan		13,284	13,703	14,272	2,791	31,900	92,933
Auditor's remuneration		21,981	22,088	23,626	4,621	52,557	110,373
Amortization of preliminary expenses and floatation costs		28,258	28,257	28,257	-	112,108	196,880
Annual Listing fee		2,175	2,185	2,337	457	5,201	12,354
Printing charges		8,693	8,692	8,692	12,317	-	38,394
Legal and Professional Charges		8,111	8,357	8,567	3,370	2,100	53,691
Shariah advisory fee		11,668	7,252	7,756	1,517	17,257	45,450
Bank charges		446	410	532	116	1,008	2,668
(Reversal) / Provision of Sindh Workers' Welfare Fund	11.1	(761,966)	(763,894)	(693,415)	(68,845)	(2,028,833)	(4,316,953)
		(450,911)	(477,528)	(403,924)	9,719	522,124	(2,536,162)
Net (loss) / income for the period before taxation		(1,564,672)	295,799	3,001,622	1,057,047	6,675,146	19,624,109
Taxation	14	-	-	-	-	-	-
Net (loss) / income for the period after taxation		(1,564,672)	295,799	3,001,622	1,057,047	6,675,146	19,624,109
<b>Allocation of net income for the period:</b>							
Net income for the period after taxation		-	295,799	3,001,622	1,057,047	6,675,146	10,159,163
Income already paid on units redeemed		-	-	(4,683)	-	-	(10,159,163)
		-	295,799	2,996,939	1,057,047	6,675,146	-
<b>Accounting income available for distribution:</b>							
-Relating to capital gains		-	-	2,496,353	946,780	251,164	-
-Excluding capital gains		-	295,799	500,586	110,267	6,423,982	-
		-	295,799	2,996,939	1,057,047	6,675,146	-

The annexed notes 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

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

For the half year ended 31 December 2020						
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan	Total
Note	----- Rupees -----					
<b>INCOME</b>						
Profit on deposits with banks	17,868	76,010	45,625	102,576	235,220	477,299
Dividend income	-	-	-	-	-	-
Capital gain on sale of investments						
at fair value through income statement - net	1,045,720	1,430,730	1,306,284	142,826	10,804,732	14,730,292
Net unrealised appreciation on re-measurement of investments						-
classified as 'financial assets' at fair value through profit or loss'	20,367,260	16,700,383	11,234,884	528,529	27,957,048	76,788,104
	<b>21,412,980</b>	<b>18,131,113</b>	<b>12,541,168</b>	<b>671,355</b>	<b>38,761,780</b>	<b>91,518,396</b>
	<b>21,430,848</b>	<b>18,207,123</b>	<b>12,586,793</b>	<b>773,931</b>	<b>38,997,000</b>	<b>91,995,695</b>
<b>EXPENDITURE</b>						
Remuneration to Atlas Asset Management Company - Management Company	8.1	755	8,065	4,039	18,135	58,901
Sindh sales tax on remuneration of the Management Company	8.2	98	1,048	525	2,358	7,657
Accounting & Operational charges		97,198	106,873	115,317	23,555	753,933
Remuneration to the Central Depository Company of Pakistan Limited		40,023	44,007	47,483	9,700	310,444
Sindh sales tax on remuneration of the Trustee		5,203	5,721	6,173	1,261	40,358
Annual fee - Securities and Exchange Commission of Pakistan		11,435	12,573	13,567	2,766	88,693
Auditor's remuneration		(3,286)	12,562	11,741	2,489	71,287
Amortization of preliminary expenses and floatation costs		28,257	28,257	28,257	-	113,028
Annual Listing fee		1,787	1,966	2,122	429	13,906
Printing charges		1,795	2,021	2,268	468	14,722
Legal and Professional Charges		22,640	22,640	22,640	22,640	113,200
Shariah advisory fee		6,097	6,830	7,519	940	50,517
Bank charges		19,402	4,323	3,078	14,431	43,794
Provision for Sindh Workers' Welfare Fund	11.1	423,989	359,005	246,441	13,495	1,806,305
		<b>655,393</b>	<b>615,891</b>	<b>511,170</b>	<b>112,667</b>	<b>3,486,745</b>
Net (loss) / income for the period before taxation		<b>20,775,455</b>	<b>17,591,232</b>	<b>12,075,623</b>	<b>661,264</b>	<b>88,508,950</b>
Taxation	14	-	-	-	-	-
Net (loss) / income for the period after taxation		<b>20,775,455</b>	<b>17,591,232</b>	<b>12,075,623</b>	<b>661,264</b>	<b>88,508,950</b>
<b>Allocation of net income for the period:</b>						
Net income for the period after taxation		20,775,455	17,591,232	12,075,623	661,264	37,405,376
Income already paid on units redeemed		(7,755)	(2,549)	(24,610)	-	(175,283)
		<b>20,767,700</b>	<b>17,588,683</b>	<b>12,051,013</b>	<b>661,264</b>	<b>37,230,093</b>
<b>Accounting income available for distribution:</b>						
-Relating to capital gains		21,412,980	18,131,113	12,541,168	671,355	38,761,780
-Excluding capital gains		(645,280)	(542,430)	(490,155)	(10,091)	(1,531,687)
		<b>20,767,700</b>	<b>17,588,683</b>	<b>12,051,013</b>	<b>661,264</b>	<b>37,230,093</b>

The annexed notes 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 2021-22

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2021

For the Quarter Ended December 31, 2021				For the period from 01 September 2021 to 31 December 2021	For the period from 01 July 2021 to 31 August 2021		
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total
Note	----- Rupees -----						
<b>INCOME</b>							
Profit on deposits with banks	208,015	93,645	71,112	63,144	83,347	-	519,262
Dividend income	-	-	-	-	5,489,681	-	5,489,681
Capital gain on sale of investments at fair value through income statement - net	116,874	177,342	215,075	-	-	-	509,291
Net unrealised (diminution) / appreciation on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss'	(427,679)	155,012	1,086,796	398,609	(807,116)	-	405,622
	<b>(310,805)</b>	<b>332,354</b>	<b>1,301,872</b>	<b>398,609</b>	<b>(807,116)</b>	<b>-</b>	<b>914,914</b>
<b>Total (loss) / income</b>	<b>(102,790)</b>	<b>425,999</b>	<b>1,372,983</b>	<b>461,753</b>	<b>4,765,912</b>	<b>-</b>	<b>6,923,857</b>
<b>EXPENDITURE</b>							
Remuneration to Atlas Asset Management Company - Management Company 7.1	23,702	11,771	8,630	8,103	9,940	-	62,146
Sindh Sales Tax on remuneration of the Management Company 7.2	3,082	1,530	1,122	1,054	1,301	-	8,088
Accounting & Operational charges 14	55,985	58,013	60,874	11,947	205,189	-	392,007
Remuneration of The Central Depository Company of Pakistan Limited	23,053	23,888	25,065	4,923	84,499	-	161,427
Sindh Sales Tax on remuneration of the Trustee	2,997	3,104	3,259	640	10,974	-	20,974
Annual fee to Securities and Exchange Commission of Pakistan	6,587	6,825	7,161	1,406	24,140	-	46,119
Auditor's remuneration	7,127	7,419	7,831	1,541	52,557	-	76,475
Amortization of preliminary expenses and floatation costs	14,130	14,128	14,129	-	-	-	42,387
Annual listing fee	705	733	772	152	5,200	-	7,563
Printing charges	8,693	8,692	8,692	12,317	-	-	38,396
Legal and professional charges	2,100	2,099	2,099	2,099	2,100	-	10,498
Shariah advisory fee	6,791	2,436	2,570	506	17,257	-	29,559
Bank charges	446	411	532	116	1,008	-	2,513
Provision for Sindh Workers' Welfare Fund 10.1	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>155,396</b>	<b>141,049</b>	<b>142,737</b>	<b>44,804</b>	<b>414,166</b>	<b>-</b>	<b>898,150</b>
<b>Net (loss) / income for the period before taxation</b>	<b>(258,187)</b>	<b>284,951</b>	<b>1,230,248</b>	<b>416,948</b>	<b>4,351,746</b>	<b>-</b>	<b>6,025,707</b>
<b>Taxation</b> 13	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (loss) / income for the period after taxation</b>	<b>(258,187)</b>	<b>284,951</b>	<b>1,230,248</b>	<b>416,948</b>	<b>4,351,746</b>	<b>-</b>	<b>6,025,707</b>
<b>Allocation of net income for the period:</b>							
-Net income for the period after taxation	-	284,951	1,230,245	416,948	4,351,746	-	
-Income already paid on Units redeemed	-	-	(215)	-	-	-	
	<b>-</b>	<b>284,951</b>	<b>1,230,030</b>	<b>416,948</b>	<b>4,351,746</b>	<b>-</b>	
<b>Accounting income / (loss) available for distribution:</b>							
-Relating to capital gains	-	332,354	1,301,872	398,609	(807,116)	-	
-Excluding capital gains	-	(47,403)	(71,842)	18,340	5,158,862	-	
	<b>-</b>	<b>284,951</b>	<b>1,230,030</b>	<b>416,948</b>	<b>4,351,746</b>	<b>-</b>	

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

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

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Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifitikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2021

For the Quarter Ended December 31, 2020						
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan	Total
Note	----- Rupees -----					
<b>INCOME</b>						
Profit on deposits with banks	(9,684)	38,549	2,794	52,460	86,296	170,415
Dividend income	-	-	-	-	-	-
Capital gain on sale of investments at fair value through income statement - net	476,783	520,127	606,815	142,826	7,689,805	9,436,356
Net unrealised (diminution) / appreciation on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss'	7,201,846	5,960,691	4,063,391	201,279	5,752,345	23,179,552
	<b>7,678,629</b>	<b>6,480,818</b>	<b>4,670,206</b>	<b>344,105</b>	<b>13,442,150</b>	<b>32,615,908</b>
<b>Total (loss) / income</b>	<b>7,668,945</b>	<b>6,519,367</b>	<b>4,673,000</b>	<b>396,565</b>	<b>13,528,446</b>	<b>32,786,323</b>
<b>EXPENDITURE</b>						
Remuneration to Atlas Asset Management Company - Management Company	7.1	201	4,480	3,446	10,324	31,233
Sindh Sales Tax on remuneration of the Management Company	7.2	26	582	448	1,343	4,061
Accounting & Operational charges	14	49,786	54,421	58,908	12,325	382,924
Remuneration of The Central Depository Company of Pakistan Limited		20,408	22,409	24,136	5,076	85,434
Sindh Sales Tax on remuneration of the Trustee		2,653	2,913	3,138	660	11,106
Annual fee to Securities and Exchange Commission of Pakistan		5,831	6,402	6,896	1,430	24,410
Auditor's remuneration		(13,420)	1,186	(1,028)	455	1,702
Amortization of preliminary expenses and floatation costs		13,209	13,209	13,209	-	13,209
Annual listing fee		935	1,007	1,045	410	3,724
Printing charges		1,795	2,021	2,268	468	8,170
Legal and professional charges		14,000	14,000	14,000	14,000	70,000
Shariah advisory fee		2,999	3,341	3,605	51	15,030
Bank charges		17,460	3,999	1,074	14,431	1,962
Provision for Sindh Workers' Welfare Fund	10.1	151,061	127,788	90,837	6,713	262,555
<b>Total expenses</b>		<b>266,944</b>	<b>257,758</b>	<b>221,982</b>	<b>67,686</b>	<b>663,230</b>
<b>Net (loss) / income for the period before taxation</b>		<b>7,402,001</b>	<b>6,261,609</b>	<b>4,451,018</b>	<b>328,879</b>	<b>12,865,216</b>
<b>Net (loss) / income for the period before taxation</b>		<b>7,402,001</b>	<b>6,261,609</b>	<b>4,451,018</b>	<b>328,879</b>	<b>12,865,216</b>
<b>Taxation</b>	13	-	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>7,402,001</b>	<b>6,261,609</b>	<b>4,451,018</b>	<b>328,879</b>	<b>12,865,216</b>
<b>Allocation of net income for the period:</b>						
-Net income for the period after taxation		7,402,001	6,261,609	4,451,018	328,879	12,865,216
-Income already paid on Units redeemed		(5,776)	-	(3,233)	-	(175,283)
		<b>7,396,225</b>	<b>6,261,609</b>	<b>4,447,785</b>	<b>328,879</b>	<b>12,689,933</b>
<b>Accounting income / (loss) available for distribution:</b>						
-Relating to capital gains		7,678,629	6,480,818	4,670,206	344,105	13,442,150
-Excluding capital gains		(282,404)	(219,209)	(222,421)	(15,226)	(752,217)
		<b>7,396,225</b>	<b>6,261,609</b>	<b>4,447,785</b>	<b>328,879</b>	<b>12,689,933</b>

The annexed notes 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 2021-22

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the half year ended December 31, 2021				For the period from 01 September 2021 to 31 December 2021	For the period from 01 July 2021 to 31 August 2021	
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total
	----- Rupees -----						
Net (loss) / income for the period	(1,564,672)	295,799	3,001,622	1,057,047	6,675,146	10,159,163	19,624,104
Other Comprehensive income	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(1,564,672)</u>	<u>295,799</u>	<u>3,001,622</u>	<u>1,057,047</u>	<u>6,675,146</u>	<u>10,159,163</u>	<u>19,624,104</u>

The annexed notes 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 Fund of Funds

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the half year ended 31 December 2020					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan	Total
	----- Rupees -----					
Net (loss) / income for the period	20,775,455	17,591,232	12,075,623	661,264	37,405,376	88,508,949
Other Comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>20,775,455</u>	<u>17,591,232</u>	<u>12,075,623</u>	<u>661,264</u>	<u>37,405,376</u>	<u>88,508,949</u>

The annexed notes 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

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2021

	For the Quarter Ended December 31, 2021				For the period from 01 September 2021 to 31 December 2021	For the period from 01 July 2021 to 31 August 2021	
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total
	----- Rupees -----						
Net (loss) / income for the period	(258,187)	284,951	1,230,248	416,948	4,351,746	-	6,025,706
Other Comprehensive income	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(258,187)</u>	<u>284,951</u>	<u>1,230,248</u>	<u>416,948</u>	<u>4,351,746</u>	<u>-</u>	<u>6,025,706</u>

The annexed notes 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 Fund of Funds

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2021

	For the Quarter Ended December 31, 2020					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan (Note 1.3)	Total
	----- Rupees -----					
Net (loss) / income for the period	7,402,001	6,261,609	4,451,018	328,879	12,865,216	31,308,723
Other Comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>7,402,001</u>	<u>6,261,609</u>	<u>4,451,018</u>	<u>328,879</u>	<u>12,865,216</u>	<u>31,308,723</u>

The annexed notes 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

# Half Yearly Report 2021-22

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the half year ended December 31, 2021			For the period from 01 September 2021 to 31 December 2021	For the period from 01 July 2021 to 31 August 2021	
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan - I
	Rupees					
						Total
<b>Capital Value</b>	108,778,556	114,712,286	122,027,244	27,167,982	-	471,160,304
<b>Un distributed Income</b>						
- Realised income	2,713,935	5,890,620	9,332,874	-	-	29,419,585
- Unrealised income / (loss)	16,998,470	13,168,996	6,895,322	-	-	(4,809,512)
<b>Net assets at the beginning of the period</b>	128,490,961	133,771,902	138,255,440	27,167,982	-	495,770,377
(Units: AAAIP 216,140, AMAIP 229,306, ACAIP 243,795, AICPP-I 933,099 & AIDP 54,336)						
(2020: Units AAAIP 209,596, AMAIP 227,735, ACAIP 244,525, AICPP-I 914,884 & AIDP 52,270)						
<b>Issue of units</b>						
Capital value (at net assets value per unit at the beginning of period)						
Aggressive 4,982 (2020: Nil) units	3,000,979	-	-	-	-	3,000,979
Moderate 1,711 (2020: 3,552) units	-	1,007,613	-	-	-	1,007,613
Conservative 2,687 (2020: 3,624) units	-	-	1,537,416	-	-	1,537,416
Dividend 1,997 (2020: 28,587) units	-	-	-	998,308	-	998,308
Preservative-II 944,261 (2020: Nil) units	-	-	-	-	472,132,806	472,132,806
Preservative-I nil (2020: Nil) units	-	-	-	-	-	-
<b>Total proceed on issuance of units</b>	3,000,979	1,007,613	1,537,416	998,308	472,132,806	-
<b>Redemption of units</b>						
Capital value (at net assets value per unit at the beginning of period)						
Aggressive 2 (2020: 127) units	(922)	-	-	-	-	(922)
Moderate Nil (2020: 1,883) units	-	-	-	-	-	-
Conservative 436 (2020: 923) units	-	-	(247,147)	-	-	(247,147)
Dividend 201 (2020: 27,785) units	-	-	-	(100,645)	-	(100,645)
Preservative II Nil (2020: Nil) units	-	-	-	-	-	-
Preservative-I 933,906 (2020: 5,113) units	-	-	-	-	(495,770,377)	(495,770,377)
<b>Amount paid out of Element of income</b>						
- Relating to Net Income for the period after taxation	-	-	(4,683)	-	-	(10,159,163)
<b>Total payments on redemption of units</b>	(922)	-	(251,830)	(100,645)	-	(505,929,540)
<b>Total Comprehensive (loss) / income for the period</b>	(1,564,672)	295,799	3,001,621	1,057,044	6,675,142	10,159,163
<b>Dividend Distribution</b>	-	-	-	(1,057,044)	-	-
<b>Net assets at the end of the period</b>	129,926,346	135,075,314	142,542,648	28,065,645	478,807,952	-
(Units: AAAIP 221,120, AMAIP 231,017, ACAIP 246,046, AICPP-II 944,261 & AIDP 56,131)						
(2020: Units AAAIP 209,469, AMAIP 229,404, ACAIP 247,226, AICPP-I 909,771 & AIDP 53,072)						
<b>Capital Value</b>	111,778,613	115,719,899	123,317,513	28,065,645	472,132,807	-
<b>Un distributed Income</b>						
- Realised income	4,339,638	7,209,203	10,802,152	-	7,482,262	-
- Unrealised income / (loss)	13,808,095	12,146,212	8,422,983	-	(807,116)	-
<b>Net assets at the end of the period</b>	129,926,346	135,075,314	142,542,648	28,065,645	478,807,952	-
<b>Net assets value per unit at beginning of the period</b>	594.4797	583.3773	567.0963	500.0000	531.3157	
<b>Net assets value per unit at end of the period</b>	587.5823	584.6979	579.3324	500.0000	507.0718	

The annexed notes 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

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

For the Half year ended December 31, 2020						
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan	Total
----- Rupees -----						
Capital Value	104,670,329	113,742,162	122,397,566	26,135,105	461,323,599	828,268,761
Un distributed Income						
- Realised income	2,994,497	5,015,587	8,168,915	1,924,685	11,929,312	30,032,996
- Unrealised income / (loss)	(7,487,673)	(5,950,141)	(3,956,718)	(1,924,685)	(17,196,420)	(36,515,637)
Net assets at the beginning of the period	100,177,153	112,807,608	126,609,763	26,135,105	456,056,491	821,786,120
(Units: AAAIP 209,596, AMAIP 227,735, ACAIP 244,525, AICPP 914,884 & AIDP 52,270)						
(2020: Units: AAAIP 209,341, AMAIP 221,897, ACAIP 244,021 & AICPP 882,926)						
Issue of units						
Capital value (at net assets value per unit at the beginning of period)						
Aggressive - units Nil (2020: 226)	-	-	-	-	-	-
Moderate - units 3,552 (2020: 2,259)	-	1,941,983	-	-	-	1,941,983
Conservative - units 3,624 (2020: 1)	-	-	2,000,000	-	-	2,000,000
Dividend - units 28,587	-	-	-	14,293,390	-	14,293,390
Preservative-II 944,261 (2020: Nil) units	-	-	-	-	-	-
Preservation - units Nil (2020: Nil)	-	-	-	-	-	-
Total proceed on issuance of units	-	1,941,983	2,000,000	14,293,390	-	18,235,373
Redemption of units						
Capital value (at net assets value per unit at the beginning of period)						
Aggressive - 127 units	(61,161)	-	-	-	-	(61,161)
Moderate - 1,883 units	-	(1,020,276)	-	-	-	(1,020,276)
Conservative - 923 units	-	-	(477,780)	-	-	(477,780)
Dividend 201 units	-	-	-	(13,892,330)	-	(13,892,330)
Preservative II Nil units	-	-	-	-	-	-
Preservation - 5,113 units	-	-	-	-	(2,571,380)	(2,571,380)
Amount paid out of Element of income	-	-	-	-	-	-
- Relating to Net Income for the period after taxation	(7,755)	(2,549)	(24,610)	-	(175,283)	(210,197)
Total payments on redemption of units	(68,916)	(1,022,825)	(502,390)	(13,892,330)	(2,746,663)	(18,233,124)
Total Comprehensive (loss) / income for the period	20,775,455	17,591,232	12,075,623	661,264	37,405,376	88,508,950
Dividend Distribution	-	-	-	(661,264)	-	(661,264)
Net assets at the end of the period	120,883,692	131,317,998	140,182,996	26,536,165	490,715,204	909,636,055
(Units: AAAIP 209,469, AMAIP 229,404, ACAIP 247,226, AICPP 909,771 & AIDP 53,072)						
(2020: Units: AAAIP 209,530, AMAIP 224,054, ACAIP 242,070 & AICPP 882,341)						
Capital Value	104,609,168	114,663,869	123,919,786	26,536,165	461,323,599	831,052,587
Un distributed Income						
- Realised income	2,809,695	5,213,423	8,540,700	784,410	13,688,167	31,036,395
- Unrealised income / (loss)	13,464,829	11,440,706	7,722,510	(784,410)	15,703,438	47,547,073
Net assets at the end of the period	120,883,692	131,317,998	140,182,996	26,536,165	490,715,204	909,636,055
Net assets value per unit at beginning of the period	477.9500	495.3500	517.7800	500.0000	498.4900	
Net assets value per unit at end of the period	577.0960	572.4312	567.0230	500.0000	539.3833	

The annexed notes 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

# Half Yearly Report 2021-22

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the half year ended December 31, 2021				For the period from 01 September 2021 to 31 December 2021	For the period from 01 July 2021 to 31 August 2021	
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total
Rupees							
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net (loss) / income for the period after taxation	(1,564,672)	295,799	3,001,622	1,057,047	6,675,146	10,159,163	19,624,105
<b>Adjustments for:</b>							
Profit on deposits with banks	(320,173)	(174,832)	(101,345)	(119,985)	(100,341)	114,245	(702,431)
Gain on sale of investments at fair value through income statement - net	(123,675)	(184,144)	(224,809)	-	(1,058,280)	(8,537,771)	(10,128,678)
Net unrealised (appreciation) / diminution on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss	2,459,431	540,705	(2,271,544)	(946,780)	807,116	-	588,927
(Reversal) / Provision for Sindh Workers' Welfare Fund	(761,966)	(763,894)	(693,415)	(68,845)	-	-	(2,288,120)
	(311,055)	(286,366)	(289,490)	(78,563)	6,323,641	1,735,637	7,093,803
<b>(Decrease) / increase in assets</b>							
Other receivables	(1,458)	(1,517)	(7,512)	52,347	(25,573)	(20)	16,266
Deferred Formation cost	28,258	28,257	28,257	-	-	112,109	196,881
	26,800	26,740	20,745	52,347	(25,573)	112,089	213,148
<b>(Increase) / Decrease in liabilities</b>							
Payable to Atlas Asset Management Company - Management Company	(12,088)	1,430	(17,750)	2,209	81,756	(81,082)	(25,526)
Payable to Central Depository Company of Pakistan Limited - Trustee	64	(9)	112	116	32,008	(33,046)	(755)
Payable to the Securities and Exchange Commission of Pakistan	(10,592)	(12,226)	(13,441)	(2,648)	31,900	(82,733)	(89,740)
Payable to unitholders	-	-	-	-	-	39,078	39,078
Accrued expenses and other liabilities	(3,671,831)	(3,963,053)	(5,807,916)	740	62,719	(15,440,502)	(28,819,843)
	(3,694,447)	(3,973,858)	(5,838,996)	418	208,383	(15,598,285)	(28,896,788)
Interest received	253,190	157,725	75,493	61,743	70,187	78,063	696,400
Investments - net	9,010,000	8,400,000	13,224,998	-	(474,807,204)	515,676,367	71,504,159
	9,263,190	8,557,725	13,300,492	61,743	(474,737,017)	515,754,430	72,200,561
<b>Net cash generated from / (used in) operating activities</b>	<b>5,284,489</b>	<b>4,324,241</b>	<b>7,192,750</b>	<b>35,943</b>	<b>(468,230,566)</b>	<b>502,003,871</b>	<b>50,610,725</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts against issuance of units	3,000,979	1,007,613	1,537,416	998,308	472,132,806	-	478,677,122
Payments against redemption of units	(922)	-	(251,830)	(100,645)	-	(505,929,540)	(506,282,937)
Distribution paid	-	-	-	(1,057,047)	-	-	(1,057,047)
<b>Net cash generated / (used in) from financing activities</b>	<b>3,000,057</b>	<b>1,007,613</b>	<b>1,285,586</b>	<b>(159,386)</b>	<b>472,132,807</b>	<b>(505,929,540)</b>	<b>(28,662,862)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>8,284,545</b>	<b>5,331,854</b>	<b>8,478,336</b>	<b>(123,442)</b>	<b>3,902,240</b>	<b>(3,925,669)</b>	<b>21,947,863</b>
Cash and cash equivalents at the beginning of the period	4,258,055	3,920,135	554,548	3,260,822	-	3,951,358	15,944,918
<b>Cash and cash equivalents at the end of the period</b>	<b>12,542,600</b>	<b>9,251,989</b>	<b>9,032,884</b>	<b>3,137,380</b>	<b>3,902,240</b>	<b>25,689</b>	<b>37,892,781</b>

The annexed notes 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

# Atlas Islamic Fund of Funds

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

For the Half year ended December 31, 2020

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - I	Total
----- Rupees -----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the period after taxation	20,775,455	17,591,232	12,075,623	661,264	37,405,376	88,508,950
<b>Adjustments for:</b>						
Profit on deposits with banks	(17,868)	(76,010)	(45,625)	(102,576)	(235,220)	(477,299)
Gain on sale of investments at fair value through income statement - net	(1,045,720)	(1,430,730)	(1,306,284)	(142,826)	(10,804,732)	(14,730,292)
Net unrealised appreciation on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss	(20,367,260)	(16,700,383)	(11,234,884)	(528,529)	(27,957,048)	(76,788,104)
(Reversal) / Provision for Sindh Workers' Welfare Fund	423,989	359,005	246,441	13,495	763,375	1,806,305
	<b>(231,404)</b>	<b>(256,886)</b>	<b>(264,729)</b>	<b>(99,172)</b>	<b>(828,249)</b>	<b>(1,680,440)</b>
<b>(Decrease) / increase in assets</b>						
Other receivables	-	-	-	(17,681)	(2,486)	(20,167)
Deferred Formation cost	28,257	28,257	28,257	-	28,257	113,028
	<b>28,257</b>	<b>28,257</b>	<b>28,257</b>	<b>(17,681)</b>	<b>25,771</b>	<b>92,861</b>
<b>(Increase) / Decrease in liabilities</b>						
Payable to Atlas Asset Management Company - Management Company	2,597	3,547	1,953	326	5,672	14,095
Payable to Central Depository Company of Pakistan Limited - Trustee	1,418	1,224	690	165	2,177	5,674
Payable to the Securities and Exchange Commission of Pakistan	(8,350)	(9,719)	(12,134)	(2,105)	(43,044)	(75,352)
Accrued expenses and other liabilities	(2,139,188)	(4,297,593)	(7,660,488)	(119,644)	(18,238,646)	(32,455,559)
	<b>(2,143,523)</b>	<b>(4,302,541)</b>	<b>(7,669,979)</b>	<b>(121,258)</b>	<b>(18,273,841)</b>	<b>(32,511,142)</b>
Interest received	18,564	67,230	35,350	116,637	256,745	494,526
Investments - net	2,300,000	4,100,000	8,100,000	450,000	19,500,000	34,450,000
	<b>2,318,564</b>	<b>4,167,230</b>	<b>8,135,350</b>	<b>566,637</b>	<b>19,756,745</b>	<b>34,944,526</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(28,106)</b>	<b>(363,940)</b>	<b>228,899</b>	<b>328,526</b>	<b>680,426</b>	<b>845,805</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance of units	-	1,941,983	2,000,000	14,293,392	-	18,235,375
Payments against redemption of units	(68,916)	(1,022,825)	(502,390)	(13,892,330)	(2,746,663)	(18,233,124)
Distribution paid	-	-	-	(661,264)	-	(661,264)
<b>Net cash (used in) / generated from financing activities</b>	<b>(68,916)</b>	<b>919,158</b>	<b>1,497,610</b>	<b>(260,202)</b>	<b>(2,746,663)</b>	<b>(659,013)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(97,022)</b>	<b>555,218</b>	<b>1,726,509</b>	<b>68,324</b>	<b>(2,066,237)</b>	<b>186,792</b>
Cash and cash equivalents at the beginning of the period	465,585	1,550,174	382,627	3,357,209	6,662,587	12,418,182
<b>Cash and cash equivalents at the end of the period</b>	<b>368,563</b>	<b>2,105,392</b>	<b>2,109,136</b>	<b>3,425,533</b>	<b>4,596,350</b>	<b>12,604,974</b>

The annexed notes 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

# 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 2021

### 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, Third and Fourth supplements dated 05 September 2019, 14 February 2020, 01 April 2020 and 09 August 2021 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML, is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.

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

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

**1.3** During the period Atlas Islamic Capital Preservation Plan, having maturity of 30 Months from the close of subscription period from 7 January 2019 to 28 February 2019), matured on August 31, 2021. In accordance with the offering document of the Fund, after maturity, the Trustee shall refund the net proceeds in accordance with the procedures laid down in the NBFC regulation, in proportion of the units held by the unitholder at the date of revocation. As at 31 December 2021, the net proceeds amounting to Rs. 39,078 is payable to the unitholders. Resultantly, the condensed interim financial statements of AICPP have not been prepared on going concern basis. Therefore, the assets and liabilities of AICPP are measured at lower of their carrying amount and fair value less cost to sell.

**1.4** Atlas Islamic Capital Preservation Plan - II was launched on September 01, 2021 through one day IPO, therefore there are no comparatives for report for half year ended December 31, 2021.

**1.5** The investment objectives and policies of each allocation plan are as follows:

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

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

#### **Atlas Moderate Allocation Islamic Plan (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 Islamic Fund of Funds

## 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 TIDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

## Atlas Islamic Capital Preservation Plan (AICPP)

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

## Atlas Islamic Capital Preservation Plan - II (AICPP-II)

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.

1.6 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.

1.7 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. During the year, the Trust deed has been registered under the Sindh Trusts Act, 2020.

1.8 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

# Half Yearly Report 2020-21

Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2021.

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 2021.

**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 2021.

**2.1.3** The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 December 2021 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2021, 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.

**2.1.4** 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 2021.

## 2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

## 2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

### Standards, interpretations and amendments

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

Classification of liabilities as current or non-current - Amendment to IAS 1

Definition of Accounting Estimates - Amendments to IAS 8

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

### Effective date

01 January 2022

01 January 2022

01 January 2023

01 January 2023

01 January 2023

# Atlas Islamic Fund of Funds

Standards, interpretations and amendments		Effective date
IFRS 17 - Insurance Contracts		01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)		January 01, 2022
IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities		January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28		Not yet finalized
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12		01 January 2023
The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.		
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.		
Standards	(annual periods beginning on or after)	
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009	
2.4 Critical accounting estimates and judgements		
The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.		
The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 8.1 and 6.1 of the annual financial statement respectively.		
2.5 Accounting convention		
These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.		
2.6 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.		

# Half Yearly Report 2020-21

## 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 2021.

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 2021.

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 2021.

## 4 BANK BALANCES

Note	31 December 2021 (Un Audited)								30 June 2021 (Audited)							
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 13)	Total		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan	Total		
Rupees																

4.1	12,542,600	9,251,987	9,032,885	3,137,379	3,902,239	25,689	37,892,779		4,258,055	3,020,135	554,548	3,206,822	3,951,358	15,944,918		
	12,542,600	9,251,987	9,032,885	3,137,379	3,902,239	25,689	37,892,779		4,258,055	3,020,135	554,548	3,206,822	3,951,358	15,944,918		

4.1 These carry interest rate ranging between 6.60% to 10.85% (30 June 2021: 5.5% to 6.9%) per annum.

## 5 INVESTMENTS - NET

Note	31 December 2021 (Un Audited)								30 June 2021 (Audited)							
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 13)	Total		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan	Total		
Rupees																

At fair value through profit or loss																
- Held for Trading																
5.1	117,297,850	125,772,866	133,450,130	24,901,473	475,058,368	-	876,480,327		126,533,606	134,529,047	142,333,795	507,138,596	23,954,693	934,509,737		
	117,297,850	125,772,866	133,450,130	24,901,473	475,058,368	-	876,480,327		126,533,606	134,529,047	142,333,795	507,138,596	23,954,693	934,509,737		

Units of Mutual Funds - Listed

# Atlas Islamic Fund of Funds

5.1 At fair value through profit or loss - Units of mutual Funds - Listed

5.1.1 Units of Mutual Funds

Name of the investee company	As at 01 July 2021	Purchases during the period	Sold during the period	As at 31 December 2021	Carrying Value as at 31 December 2021	Market Value as at 31 December 2021	Appreciation/ (diminution) as at 31 December 2021	Market Value as a % of net assets of Plan	Market Value as a % of total value of investments of Plan
-----Number of shares-----Rupees-----percentage-----									
<b>Aggressive Allocation Plan</b>									
Atlas Islamic Income Fund	64,135	2,589	7,469	59,254	30,012,385	31,160,484	1,148,099	23.98	26.57
Atlas Islamic Dedicated Stock Fund	157,862	-	7,288	130,573	89,744,896	86,137,366	(3,607,530)	66.30	73.43
	221,997	2,589	14,757	209,827	119,757,281	117,297,850	(2,459,431)	90.28	100.00
<b>Moderate Allocation Plan</b>									
Atlas Islamic Income Fund	122,815	-	10,323	112,492	56,907,939	59,157,159	2,249,220	43.80	47.04
Atlas Islamic Dedicated Stock Fund	121,471	-	5,023	116,448	69,405,252	66,615,327	(2,789,925)	49.32	52.96
	244,286	-	15,346	228,940	126,313,191	125,772,486	(540,705)	93.11	100.00
<b>Conservative Allocation Plan</b>									
Atlas Islamic Income Fund	201,272	-	14,200	187,073	94,637,153	98,377,576	3,740,423	69.02	73.72
Atlas Islamic Dedicated Stock Fund	68,006	-	6,697	61,309	36,541,453	35,072,574	(1,468,879)	24.60	26.28
	269,278	-	20,897	248,382	131,178,606	133,450,150	2,271,544	93.62	100.00
<b>Islamic Dividend Plan</b>									
Atlas Islamic Income Fund	47,352	-	-	47,352	23,954,692	24,901,473	946,781	88.73	100.00
	47,352	-	-	47,352	23,954,692	24,901,473	946,781	88.73	100.00
<b>Islamic Capital Preservation Plan - II</b>									
Atlas Islamic Income Fund	-	909,608	909,608	-	-	-	-	-	-
Atlas Islamic Dedicated Stock Fund	-	348,202	-	348,202	200,000,000	199,192,883	(807,117)	41.60	41.93
Atlas Islamic Money Market Fund	-	951,731	400,000	551,731	275,865,485	275,865,485	-	57.62	58.07
	-	2,209,541	1,309,608	899,933	475,865,485	475,058,368	(807,117)	99.22	100.00
<b>Islamic Capital Preservation Plan</b>									
Atlas Islamic Income Fund	951,064	40,782	991,846	-	-	-	-	-	-
Atlas Islamic Dedicated Stock Fund	43,639	-	43,639	-	-	-	-	-	-
	994,703	40,782	1,035,485	-	-	-	-	-	-
Total as at 31 December 2021	1,777,616	2,252,912	2,396,093	1,634,434	877,069,255	876,480,327	(588,928)	-	-
Total as at 30 June 2021	1,752,516	406,154	381,053	1,777,617	878,438,709	934,509,737	56,071,028	-	-

Half Yearly Report 2020-21

OTHER RECEIVABLES

	31 December 2021 (Un Audited)								30 June 2021 (Audited)							
	Aggressive Allocation				Moderate Allocation				Conservative Allocation				Islamic Dividend 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	Islamic Plan	Islamic Plan
Note	Rupees								Rupees							
Receivable against sale of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid legal and professional charges	1,458	1,517	1,603	316	5,381	-	10,275	-	-	-	-	-	-	-	-	52,347
Other Receivables	11,150	9,063	16,227	14,212	20,192	43,057	113,901	11,150	9,063	10,318	14,528	-	43,057	-	88,096	-
	12,608	10,580	17,830	14,528	25,573	43,057	124,176	11,150	9,063	10,318	66,875	-	43,057	-	140,443	-

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 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 withholdce.

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 Funds managed by the Company 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 amount of withholding tax deducted from the profit received on bank deposits by the Funds has been shown as other receivable as at 30 June 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Had the Tax Recoverable not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 31 December 2021 would have been lower by, AAAIP Rs. 0.06 per unit, AMAIP Rs. 0.05 per unit, ACAIP Rs. 0.07 per unit, AICPP II Rs. 0.26 per unit ( 30 June 2021 AAAIP Rs. 0.05 per unit, AMAIP Rs. 0.04 per unit, ACAIP Rs. 0.04 per unit, AICPP Rs. 0.05 per unit, AIDP Rs. 0.26 per unit)



Atlas Islamic Fund of Funds

7 DEFERRED FORMATION COST

31 December 2021 (Un Audited)							30 June 2021 (Audited)						
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan - I	Total
Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan - II	Plan (Note 1.3)	Total	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan - II	Plan - I	Total
Rupees							Rupees						

Opening balance	7.1	112,109	112,109	112,109	-	-	112,109	448,436	168,162	168,162	168,162	-	168,162	672,648
Less: Amortization for the period		28,258	28,257	28,257	-	-	112,109	196,881	56,053	56,053	56,053	-	56,053	224,212
		83,851	83,852	83,852	-	-	-	251,555	112,109	112,109	112,109	-	112,109	448,436

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

8 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED - Management Company

31 December 2021 (Un Audited)							30 June 2021 (Audited)							
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan - I	
Note	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan - II	Plan (Note 1.3)	Total	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan - II	Total	
Rupees								Rupees						

Remuneration of the Management Company	8.1	8,046	3,941	3,068	2,691	3,272	-	21,018	3,069	2,659	1,603	2,722	-	2,408	12,462
Sindh Sales Tax on remuneration of the Management Company	8.1	1,050	511	398	349	387	-	2,694	399	346	208	354	-	313	1,620
Front and backend load payable to the Management Company		22	-	858	-	-	-	880	-	-	-	-	-	7,339	7,339
Initial deposit against account opening		-	-	-	-	10,000	-	10,000	-	-	-	-	-	-	-
Accounting and operational charges reimbursable by the Fund		18,000	18,737	20,447	6,033	68,097	-	131,314	35,737	18,754	40,710	3,788	-	71,022	170,011
		27,119	23,889	24,771	9,073	81,756	-	166,906	39,205	21,759	42,521	6,864	-	81,082	191,432

# Half Yearly Report 2020-21

**8.1** 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.

**8.2** During the period, an amount of Rs. 16,481 (2020: Rs. 7,657) 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. 15,403 (2020: Rs. 7,698) has been paid to the Management Company which acts as a collecting agent.

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

	Note	31 December 2021 (Un Audited)						31 June 2021 (Audited)					
		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Total
Trustee fee	9.1	7,657	7,715	8,402	1,663	28,326	53,763	7,571	7,722	8,303	1,560	-	29,244
Sindh sales tax payable on trustee fee	9.2	962	1,002	1,092	216	3,682	6,954	984	1,004	1,079	203	-	3,802
		8,619	8,717	9,494	1,879	32,008	60,717	8,555	8,726	9,383	1,763	-	33,046
													61,473

**9.1** With effect from June 28, 2019, the trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.07% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. Previously, the trustee fee was charged in accordance with the following slab rates:

Net assets	Fee
- upto Rs 1,000 million	0.1% per annum of net assets
- On an amount exceeding Rs. 1,000 million	Rs 1.0 million plus 0.075% per annum of net assets exceeding Rs. 1,000 million

**9.2** During the period, an amount of Rs. 42,286 (2020: Rs 40,358) 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. 42,401 (2020: Rs 34,926) was paid to the Trustee which acts as a collecting agent.



Atlas Islamic Fund of Funds

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	31 December 2021 (Un Audited)								30 June 2021 (Audited)							
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total	Ruppes	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan - I	Total	Ruppes
	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	
Annual SECP fees payable	10.1	13,259	13,678	14,247	2,766	31,900	15,301	91,151	23,851	25,904	27,688	5,414	-	98,034	180,891	
		13,259	13,678	14,247	2,766	31,900	15,301	91,151	23,851	25,904	27,688	5,414	-	98,034	180,891	

10.1 In accordance with NBF-C regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% per annum of the average annual net assets on all categories of CISs. Previously, the rate of annual fee for the last period ended 30 June 2021 was also charged in the same manner.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	31 December 2021 (Un Audited)								30 June 2021 (Audited)							
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Total	Ruppes	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan - I	Total	Ruppes
	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	
Authors' remuneration payable		24,992	25,376	27,152	5,376	52,557	-	135,453	32,825	35,627	38,000	7,495	-	134,913	248,860	
Withholding tax payable		2,026	2,160	2,768	34,524	768	14,767	57,014	554,558	637,044	877,802	29,396	-	3,779,433	5,878,433	
Provision for Sindh Workers Welfare Fund	111.1	-	-	-	-	-	-	-	761,966	763,894	693,415	68,845	-	2,028,833	4,316,954	
Shariah Advisor fee payable		7,476	2,929	3,297	539	4,194	-	18,435	3,263	3,524	3,780	770	-	13,323	24,659	
Annual listing fee payable		2,099	2,186	2,338	481	5,200	-	12,303	-	-	-	-	-	-	-	
Legal and professional charges payable		-	-	-	-	-	-	-	-	-	12,186	2,319	-	-	14,505	
Other payable		-	-	-	10,000	-	-	10,000	-	-	-	10,000	-	-	10,000	
Withholding and Capital gain tax payable		-	-	320	-	-	-	320	-	-	-	-	-	243	243	
Dividend Payable		-	-	-	-	-	-	-	3,117,778	3,319,588	4,912,023	-	-	9,498,524	20,847,834	
		36,593	32,651	35,875	50,920	62,719	14,767	233,525	4,470,390	4,759,598	6,557,206	119,025	-	15,455,269	31,341,488	

# Half Yearly Report 2020-21

## 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, 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 Mutual Fund Association of Pakistan (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 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 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 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, amounting to Rs. 4.32 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

## 12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at December 31, 2021 and 30 June 2021.

## 13 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan. This ratio net of government levies is within the maximum limit of 2.5% prescribed under the NBFIC Regulations for a collective investment scheme categorised as fund of fund scheme. the total expense ratio of the Fund is as follows:

31 December 2021 (Un Audited)											30 June 2021 (Audited)										
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Note 1.3)				
0.47	0.42	0.41	0.58	0.27	-	0.88	0.79	0.66	0.74	-	0.58	0.51	0.42	0.30	0.15	-	0.26				
Total expense ratio																					
0.04	0.04	0.04	0.04	0.02	-	0.51	0.42	0.30	0.15	-	0.26	Government Levies and SECP Fee									

# Atlas Islamic Fund of Funds

## 14 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% net accounting income other than capital gains to the unit holders. 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. The Fund has not recorded tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

## 15 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.

## 16 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.

## 17 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. It also includes staff retirement benefit funds of the above connected person / related parties.

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.

# Half Yearly Report 2020-21

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:

Rupees -														
For the half year ended 31 December 2021							For the half year ended 31 December 2020							
For the period from 01 September 2021 to 31 December 2021							For the period from 01 July 2021 to 31 August 2021							
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan (Vote 13)	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan	Total	
Rupees -														

17.1 Details of transaction with related parties during the period are as follows:

<b>Atlas Asset Management Limited (Management Company)</b>														
Remuneration for the period	45,120	21,903	15,632	16,474	13,083	14,537	126,768	755	8,065	4,039	18,135	-	27,907	38,901
Sindh sales tax on remuneration of the Management Company	5,866	2,847	2,034	2,142	1,700	1,890	16,479	98	1,048	525	2,588	-	3,628	7,657
Remuneration paid	40,143	20,621	14,87	16,505	9,810	16,945	118,212	1,057	7,253	2,725	18,163	-	30,026	59,224
Formation cost	28,258	28,257	28,257	-	-	112,108	196,880	28,257	28,257	28,257	-	-	28,257	113,028
Accounting & operational charges	112,914	116,477	121,316	23,719	271,153	71,661	717,240	97,198	106,873	115,317	23,555	-	410,990	753,933
Insurance in amounts	3,000,000	1,000,000	1,000,000	699,250	-	-	-	-	-	-	-	-	-	-
Issue of units	4,980	1,698	1,754	1,398	-	-	-	-	-	-	-	-	-	-
<b>Central Depository Company of Pakistan Limited</b>														
Remuneration of the Trustee	46,494	47,961	49,953	9,770	111,651	59,445	325,274	40,023	44,007	47,483	9,700	-	169,231	310,444
Sindh Sales Tax on remuneration of the Trustee	6,044	6,234	6,494	1,270	14,515	7,728	42,285	5,203	5,721	6,173	1,261	-	22,000	40,358
Remuneration paid	46,408	47,968	49,954	9,667	83,325	88,689	325,911	38,768	42,923	46,872	9,544	-	167,394	306,421
<b>Atlas Honda Limited</b>														
Insurance in amounts	-	-	-	-	236,713,585	-	236,713,585	-	-	-	-	-	-	-
Issue of units	-	-	-	-	473,427	-	473,427	-	-	-	-	-	-	-
<b>Shirazi Investments (Private) Limited</b>														
Insurance in amounts	-	-	-	-	212,348,729	-	212,348,729	-	-	-	-	-	-	-
Issue of units	-	-	-	-	424,697	-	424,697	-	-	-	-	-	-	-

# Atlas Islamic Fund of Funds

For the period from 01 September 2021 to 31 December 2021														For the period from 01 July 2021 to 31 August 2021														For the period from 01 September 2021 to 31 December 2021														For the period from 01 July 2021 to 31 August 2021																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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Aggressive Allocation Islamic Plan				Moderate Allocation Islamic Plan				Conservative Allocation Islamic Plan				Islamic Dividend Plan				Islamic Capital Preservation Plan - II				Islamic Capital Preservation Plan (Nov 13)				Total				Aggressive Allocation Islamic Plan				Moderate Allocation Islamic Plan				Conservative Allocation Islamic Plan				Islamic Dividend Plan				Islamic Capital Preservation Plan - II				Islamic Capital Preservation Plan				Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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Half Yearly Report 2020-21

17.2

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

Atlas Asset Management Limited (Management Company)

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Nov-14)	Islamic Capital Preservation Plan	Total
Remuneration payable to the management company	8,046	3,941	3,068	2,691	3,272	-	21,018
Sindh Sales tax payable on remuneration of the Management Company	1,049	511	398	349	367	-	2,694
Sales Lead Payable	22	-	858	-	-	-	880
Accounting and operational charges payable	18,000	18,337	20,447	6,033	68,097	-	131,314
Outstanding amount - at net asset value	8,995,328	7,127,498	25,437,187	22,025,103	-	-	63,585,115
Outstanding units	15,309	12,190	43,908	44,030	-	-	115,457
Central Depository Company of Pakistan Limited (Trustee)							
Trustee fee payable	7,657	7,715	8,402	1,463	28,326	-	53,763
Sindh Sales tax payable on remuneration of trustee	962	1,002	1,092	216	3,682	-	6,954
Shirazi Investments (Private) Limited - Group Company							
Outstanding amount - at net asset value	116,387,537	116,630,102	115,657,357	-	215,352,105	-	564,027,101
Outstanding units	198,079	199,471	199,639	-	424,097	-	1,021,886
Atlas Honda Limited - Group Company							
Outstanding amount - at net asset value	-	-	-	-	240,061,567	-	240,061,567
Outstanding units	-	-	-	-	473,427	-	473,427
Atlas Islamic Dedicated Stock Fund							
Outstanding amount - at net asset value	88,137,366	66,615,327	33,072,574	-	199,192,883	-	387,018,150
Outstanding units	150,573	114,448	61,309	-	348,202	-	676,532
Atlas Islamic Money Market Fund							
Outstanding amount - at net asset value	-	-	-	-	275,865,485	-	275,865,485
Outstanding units	-	-	-	-	551,731	-	551,731
Atlas Islamic Income Fund							
Outstanding amount - at net asset value	31,160,484	59,157,159	98,377,576	24,901,473	-	-	213,506,692
Outstanding units	59,254	112,492	187,073	47,352	-	-	406,171
Directors and their close family members and key management personnel of the Management Company							
Outstanding amount - at net asset value	-	6,213,885	-	-	4,237,168	-	10,451,053
Outstanding units	-	10,628	-	-	8,356	-	18,984

Rupees

31 December 2021 (Un Audited)

Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Dividend	Islamic Capital Preservation	Islamic Capital Preservation	Total
Islamic Plan	Islamic Plan	Islamic Plan	Plan - II (Nov-14)	Plan		

Rupees

30 June 2021 (Audited)

3,609	2,659	1,403	2,722	-	2,408	12,461
399	346	208	354	-	313	1,620
-	-	-	-	-	7,339	7,339
35,757	18,754	40,710	3,788	-	71,022	170,011
6,140,364	6,120,757	23,905,118	21,321,132	-	-	57,487,571
10,329	10,492	42,754	42,442	-	-	105,617
7,571	7,722	8,303	1,560	-	29,244	54,400
984	1,004	1,079	203	-	3,802	7,072
117,753,765	116,366,681	113,214,554	-	-	210,542,965	557,877,965
198,079	199,471	199,639	-	-	396,267	993,566
-	-	-	-	-	234,700,628	234,700,628
-	-	-	-	-	441,735	441,735
94,088,818	72,399,659	40,533,195	-	-	26,009,984	233,031,656
157,862	121,471	68,806	-	-	43,639	390,979
-	-	-	-	-	-	-
-	-	-	-	-	-	-
32,444,788	62,129,988	101,820,600	23,546,693	-	481,128,612	701,478,681
64,335	122,815	201,272	47,352	-	951,044	1,386,638
3,797,149	9,442,528	-	-	-	5,327,103	18,536,780
6,387	16,135	-	-	-	10,026	32,549

# Atlas Islamic Fund of Funds

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 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.

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.

### 18.1 Fair value hierarchy

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

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

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

Level 1: Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

#### Aggressive Allocation Islamic Plan

Un-audited				Audited			
As at December 31, 2021				As at June 30, 2021			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(Rupees)				(Rupees)			
Financial assets 'at fair value through profit or loss'							
- Units of mutual fund							
117,297,850.00				126,533,606.00			
-				-			
117,297,850.00				126,533,606.00			

Half Yearly Report 2020-21

Moderate Allocation Islamic Plan

Un-audited				Audited			
As at December 31, 2021				As at June 30, 2021			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(Rupees)				(Rupees)			
Financial assets 'at fair value through profit or loss'							
- Units of mutual fund							
125,772,486.00				125,772,486.00			
				134,529,047.00			



# Atlas Islamic Fund of Funds

## - Islamic Capital Preservation Plan - II

Un-audited				Audited			
As at December 31, 2021				As at June 30, 2021			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(Rupees)				(Rupees)			

Financial assets 'at fair value through profit or loss'

- Units of mutual fund

475,058,368.09	-	475,058,368.09	-
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## - Islamic Capital Preservation Plan (Note 1.3)

Un-audited				Audited			
As at December 31, 2021				As at June 30, 2021			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(Rupees)				(Rupees)			

Financial assets 'at fair value through profit or loss'

- Units of mutual fund

-	-	-	507,138,596.00	-	-	507,138,596.00
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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.

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

## 19 IMPACT OF COVID-19 ON THESE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

# Half Yearly Report 2020-21

**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 2021 and 31 December 2020 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

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

**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 21 February 2022.

**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

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