annual report

2009

ARPAK INTERNATIONAL INVESTMENTS LIMITED

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ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Begum Laila Sarfaraz *Chief Executive* Mr. Aziz Sarfaraz Khan Mr. Abbas Sarfaraz Khan Ms. Zarmine Sarfaraz Ms. Najda Sarfaraz Mr. Iskander M. Khan Mr. Abdul Qadar Khattak
BOARD AUDIT COMMITTEE	Mr. Aziz Sarfaraz Khan *Chairman* Mr. Abbas Sarfaraz Khan *Member* Mr. Iskander M. Khan *Member*
COMPANY SECRETARY/ CHIEF FINANCIAL OFFICER	Mr. Mujahid Bashir
AUDITORS	Messers Hameed Chaudhri & Co., *Chartered Accountants*
TAX CONSULTANTS	Messers Ibrahim & Co., *Chartered Accountants*
LEGAL ADVISERS	Mr. Muhammad Haroon *Advocate*
BANKERS	Bank Al-Falah Limited Bank Al-Habib Limited MCB Bank Limited The Bank of Khyber Silk Bank Limited Standard Chartered Bank Limited
REGISTERED OFFICE	King's Arcade, 20-A, Markaz F-7, Islamabad Phone: 051-2650805-7 Fax: 051-2651285-6

ARPAK INTERNATIONAL INVESTMENTS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 32nd Annual General Meeting of the shareholders of **Arpak International Investments Limited** will be held on 31 October, 2009 at 10.00 AM at the Registered Office of the Company at King's Arcade, 20-A, Markaz F-7, Islamabad, for transecting the following business:-

ORDINARY BUSINESS

To confirm the minutes of the Annual General Meeting held on 31 October, 2008.

To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors, and Auditors, reports for the year ended 30 June, 2009.

To appoint the Auditors of the Company and to fix their remuneration for the financial year ending 30 June, 2010. The present auditors Messrs Hameed Chaudhri & Co. Chartered Accountants, retire and being eligible offer themselves for re-appointment.

To elect the Directors of the Company for a period of three years commencing from the date of election, vide Section 178 of the Companies Ordinance, 1984, in that:-

a)- Pursuant to Section 178(1) and (2) (a) of the Companies Ordinance , 1984, the Board of Directors through a Resolution passed in the Meeting held on 25 September, 2009, have fixed the number of Directors at Seven including one minority director.

b)- Pusuant to section 178(2) (b) and (3) of the Companies Ordinance, 1984, names of the retiring Directors are as under:-

(i) Mr. Aziz sarfaraz Khan (ii) Begum Laila Sarfaraz (iii) Mr. Abbas Sarfaraz Khan
(Iv) Ms. Zarmine Sarfaraz (v) Ms. Najda Sarfaraz (vi) Mr. Iskander M. Khan (vii) Mr. Abdul Qadar Khattak

Any person who seeks to contest election for the office of a Director may file nomination papers with the Secretary of the Company not later than 17 October, 2009. The retiring Directors shall be eligible for re-election.

To transact any other business of the Company as may be permitted by the Chair.

SPECIAL BUSINESS

To consider and if thought fit to pass the following resolution, with or without amendment, as a Special Resolution:

“RESOLVED that the consent of the shareholders in the General Meeting be and is hereby accorded to increase the grace period for further period of three years for repayment of loan by Chashma Sugar Mills Limited, an associated undertaking.”

The share transfer books of the Company will remain closed from 21 October, 2009 to 30 October, 2009 (both days inclusive).

By order of the Board

Islamabad
06 October, 2009

(MUJAHID BASHIR)
Company Secretary

N.B:

1. Member unable to attend in person may kindly send proxy form attached with the Notice signed and witnessed to the Company at least 48 hours before the time of the meeting. No person shall act, as proxy unless he is entitled to be present and vote in his own right.
2. Members are requested to immediately notify the Shares Registrar of the Company of any change in their addresses.
3. C.D.C. shareholders desiring to attend the meeting are requested to bring their original National Identity Cards, Account and participants I.D. numbers, for identification purpose, and in case of proxy, to enclose an attested copy of his / her National Identity Card.
4. In case of proxy for an individual beneficial owner of CDC, attested copies of beneficial owners NIC or passport, account and participants ID numbers must be deposited along with the form of Proxy. Representative of corporate members should bring the usual documents required for such purpose.

STATEMENT UNDER SECTION 160 (1) OF THE COMPANIES ORDINANCE, 1984

A statement under section 160 of the Companies Ordinance, 1984 setting forth all material facts concerning the matters contained in the Notice which will be considered for adoption at the meeting and the information required under SRO 865(1)(b) /2000 is provided below:

Name of investee Company together with the amount and purpose of loan or advance ; in case any loan had already been provided or loan has been written off to the said investee company, the complete details of the loan;	Chashma Sugar Mills Limited. The loan of Rs. 50,000,000 had already been advanced for higher returns.
A brief about the financial position of the investee company on the basis of last published financial statements	Chashma Sugar Mills Limited earned handsome profit during most of the preceding year, however during financial year 2008 the Company has incurred loss of Rs.63 millions.
Rate of mark-up to be charged.	The rate will not be less than the borrowing cost of the Company.
Particulars of collateral security to be obtained from borrower and; if not needed, justification thereof;	Demand Promissory Note as a Collateral Security had been obtained.
Source of founds from where loan or advance will be given;	Retained earnings.
Repayment Schedule;	Eight half yearly installments, commencing From May 2013
Purpose of loans and advance; and	Higher returns leading to better dividend to the shareholders
Benefits likely to accrue to the Company and the shareholders from loans and advances.	Higher returns on the loans leading to better dividends to the shareholders.

ARPAK INTERNATIONAL INVESTMENTS LIMITED

VISION STATEMENT

To obtain the highest rate of return by making diversified and secured investments. Efficient organization with professional competence of top order.

To ensure attractive returns to business associates and optimizing the shareholders value as per their expectations.

MISSION STATEMENT

We have developed a unique set of strength and competencies. We wish to build safe, healthy and environment friendly atmosphere and will strive continuously to achieve higher level of excellence.

To be a dynamic profitable and growth oriented company through investments in new national and international markets and undertakings.

To give attractive returns to business associates and shareholders as per their expectations. Be a responsible employer and reward employees according to their ability and performance.

To be a good corporate citizen to fulfil the social responsibilities.

ARPAK INTERNATIONAL INVESTMENTS LIMITED
DIRECTORS' REPORT

The Board of Directors of Arpak International Investments Limited is pleased to present their Report together with the Audited Financial Statements for the year ended 30 June, 2009.

Summarized Financial Results

The financial results of the Company for the year under review are as follow:-

	2009 (Rupees)	2008 (Rupees)
Profit/(Loss) before taxation	**20,384,871**	(2,570,888)
Taxation		
Current tax	**2,440,968**	1,262,561
Deferred	**20,430**	24,498
	2,461,398	1,287,059
Profit/(Loss)after taxation	**17,923,473**	(3,857,947)
Basic Earning/(Loss) per share	**4.48**	(0.96)

Financial performance and future prospects

The Company earned Rs.17.923 million profit after tax during the year. The paid up capital of the Company was Rs. 40.000 million, Capital Reserves Rs. 7.441 million, General Reserves Rs.5.400 million, Cash Reserve Rs.13.709 million and un appropriated profit of Rs. 164.050 million as on 30 June, 2009.

Corporate and financial reporting framework

- The financial statements, prepared by the management of Arpak International Investments Limited, presents fair state of affairs, cash flows and changes in the equity.
- Proper books of account of Arpak International Investments Limited have been maintained.
- All appropriate accounting policies have been consistently applied while preparing financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.

- The system of internal control has been effectively implemented and monitored.
- The Arpak International Investments Limited has the ability to continue as a “going concern”.
- The Company has followed corporate governance as detailed in the listing regulations.
- Key operating and financial data for the last decade in summarized form is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges outstanding as at 30 June, 2009, except for those disclosed in the financial statements.
- During the year, four meetings of the Board of Directors were held. Attendance by each director was as follows:

Name of Director	No. of meetings attended
Begum Laila Sarfaraz	4
Mr. Aziz Sarfaraz Khan	4
Mr. Abbas Sarfaraz Khan	4
Ms. Zarmine Sarfaraz	1
Ms. Najda Sarfaraz	2
Mr. Iskander M. Khan	4
Mr. Abdul Qadar Khattak	4

- Leave of absence was granted to directors who could not attend some of the Board Meetings.
- The pattern of share holding and additional information regarding pattern of shareholding is included in this annual report.
- No trade in the shares of Arpak International Investments Limited were carried-out by the Directors, CEO, CFO/Company Secretary and their spouses and minor children during the year ended 30 June, 2009 other than disclosed in the pattern of shareholding.

Role of shareholders

The Board aims to ensure that the Company’s shareholders are timely informed about the major developments affecting the Company’s state of affairs. To achieve this objective, information is communicated to the shareholders through quarterly, half-yearly and annual reports.

Election of Directors

The directors have retired in accordance with the provision of Section 178 of the Companies Ordinance, 1984 and fresh election will be held in the Annual General Meeting.

Auditors

As recommended by the Audit Committee, the Board of Directors has recommended to re-appoint Messrs Hameed Chaudhri & Co., Chartered Accountants, Lahore as Auditors of the Company for the financial year ending 30 June, 2010.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the Karachi and Lahore Stock Exchanges in their Listing Rules, relevant for the year ended 30 June, 2009 have been duly complied with. A statement to this effect is annexed with the report.

Acknowledgment

The Directors appreciate the hard work and dedication displayed by the employees of the Company.

The Board wishes to thank the valued shareholders for their patronage and confidence reposed in the Company and consistent support in the present challenging scenario.

On Behalf Of The Board

Islamabad
25 September, 2009

Begum Laila Sarfaraz
Chief Executive

ARPAK INTERNATIONAL INVESTMENTS LIMITED

FINANCIAL HIGHLIGHTS

PARTICULARS	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
	(R U P E E S IN T H O U S A N D)									
Income	9,839	7,994	8,450	6,416	3,884	2,034	4,716	7,064	13,739	9,959
Operating Profit	6,495	4,826	5,713	4,585	2,258	(248)	2,135	4,496	11,136	8,007
Profit before tax	20,385	(2,571)	5,710	4,583	2,351	(204)	2,258	4,430	10,939	10,905
Profit after tax	17,923	(3,857)	3,986	3,632	1,728	(200)	1,359	3,408	7,446	10,646
Share Capital	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Share holders' Equity	217,045	194,141	93,267	92,107	88,478	86,769	86,822	85,341	83,933	81,287
Fixed Assets - Net	6,989	7,091	7,202	7,321	5,293	7,586	5,510	7,898	8,078	8,098
Total Assets	221,674	196,114	95,585	93,826	92,212	89,745	90,438	90,725	94,451	88,020
Long Term Liabilities	-	-	-	-	-	202	202	202	202	202
Dividend										
Cash Dividend (%)	-	-		7.50	-	-	-	5	12	12
Ratios Profitability										
Operating Profit (%)	66.01	60.37	67.60	71.46	58.14	(12.19)	45.27	63.65	81.06	80.41
Profit befor tax (%)	207.19	(32.16)	67.57	71.43	60.53	(10.03)	47.88	62.72	79.62	109.51
Profit After tax (%)	182.16	(48.25)	47.17	56.61	44.49	(9.83)	28.82	48.24	54.20	106.90
Return to Sharehoders (ROE)										
ROE - Before Tax (%)	9.39	(1.32)	6.12	4.98	2.66	(0.24)	2.60	5.19	13.03	13.42
ROE - After Tax (%)	8.26	(54.39)	4.27	3.94	1.95	(0.23)	1.57	3.99	8.87	13.10
Return on Capital Employed (%)	44.81	9.64	9.97	9.08	4.32	(0.23)	1.56	3.98	8.85	13.06
E.P.S - After Tax	4.48	(0.96)	1.00	0.91	0.43	(0.05)	0.34	0.85	1.86	2.66
Activity										
Income to Total Assets	0.04	0.04	0.08	0.07	0.04	0.02	0.05	0.08	0.15	0.11
Income to Fixed Assets	1.41	1.13	1.17	0.88	0.73	0.27	0.86	0.89	1.70	1.23
Liquidity/Leverage										
Current Ratio	5.45	9.57	29.09	16.48	16.48	24.72	20.29	13.10	6.93	9.95
Break up Value per Share	54.26	48.54	23.31	23.03	22.12	21.69	21.71	21.34	20.98	20.32
Total Liabilities to Equity (Times)	0.02	0.02	0.02	0.02	0.04	0.03	0.04	0.06	0.13	0.08

ARPAK INTERNATIONAL INVESTMENTS LIMITED

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PATTERN OF SHAREHOLDING AS AT 30 JUNE, 2009

No. of Shareholders	Shareholding					Total Shares Held
325	From	1	to	100	Shares	12,258
274	From	101	to	500	Shares	59,614
117	From	501	to	1,000	Shares	75,574
151	From	1,001	to	5,000	Shares	271,243
17	From	5,001	to	10,000	Shares	95,623
3	From	10,001	to	15,000	Shares	21,135
2	From	15,001	to	25,000	Shares	21,754
8	From	65,001	to	70,000	Shares	200,000
1	From	70,001	to	160,000	Shares	105,498
4	From	160,001	to	210,000	Shares	811,253
2	From	210,001	to	400,000	Shares	705,155
1	From	400,001	to	500,000	Shares	413,451
1	From	500,001	to	above	Shares	1,207,442
906						**4,000,000**

Categories of Shareholders			Numbers	Shares Held	Percentage of Paid-up Capital
Associated Companies, Undertakings and Related Parties			**2**	**832,240**	**20.81**
Premier Sugar Mills & Distillery Co. Ltd	385,289	9.63			
Azlak Enterprises (Pvt.) Ltd.	446,951	11.17			
NIT and ICP			**-**	**-**	**-**
Directors & Relatives			**11**	**2,380,493**	**59.51**
Executives			**-**	**-**	**-**

Public Sector Companies & Corporations	**10**		**37,334**		**0.94**
Bibojee Services (Pvt) Ltd,		10,396		0.26	
Naeem Securities Limited		100		0.01	
Excel Securities (Pvt.) Ltd.		100		0.00	
Molasses Export Co., Ltd Karachi.		17,912		0.45	
AWJ Securities (SMC-Private) Ltd.		470		0.01	
BCGA Punjab (Pvt) Ltd.		5,268		0.13	
N. H. Securities Pvt. Ltd		2,514		0.06	
Sarfaraz Mahmood (Pvt) Ltd.		42		0.01	
Y.S Securities & Services (Pvt) Ltd		25		0.00	
Durvesh Securities (Pvt) Limited		507		0.01	
Banks, Development Finance Institutions, Non Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds	**4**		**16,050**		**0.40**
Fidelity Investment Bank Ltd.		2,850		0.07	
Investment Corporation of Pakistan		2,700		0.07	
EFU General Insurance Limited.		1,000		0.03	
Habib Bank Limited.		9,500		0.23	
Individuals	**875**		**729,884**		**18.24**
Others	**4**		**3,999**		**0.10**
Chief Administrator of Auqaf, Punjab		3,798		0.09	
Corporate Law Authority		1		0.00	
Islamabad Stock Exchange (G) Ltd.		26		0.00	
The Society for Rehabilitation of Crippled Children		174		0.01	
	906		**4,000, 000**		**100.00**

Shareholders holding 10% or more Voting Interest in the Company

Mr. Abbas Sarfaraz Khan	1,207, 442	30.19
Azlak Enterprises (Pvt.) Ltd.	446,951	11.17

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF ETHICS AND BUSINESS PRACTICES

The articulation of this statement is based on the following:

1. Elimination of improper payments or use of the Company's assets.

2. Elimination of political contributions.

3. Safe custody of books and records of the Company.

4. Authentic and genuine payment of amounts due to costumers, agents or distributors.

5. Elimination of reporting violations.

6. Integrity and scrupulous dealings.

7. Strict observance of the laws of the country.

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulation No. 37 of the Karachi Stock Exchange and Chapter XIII of the listing regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principle contained in the Code in the following manner;

1. The directors have confirmed that none of them is serving as a director in more than ten listed Companies including this Company.

2. All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

3. No casual vacancies were occurred in the Board during the year.

4. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Company.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies alongwith the dates on which they were approved of amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on material transactions have been taken by the Board.

7. The meetings of the Board were presided over by the Chairperson when she was present, and the Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda, were circulated at least seven days before the meetings. The meetings were appropriately recorded and circulated.

8. There was no new appointment of CFO / Company Secretary during the year.

9. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.

10. The financial statements of the Company were duly endorsed by the CEO and the CFO before approval by the Board.

11. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

12. The Company has complied with all the corporate and financial reporting requirements of the Code.

13. The Board has formed an Audit Committee, which comprises of three members.

14. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formulated and advised to the Committee for compliance.

15. The Board has set-up an effective internal audit function.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other material principles contained in the Code have been complied with.

ON BEHALF OF THE BOARD

ISLAMABAD
25 September, 2009

(Begum Laila Sarfaraz)
Chief Executive

ARPAK INTERNATIONAL INVESTMENTS LIMITED

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **ARPAK INTERNATIONAL INVESTMENTS LIMITED** to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange (Guarantee) Limited and Chapter XIII of the Lahore Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board’s statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June, 2009.

ISLAMABAD
26 September, 2009

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Abdul Hameed Chaudhri

ARPAK INTERNATIONAL INVESTMENTS LIMITED
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **ARPAK INTERNATIONAL INVESTMENTS LIMITED** as at 30 June, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

- **(i)** the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
- **(ii)** the expenditure incurred during the year was for the purpose of the Company's business; and
- **(iii)** the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and, except for the aforementioned reservations and the extent to which these may affect the annexed financial statements, respectively give a true and fair view of the state of the Company's affairs as at 30 June, 2009 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

ISLAMABAD
26 September, 2009

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Abdul Hameed Chaudhri

ARPAK INTERNATIONAL INVESTMENTS LIMITED

BALANCE SHEET AS AT 30 JUNE, 2009

	Note	2009 Rupees	2008 Rupees *Restated*
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 5,000,000 ordinary shares of Rs.10 each		**50,000,000**	50,000,000
Issued, subscribed and paid-up capital 4,000,000 ordinary shares of Rs.10 each issued for cash	**6**	**40,000,000**	40,000,000
Reserves	**7**	**12,994,890**	13,216,118
Unappropriated profit		**164,049,937**	140,924,901
		217,044,827	194,141,019
DEFERRED TAXATION	**8**	**153,005**	132,575
CURRENT LIABILITIES			
Accruals and other payables	**9**	**2,228,320**	421,825
Taxation	**10**	**2,248,000**	1,418,854
		4,476,320	1,840,679
CONTINGENCIES AND COMMITMENTS	**11**		
		221,674,152	196,114,273

	Note	2009 Rupees	2008 Rupees *Restated*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**12**	**4,952,375**	5,028,475
Investment property	**13**	**2,035,637**	2,063,231
Long term investments	**14**	**140,285,669**	121,416,381
Loan to an Associated Company	**15**	**50,000,000**	50,000,000
		197,273,681	178,508,087
CURRENT ASSETS			
Advance to employees - considered good		**663,700**	13,700
Accrued profit and mark-up	**16**	**7,722,190**	1,144,323
Prepayments		**16,298**	0
Advance income tax and tax deducted at source		**2,289,484**	1,332,771
Investments	**17**	**0**	13,152,051
Bank balances	**18**	**13,708,799**	1,963,341
		24,400,471	17,606,186
		221,674,152	196,114,273

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

ARPAK INTERNATIONAL INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2009

	Note	2009 Rupees	2008 Rupees *Restated*
INCOME	**19**	**9,839,368**	7,994,279
OPERATING AND GENERAL EXPENSES	**20**	**3,344,005**	3,168,226
OPERATING PROFIT		**6,495,363**	4,826,053
BANK CHARGES		**2,939**	3,151
		6,492,424	4,822,902
SHARE OF PROFIT / (LOSS) OF ASSOCIATED COMPANIES - Net of taxation		**13,892,447**	(7,393,790)
PROFIT / (LOSS) BEFORE TAXATION		**20,384,871**	(2,570,888)
TAXATION			
Current	**10**	**2,248,000**	1,418,854
Prior year	**10**	**192,968**	(156,293)
Deferred		**20,430**	24,498
		2,461,398	1,287,059
PROFIT / (LOSS) AFTER TAXATION		**17,923,473**	(3,857,947)
EARNINGS / (LOSS) PER SHARE	**21**	**4.48**	(0.96)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2009

	2009 Rupees	2008 Rupees *Restated*
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year - before taxation and share of profit / (loss) of Associated Companies	**6,492,424**	4,822,902
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	**76,100**	81,616
Depreciation on investment property	**27,594**	29,046
Mark-up on loan to an Associated Company	**(7,280,309)**	(743,934)
Profit / interest accrued	**(297,558)**	83,760
Fair value gain on measurement of investments	**(367,021)**	(152,051)
CASH OUTFLOW FROM OPERATING ACTIVITIES - Before working capital changes	**(1,348,770)**	4,121,339
Increase in advance to employees	**(650,000)**	(5,000)
Increase in prepayments	**(16,298)**	0
Purchase of investments	**0**	(13,000,000)
Proceeds from encashment of investments	**13,519,072**	0
Increase / (decrease) in accruals and other payables	**1,806,495**	(37,021)
	14,659,269	(13,042,021)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES - Before taxation	**13,310,499**	(8,920,682)
Taxes paid	**(2,568,535)**	(1,176,615)
Proceeds from held-to-maturity investment	**3,494**	3,494
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES - After taxation	**10,745,458**	(10,093,803)
CASH FLOW FROM INVESTING ACTIVITIES		
Loan to an Associated Company	**0**	(50,000,000)
Mark-up received on loan to an Associated Company	**1,000,000**	0
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	**1,000,000**	(50,000,000)
CASH OUTFLOW FROM FINANCING ACTIVITIES		
Dividend paid	**0**	(1,012)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**11,745,458**	(60,094,815)
CASH AND CASH EQUIVALENTS - At the beginning of the year	**1,963,341**	62,058,156
CASH AND CASH EQUIVALENTS - At the end of the year	**13,708,799**	1,963,341

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2009

	Share capital	Capital reserve	General reserve	Unrealised gain / (loss) on long term investments	Unappr-opriated profit	Total
	------------------ R u p e e s ------------------					
Balance as at 30 June, 2007 *as previously reported*	40,000,000	7,440,781	5,400,000	419,212	40,007,323	93,267,316
Incorporation of post acquisition profits of Associated Companies on adoption of equity method of accounting [note 5.9 (d)]	0	0	0	0	100,375,272	100,375,272
Balance as at 30 June, 2007 *- as restated*	40,000,000	7,440,781	5,400,000	419,212	140,382,595	193,642,588
Loss for the year ended 30 June, 2008	0	0	0	0	(3,857,947)	(3,857,947)
Fair value reserve on measurement of available-for-sale investment	0	0	0	(43,875)	0	(43,875)
Effects of items directly credited to equity by Associated Companies	0	0	0	0	4,400,253	4,400,253
Balance as at 30 June, 2008 *- as restated*	40,000,000	7,440,781	5,400,000	375,337	140,924,901	194,141,019
Profit for the year ended 30 June, 2009	0	0	0	0	17,923,473	17,923,473
Fair value reserve on measurement of available-for-sale investment	0	0	0	(221,228)	0	(221,228)
Effects of items directly credited to equity by Associated Companies	0	0	0	0	5,201,563	5,201,563
Balance as at 30 June, 2009	**40,000,000**	**7,440,781**	**5,400,000**	**154,109**	**164,049,937**	**217,044,827**

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

ARPAK INTERNATIONAL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2009

1. THE COMPANY AND ITS OPERATIONS

Arpak International Investments Limited (the Company) was incorporated in Pakistan on 26 July, 1977 as a Public Company and its shares are quoted on Lahore and Karachi Stock Exchanges. The registered office of the Company is situated at 20-A, Markaz F-7, Islamabad. It is principally engaged in investment business of various forms.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 (the Ordinance), provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of, or directives issued under the Ordinance, shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest Rupee.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying 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 the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

a) taxation; and

b) useful life of depreciable assets and provision for impairment there against.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS

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

The following standards, interpretations and amendments have been published that are mandatory and relevant for the Company's accounting year beginning on 01 July, 2009:

(a) IFRS 7 'Financial Instruments: Disclosures' - The Securities & Exchange Commission of Pakistan (SECP), vide SRO 411(I)/2008 dated 28 April, 2008 notified the adoption of IFRS 7 which is mandatory for the Company's accounting periods beginning on or after the date of notification i.e. 28 April, 2008. IFRS 7 has superseded IAS 30 and disclosure requirements of IAS 32. Adoption of IFRS 7 has only impacted the format and extent of disclosures presented in the financial statements.

(b) Other new standards, interpretations and amendments to existing standards that are mandatory for accounting periods beginning on or after 01 July, 2008 which, are not considered relevant nor have any significant effect on the Company's operations are not detailed in these financial statements.

4.2 Standards, interpretations and amendments to published approved accounting standards and interpretations not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July, 2009:

(a) IAS 1 (Revised), ‘Presentation of financial statements’ (effective from 01 January, 2009), was issued in September 2007. The revised standard prohibits the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities may choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning of the comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The adoption of the above standard will only impact the presentation of the financial statements.

(b) IAS 19 (Amendment), 'Employee Benefits' (effective from 01 January, 2009).

- **(i)** The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.
- **(ii)** The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- **(iii)** The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.
- **(iv)** IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The management is in the process of assessing the impact of adoption of IAS 19 on the Company's financial statements.

(c) IAS 32 (Amendment), 'Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements (effective from 01 January, 2009) - Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments and instruments that impose on the entity an obligation to deliver to another party a prorata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. These amendments will have no impact on financial statements of the Company.

(d) IAS 36 (Amendment), 'Impairment of Assets' (effective from 01 January, 2009). As per the new requirements, where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. This amendment is not expected to have a significant effect on the Company's financial statements.

(e) IAS 38 (Amendment), 'Intangible Assets' (effective from 01 January, 2009). The amended standard states that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment is not expected to have a significant effect on the Company's financial statements.

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after 01 July, 2009 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except stated otherwise.

5.1 Taxation

(a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any.

(b) Deferred

Deferred tax is recognised using the balance sheet liability method in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax liability is based on the expected tax rates applicable at the time of reversal.

Deferred tax liability arising in respect of taxable differences on investments in Associated Companies has not been recognised in these financial statements as management does not expect reversal of this liability in foreseeable future.

5.2 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and 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 reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.3 Foreign currency translations

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at rates of exchange prevailing at the balance sheet date. Foreign exchange differences are recognised in the profit and loss account.

5.4 Dividend distribution

Dividend distribution to shareholders is recognised as liability in the financial statements in the period in which the dividend is approved.

5.5 Property, plant and equipment

These are stated at cost less accumulated depreciation except freehold land which is stated at cost. Depreciation is taken to profit and loss account applying reducing balance method at the rates stated in note 12 to write-off the cost over estimated remaining useful life of assets. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant.

Depreciation on additions to fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

Normal repairs and replacements are taken to profit and loss account. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of property, plant and equipment, if any, is taken to profit and loss account.

5.6 Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The Company uses cost model for valuation of its investment property; freehold land has been valued at cost whereas building on freehold land has been valued at cost less accumulated depreciation and any identified impairment loss.

5.7 Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the profit and loss account.

5.8 Operating leases

Assets leased out under operating leases are included in investment property and are depreciated over their expected useful life on a basis consistent with the similar owned tangible fixed assets.

5.9 Investments

(a) Available-for-sale investments

These represent investments which are not held for trading. All investments are initially recognised at cost, being the fair value of the consideration given. Subsequent to initial recognition, these investments are re-measured at fair value (quoted market price).

Any gain or loss from a change in the fair value of available for sale investments is recognised directly in equity as unrealised, unless sold, collected or otherwise disposed-off, or until the investment is determined to be impaired, at which time cumulative gain or loss previously recognised in the equity is included in the profit and loss account for the period.

(b) Investments at fair value through profit or loss

A non-derivative financial asset is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction cost is recognised in profit or loss when incurred. Investments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

(c) Held-to-maturity investments

Investments with fixed maturity, that the management has the intent and ability to hold to maturity are classified as held to maturity investments. Held to maturity investments are initially measured at cost and at subsequent reporting dates measured at amortised cost using the effective yield method.

(d) Investments in Associated Companies

Effective from the current year, investments in equity instruments of associates, over which the Company has significant influence, are being stated at the Company's share of their underlying net assets using the equity method. Till 30 June, 2008, these investments were stated at cost. The change in accounting policy has been effected to comply with the requirements of IAS 28 (Investments in Associates) and has been accounted for retrospectively by restating the comparative information in accordance with the recommended treatment specified in the IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). Had there been no change in the accounting policy, equity and the carrying value of investments as at 30 June, 2009 would have been lower by Rs.116.476 million whereas profit for the year would have been lower by Rs.13.892 million and equity and the carrying value of investments as at 30 June, 2008 would have been lower by Rs.97.382 million whereas loss for the previous year would have been profit of Rs.3.536 million.

The carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit or loss.

5.10 Loans and advances

These are stated at cost.

5.11 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of bank balances.

5.12 Revenue recognition

- Income on deposit / saving accounts / term finance certificates is accrued on time proportion basis by reference to the principal outstanding and the applicable rate of return / interest.

- Dividend income is accounted for when the right of receipt is established.
- Rent income is accounted for on 'accrual basis'.

5.13 Financial assets and liabilities

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.14 Off-setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

5.15 Related party transactions

Sale, purchase and other transactions with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for the allocation of expenses relating to combined offices shared with the Associated Companies, which are on the actual basis.

6. SHARE CAPITAL

The Premier Sugar Mills and Distillery Company Limited and Azlak Enterprises (Pvt.) Limited (the Associated Companies) held 385,289 (2008:385,289) and 446,951 (2008: 446,951) ordinary shares respectively at the year-end.

7. RESERVES

	Note	**2009 Rupees**	2008 Rupees
Capital reserve	**7.1**	**7,440,781**	7,440,781
Fair value reserve on measurement of available-for-sale investment		**154,109**	375,337
Revenue reserve - general	**7.2**	**5,400,000**	5,400,000
		12,994,890	13,216,118

7.1 The year-end balance comprised of as follows:

Gain on sale of land arisen during the accounting years ended on:

	2009	2008
31 December, 1981	**2,648,331**	2,648,331
31 December, 1984	**1,500,000**	1,500,000
30 June, 1998	**2,690,925**	2,690,925
	6,839,256	6,839,256
Gain on sale of investments arisen during the accounting year ended on 31 December, 1983	**601,525**	601,525
	7,440,781	7,440,781

7.2 This reserve was created by transfer from profit and loss appropriation account for the year ended 31 December, 1983.

8. DEFERRED TAXATION

The year-end credit balance has arisen due to accelerated tax depreciation allowances.

9. ACCRUALS AND OTHER PAYABLES

	Note	2009 Rupees	2008 Rupees
Accrued expenses		**125,000**	176,498
Due to an Associated Company - The Premier Sugar Mills & Distillery Co. Ltd.	9.1	**1,867,307**	6,484
Security deposits - refundable		**24,776**	24,776
Tax deducted at source		**240**	3,070
Unclaimed dividend		**210,997**	210,997
		2,228,320	421,825

9.1 This balance has arisen in normal course of business.

9.2 Aggregate transaction with Associated Companies represents shared expenses amounting Rs. 3.123 million (2008: Rs. 2.353 million).

10. TAXATION - Net

	2009	2008
Opening balance	**1,418,854**	1,750,000
Add: provision made during the year:		
- current	**2,248,000**	1,418,854
- prior year	**192,968**	(156,293)
	2,440,968	1,262,561
	3,859,822	3,012,561
Less: adjusted against completed assessments	**1,611,822**	(1,593,707)
	2,248,000	1,418,854

10.1 Income tax assessments of the Company have been completed upto the Tax Year 2008; the return for the said year has not been taken-up for audit till 30 June, 2009.

10.2 The Assessing Officer, while finalising re-assessment proceedings for the Assessment Year 1998-99 charged tax on gain on sale of land and raised tax demand of Rs.1,099,338. The Company had filed an appeal before the Commissioner of Income Tax (Appeals) - CIT(A) against the assessment finalised by the Assessing Officer. CIT (A) deleted the said demand, however department has lodged an appeal before Income Tax Appellate Tribunal, which has been rejected by Income Tax Appellant Tribunal vide ITA No. 840/IB/2006 dated 24 January, 2007.

10.3 The Department, for the Assessment Years 1989-90 and 1990-91, filed reference application / appeals before the Lahore High Court, Rawalpindi Bench on the question of allowing deduction of Zakat attributable to exempt income towards taxable income, which are pending adjudication.

10.4 Relationship between tax expense and accounting profit

	2009 Rupees	2008 Rupees
Accounting profit before tax and share of profit / (loss) of Associated Companies	**6,492,424**	4,822,902
Tax at the applicable rate of 35%	**2,272,000**	1,688,000
Tax effect of expenses that are not deductible in determining taxable profit	**36,300**	38,700
Tax effect of expenses that are deductible in determining taxable profit	**(56,700)**	(63,500)
Tax effect of applicability of lower tax rate on dividend income	**(3,600)**	0
Tax effect of applicability of lower tax rate on rental income	**0**	(48,100)
Tax effect of applicability of lower tax rate on Term deposits receipts profits	**0**	(196,246)
Adjustment in respect of current income tax of prior year	**192,968**	(156,293)
Deferred tax expense for the year	**20,430**	24,498
Tax charge for the year	**2,461,398**	1,287,059

11. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at 30 June, 2009 and 2008.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings on freehold land	Furniture & fixtures	Equipment	Vehicle	Total
	----------	----------	---------- Rupees	----------	----------	----------
As at 30 June, 2007						
Cost	3,600,000	4,005,220	27,942	180,000	420,500	8,233,662
Accumulated depreciation	0	2,531,622	22,294	155,973	413,682	3,123,571
Book value	3,600,000	1,473,598	5,648	24,027	6,818	5,110,091
Year ended 30 June, 2008:						
Depreciation charge	0	73,680	565	6,007	1,364	81,616
Net book value as at June 30, 2008	3,600,000	1,399,918	5,083	18,020	5,454	5,028,475
Year ended 30 June, 2009:						
Depreciation charge	0	69,996	508	4,505	1,091	76,100
Net book value as at June 30, 2009	3,600,000	1,329,922	4,575	13,515	4,363	4,952,375
As at 30 June, 2008						
Cost	3,600,000	4,005,220	27,942	180,000	420,500	8,233,662
Accumulated depreciation	0	2,605,302	22,859	161,980	415,046	3,205,187
Book value	3,600,000	1,399,918	5,083	18,020	5,454	5,028,475
As at 30 June, 2009						
Cost	3,600,000	4,005,220	27,942	180,000	420,500	8,233,662
Accumulated depreciation	0	2,675,298	23,367	166,485	416,137	3,281,287
Book value	3,600,000	1,329,922	4,575	13,515	4,363	4,952,375
Depreciation rate (%)	0	5	10	25	20	

13. INVESTMENT PROPERTY

PARTICULARS	Cost as at 30 June, 2009	DEPRECIATION				BOOK VALUE AS AT 30 JUNE, 2009
		Rate %	Upto 30 June, 2008	For the year	To 30 June, 2009	
	Rupees		------------- Rupees -------------			
Freehold land	1,511,350	-	0	0	0	1,511,350
Building on freehold land	1,500,000	5	948,119	27,594	975,713	524,287
2009: Rupees	**3,011,350**		**948,119**	**27,594**	**975,713**	**2,035,637**
2008: Rupees	3,011,350		919,073	29,046	948,119	2,063,231

13.1 Fair value of the investment property, based on the management's estimation, as at 30 June, 2009 is Rs.50.300 million.

14. LONG TERM INVESTMENTS

	Note	2009 Rupees	2008 Rupees *Restated*
Associated Companies:			
Quoted:			
The Premier Sugar Mills and Distillery Company Ltd.(PSM)			
400,000 ordinary shares of Rs.10 each - cost		**8,800,000**	8,800,000
Equity held 10.67% (2008:10.67%)			
Add: proportion of net assets of PSM		**98,980,971**	83,320,221
		107,780,971	92,120,221
Un-quoted:			
Premier Board Mills Ltd. (PBML)			
600,000 ordinary shares of Rs.10 each received as dividend from The Premier Sugar Mills and Distillery Company Ltd. - accounted for at face value		**6,000,000**	6,000,000
Equity held 10.63% (2008:10.63%)			
Add: proportion of net assets of PBML		**17,494,774**	14,061,514
		23,494,774	20,061,514
		131,275,745	112,181,735
Others - Quoted			
Available for sale			
Ibrahim Fibres Ltd.			
9,750 ordinary shares of Rs.10 each		**136,538**	136,538
Add: adjustment arising from measurement to fair value		**154,109**	375,337
		290,647	511,875
Held to maturity			
Bank Al-Habib Ltd. - term finance certificates	**14.1**	**8,719,277**	8,722,771
		140,285,669	121,416,381

14.1 The Company had made investment in the redeemable capital of Bank Al-Habib Limited by purchasing 16 Term Finance Certificates (TFCs) having a total face value of Rs.8,735,000. These TFCs are redeemable in 16 half-yearly instalments commencing from January, 2005 and ending on July, 2012; first 13 instalments are of Rs.1,747 each whereas the last three instalments are of Rs.2,904,096. The expected rate of profit is base rate plus 1.50% with a floor of 3.50% and cap of 10.00%.

14.2 Fair value of investments in PSM as at 30 June, 2009 was Rs.14.072 million (2008: Rs.23.564 million).

14.3 Summarised financial statements of PSM based on reviewed condensed interim financial statement for the half year ended 31 March were as follows:

	2009	2008
	Rupees in thousand	
- total assets as at 31 March,	**1,801,984**	1,131,663
- total liabilities as at 31 March,	**393,067**	202,563
- revenue for the half year ended 31 March,	**254,121**	212,720
- profit / (loss) after taxation for half year ended 31 March,	**63,345**	(28,894)

14.4 Summarised financial statements of PBML based on annual audited financial statement for the year ended 30 June were as follows:

	2009	2008
- total assets as at 30 June,	**228,384**	189,633
- total liabilities as at 30 June,	**7,360**	907
- revenue for the year ended 30 June,	**46,894**	24,866
- profit after taxation for year ended 30 June,	**40,174**	24,632

15. LOAN TO AN ASSOCIATED COMPANY

This loan has been advanced to Chashma Sugar Mills Limited - an Associated Company on the approval of members through special resolution dated 13 May,2008 for a tenor of 6 years. It is repayable in 8 equal half yearly instalments after the grace period of 2 years. It carries mark up at the rate of 1 month KIBOR plus 1.25%. The effective mark-up rate charged by the Company during the current financial year ranged between 12.39% to 15.85% (2008:11.23% to 13.66%) per annum.

16. ACCRUED PROFIT AND MARK-UP

This includes Rs.7.024 million (2008: Rs.0.744 million) due from Chashma Sugar Mills Ltd. (an Associated Company).

17. INVESTMENTS - At fair value through profit or loss

	2009 Rupees	2008 Rupees
MCB Dynamic Cash Fund		
131,520.5072 units (2008:123,544.7079 Units) - Cost	**13,000,000**	13,000,000
Adjustment arising from measurement to fair value	**519,072**	152,051
	13,519,072	13,152,051
Less: units en-cashed during the year	**(13,519,072)**	0
	0	13,152,051

18. BANK BALANCES

	Note	2009 Rupees	2008 Rupees
Cash at banks on:			
- current accounts		**237,298**	193,496
- deposit accounts	18.1	**13,471,501**	1,769,845
		13,708,799	1,963,341

18.1 These carry profit at the rates ranging from 5.5% to 13.50% per annum.

19. INCOME

		2009 Rupees	2008 Rupees
Interest / profit on deposit accounts		**1,306,492**	2,371,776
Interest on loan to Chashma Sugar Mills Limited (an Associated Company)		**7,280,309**	743,934
Fair value adjustment of MCB Dynamic cash fund		**367,021**	152,051
Profit on MCB Dynamic cash fund		**0**	3,727,739
Profit on Term Finance Certificates		**870,921**	838,454
Dividends		**14,625**	0
Rent		**0**	160,325
		9,839,368	7,994,279

20. OPERATING AND GENERAL EXPENSES

		2009 Rupees	2008 Rupees
Salaries and allowances		**2,142,660**	2,022,015
Printing and stationery		**90,566**	78,736
Travelling and conveyance		**39,990**	114,212
Communication		**58,526**	55,926
Utilities		**83,173**	85,726
Rent, rates and taxes		**49,771**	97,089
Vehicles' running		**16,568**	21,434
Subscription		**41,903**	42,782
Advertisement		**29,800**	81,588
Entertainment		**100,330**	55,481
Repair and maintenance		**285,950**	136,086
Insurance		**38,168**	18,391
Depreciation on property, plant and equipment		**76,100**	81,616
Depreciation on investment property		**27,594**	29,046
Auditors' remuneration:			
-statutory audit		**75,000**	75,000
-half yearly review		**50,000**	50,000
-consultation and Certification charges		**25,000**	25,000
-out-of-pocket expenses		**10,000**	10,000
		160,000	160,000
Legal and professional charges (other than Auditors')		**69,500**	49,000
Others		**33,406**	39,098
		3,344,005	3,168,226

21. BASIC EARNINGS PER SHARE

	2009 Rupees	2008 Rupees *Restated*
Profit after taxation attributable to ordinary shareholders	**17,923,473**	(3,857,947)
	Number	
Weighted average number of shares outstanding during the year	**4,000,000**	4,000,000
	Rupee	
Earnings / (loss) per share	**4.48**	(0.96)

21.1 There is no dilutive effect on the basic earnings per share of the Company.

22. REMUNERATION OF DIRECTORS AND EXECUTIVES

22.1 The Company has not paid any remuneration or meeting fee to any of its directors during the current and preceding years.

22.2 Salaries and benefits paid to key management personnel:

	2009 Rupees	2008 Rupees
Managerial remuneration	**1,281,000**	**1,293,478**
Medical and utility allowances	262,360	264,929
No. of person	1	1

23. FINANCIAL ASSETS AND LIABILITIES

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company’s risk management framework. The Board is also responsible for developing and monitoring the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

23.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties fail completely to perform as contracted. Out of the total financial assets of Rs. 81.105 million (2008: Rs. 75.508 million), the financial assets which are subject to credit risk amounted to Rs. 81.105 million (2008: Rs. 75.508 million).

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2009 Rupees	2008 Rupees
Long term investments	**9,009,924**	9,234,646
Loan to an Associated Company	**50,000,000**	50,000,000
Advance to employees	**663,700**	13,700
Accrued interest and profit	**7,722,190**	1,144,323
Investments	**0**	13,152,051
Bank Balances	**13,708,799**	1,963,341
	81,104,613	75,508,061

23.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. As at balance sheet date, accruals and other payables are the only financial liability of the Company that are due within next twelve months.

23.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

23.3.1 Currency risk

Foreign currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company believes that it is not exposed to major foreign exchange risk in this respect.

23.3.2 Interest rate risk

At the reporting date carrying amount of the interest rate profile of the Company's significant interest bearing financial assets was as follows:

Long term investment	**8,719,277**	8,722,771
Loan to an Associated Company	**50,000,000**	50,000,000
Bank balances	**13,471,501**	1,769,845
	72,190,778	60,492,616

The effective interest / mark-up / profit rates for the monetary financial assets are mentioned in respective notes to the financial statements.

23.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Company's investments in Units of mutual funds and ordinary shares of listed Companies. To manage its price risk arising from aforesaid investments, the Company diversifies its portfolio and continuously monitors developments in equity markets. In addition the Company actively monitors the key factors that affect stock price movement.

A 10% increase / decrease in redemption and share prices at year-end would have decreased / increased the Company's loss in case of fair value through profit and loss investments and increase / decrease unrealised gain / (loss) on measurement of investments in case of available for sale investments as follows:

	2009	2008
	Rupees	Rupees
Effect on profit and loss	**0**	15,205
Effect on equity	**29,065**	51,188
Effect on investments	**29,065**	66,393

The sensitivity analysis prepared is not necessarily indicative of the effects on equity and assets of the Company.

23.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. 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.

24. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may issue new shares.

25. DATE OF AUTHORISATION

These financial statements were authorised for issue on 25 September, 2009 by the board of directors of the Company.

26. FIGURES

- Figures in the financial statements have been rounded-off to the nearest Rupee except stated otherwise; and

- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangement or reclassification has been made in these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

ARPAK INTERNATIONAL INVESTMENTS LIMITED
20-A, Markaz F-7, Islamabad.

PROXY FORM

I...of..........................being a member of **Arpak International Investments Limited** and holding .... ordinary shares entitled to vote or votes hereby appoint..............................of..........................or failing him...of............................as my proxy, to vote for me and on my behalf at the Annual General Meeting of the Company to be held on 31 October, 2009 and at any adjournment thereof.

As witness my hand this ....day of 2009

Signed by the said
In the presence of

Address..............................
....
....

Revenue Stamp

Signature