

**Arpak
International
Investments
Limited**

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
31 MARCH, 2016**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Begum Laila Sarfaraz <i>Chief Executive</i>
	Mr. Aziz Sarfaraz Khan Mr. Abbas Sarfaraz Khan Ms. Zarmine Sarfaraz Ms. Najda Sarfaraz Mr. Iskander M. Khan Mr. Usman Salim Khan
COMPANY SECRETARY	Mr. Mujahid Bashir
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ullah Khan
HEAD OF INTERNAL AUDIT	Syed Naveed Ali
AUDITORS	ShineWing Hameed Chaudhri & Co., <i>Chartered Accountants</i>
LEGAL ADVISOR	Ms. Shazia Malik <i>Advocate</i>
SHARE REGISTRAR	Messers Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore Phone: 042-37235081 Fax: 042-37235083
BANKERS	Bank Al-Habib Limited The Bank of Khyber MCB 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

BRIEF REVIEW

The Interim Financial Statements of the Company of nine months for the period ended on 31 March, 2016 are presented to the shareholders in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance under Section 245 of the Companies Ordinance, 1984 and the listing regulations of Pakistan Stock Exchange.

OPERATIONS

The Company earned pre-tax profit of Rs. 1.004 million (31 March, 2015: Rs. 3.183 million) during the period. However, after incorporating the share of profit on investment in an associated undertaking, the Company's pre-tax profit was enhanced to Rs. 1.147 million for the period ended on 31 March, 2016.

INVESTMENTS

The Company has investment of Rs. 43.750 million in an Associated Company and Rs. 59.472 million in the Mutual Funds.

ACCOUNTING POLICIES

There has been no change in the accounting policies adopted for the preparation of the enclosed quarterly financial statements of the Company.

ON BEHALF OF THE BOARD



Islamabad
26 April, 2016

(BEGUM LAILA SARFARAZ)
CHIEF EXECUTIVE

ARPAK INTERNATIONAL

CONDENSED INTERIM BALANCE

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
Equity and Liabilities		
Share Capital and Reserves		
Authorised capital 5,000,000 ordinary shares of Rs.10 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid-up capital 4,000,000 ordinary shares of Rs.10 each issued for cash	40,000,000	40,000,000
Reserves	13,542,743	13,453,531
Unappropriated profit	194,884,670	197,957,667
	<u>248,427,413</u>	<u>251,411,198</u>
Deferred taxation	193,469	178,689
Current Liabilities		
Accruals and other payables	5,135,496	2,415,217
Taxation	734,612	726,458
	<u>5,870,108</u>	<u>3,141,675</u>
Contingencies and Commitments	5	-
	<u>254,490,990</u>	<u>254,731,562</u>

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


Chief Executive

INVESTMENTS LIMITED

SHEET AS AT 31 MARCH, 2016

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
Assets		
Non-current Assets		
Property, plant and equipment	4,546,129	4,583,595
Investment property	1,882,297	1,896,749
Long term investments	6 138,379,890	138,147,366
Loan to an Associated Company	43,750,000	43,750,000
	<u>188,558,316</u>	<u>188,377,710</u>
Current Assets		
Investments	7 59,472,831	0
Advance to employees - considered good	304,750	439,750
Accrued profit and mark-up	232,828	651,289
Prepayments	181,797	15,068
Advance income tax and tax deducted at source	2,185,188	806,528
Bank balances	3,555,280	64,441,217
	<u>65,932,674</u>	<u>66,353,852</u>
	<u>254,490,990</u>	<u>254,731,562</u>


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2016

	Quarter Ended		Cumulative	
	31 MARCH 2016	31 MARCH 2015	31 MARCH 2016	31 MARCH 2015
	-----Rupees-----			
Income	3,410,535	3,645,567	8,816,698	10,235,592
Operating and General Expenses	2,392,346	1,980,400	7,806,455	7,049,751
Operating Profit	1,018,189	1,665,167	1,010,243	3,185,841
Bank Charges	783	2,074	6,106	2,400
	1,017,406	1,663,093	1,004,137	3,183,441
Share of Profit/ (Loss) of Associated Companies--net of taxation	960,000	(1,668,494)	143,312	(5,940,558)
Profit / (Loss)- before taxation	1,977,406	(5,401)	1,147,449	(2,757,117)
Taxation- Current	(88,463)	96,508	220,446	518,283
Profit/ (Loss)- after taxation	2,065,869	(101,909)	927,003	(3,275,400)
Earnings / (Loss) per Share	0.52	(0.03)	0.23	(0.82)

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


Chief Executive


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2016

	Quarter Ended		Nine Months ended	
	31 MARCH 2016	31 MARCH 2015	31 MARCH 2016	31 MARCH 2015
	-----Rupees-----			
Profit/ (Loss) after taxation	2,065,869	(101,909)	927,003	(3,275,400)
Other Comprehensive Income				
Fair value (loss)/gain on re-measurement of available-for-sale investments	239,364	(143,326)	(89,212)	(109,884)
Total Comprehensive Income for the Period	2,305,233	(245,235)	837,791	(3,385,284)

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


Chief Executive


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH, 2016

	31 MARCH 2016 Rupees	31 MARCH 2015 Rupees
Cash flow from operating activities		
Profit for the quarter - before taxation and share of profit of Associated Companies	1,004,137	3,183,441
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	37,466	39,608
Depreciation on investment property	14,452	15,213
Mark-up on loan to an Associated Company	(2,605,539)	(3,098,799)
Profit on term finance certificates/deposits	(891,893)	
Capital gain on investments through profit or loss		
Fair value gain on measurement of investments	(1,472,831)	(1,281,297)
Loss before working capital changes	(3,914,208)	(1,141,834)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Short term Investments - net	(58,000,000.00)	(2,838,216)
Advance to employees	135,000	(60,000)
Prepayments	(166,729)	(27,510)
Increase / (decrease) in accruals and other payables	2,720,279	1,933,463
	(55,311,450)	(992,263)
Cash used in operating activities	(59,225,658)	(2,134,097)
Income tax paid	(1,576,172)	(469,401)
Net cash used in operating activities	(60,801,830)	(2,603,498)
Cash flow from investing activities		
Markup received on loan to an Associated Company	3,915,893	5,800,000
Net cash generated from investing activities	3,915,893	5,800,000
Net cash generated from Financial activities		
Dividend paid	(4,000,000)	0
Net increase / (decrease) in cash and cash equivalents	(60,885,937)	3,196,502
Cash and cash equivalents - at beginning of the period	64,441,217	116,208
Cash and cash equivalents - at end of the period	3,555,280	3,312,710

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


Chief Executive


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH, 2016

	Reserves					
	Share capital	Capital reserve	General reserve	Unrealised gain on long term investments		
----- Rupees -----						
Balance as at June 30, 2014	40,000,000	7,440,781	5,400,000	564,097	188,546,584	241,951,462
Total comprehensive income (loss) for the nine months ended March 31, 2014						
Profit for the period	-	-	-	-	0	0
Other comprehensive income	-	-	-	(109,884)	- 3,275,400	(3,385,284)
	-	-	-	109,884	(3,275,400)	- 3,385,284
Effect of items directly credited to equity by an Associated Company	-	-	-	-	2,198,689	2,198,689
Balance as at March 31, 2015	40,000,000	7,440,781	5,400,000	454,213	187,469,873	240,764,867
Balance as at June 30, 2015	40,000,000	7,440,781	5,400,000	612,750	197,957,667	251,411,198
Final cash dividend for the year ended 30 Jun 2015 at the rate Re.1 per share					(4,000,000)	(4,000,000)
Total comprehensive Income for the quarter	0	0	0	89,212	927,003	1,016,215
Effects of items directly credited in equity by Associated Companies						
Balance as at March, 2016	40,000,000	7,440,781	5,400,000	701,962	194,884,670	248,427,413

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


Chief Executive


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Arpak International Investments Limited (the Company) was incorporated in Pakistan on July 26, 1977 as a Public Company and its shares are quoted on Pakistan Stock Exchange. 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 This condensed interim financial information of the Company for the quarter ended 31 March, 2016 is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984 (the Ordinance) and the listing regulations of Lahore and Karachi stock exchanges. This condensed interim financial information has been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting) and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

2.2 This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended 30 June, 2015.

2.3 This condensed interim financial information is presented in Pak Rupee, which is the functional currency of the Company. All the financial information presented in Pak Rupee has been rounded-off to the nearest Rupee except stated otherwise.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation followed in preparation of this condensed interim financial information are the same as those applied in preparation of the audited annual financial statements of the Company for the year ended 30 June, 2015.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements for the year ended June 30, 2015.

5. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at 31 March, 2016 and June 30, 2015.

6. LONG TERM INVESTMENTS

Un-audited Audited
March 31, June 30,
2016 2015
----- Rupees -----

Associated Companies

Quoted:

The Premier Sugar Mills and Distillery Company Ltd. (PSM)

400,000 ordinary shares of Rs.10 each - cost
Equity held 10.67% (30 June, 2015:10.67%)
Post acquisition profit brought forward including
effect of items directly credited in equity by PSM
Loss for the period / year - net of taxation

8,800,000	8,800,000
74,708,275	75,454,444
143,312	(746,169)
83,651,587	83,508,275

Un-quoted:

Premier Board Mills Ltd. (PBML)

600,000 ordinary shares of Rs.10 each received as
dividend from PSM - accounted for at face value
Equity held 10.63% (30 June, 2015:10.63%)
Post acquisition profit brought forward including
effect of items directly credited in equity / other
comprehensive income by PBML
Loss for the period / year - net of taxation

6,000,000	6,000,000
47,889,803	44,318,757
-	3,571,046
53,889,803	53,889,803

Others - Quoted (Available for sale)

Ibrahim Fibres Ltd.

9,750 ordinary shares of Rs.10 each - cost
Add: adjustment on re-measurement to fair value

136,538	136,538
701,962	612,750
838,500	749,288
138,379,890	138,147,366

7. SHORT TERM INVESTMENTS

- At fair value through profit or loss

Un-audited Audited
March 31, June 30,
2016 2015
----- Rupees -----

Habib Asset Management Ltd.

565,166.71 (30 June, 2015 : 0) Units - cost
Adjustment on re-measurement to fair value

58,000,000	0
1,472,831	0
59,472,831	0

8. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since June 30, 2015. There have been no change in risk management objectives and policies of the Company during the period.

This condensed interim financial information does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2015.

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 26 April, 2016.

10. CORRESPONDING FIGURES

- Corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended 30 June, 2015 and corresponding figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period of the immediately preceding financial year, i.e. quarter ended 31 March, 2016. In addition, corresponding figures in the condensed interim profit and loss account and condensed interim statement of comprehensive income also include balances of the nine months period ended 31 March, 2016.
- Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements / re-classifications have been made in this condensed interim financial information.


Chief Executive


Director