

**Arpak
International
Investments
Limited**

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
31 MARCH, 2014**

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
BOARD AUDIT COMMITTEE	Mr. Aziz Sarfaraz Khan <i>Chairman</i> Mr. Abbas Sarfaraz Khan <i>Member</i> Mr. Iskander M. Khan <i>Member</i>
COMPANY SECRETARY	Mr. Mujahid Bashir
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ullah Khan
AUDITORS	Messers Hameed Chaudhri & Co., <i>Chartered Accountants</i>
TAX CONSULTANTS	Messers BDO Ibrahim & Co., <i>Chartered Accountants</i>
LEGAL ADVISOR	Mr. Ishtiaq Ahmad <i>Advocate</i>
SHARE REGISTRAR	Messers Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore
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 for the period ended on 31 March, 2014 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 the Lahore and Karachi Stock Exchanges.

OPERATIONS

The Company earned pre-tax profit of Rs. 5.054 million (31 March, 2013: Rs. 3.824 million) during the period. However, after incorporating the share of loss on investment in an associated undertaking, the Company's pre-tax profit declined to Rs. 3.690 million for the period ended on 31 March, 2014.

INVESTMENTS

The Company has investment of Rs. 43.750 million in an Associated Company and Rs. 57.009 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
28 April, 2014

(**BEGUM LAILA SARFARAZ**)
CHIEF EXECUTIVE

ARPAK INTERNATIONAL

CONDENSED INTERIM BALANCE

Note	Un-audited 31 March, 2014 Rupees	Audited 30 June, 2013 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	13,493,993	13,211,243
Unappropriated profit	186,093,330	182,493,263
	<u>239,587,323</u>	<u>235,704,506</u>
DEFERRED TAXATION	188,527	176,130
CURRENT LIABILITIES		
Accruals and other payables	2,206,583	2,132,800
Taxation	116,636	303,199
	<u>2,323,219</u>	<u>2,435,999</u>
CONTINGENCIES AND COMMITMENTS		
5	<u>242,099,069</u>	<u>238,316,635</u>

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive

INVESTMENTS LIMITED

SHEET AS AT 31 MARCH, 2014

Note	Un-audited 31 March, 2014 Rupees	Audited 30 June, 2013 Rupees
ASSETS		
NON-CURRENT ASSETS		
Property & Equipment	4,650,378	4,692,294
Investment property	1,922,371	1,938,385
Long term investments	6 129,578,116	130,621,144
Loan to an Associated Company	43,750,000	31,250,000
	<u>179,900,865</u>	<u>168,501,823</u>
CURRENT ASSETS		
Investments	7 57,008,578	51,313,746
Current Portion of non- current assets	0	12,500,000
Advances to employees - considered good	309,750	9,750
Accrued profit and mark-up	1,106,660	2,029,996
Prepayments	65,983	0
Advance income tax and tax deducted at source	665,291	360,298
Bank balances	3,041,942	3,601,022
	<u>62,198,204</u>	<u>69,814,812</u>
	<u>242,099,069</u>	<u>238,316,635</u>


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2014

	Quarter ended		Cumulative	
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
	----- Rupees -----			
INCOME	3,898,293	3,547,979	10,659,626	9,923,297
OPERATING AND GENERAL EXPENSES	1,657,958	1,794,720	5,603,391	6,096,454
OPERATING PROFIT	2,240,335	1,753,259	5,056,235	3,826,843
BANK CHARGES	1,106	640	2,357	2,626
	2,239,229	1,752,619	5,053,878	3,824,217
SHARE OF (LOSS) / PROFIT OF ASSOCIATED COMPANIES	6 (598,884)	215,052	(1,363,733)	(11,071,469)
PROFIT/(LOSS) BEFORE TAXATION	1,640,345	1,967,671	3,690,145	(7,247,252)
TAXATION				
Current	116,636	330,925	116,636	407,846
Prior year	1,021	0	2,971	0
Deferred	12,397	5,638	8,426	5,638
	130,054	336,563	128,033	413,484
PROFIT/(LOSS) AFTER TAXATION	1,510,291	1,631,108	3,562,112	(7,660,736)
EARNINGS/(LOSS) PER SHARE	0.38	0.41	0.89	(1.92)

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2014

	Quarter ended		Nine Months ended	
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
	----- Rupees -----			
PROFIT/(LOSS) AFTER TAXATION	1,510,291	1,631,108	3,562,112	(7,660,736)
OTHER COMPREHENSIVE INCOME:				
Fair value gain on re-measurement of available-for-sale investments	107,250	(29,250)	282,750	(29,543)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	1,617,541	1,601,858	3,844,862	(7,690,279)

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH, 2014

	Nine months ended	
	31 March, 2014 Rupees	31 March, 2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation and share of profit of Associated Companies and impairment loss against long term investments	5,053,878	3,824,217
Adjustments for non-cash charges and other items:		
Depreciation on property & equipment	41,916	44,413
Depreciation on investment property	16,014	16,857
Mark-up on loan to an Associated Company	(3,576,664)	(4,245,704)
Profit / interest accrued	0	0
Fair value gain on re-measurement of investments	1,161,460	(902,951)
CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	2,696,604	(1,263,168)
(Increase) / decrease in current assets:		
Investments - net	(6,856,292)	(7,655,038)
Advances to employees	(300,000)	0
Prepayments	(65,983)	1,813
Increase / (decrease) in accruals and other payables	73,783	1,044,276
	(7,148,492)	(6,608,949)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
- Before taxation	(4,451,888)	(7,872,117)
Income tax paid	(607,192)	(342,926)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
- After taxation	(5,059,080)	(8,215,043)
NET CASH FLOW FROM INVESTING ACTIVITIES		
Profit/ Mark-up received	4,500,000	3,775,584
Loan to an associated company---received back	0	1,858,082
Proceeds from held-to-maturity investment	0	3,048,879
	4,500,000	8,682,545
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(559,080)	467,502
CASH AND CASH EQUIVALENTS - At beginning of the period	3,601,022	518,853
CASH AND CASH EQUIVALENTS - At end of the period	3,041,942	986,355

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH, 2014

	Share capital	Capital reserve	General reserve	Unrealised gain on long term investments	Unappropriated profit	Total
	Rupees					
Balance as at 30 June, 2012	40,000,000	7,440,782	5,400,000	351,255	189,193,526	242,385,563
Total comprehensive income / (loss) for the Nine Months period ended 31 March, 2013	0	0	0	(29,543)	(7,660,736)	(7,690,279)
Effect of items directly credited to equity by an Associated Company	0	0	0	0	22,938	22,938
Balance as at 31 March, 2013	40,000,000	7,440,782	5,400,000	321,712	181,555,728	234,718,222
Balance as at 30 June, 2013	40,000,000	7,440,781	5,400,000	370,462	182,493,263	235,704,506
Total comprehensive income / for the Nine Months period ended 31 March, 2014	0	0	0	282,750	3,562,112	3,844,862
Effect of items directly credited to equity by an Associated Company	0	0	0	0	37,955	37,955
Balance as at 31 March, 2014	40,000,000	7,440,781	5,400,000	653,212	186,093,330	239,587,323

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive


Director

ARPAK INTERNATIONAL INVESTMENTS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH, 2014

1. CORPORATE INFORMATION

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 This condensed interim financial information of the Company for the quarter ended 31 March, 2014 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, 2013.

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, 2013.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information requires management to make judgments, 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 judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual audited financial statements for the year ended 30 June, 2013.

5. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at 31 March, 2014 and 30 June, 2013.

6. LONG TERM INVESTMENTS

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, 2013:10.67%)
 Post acquisition profit brought forward including effect of items directly credited in equity by PSM
 Loss for the period / year - net of taxation

Un-audited Quarter ended 31 March, 2014 Rupees	Audited Year ended 30 June, 2013 Rupees
8,800,000	8,800,000
72,911,906 (1,363,733)	90,326,776 (17,452,825)
80,348,173	81,673,951

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
 Equity held 10.63% (30 June, 2013:10.63%)
 Post acquisition profit brought forward including effect of items directly credited in equity / other comprehensive income by PBML
 Profit for the period / year - net of taxation

6,000,000	6,000,000
42,440,193 0	40,596,540 1,843,653
48,440,193	48,440,193
128,788,366	130,114,144

Others - Quoted

Available for sale

Ibrahim Fibres Ltd.

9,750 ordinary shares of Rs.10 each - cost

Add: adjustment arising from re-measurement to fair value

136,538	136,538
653,212	370,462
789,750	507,000
129,578,116	130,621,144

7. INVESTMENTS - At fair value through profit or loss

MCB Cash Management Optimizer

52,272 (30 June, 2013:332,902 units)

Adjustment arising from re-measurement to fair value

37,509,528	26,234,592
778,620	7,398,623
38,288,148	33,633,215

Askari Sovereign Cash Fund

185,494 (30 June, 2013:175,657 Units - cost)

Adjustment arising from re-measurement to fair value

18,337,590	15,000,000
382,840	2,680,531
18,720,430	17,680,531
57,008,578	51,313,746

8. FINANCIAL RISK MANAGEMENT

This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June, 2013. The Company's activities expose it to a variety of financial risks, which are credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). There has been no change in the Company's sensitivity to these risks since 30 June, 2013 except for general exposure due to fluctuations in interest rates. There have been no changes in risk management objectives and policies of the Company during the period.

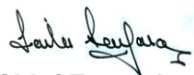
The Company's investments in equity instruments of a listed Company are measured at fair value and are placed at level 1 in the fair value measurement hierarchy due to reason that they are tradable at a quoted price in the active market. The Company's investments in units of Mutual Funds are measured at fair value using period-end Net Assets Value as computed by the respective Assets Management Companies and are placed at level 2 of fair value measurement hierarchy. There were no significant change in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. No reclassifications in the categories of financial assets have been made since 30 June, 2013.

9. DATE OF AUTHORISATION FOR ISSUE

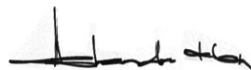
This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 28 April, 2014.

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, 2013 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, 2013. 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, 2014.
- 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