

**Arpak
International
Investments
Limited**

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED
MARCH 31, 2018**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Abbas Sarfaraz Khan Chief Executive Begum Laila Sarfaraz Chairperson Mr. Aziz Sarfaraz Khan Ms. Zarmine Sarfaraz Ms. Najda Sarfaraz Mr. Iskander M. Khan Mr. Usman Salim Khan
AUDIT COMMITTEE	Mr. Usman Salim Khan Chairman Mr. Aziz Sarfaraz Khan Member Ms. Zarmine Sarfaraz Member Mr. Mujahid Bashir Secretary
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ullah Khan
COMPANY SECRETARY	Mr. Mujahid Bashir
AUDITORS	M/s. ShineWing Hameed Chaudhri & Co., <i>Chartered Accountants</i>
LEGAL ADVISOR	Ms. Shazia Malik <i>Advocate</i>
SHARE REGISTRAR	M/s. Hameed Majeed Associates (Pvt.) Ltd, H.M. House, 7-Bank Square, Lahore. Phone No.: 042-37235081 Fax No.: 042-37235083
BANKERS	Bank Al-Habib Limited 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 Board of Directors of Arpak International Investments Limited takes pleasure in presenting the review on the operational and financial performance of the Company for the nine months period ended March 31, 2018.

OPERATIONS

During the period under review, the Company suffered pre-tax loss of Rs. 1.184 million (March 31, 2017: Rs. 7.748 million) and after incorporating the share of loss of the associated undertakings, the Company's pre-tax loss has been reflected to Rs. 42.027 million for the period.

INVESTMENTS

The Company has investments of Rs. 43.750 million in an associated Company and Rs. 39.259 million in mutual funds. The management has invested prudently to ensure appropriate returns on available 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
April 27, 2018

(ABBAS SARFARAZ KHAN)
CHIEF EXECUTIVE

مختصر جائزہ

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ کے 31 مارچ 2018 کو ختم ہونے والی تیسری سہ ماہی کی اختتامی مدت پر کمپنی کے ڈائریکٹرز غیر آڈٹ شدہ کنڈنڈ عبوری مالیاتی معلومات حصص داروں کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریٹنگ کا جائزہ

کمپنی کو ٹیکس کی ادائیگی سے پہلے 1.184 ملین روپے نقصان ہوا (31 مارچ 2017: 7.748 ملین) تاہم منسلک کمپنیوں کے نقصان کا حصہ شامل کرنے کے بعد کمپنی کا ٹیکس ادائیگی سے پہلے نقصان 42.027 ملین روپے تک بڑھ گیا۔

انوسٹمنٹس

کمپنی نے ایسوسی ایٹڈ کمپنی میں 43.750 ملین روپے اور باہمی (میوچیول) فنڈز میں 39.259 ملین روپے کی سرمایہ کاری کر رکھی ہے۔ انتظامیہ نے دستیاب فنڈز پر مناسب ریٹرن حاصل کرنے کے لیے بڑے سوچ بچار کے بعد سرمایہ کاری کی ہوئی ہے۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی تیسری سہ ماہی مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سہ ماہی مالیاتی معاملات میں اپنائی گئی تھی۔

منجانب بورڈ



مردان

عباس سرفراز خان

بتاریخ: 27 اپریل 2018

چیف ایگزیکٹو آفیسر

ARPAK INTERNATIONAL INVESTMENTS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

	Un-audited March 31, 2018	Audited June 30, 2017
Note	Rupees	Rupees
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	40,000,000	40,000,000
Reserves	12,347,365	13,171,048
Unappropriated profit	215,359,266	247,478,053
	267,706,631	300,649,101
Deferred taxation	181,429	183,496
Current Liabilities		
Accruals and other payables	1,793,349	3,730,979
Taxation	978,592	1,996,478
	2,771,941	5,727,457
Contingencies and Commitments	6	
	270,660,001	306,560,054
Assets		
Non-current Assets		
Property, plant and equipment	4,553,024	4,606,503
Investment property	7 1,846,130	1,859,173
Long term investments	8 177,228,750	207,999,769
Loan to an Associated Company	9 43,750,000	43,750,000
	227,377,904	258,215,445
Current Assets		
Short term investment	10 39,258,954	42,124,347
Advance to employees - considered good	222,518	169,750
Other receivables	2,190,294	-
Accrued profit and mark-up	856,852	1,024,894
Prepayments	115,735	14,210
Advance income tax and tax deducted at source	223,679	2,166,003
Bank balances	414,065	2,845,405
	43,282,097	48,344,609
	270,660,001	306,560,054

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2018

	Quarter ended		Nine months ended	
	March 31 2018	March 31 2017	March 31 2018	March 31 2017
	-----Rupees-----			
Income	2,800,972	3,292,787	8,303,078	8,921,474
Operating and general expenses	(2,511,974)	(10,537,513)	(9,491,738)	(16,660,702)
Operating profit/(loss)	288,998	(7,244,726)	(1,188,660)	(7,739,228)
Bank charges	(1,848)	(5,163)	(6,461)	(9,712)
Share of loss of Associated Companies--net of taxation	287,150	(7,249,889)	(1,195,121)	(7,748,940)
Loss before taxation	(25,062,909)	(9,452,125)	(42,038,817)	(17,337,983)
Taxation	(344,302)	(407,619)	(976,330)	(937,725)
Loss after taxation	(25,407,211)	(9,859,744)	(43,015,147)	(18,275,708)
Loss per Share	(6.35)	(2.46)	(10.75)	(4.57)

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

 CHIEF EXECUTIVE  DIRECTOR  CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2018

	Quarter Ended		Nine months ended	
	March 31 2018	March 31 2017	March 31 2018	March 31 2017
	-----Rupees-----			
Loss after taxation	(25,410,211)	(1,789,595)	(43,015,147)	(18,275,708)
Other Comprehensive Income				
Items that may be reclassified subsequently to profit and loss:				
Fair value (loss)/gain on re-measurement of available-for-sale investments	(18,232)	107,249	(111,150)	217,620
Share of fair value (loss) / gain on remeasurement of available-for-sale investments of Associated Companies	(320,533)	151,680	(712,533)	534,293
	(338,765)	258,929	(823,683)	751,913
Total Comprehensive loss for the period	(25,748,976)	(1,530,666)	(43,838,830)	(17,523,795)

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

 CHIEF EXECUTIVE  DIRECTOR  CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	March 31 2018 Rupees	March 31 2017 Rupees
Cash flow from operating activities		
Loss for the period - before taxation and share of loss of Associated Companies	(1,195,121)	(7,748,940)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	53,480	61,465
Depreciation on investment property	13,043	13,730
Mark-up on loan to an Associated Company	(2,486,114)	(2,454,637)
Gain on sale of short term investment	(119,026)	(587,593)
Fair value gain on re-measurement of short term investment	(1,515,581)	(2,086,255)
Loss before working capital changes	(5,249,319)	(12,802,230)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Advance to employees - <i>considered good</i>	(52,768)	60,000
Prepayments	(101,525)	(106,752)
Other receivables	(2,190,294)	(79,507)
Increase / (decrease) in current Liabilities		
(Increase) / decrease in accruals and other payables	(1,937,630)	1,756,391
	(4,282,217)	1,630,132
Cash used in operating activities	(9,531,536)	(11,172,098)
Income tax paid	(53,960)	(967,092)
Net cash used in operating activities	(9,585,496)	(12,139,190)
Cash flow from investing activities		
Mark-up received on loan to an Associated Company	2,654,156	2,640,528
Purchase of property, plant and equipment	-	(57,550)
Short term investment	4,500,000	19,900,000
Net cash generated from investing activities	7,154,156	22,482,978
Net cash generated from Financial activities		
Net increase / (decrease) in cash and cash equivalents	(2,431,340)	4,343,788
Cash and cash equivalents - at beginning of the period	2,845,405	1,213,369
Cash and cash equivalents - at end of the period	414,065	5,557,157

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Reserves			Unappropriated profit	Total	
	Share capital	Capital reserve	General reserve			
			Unrealised gain/(loss) on available for sale investments			
	Rupees					
Balance as at July 01, 2016	40,000,000	7,440,781	5,400,000	416,092	256,024,859	309,281,732
Final cash dividend for the year ended June 30, 2016 at the rate Rs. 1.5 per share	0	0	0	0	(6,000,000)	(6,000,000)
Total comprehensive income/(loss) for the nine months ended March 31, 2017						
Loss for the period	0	0	0	0	(18,275,708)	(18,275,708)
Other comprehensive income	0	0	0	751,913	0	751,913
	0	0	0	751,913	(18,275,708)	(17,523,795)
Effect of items directly credited to equity by an Associated Company	0	0	0	0	5,986,003	5,986,003
Balance as at March 31, 2017	40,000,000	7,440,781	5,400,000	1,168,005	237,735,154	291,743,940
Balance as at July 01, 2017	40,000,000	7,440,781	5,400,000	330,267	247,478,053	300,649,101
Total comprehensive income/(loss) for the nine months ended March 31, 2018						
Loss for the period	0	0	0	0	(43,015,147)	(43,015,147)
Other comprehensive loss	0	0	0	(823,683)	0	(823,683)
	0	0	0	(823,683)	(43,015,147)	(43,838,830)
Effects of items directly credited in equity by Associated Companies	0	0	0	0	10,896,360	10,896,360
Balance as at March 31, 2018	40,000,000	7,440,781	5,400,000	(493,416)	215,359,266	267,706,631

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
SELECTED NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018

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 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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements for the year ended June 30, 2017.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2017.

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, 2017.

5. LONG TERM INVESTMENTS

	Un-audited	Audited
	March 31,	June 30,
	2018	2017
	----- Rupees -----	

Associated Companies:

Quoted:

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

Balance as at July 01,	148,973,459	143,164,638
Effect of items directly credited in equity / share of OCI	10,183,827	14,959,035
Share of after tax profit	(40,843,696)	(9,150,214)
	118,313,590	148,973,459

	Un-audited	Audited
	March 31,	June 30,
	2018	2017
	----- Rupees -----	

Un-quoted:

Premier Board Mills Ltd. (PBML)

Balance as at July 01,	58,356,972	56,821,192
Effect of items directly credited in equity / share of OCI	-	596,098
Share of after tax profit		
- current period / year	-	1,086,361
- adjustment for last year based on audited financial statements	-	(146,679)
	58,356,972	58,356,972

Carrying values of investments in PBML as at March 31, 2018 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates) due to non-availability of financial statements for the nine months ended March 31, 2018.

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
	421,650	532,800
	558,188	669,338
	177,228,750	207,999,769

6. LOAN TO AN ASSOCIATED COMPANY

All the term and conditions of the loan are same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2017.

7. SHORT TERM INVESTMENTS

- At fair value through profit or loss

First Habib Cash Fund

375,925 units (419,560 Units) - cost

Adjustment on re-measurement to fair value

	37,743,373	42,006,409
	1,515,581	117,938
	39,258,954	42,124,347

8. TAXATION - Net

Opening balance

Add: provision made / (reversed) during the year:

- current
- prior year

	978,593	1,996,478
	(196)	(90,347)
	978,397	1,906,131
	2,974,875	2,858,392

Less: adjusted against completed assessments

- tax deducted at source
- tax paid along with return

	1,996,478	861,914
	0	-

Closing balance

	978,397	1,996,478
--	----------------	------------------

9. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at March 31, 2018 and June 30, 2017.

10. TRANSACTIONS WITH RELATED PARTIES

10.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited	
		Nine months ended	
		March 31,	
		2018	2017
		---- Rupees ----	
Associated Company	Mark-up earned on loan to an Associated Company	2,486,114	1,645,190
Key management personnel	Remuneration and other benefits	3,177,900	1,926,000
		Un-audited	Audited
		March 31,	June 30,
		2018	2017
		---- Rupees ----	

10.2 Period / year end balances are as follows:

Investments	176,670,562	207,330,431
Loan to an Associated Company	43,750,000	43,750,000
Accrued Mark-up on loan to an Associated Company	856,852	1,024,894

11. 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, 2017. 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, 2017.

12. CORRESPONDING FIGURES

12.1 In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

13. GENERAL

13.1 This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 27, 2018.

13.2 Figures have been rounded off to the nearest rupee unless otherwise stated.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER