

**Arpak
International
Investments
Limited**

**CONDENSED INTERIM
FINANCIAL INFORMATION FOR
THE NINE MONTHS PERIOD ENDED
MARCH 31, 2019 (UN-AUDITED)**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Abbas Sarfaraz Khan Begum Laila Sarfaraz Mr. Aziz Sarfaraz Khan Ms. Zarmine Sarfaraz Ms. Najda Sarfaraz Mr. Iskander M. Khan Mr. Usman Salim Khan	Chief Executive Chairperson
AUDIT COMMITTEE	Mr. Usman Salim Khan Mr. Aziz Sarfaraz Khan Ms. Zarmine Sarfaraz Mr. Mujahid Bashir	Chairperson Member Member Secretary
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ullah Khan	
COMPANY SECRETARY	Mr. Mujahid Bashir	
HEAD OF INTERNAL AUDIT	Mr. Zaheer Mir	
AUDITORS	M/s. ShineWing Hameed Chaudhri & Co. Chartered Accountants	
LEGAL ADVISOR	Ms. Shazia Malik	Advocate
SHARE REGISTRAR	Messers Hameed Majeed Associates (Pvt.) Limited, 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

DIRECTOR'S REVIEW REPORT

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 third quarter and nine months period ended March 31, 2019.

OPERATIONS

During the period under review, the Company suffered pre-tax loss of Rs. 0.468 million (March 31, 2018: Rs. 1.195 million) and after incorporating the share of loss of the associated undertakings, the Company's pre-tax profit has been reflected to Rs. 7.921 million for the period.

INVESTMENTS

The Company has investments of Rs. 43.750 million in an associated Company and Rs. 33.214 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.

ACKNOWLEDGEMENT

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

ON BEHALF OF THE BOARD

Islamabad
April 26, 2019


(Abbas Sarfaraz Khan)
Chief Executive


(Iskander M. Khan)
Director

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ کے تیسری سہ ماہی کی اختتامی مدت پر کمپنی کے ڈائریکٹرز 31 مارچ 2019 کو ختم ہونے والے نو مہینوں کے غیر آڈٹ شدہ کنڈنڈ عبوری مالیاتی معلومات حصص داروں کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن

زیر جائزہ مدت کے دوران کمپنی کو ٹیکس کی ادائیگی سے پہلے 0.468 ملین روپے نقصان ہوا (31 مارچ 2018: 1.195 ملین) تاہم مشمل کمپنیوں کے نفع کا حصہ شامل کرنے کے بعد کمپنی کا ٹیکس ادائیگی سے پہلے منافع 7.921 ملین روپے تک بڑھ گیا۔

انوسٹمنٹس

کمپنی نے ایسوسی ایٹڈ کمپنی میں 43.750 ملین روپے اور باہمی (میوچرل) فنڈز میں 33.214 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۔

اعتراف

ڈائریکٹرز نے کمپنی کے لئے شاف کی محنت اور لگن کو سراہا ہے۔

منجانب بورڈ



اسلام احمد

بتاریخ: 26 اپریل 2019

اسکندر محمد خان

ڈائریکٹر



عباس مرقز خان

چیف ایگزیکٹو

ARPAK INTERNATIONAL INVESTMENTS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

Note	Un-audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
Assets		
Non-current Assets		
	4,571,342	4,637,553
	1,829,391	1,841,782
8	702,393,974	531,171,156
9	37,500,000	43,750,000
	746,294,707	581,400,491
Current Assets		
10	33,214,475	38,275,176
	929,750	174,750
	5,698	-
	2,452,660	860,098
	164,575	4,489
	1,539,505	1,180,178
9	6,250,000	
	7,003,805	4,603,157
	51,560,468	45,097,848
	797,855,175	626,498,339
Equity and Liabilities		
Share Capital and Reserves		
	50,000,000	50,000,000
	40,000,000	40,000,000
	11,355,161	11,624,596
	320,135,807	227,456,172
	419,434,402	342,015,413
	790,925,370	621,096,181
	173,273	184,652
Deferred taxation		
Current Liabilities		
	4,920,996	2,803,266
	806,081	1,022,223
7	1,029,455	1,392,017
	6,756,532	5,217,506
Contingencies and Commitments		
8		
	797,855,175	626,498,339

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 PERIOD ENDED MARCH 31, 2019

	Quarter ended		Nine months ended	
	March 31 2019	March 31 2018	March 31 2019	March 31 2018
	-----Rupees-----			
Income	3,636,608	2,800,972	10,141,832	8,303,078
Operating and general expenses	(2,585,701)	(2,511,974)	(10,600,106)	(9,491,738)
Operating profit/(loss)	1,050,907	288,998	(458,274)	(1,188,660)
Bank Charges	(5,606)	(1,848)	(9,749)	(6,461)
	1,045,301	287,150	(468,023)	(1,195,121)
Share of Profit / (loss) of Associated Companies--net of taxation	8,389,195	(25,350,059)	8,389,195	(40,843,696)
Profit / (loss) before taxation	9,434,496	(25,062,909)	7,921,172	(42,038,817)
Taxation	(362,535)	(344,302)	(928,640)	(976,330)
Profit / (loss) after taxation	9,071,961	(25,407,211)	6,992,532	(43,015,147)
Profit / (loss) per share	2.27	(6.35)	1.75	(10.75)

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 PERIOD ENDED MARCH 31, 2019

	Quarter Ended		Nine months ended	
	March 31 2019	March 31 2018	March 31 2019	March 31 2018
	-----Rupees-----			
Profit / (loss) after taxation	9,071,961	(25,407,211)	6,992,532	(43,015,147)
Other Comprehensive Income				
Items that may be reclassified subsequently to profit and loss:				
Fair value gain / (loss) on re-measurement of available-for-sale investments	92,918	(18,232)	0	(111,150)
Reclassification of gain on sale of available-for-sale investments	0		(10,448)	
Share of fair value gain / (loss) on remeasurement of available-for-sale investments of Associated Companies	133,013	(320,533)	(258,987)	(712,533)
	225,931	(338,765)	(269,435)	(823,683)
Items that will not be reclassified subsequently to statement of profit or loss:				
Share of surplus arisen on revaluation of property, plant and equipment carried out by an Associated Company	90,202,456	0	90,202,456	7,429,334
Total Comprehensive profit/(loss) for the period	99,500,348	(25,745,976)	96,925,533	(36,409,496)

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 QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019

	March 31 2019 Rupees	March 31 2018 Rupees
Cash flow from operating activities		
Loss for the period - before taxation and share of loss of Associated Companies	(468,023)	(1,195,121)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	66,211	53,480
Depreciation on investment property	12,391	13,043
Mark-up on loan to an Associated Company	(3,436,257)	(2,486,114)
Dividend Income	(3,991,115)	0
Gain / (loss) on sale of short term investment	277,285	(119,026)
Fair value gain / (loss) on re-measurement of short term investment	1,675,868	(1,515,581)
(Loss) / gain on sale of long term investments	(9,777)	0
Loss before working capital changes	(5,873,417)	(5,249,319)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Advance to employees - <i>considered good</i>	(755,000)	(52,768)
Prepayments	(160,086)	(101,525)
Other receivables	(5,698)	(2,190,294)
Increase / (decrease) in current Liabilities		
Accruals and other payables	2,117,730	(1,934,279)
Unclaimed dividend	(216,142)	(3,351)
	980,804	(4,282,217)
Cash used in operating activities	(4,892,613)	(9,531,536)
Income tax paid	(1,661,908)	(53,960)
Net cash used in operating activities	(6,554,521)	(9,585,496)
Cash flow from investing activities		
Mark-up received on loan to an Associated Company	1,843,695	2,654,156
Redemption of short term investment	6,500,000	4,500,000
Reinvestment of Short Term Investment	(3,392,451)	-
Dividend received	3,991,115	-
Proceeds from sale of long term investment	12,810	0
Net cash generated from investing activities	8,955,169	7,154,156
Net increase / (decrease) in cash and cash equivalents	2,400,648	(2,431,340)
Cash and cash equivalents - at beginning of the period	4,603,157	2,845,405
Cash and cash equivalents - at end of the period	7,003,805	414,065

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 QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Reserves			Unappropriated profit	Share of surplus on revaluation of property, plant and equipment of an Associated Company	Total
	Capital reserve	General reserve	Unrealised gain/(loss) on available for sale investments			
	Rupees					
Balance as at July 01, 2017 - restated	40,000,000	7,440,781	5,400,000	330,267	247,478,053	353,619,680
Total comprehensive income/(loss) for the nine months ended March 31, 2018	-	-	-	-	(43,015,147)	(43,015,147)
Loss for the period	-	-	-	(823,683)	-	7,429,334
Other comprehensive (loss)/income	-	-	-	(823,683)	(43,015,147)	(36,409,496)
Effect of items directly credited to equity by an Associated Company	-	-	-	-	10,896,360	10,896,360
Share of surplus on revaluation of property, plant and equipment realised during the period by an Associated Company on account of incremental depreciation and upon sale of revalued assets - (net of deferred taxation)	-	-	-	-	10,862,720	(10,862,720)
Balance as at March 31, 2018 - restated	40,000,000	7,440,781	5,400,000	(493,416)	226,221,986	350,186,294
Balance as at July 01, 2018	40,000,000	7,440,781	5,400,000	(1,216,185)	227,456,172	342,015,413
Total comprehensive income/(loss) for the nine months ended March 31, 2019	-	-	-	-	6,992,532	6,992,532
Profit for the period	-	-	-	(269,435)	-	90,202,456
Other comprehensive (loss)/income	-	-	-	(269,435)	6,992,532	90,202,456
Effects of items directly credited in equity by Associated Companies	-	-	-	-	72,903,636	72,903,636
Share of surplus on revaluation of property, plant and equipment realised during the period by an Associated Company on account of incremental depreciation and upon sale of revalued assets - (net of deferred taxation)	-	-	-	-	12,783,467	(12,783,467)
Balance as at March 31, 2019	40,000,000	7,440,781	5,400,000	(1,485,620)	320,135,807	419,434,402

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 QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019

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 Limited. 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

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues 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.

2.1.2 These condensed interim financial statements do not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2018. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.2 New standards, amendments to approved accounting standards and interpretations that are effective during the period

The new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on July 1, 2018 are considered not to be relevant or to have any significant effect on the Company's interim financial reporting and are, therefore, not detailed in these condensed interim financial statements.

2.3. 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, 2018.

3. 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, 2018.

4. LONG TERM INVESTMENTS

Un-audited
March 31,
2019
----- Rupees -----
Audited
June 30,
2018

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%	8,800,000	8,800,000
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by PSM	123,935,731	140,776,284
(Loss) / profit for the year - net of taxation	8,397,974	(30,421,548)
Share of other comprehensive income - net of taxation	85,428,116	13,580,995
Dividend received	-	-
Share of revaluation surplus on property, plant and equipment	419,434,402	342,015,413
	645,996,223	474,751,144

Un-quoted:

Premier Board Mills Ltd. (PBML)

600,000 ordinary shares of Rs.10 each		
Equity held: 10.63%	6,000,000	6,000,000
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by PBML	50,406,530	52,356,972
(Loss) / profit for the year - net of taxation	-	(1,932,277)
Share of other comprehensive (loss) / income - net of taxation	-	(18,165)
Adjustment of last year based on audited financial statements	(8,779)	-
	56,397,751	56,406,530

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.

214 ordinary shares of Rs.10 each - cost	-	3,034
Add: adjustment on re-measurement to fair value	-	10,448
	-	13,482
	702,393,974	531,171,156

5. LOAN TO AN ASSOCIATED COMPANY

The Company and Chashma Sugar Mills Ltd. (CSM) had entered into a loan agreement on May 20, 2008 whereby the Company has advanced amounts aggregating Rs.50 million to CSM. The loan carries mark-up at the rate of 1-Month KIBOR+1.25% per annum; effective mark-up rates charged by the Company, during the current period, ranged from 8.28% to 11.65% (June 30, 2018: 7.51% to 8.17%) per annum. As per the previous loan agreement, the loan was receivable in 8 equal half-yearly instalments which commenced from May, 2013. The Company and CSM, first in financial year ended June 30, 2014 and then again in financial year ended 2017, have entered into a revised agreement and changed the repayment terms. As per latest agreement this loan is now receivable in seven half-yearly instalments commencing November, 2019. The loan is secured against a promissory note of Rs.59 million.

6. SHORT TERM INVESTMENTS

This represents investment in 331,429 (June 30, 2018: 361,627) units of First Habib Cash Fund.

7. **TAXATION - Net**

Opening balance	1,996,478	952,261
Add: provision made / (reversed) during the period/year:		
- current	<u>1,029,456</u>	1,996,478
- prior year	<u>(89,437)</u>	(90,347)
	940,019	1,906,131
	2,936,497	2,858,392
Less: adjusted against completed assessments		
- tax deducted at source	1,996,478	861,914
- tax paid along with return	-	-
Closing balance	<u>940,019</u>	<u>1,996,478</u>

8. **CONTINGENCIES AND COMMITMENTS**

There was no known contingency and commitment outstanding as at March 31, 2019 and June 30, 2018.

9. **TRANSACTIONS WITH RELATED PARTIES**

9.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited Nine months ended March 31,	
		2019	2018
		---- Rupees ----	
Associated Company	Mark-up earned on loan to an Associated Company	3,436,257	2,486,114
Key management personnel	Remuneration and other benefits	4,554,969	3,177,900

9.2 Period / year end balances are as follows:

	---- Rupees ----	
Loan to an Associated Company	<u>43,750,000</u>	43,750,000
Accrued Mark-up on loan to an Associated Company	<u>2,452,660</u>	860,098

10. **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, 2018 There have been no change in risk management objectives and policies of the Company during the period.

These condensed interim financial statements 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, 2018.

11. **FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Given below is the analysis of financial instruments, carried at fair value, by valuation method. The different levels have been defined as follows:

Level:1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level:2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level:3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's investments in equity instruments of a listed Company have been measured at fair value using year-end quoted price. Fair value of these investments falls within level 1 of fair value hierarchy as mentioned above.

The Company's investment in Mutual Fund has been measured at fair value using period-end Net Assets Value as computed by the respective Assets Management Company. Fair value of these investments falls within level 2 of fair value hierarchy as mentioned above.

12. **CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2018, whereas, the condensed interim statement of profit or loss, the condensed interim statement of other comprehensive income, the condensed interim statement of cash flows and the condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the nine months period ended March 31, 2019.

13. **GENERAL**

13.1 This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 26, 2019.

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER