

**Arpak
International
Investments
Limited**

**QUARTERLY
FINANCIAL STATEMENTS
(UN-AUDITED)**

AS ON 30 SEPTEMBER, 2015

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. Abbas Sarfaraz Khan <i>Chairman</i> Mr. Aziz Sarfaraz Khan <i>Member</i> Mr. Iskander M. Khan <i>Member</i>
COMPANY SECRETARY	Mr. Mujahid Bashir
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ullah Khan
HEAD OF INTERNAL AUDIT	Syed Naveed Ali
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 1st quarter ended on 30 September, 2015 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. 236,441 (30 September, 2014: Rs. 1,398,809) during this quarter and after incorporating the share of profit of the associated undertakings, the Company earned pre-tax profit of Rs. 2,468,208 for the period.

INVESTMENTS

The Company has invested Rs. 43.750 in an associated Company. 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.



Islamabad
27 October, 2015

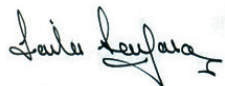
(Begum Laila Sarfaraz)
Chief Executive

ARPAK INTERNATIONAL

CONDENSED INTERIM BALANCE SHEET AS

	Un-audited 30 September 2015	Audited 30 June 2015
Note	Rupees	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	13,295,093	13,453,531
Unappropriated profit	<u>204,642,231</u>	<u>197,957,667</u>
	257,937,324	251,411,198
Deferred taxation	178,689	178,689
Current Liabilities		
Accruals and other payables	1,386,326	2,415,217
Taxation	791,415	726,458
	2,177,741	3,141,675
Contingencies and Commitments	6	
	<u>260,293,754</u>	<u>254,731,562</u>

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



CHIEF EXECUTIVE

4

INVESTMENTS LIMITED

AT 30 SEPTEMBER, 2015 (Un-audited)

	Un-audited 30 September 2015	Audited 30 June 2015
Note	Rupees	Rupees
Assets		
Non-current Assets		
Property, plant and equipment	4,571,107	4,583,595
Investment property	1,891,932	1,896,749
Long term investments	8 144,492,928	138,147,366
Loan to an Associated Company	9 <u>43,750,000</u>	<u>43,750,000</u>
	194,705,967.00	188,377,710
Advance to employees - considered good	404,750	439,750
Accrued profit and mark-up	1,732,231	651,289
Prepayments	281,562	15,068
Advance income tax and tax deducted at source	869,739	806,528
Bank balances	62,299,505	64,441,217
	65,587,787	66,353,852
	<u>260,293,754</u>	<u>254,731,562</u>



DIRECTOR

5

ARPAK INTERNATIONAL INVESTMENTS LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015**

	30 September 2015	30 September 2014
	-----Rupees-----	
Income	2,594,271	3,520,972
Operating and General Expenses	2,354,025	2,121,581
Operating Profit	240,246	1,399,391
Bank Charges	3,805	582
	236,441	1,398,809
Share of Profit / (Loss) of Associated Companies--net of taxation	2,231,767	(4,295,023)
Profit / (Loss) - before taxation	2,468,208	(2,896,214)
Taxation- Current	55,877	64,860
Profit / (Loss) - after taxation	2,412,331	(2,961,074)
Earning / (Loss) per Share	0.60	(0.74)

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



CHIEF EXECUTIVE



DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME(Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015**

	30 September 2015	30 September 2014
	-----Rupees-----	
Profit / (Loss) after taxation	2,412,331	(2,961,074)
Other Comprehensive Income		
Fair value (loss)/gain on re-measurement of available-for-sale investments	(158,438)	(94,770)
Total Comprehensive Income / (Loss) for the Year	2,253,893	(3,055,844)

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



CHIEF EXECUTIVE



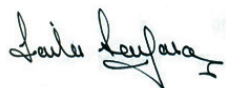
DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015

	30 September 2015 Rupees	30 September 2014 Rupees
Cash flow from operating activities		
Profit for the quarter - before taxation and share of profit of Associated Companies	236,441	1,398,809
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	12,488	13,203
Depreciation on investment property	4,817	5,071
Mark-up on loan to an Associated Company	(904,942)	(1,264,040)
Profit on term finance certificates/deposits	(591,378)	(3,401)
Fair value gain on measurement of investments	0	(1,255,394)
Loss before working capital changes	(1,242,574)	(1,105,752)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Investments - net	0	10,691
Advance to employees	35,000	0
Prepayments	(266,494)	(25,245)
Increase / (decrease) in accruals and other payables	(1,028,891)	(1,009,637)
	(1,260,385)	(1,024,191)
Cash used in operating activities	(2,502,959)	(2,129,943)
Income tax paid	(54,131)	(6,459)
Net cash used in operating activities	(2,557,090)	(2,136,402)
Cash flow from investing activities		
Mark-up received on loan to an Associated Company	415,378	2,503,401
Net increase / (decrease) in cash and cash equivalents	(2,141,712)	366,999
Cash and cash equivalents - at beginning of the period	64,441,217	116,208
Cash and cash equivalents - at end of the period	62,299,505	483,207

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 1ST QUARTER ENDED 30 SEPTEMBER, 2015

	Reserves					
	Share capital	Capital reserve	General reserve			
	R u p e e s					
Balance as at 30 June, 2014 - restated	40,000,000	7,440,781	5,400,000	564,097	187,341,817	240,746,695
Total Comprehensive loss for the period ended 30 September 2014	0	0	0	(94,770)	(2,961,074)	(3,055,844)
	0	0	0	0	9,671,023	9,671,023
Balance as at 30 September, 2014 (Un-audited)	40,000,000	7,440,781	5,400,000	469,327	194,051,766	247,361,874
Total comprehensive income for the year ended 30 June, 2015	0	0	0	48,653	6,086,467	6,135,120
Effects of items directly credited in equity by Associated Companies	0	0	0	0	4,529,383	4,529,383
Balance as at 30 June, 2015	40,000,000	7,440,781	5,400,000	612,750	197,957,667	251,411,198
Total comprehensive loss for the quarter	0	0	0	(158,438)	2,412,331	2,253,893
Effects of items directly credited in equity by Associated Companies	0	0	0	0	4,272,233	4,272,233
Balance as at 30 September, 2015	<u>40,000,000</u>	<u>7,440,781</u>	<u>5,400,000</u>	<u>454,312</u>	<u>204,642,231</u>	<u>257,937,324</u>

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



CHIEF EXECUTIVE



DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015

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

This condensed interim financial information of the Company for the quarter ended 30 September, 2015 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 (Interim Financial Reporting) and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where the requirements differ, the provisions of or directives issued under the Ordinance have been followed. These are required to be presented to the shareholders under section 245 of the Ordinance.

3. ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited financial statements for the year ended 30 June, 2015.

5. PRESENTATION

Figures in this condensed interim financial information have been rounded-off to the nearest Rupee.

6. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at 30 September, 2015 and 30 June, 2015.

7. INVESTMENT PROPERTY

Fair value of investment property, based on the management's estimation, as at 30 September, 2015 is Rs.13.90 million (30 June, 2015: Rs.13.90 million).

8. LONG TERM INVESTMENTS

Un-audited Quarter ended 30 September, 2015 Rupees	Audited Year ended 30 June, 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 / other
comprehensive income

Profit / (Loss) for the period / year net of taxation

8,800,000	8,800,000
77,686,211	75,454,444
3,526,064	(746,169)
90,012,275	83,508,275

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 2015:10.63%)

Post acquisition profit brought forward including
effect of items directly credited in equity / Other
Comprehensive Income

Add: Profit for the period / year-net of taxation

6,000,000	6,000,000
44,318,757	44,318,757
3,571,046	3,571,046
53,889,803	53,889,803
143,902,078	137,398,078

Others - Quoted

Available for sale

Ibrahim Fibres Ltd.

9,750 ordinary shares of Rs.10 each

Add: Adjustment arising from measurement to fair value

136,538	136,538
454,312	612,750
590,850	749,288
144,492,928	138,147,366

9. LOAN TO AN ASSOCIATED COMPANY

The Company and Chashma Sugar Mills Limited (CSM) have entered into a loan agreement on 20 May, 2008 whereby the company has advanced amounts aggregating Rs. 50 million to CSM. The loan carries mark -up at the rate on one month KIBOR plus 1.25% per annum. The effective mark-up rate by the Company during the period ranged from 8.08% to 11.62% (2014:10.26% to 11.63%) per annum. The loan is receivable in 7 equal installments commencing November, 2016 and is secured against a promissory note of Rs. 55.615 million.

10 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 27 October, 2015.

11 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', 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 the 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 comparative period as per the condensed interim financial information of the Company for the quarter ended 30 September, 2015. Corresponding figures have been re-arranged, whenever, necessary, for the purpose of comparison. However no significant re-arrangements have been made.



CHIEF EXECUTIVE



DIRECTOR