

**Arpak
International
Investments
Limited**

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2017
(UN-AUDITED)**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Abbas Sarfaraz Khan <i>Chief Executive</i> 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 <i>Chairman</i> Mr. Aziz Sarfaraz Khan <i>Member</i> Mr. Zarmine Sarfaraz <i>Member</i> Mr. Mujahid Bashir Secretary
COMPANY SECRETARY	Mr. Mujahid Bashir
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ullah Khan
HEAD OF INTERNAL AUDIT	Syed Naveed Ali
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.) 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

DIRECTORS' 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 three months period ended September 30, 2017.

OPERATIONS

During the period under review, the Company has incurred pre-tax loss of Rs 0.354 million (September 30, 2016: profit of Rs. 0.216 million). However, after incorporating the share of loss of associated companies, the Company's pre-tax loss has increased to Rs 3.727 million for the period.

INVESTMENTS

The Company has investments of Rs. 43.750 million in an associated Company and Rs. 42.690 million in mutual funds. The management has invested prudently to ensure appropriate returns on available funds.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this quarterly condensed interim financial information are the same as applied in the preparation of the preceding annual financial statements of the Company.

ACKNOWLEDGEMENT

The Directors appreciate the spirit of good work done by the Company's staff at all levels.

Islamabad
October 27, 2017


(Abbas Sarfaraz Khan)
Chief Executive

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017

	Un-audited September 30, 2017	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	13,411,978	13,171,048
Unappropriated profit	246,698,065	247,478,053
	300,110,043	300,649,101
Deferred taxation	182,807	183,496
Current Liabilities		
Accruals and other payables	2,287,162	3,730,979
Taxation	2,305,910	1,996,478
	4,593,072	5,727,457
Contingencies and Commitments	6	-
	304,885,922	306,560,054
Assets		
Non-current Assets		
Property, plant and equipment	4,588,677	4,606,503
Investment property	7 1,854,825	1,859,173
Long term investments	8 208,123,444	207,999,769
Loan to an Associated Company	9 43,750,000	43,750,000
	258,316,946	258,215,445
Current Assets		
Short term investment	10 42,689,956	42,124,347
Advance to employees - considered good	169,750	169,750
Accrued profit and mark-up	822,125	1,024,894
Prepayments	303,807	14,210
Advance income tax and tax deducted at source	2,176,150	2,166,003
Bank balances	407,190	2,845,405
	46,568,976	48,344,609
	304,885,922	306,560,054

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


CHIEF EXECUTIVE

4


DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	September 30, 2017	September 30, 2016
	-----Rupees-----	
Income	2,734,753	2,807,076
Operating and general expenses	3,086,718	2,588,689
Operating (loss)/profit	(351,965)	218,387
Bank charges	2,023	2,265
	(353,988)	216,122
Share of Loss of Associated Companies - net	(3,372,901)	(6,558,199)
Loss before taxation	(3,726,889)	(6,342,077)
Taxation	308,744	284,292
Loss after taxation	(4,035,633)	(6,626,369)
Loss per share	(1.01)	(1.66)

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


CHIEF EXECUTIVE

5


DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	September 30, 2017	September 30, 2016
	Rupees	Rupees
Loss after taxation	(4,035,633)	(6,626,369)
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	(5,363)	49,433
Share of fair value gain / (loss) on remeasurement of available-for-sale investments of Associated Companies	246,293	(139,947)
	240,930	(90,515)
Total Comprehensive Loss for the Period	(3,794,703)	(6,716,883)

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


CHIEF EXECUTIVE


DIRECTOR

6

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	September 30, 2017	September 30, 2016
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit for the quarter - before taxation and share of profit of Associated Companies	(353,988)	216,122
<i>Adjustments for non-cash charges and other items:</i>		
Depreciation on property, plant and equipment	17,827	19,875
Depreciation on investment property	4,348	4,577
Mark-up on loan to an Associated Company	(829,272)	(821,866)
Fair value gain on measurement of investments	-	(686,598)
Loss before working capital changes	(1,161,085)	(1,267,890)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Investments - net	(565,609)	1,406,804
Advance to employees	-	35,000
Prepayments	(289,597)	(327,308)
Increase / (decrease) in accruals and other payables	(1,443,818)	(1,369,484)
	(2,299,023)	(254,988)
Cash generated from / (used in) operations	(3,460,108)	(1,522,878)
Income tax paid	(10,148)	(8,429)
Net cash used in operating activities	(3,470,256)	(1,531,307)
CASH FLOW FROM INVESTING ACTIVITIES		
Mark-up received on loan to an Associated Company	1,032,041	890,528
Purchase of property, plant and equipment	-	(33,000)
Net cash generated from investing activities	1,032,041	857,528
Net increase / (decrease) in cash and cash equivalents	(2,438,215)	(673,779)
Cash and cash equivalents - at beginning of the period	2,845,405	1,213,369
Cash and cash equivalents - at end of the period	407,190	539,590

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


CHIEF EXECUTIVE


DIRECTOR

7

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Share capital	Reserves			Unappropriated profit	Total
		Capital reserve	General reserve	Unrealised gain on long term investments		
----- Rupees -----						
Balance as at June 30, 2016	40,000,000	7,440,781	5,400,000	(1,226,646)	257,667,597	309,281,732
Total Comprehensive Loss for the quarter ended September 30, 2016	-	-	-	(90,515)	(6,626,369)	(6,716,883)
Effects of items directly credited in equity by Associated Companies	-	-	-	-	(550,194)	(550,194)
Balance as at September 30, 2016 (Un-audited)	40,000,000	7,440,781	5,400,000	(1,317,161)	250,491,034	302,014,655
Total Comprehensive Income / (Loss) for the year ended June 30, 2017	-	-	-	1,556,913	(18,304,472)	(16,747,559)
Dividend paid during the year @ Re. 1.5 / share	-	-	-	-	(6,000,000)	(6,000,000)
Effects of items directly credited in equity by Associated Companies	-	-	-	-	14,114,928	14,114,928
Balance as at June 30, 2017	40,000,000	7,440,781	5,400,000	330,267	247,478,053	300,649,101
Total Comprehensive Income / (Loss) for the quarter ended September 30, 2017	-	-	-	240,930	(4,035,633)	(3,794,703)
Effects of items directly credited in equity by Associated Companies	-	-	-	-	3,255,645	3,255,645
Balance as at September 30, 2017	40,000,000	7,440,781	5,400,000	571,197	246,698,065	300,110,043

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


CHIEF EXECUTIVE

8


DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

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

As per the requirements of circular no. 23/2017 dated October 04, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies whose financial year closes on or before December 31, 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information of the Company for the quarter ended September 30, 2017 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 June 30, 2017.

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 June 30, 2017.

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 September 30, 2017 and June 30, 2017.

7. INVESTMENT PROPERTY

Fair value of investment property, based on the management's estimation, as at September 30, 2017 is Rs.15 million (June 30, 2017: Rs.15 million).

9

8. LONG TERM INVESTMENTS

	Un-audited Period ended September 30, 2017 Rupees	Audited Year ended June 30, 2017 Rupees
Associated Companies:		
Quoted:		
The Premier Sugar Mills and Distillery Company Ltd. (PSM)		
Balance as at July 01,	148,973,460	143,164,638
Effect of items directly credited in equity / share of OCI	3,501,938	14,959,036
Share of after tax profit	<u>(3,372,901)</u>	<u>(9,150,214)</u>
	149,102,497	148,973,460
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)
	-	939,682
	58,356,972	58,356,972
Others - Quoted		
Available for sale		
Ibrahim Fibres Ltd.		
9,750 ordinary shares of Rs.10 each	136,538	136,538
Add: Adjustment arising from measurement to fair value	527,437	532,800
	663,975	669,338
	208,123,444	207,999,770

9. 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 advanced loan aggregating Rs.50 million to CSM. As per the original terms of the loan agreement, the loan was receivable in 8 equal half-yearly instalments to be commenced from May, 2013. The Company and CSM, during the financial year ended June 30, 2014 and then again during the current period revised the repayment terms of the loan agreement. As per the latest revised agreement this loan is now receivable in seven half-yearly instalments commencing November, 2019. 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 7.51% to 7.53% (June 30, 2017: 7.45% to 7.53%) per annum. The loan is secured against a promissory note of Rs.59 million.

10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on October 27, 2017.

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 June 30, 2017 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 September 30, 2016. Corresponding figures have been re-arranged, whenever, necessary, for the purpose of comparison. However no significant re-arrangements have been made.



CHIEF EXECUTIVE



DIRECTOR