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**ARPAK INTERNATIONAL INVESTMENTS LIMITED**  
King's Arcade, 20-A, MARKAZ F-7,  
ISLAMABAD - PAKISTAN  
TEL: 051-2650805-7

# **Arpak International Investments Limited**

**QUARTERLY  
FINANCIAL STATEMENTS  
(UN-AUDITED)  
AS ON 31 MARCH, 2010**

## ARPAK INTERNATIONAL INVESTMENTS LIMITED

### COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	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. Abdul Qadar Khattak
<b>BOARD AUDIT COMMITTEE</b>	Mr. Aziz Sarfaraz Khan <i>Chairman</i> Mr. Abbas Sarfaraz Khan <i>Member</i> Mr. Iskander M. Khan <i>Member</i>
<b>COMPANY SECRETARY/ CHIEF FINANCIAL OFFICER</b>	Mr. Mujahid Bashir
<b>AUDITORS</b>	Messers Hameed Chaudhri & Co., <i>Chartered Accountants</i>
<b>TAX CONSULTANTS</b>	Messers Ibrahim & Co., <i>Chartered Accountants</i>
<b>LEGAL ADVISERS</b>	Mr. Ishtiaq Ahmad <i>Advocate</i>
<b>BANKERS</b>	Bank Al-Falah Limited Bank Al-Habib Limited The Bank of Khyber MCB Bank Limited Silk Bank Limited Standard Chartered Bank Limited
<b>REGISTERED OFFICE</b>	King's Arcade, 20-A, Markaz F-7, Islamabad Phone: 051-2650805-7 Fax: 051-2651285-6

## ARPAK INTERNATIONAL INVESTMENTS LIMITED

### BRIEF REVIEW

These quarterly financial statements of the Company 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 suffered pre-tax Loss of Rs. 83.683 million due to impairment loss against investment in an associated undertaking for the period that ended on March 31, 2010. The Company is holding Capital Reserves of Rs. 7.441 million; General Reserves of Rs. 5.400 million and Unappropriated profit of Rs. 72.713 million. Bank Balances are Rs.20.127 million as against the paid up capital of Rs. 40.000 million.

### ACKNOWLEDGEMENT

The Board would like to thank all the shareholders for their support. The Board places on record it's appreciation for the dedication and the hard work put in by all the employees of the Company.

Islamabad  
27 April, 2010

## ARPAK INTERNATIONAL

### BALANCE SHEET

	Un-audited 31 MARCH, 2010 Rupees	Audited 30 June, 2009 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
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	<b>40,000,000</b>	40,000,000
Reserves	<b>13,057,291</b>	12,994,890
Unappropriated profit	<u>72,713,240</u>	<u>164,049,937</u>
	<b>125,770,531</b>	217,044,827
<b>DEFERRED TAXATION</b>	<b>161,334</b>	153,005
<b>CURRENT LIABILITIES</b>		
Accruals and other payables	<b>654,549</b>	2,228,320
Taxation	<b>2,087,320</b>	2,248,000
	<b>2,741,869</b>	4,476,320
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<u><b>128,673,734</b></u>	<u>221,674,152</u>

## INVESTMENTS LIMITED

### AS AT 31 MARCH, 2010

	Un-audited 31 MARCH, 2010 Rupees	Audited 30 June, 2009 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	<b>4,898,972</b>	4,952,375
Investment properties	<b>2,015,976</b>	2,035,637
Long term investments	<b>45,167,605</b>	140,285,669
Long term loans	<u>50,000,000</u>	<u>50,000,000</u>
	<b>102,082,553</b>	197,273,681
<b>CURRENT ASSETS</b>		
Advance to employees -cosidered good	<b>9,750</b>	663,700
Accrued profit & Mark-up	<b>4,931,096</b>	7,722,190
Advance income tax and tax deducted at source	<b>1,515,697</b>	2,289,484
Prepayments	<b>7,457</b>	16,298
Bank balances	<b>20,127,181</b>	13,708,799
	<b>26,591,181</b>	24,400,471
	<u><b>128,673,734</b></u>	<u>221,674,152</u>

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

Chief Executive

4

Director

5

**ARPAK INTERNATIONAL INVESTMENTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED 31 MARCH, 2010 (UN-AUDITED)**

	For the 3rd Quarter		Cumulative	
	Jan-March. 2010 Rupees	Jan-March. 2009 Rupees	July-March 2010 Rupees	July-March 2009 Rupees
<b>INCOME</b>	<b>2,323,768</b>	2,113,430	<b>10,648,329</b>	7,076,390
<b>OPERATING AND GENERAL EXPENSES</b>	<b>1,333,395</b>	713,759	<b>4,707,054</b>	2,394,513
<b>OPERATING PROFIT</b>	<b>990,373</b>	1,399,671	<b>5,941,275</b>	4,681,877
<b>BANK CHARGES</b>	<b>1,608</b>	514	<b>3,604</b>	2,360
	<b>988,765</b>	1,399,157	<b>5,937,671</b>	4,679,517
<b>SHARE OF PROFIT OF ASSOCIATED COMPANIES</b>	-	-	<b>5,944,687</b>	-
<b>IMPAIRMENT LOSS AGAINST LONG TERM INVESTMENTS</b>	<b>(5,456,000)</b>	-	<b>(95,565,978)</b>	-
	<b>(5,456,000)</b>	-	<b>(89,621,291)</b>	-
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<b>(4,467,235)</b>	1,399,157	<b>(83,683,620)</b>	4,679,517
<b>TAXATION</b>				
Current	<b>346,068</b>	503,576	<b>2,078,380</b>	1,637,831
Prior year	-	-	<b>611</b>	192,968
Deferred	-	-	<b>8,329</b>	10,216
	<b>346,068</b>	503,576	<b>2,087,320</b>	1,841,015
<b>PROFIT AFTER TAXATION</b>	<b>(4,813,303)</b>	895,581	<b>(85,770,940)</b>	2,838,502
<b>EARNINGS PER SHARE</b>	<b>(1.20)</b>	0.22	<b>(21.44)</b>	0.71

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

Chief Executive

Director

**ARPAK INTERNATIONAL INVESTMENTS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED 31 MARCH, 2010 (UN-AUDITED)**

	3RD QUARTER ENDED	
	31 March 2010 Rupees	31 March 2009 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / Loss for the period - before taxation	<b>5,937,671</b>	4,679,517
Adjustments for:		
Depreciation on		
- tangible fixed assets	<b>73,064</b>	77,771
Profit / interest on bank deposits	<b>(637,193)</b>	(7,076,390)
Rental Income	<b>(2,400,000)</b>	-
Adjustment arising from measurement to fair value	<b>(62,401)</b>	(121,680)
	<b>2,911,141</b>	(2,440,782)
<b>CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		
- Before working capital changes		
(Increase) / decrease in advances and other receivables	<b>4,314,946</b>	7,782,934
Increase / (Decrease) in accruals and other payables	<b>(1,015,995)</b>	1,248,519
	<b>3,298,951</b>	9,031,453
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES - Before taxation</b>	<b>6,210,092</b>	6,590,671
Taxes paid	<b>(2,248,611)</b>	(2,290,389)
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES - After taxation</b>	<b>3,961,481</b>	4,300,282
<b>CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		
Profit on bank deposits / Term finance certificates	<b>422,193</b>	7,076,390
Long term loans redeemed	<b>1,747</b>	1,747
Rental Income	<b>2,400,000</b>	-
<b>CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>2,823,940</b>	7,078,137
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>6,785,421</b>	11,378,419
<b>CASH AND CASH EQUIVALENTS - At the beginning of the period</b>	<b>13,341,760</b>	1,963,341
<b>CASH AND CASH EQUIVALENTS - At the end of the period</b>	<b>20,127,181</b>	13,341,760

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

Chief Executive

Director

**ARPAK INTERNATIONAL INVESTMENTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH, 2010 (UN-AUDITED)**

	For the 3rd Quarter		Cumulative	
	Jan-March.	Jan-March.	July-March	July-March
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
	.....Rupees.....			
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>642,697</b>	895,581	<b>3,850,351</b>	2,838,502
<b>OTHER COMPREHENSIVE INCOME:</b>				
Fair value reserve on measurement of available-for-sale investment	(3,997)	-	<b>62,401</b>	-
Effect of items directly credited in equity by an Associated Company	<b>(5,456,000)</b>	-	<b>(95,565,978)</b>	-
<b>TOTAL COMPREHENSIVE LOSS / PROFIT FOR THE PERIOD</b>	<b>(4,817,300)</b>	895,581	<b>(91,653,226)</b>	<b>2,838,502</b>

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 QUARTER ENDED 31 MARCH, 2010 (UN-AUDITED)**

	SHARE CAPITAL	CAPITAL RESERVE	GENERAL RESERVE	UNREALISED GAIN/(LOSS) ON LONG TERM INVESTMENTS	SUB TOTAL	UNAPPROPRIATED PROFIT	TOTAL
	..... Rupees .....						
Balance as at 30 June, 2009	40,000,000	7,440,781	5,400,000	154,109	12,994,890	164,049,937	217,044,827
Total comprehensive loss for the half-year ended 31 December, 2009	0	0	0	66,398	66,398	(86,523,394)	(86,456,996)
Balance as at 31 December, 2009	40,000,000	7,440,781	5,400,000	220,507	13,061,288	77,526,543	130,587,831
Profit for the period ended 31 March, 2010	0	0	0	0	0	642,697	642,697
Remeasurement of available-for-sale investments at fair value	0	0	0	(3,997)	(3,997)	0	(3,997)
Effect of items directly credited in equity by the associated Co.,	0	0	0	0	0	(5,456,000)	(5,456,000)
Balance as at 31 March, 2010	<b>40,000,000</b>	<b>7,440,781</b>	<b>5,400,000</b>	<b>216,510</b>	<b>13,057,291</b>	<b>72,713,240</b>	<b>125,770,531</b>

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

Chief Executive

Director

**ARPAK INTERNATIONAL INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31 MARCH, 2010 (UN-AUDITED)**

**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 These financial statements are un-audited; these have been prepared and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and are being submitted.

2.2 The present accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended 30 June, 2009.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation of balances adopted in this quarterly financial information are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended 30 June, 2009 except for the change mentioned below:

3.1 IAS I (Revised) - (Presentation of Financial Statements). The revised standards prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in a performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The Company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. The quarterly financial information has been prepared under the revised disclosure requirements.

3.2 In addition to above, following amendments to standards are mandatory for the first time for financial year beginning on 01 July, 2009 and are also relevant to the company. The adoption of these amendments does not have significant impact on the current financial information of the company.

- IAS 23 (Amendment) - Borrowing Costs
- IAS 28 (Amendment) - Investment in Associates
- IAS 36 (Amendment) - Impairment of Assets
- IAS 39 (Amendment) - Financial instruments: Recognition and Measurement

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after 01 July, 2009 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in the current financial information.

**4. CONTINGENCIES AND COMMITMENTS**

There was no known contingency and commitment outstanding as at 31 March, 2010 and 30 June, 2009.

**5. INVESTMENT PROPERTY**

Fair value of investment property, based on the management's estimation, as at 31 March, 2010 is Rs. 50.300 million (30 June, 2009: Rs. 50.300 million).

**6. BANK BALANCES**

	Un-audited 31 March, 2010 Rupees	Audited 30 June, 2009 Rupees
Cash at banks on:		
- current accounts	6,326,302	237,298
- deposit accounts	13,800,879	13,471,501
	20,127,181	13,708,799

**7. LOAN TO AN ASSOCIATED COMPANY**

This loan has been advanced to Chashma Sugar Mills Limited (an Associated Company) on the approval of members through special resolution dated 13 May, 2008 for a tenor of 6 years. Initially this loan was repayable in 8 equal half yearly installments after the grace period of 2 years; however, the members of the Company, vide a special resolution in an Annual General Meeting held on 31 October, 2009, has approved grace period for further 3 years. Accordingly, repayment of this loan will be commencing from May, 2013. This loan carries mark up at the rate of 1 month KIBOR plus 1.25% per annum. The effective mark-up rate charged by the company during the current financial year ranged between 13.54% to 14.04% (2008: 12.39% to 15.85%) per annum.

**8. DATE OF AUTHORISATION**

These financial statements were authorised for issue on 27 April, 2010 by the Board of Directors of the Company.

**9. FIGURES**

- in the financial statements have been rounded-off to the nearest Rupee; and
- corresponding figures have neither been re-arranged nor re-classified.

**Chief Executive**

**Director**