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ARPAK INTERNATIONAL INVESTMENTS LIMITED
King's Arcade, 20-A, MARKAZ F-7,
ISLAMABAD - PAKISTAN
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Arpak International Investments Limited

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2018
(UN-AUDITED)**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Begum Laila Sarfaraz Chairperson Mr. Abbas Sarfaraz Khan <i>Chief Executive</i> 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	Mr. Zaheer Mir
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, 2018.

OPERATIONS

During the period under review, the Company earned pre-tax profit of Rs.0.222 million (September 30, 2017: Rs. 0.354 million)

INVESTMENTS

The Company has investments of Rs. 43.750 million in an associated Company and Rs. 38.579 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 25, 2018


(Abbas Sarfaraz Khan)
Chief Executive

ڈائریکٹرز کی جائزہ رپورٹ

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ کے 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت پر کمپنی کے بورڈ آف ڈائریکٹرز غیر آڈٹ شدہ کنڈنسڈ عبوری مالیاتی معلومات حصص داروں کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن کا جائزہ

رواں عرصے کے دوران کمپنی کو ٹیکس کی ادائیگی سے پہلے 0.222 ملین روپے منافع ہوا (30 ستمبر 2017: 0.354 ملین روپے نقصان تھا)۔

انوسٹمنٹس

کمپنی نے ایسوسی ایٹڈ کمپنی میں 43.750 ملین روپے اور باہمی (میوچیول) فنڈز میں 38.579 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 پہلی سہ ماہی کے کنڈنسڈ انٹیرم مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو سالانہ مالیاتی معاملات میں اپنائی گئی تھی۔

اعتراف

ڈائریکٹرز نے کمپنی کے عملے کی جانب سے ہر سطح پر کئے گئے اچھے کام کو سراہا۔

مخانب بورڈ



اسلام آباد

جناب عباس سرفراز خان

بتاریخ: 25 اکتوبر 2018

چیف ایگزیکٹو آفیسر

ARPAK INTERNATIONAL INVESTMENTS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

Note	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
Equity and Liabilities		
Share Capital and Reserves		
	Authorised capital	
	5,000,000 ordinary shares of Rs.10 each	50,000,000
	Issued, subscribed and paid-up capital	
	4,000,000 ordinary shares of Rs.10 each issued for cash	40,000,000
	Reserves	11,624,596
	Unappropriated profit	227,037,650
	Share of surplus on revaluation of property, plant and equipment of Associated Companies	342,015,413
		621,096,181
		620,677,550
		176,615
		184,652
Deferred taxation		
Current Liabilities		
	Accruals and other payables	2,803,266
6	Unclaimed dividend	1,022,223
	Taxation	1,392,017
		4,372,122
		5,217,506
Contingencies and Commitments		
7		626,498,339
		625,226,287
Assets		
Non-current Assets		
	Property, plant and equipment	4,637,553
8	Investment property	1,841,782
9	Long term investments	531,171,156
10	Loan to an Associated Company	43,750,000
		581,365,403
		581,400,491
Current Assets		
11	Short term investment	38,275,176
	Advance to employees - considered good	174,750
	Accrued profit and mark-up	860,098
	Prepayments	4,489
	Advance income tax and tax deducted at source	1,180,178
	Bank balances	4,603,157
		45,097,848
		38,579,307
		1,224,750
		1,843,705
		175,151
		1,502,581
		535,390
		43,860,884
		626,498,339
		625,226,287

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	September 30, 2017
	-----Rupees-----	
Income	3,104,150	2,734,753
Operating and general expenses	<u>2,880,720</u>	<u>3,086,718</u>
Operating profit / (loss)	223,430	(351,965)
Bank charges	<u>1,334</u>	<u>2,023</u>
	222,096	(353,988)
Share of loss of Associated Companies - net	0	(3,372,901)
Profit / (loss) before taxation	<u>222,096</u>	<u>(3,726,889)</u>
Taxation	<u>631,839</u>	<u>308,744</u>
Loss after taxation	<u>(409,743)</u>	<u>(4,035,633)</u>
Loss per share	<u>(0.10)</u>	<u>(1.01)</u>

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018 Rupees	September 30, 2017 Rupees
Loss after taxation	(409,743)	(4,035,633)
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	(109)	(5,363)
Share of fair value gain / (loss) on re-measurement of available-for-sale investments of Associated Companies	0	246,293
	(109)	240,930
Total Comprehensive Loss for the Period	<u>(409,852)</u>	<u>(3,794,703)</u>

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	September 30, 2017
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) for the quarter - before taxation and share of profit of Associated Companies	222,096	(353,988)
<i>Adjustments for non-cash charges and other items:</i>		
Depreciation on property, plant and equipment	22,070	17,827
Depreciation on investment property	4,130	4,348
Mark-up on loan to an Associated Company	(983,607)	(829,272)
Dividend income	(2,025,111)	
Fair value gain on measurement of investments	1,417,212	-
Loss before working capital changes	(1,343,210)	(1,161,085)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Investments - net	(1,721,343)	(565,609)
Advance to employees	(1,050,000)	-
Prepayments	(170,662)	(289,596)
Increase / (decrease) in current liabilities		
Accruals and other payables	(1,479,612)	(1,443,818)
Unclaimed dividend	(5,647)	-
	(4,427,264)	(2,299,023)
Cash used in operations	(5,770,474)	(3,460,108)
Income tax paid	(322,404)	(10,148)
Net cash used in operating activities	(6,092,878)	(3,470,256)
CASH FLOW FROM INVESTING ACTIVITIES		
Mark-up received on loan to an Associated Company	-	1,032,041
Dividend received	2,025,111	-
Net cash generated from investing activities	2,025,111	1,032,041
Net decrease in cash and cash equivalents	(4,067,767)	(2,438,215)
Cash and cash equivalents - at beginning of the period	4,603,157	2,845,405
Cash and cash equivalents - at end of the period	535,390	407,190

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	Reserves				Unappropriated profit	Share of surplus on revaluation of property, plant and equipment of an Associated Company	Total
	Share capital	Capital reserve	General reserve	Unrealised gain on long term investments			
	----- Rupees -----						
Balance as at June 30, 2017 - restated	40,000,000	7,440,781	5,400,000	330,267	248,080,878	353,619,680	654,871,606
Total Comprehensive 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 (Un-audited) - restated	40,000,000	7,440,781	5,400,000	571,197	247,300,890	353,619,680	654,332,548
Total Comprehensive Loss for the year ended June 30, 2018	-	-	-	-	(35,211,636)	-	(35,211,636)
- loss for the year	-	-	-	(1,546,452)	-	2,918,720	1,372,268
- other comprehensive (loss) / income	-	-	-	(1,546,452)	(35,211,636)	2,918,720	(33,839,368)
Effects of items directly credited in equity by Associated Companies	-	-	-	-	63,943	-	63,943
Share of surplus on revaluation of property, plant and equipment realised during the year by an Associated Company on account of incremental depreciation and upon sale of revalued assets - (net of deferred taxation)	-	-	-	-	14,522,987	(14,522,987)	-
Balance as at June 30, 2018	40,000,000	7,440,781	5,400,000	(1,216,185)	227,456,172	342,015,413	621,096,181
Total Comprehensive Loss for the quarter ended September 30, 2018	-	-	-	(109)	(409,743)	-	(409,852)
Effects of items directly credited in equity by Associated Companies	-	-	-	-	(8,779)	-	(8,779)
Balance as at September 30, 2018	40,000,000	7,440,781	5,400,000	(1,216,294)	227,037,650	342,015,413	620,677,550

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

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

These condensed interim financial statements for the first quarter ended September 30, 2018 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:

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

The disclosures in this condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2018.

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, 2018.

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, 2018.

5. PRESENTATION

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

6. ACCRUALS AND OTHER PAYABLES

	Un-audited Period ended September 30, 2018	Audited Year ended June 30, 2018
	--- Rupees ---	
Accrued expenses	205,103	193,703
Tax deducted at source	9,927	26,704
Security deposits	400,000	400,000
Advance rent	708,624	2,158,083
Other	0	24,776
	1,323,654	2,803,266

- 6.1. This represent interest free security deposit received from a tenant. The amount received has been utilised for the purpose of the business in accordance with written agreement.

7. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at September 30, 2018 and June 30, 2018.

8. INVESTMENT PROPERTY

Fair value of investment property, based on the management's estimation, as at September 30, 2018 is Rs.17.8 million (June 30, 2018: Rs.17.5 million).

9. LONG TERM INVESTMENTS

Associated Companies:

Quoted:

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

400,000 ordinary shares of Rs.10 each - cost **8,800,000** 8,800,000
Equity held: 10.67%

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 - (30,421,548)

Share of other comprehensive income - net of taxation - 13,580,995

Share of revaluation surplus on property, plant and equipment **342,015,413** 342,015,413

Un-quoted: 9.1. **474,751,144** 474,751,144

Premier Board Mills Ltd. (PBML)

600,000 ordinary shares of Rs.10 each **6,000,000** 6,000,000
Equity held: 10.63%

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)** -

9.2. **56,397,751** 56,406,530

Others - Quoted

Available for sale

Ibrahim Fibres Ltd. **3,034** 3,034

214 ordinary shares of Rs.10 each - cost **10,339** 10,448

Add: Adjustment arising from measurement to fair value **13,373** 13,482

531,162,268 531,171,156

9.1. Investment in PSM represents 400,000 fully paid ordinary shares of Rs.10 each representing 10.67% (2017: 10.67%) of PSM's issued, subscribed and paid-up capital as at September 30, 2018. PSM was incorporated on July 24, 1944 as a public limited company and its shares are quoted on Pakistan Stock Exchange. The principal activity of PSM is manufacturing and sale of white sugar and spirit. Market value of the Company's investment in PSM as at September 30, 2018 was Rs.31.220 million (June 30, 2018: Rs.30.460 million). PSM is an associate of the Company due to common directorship.

9.1.1 Carrying values of investments in PSM as at September 30, 2018 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates) due to nonavailability of consolidated condensed interim financial information for the quarter ended June 30, 2018.

9.2. Investment in PBML represents 600,000 fully paid ordinary shares of Rs.10 each representing 10.63% (2017: 10.63%) of PBML's issued, subscribed and paid-up capital as at June 30, 2018. PBML was incorporated on May 12, 1980 as a public company and it is evaluating certain proposals for setting-up some industrial unit. PBML is an associate of the Company due to common directorship.

9.2.1 Carrying values of investments in PBML as at September 30, 2018 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates) due to nonavailability of financial statements for the quarter ended September 30, 2018.

10. 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, 2018.

11. SHORT TERM INVESTMENTS

- At fair value through profit or loss

First Habib Cash Fund

378,798 (June 30, 2018: 361,627) Units - cost	37,971,374	36,307,781
Adjustment on re-measurement to fair value	607,933	1,967,395
	38,579,307	38,275,176

12. REMUNERATION OF DIRECTORS AND EXECUTIVES

12.1 The Company has not paid any remuneration or meeting fee to any of its directors during the current and preceding financial years.

12.2 Salaries and benefits paid to key management personnel:

	Un-audited	
	Three months ended	
	September 30,	
	2018	2017
	---- Rupees ----	
Managerial remuneration	847,440	1,027,200
Medical and utility allowances	211,860	256,800
Expenses reimbursed	470,545	447,349
	1,529,845	1,731,349
No. of person	1	1

13 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Associated Companies, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with a related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

The Company has carried out following transactions with Chashma Sugar Mills Ltd. an Associated Company due to common directorship.

	Un-audited	
	Three months ended	
	September 30,	
	2018	2017
	---- Rupees ----	
Mark-up charged on loan to an Associated Company	983,607	829,272
Mark-up received from Associated Company	0	1,032,042

There were no transactions with key management personnel other than under the terms of employment and remuneration of key management personnel is disclosed in note 12.

14. 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.

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, 2018.

15. CORRESPONDING FIGURES

15.1 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.

16. GENERAL

16.1 This condensed interim financial information was approved by the Board of Directors and authorised for issue on October 25, 2018.

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





CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**