

annual report 2018

ARPAK INTERNATIONAL INVESTMENTS LIMITED

Page	CONTENTS
2	Company Profile
	Governance
3	Company Information
4	Management Committees
7	Vision and Mission Statement
8	Code of Conduct
	Stakeholders' Information
10	Ten Years Performance at a Glance
11	Notice of Annual General Meeting
16	Chairpersons Review Report
18	Directors' Report to the Shareholders
25	Shareholders' Information
	Pattern of Shareholding
28	Statements of Compliance with the Code of Corporate Governance
30	Independent Auditors' Review Report on Statement of Compliance contained in the listed Companies
31	Auditors' Report to the Members
35	Financial Statements
	Proxy Form
60	Form of Proxy

ARPAK INTERNATIONAL INVESTMENTS LIMITED COMPANY PROFILE

Arpak International Investments Limited (the Company) was incorporated in Pakistan on 26 July, 1977 as a Public Company and its shares are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Company is principally engaged in investment business of various forms including following:

- a) To deal in commodities agricultural as well as industrial (i.e. sugar, rice, molasses, industrial alcohol, vegetable oils, cotton, polypropylene products and similar other products);
- b) To purchase, take on lease or otherwise acquire for the purpose of development and sale any estate, land, building, easement or other interest in real estate;
- c) To sell or dispose off the undertakings of the Company or any part thereof for such consideration as the Company may think fit and in particular shares, TFC or any other security of any other Company;
- d) To acquire and dispose off or to otherwise take over, undertake and carry on, wholly or in part for shares or cash or otherwise howsoever and as going concern or otherwise;
- e) To take part in the management, to manage and act as consultant and advisors to the business of other companies on fee, commission or such other bases or to enter into partnership of joint venture agreement on profit and loss sharing basis subject to any permission required under law; and
- f) To invest funds of the Companies in shares, stocks, fixed income securities, bonds, modaraba certificates, TFCs, certificates of investments, commercial papers, debentures, debenture stock and securities issued or guaranteed by any Government, or public body or authority, supreme, municipal, local or otherwise in Pakistan or abroad subject to any approval under the law.

ARPAK INTERNATIONAL INVESTMENTS LIMITED COMPANY INFORMATION

Board of Directors

Begum Laila Sarfaraz

Chairperson

Mr. Abbas Sarfaraz Khan

Chief Executive

Mr. Aziz Sarfaraz Khan

Ms. Zarmine Sarfaraz

Ms. Najda Sarfaraz

Mr. Iskander M. Khan

Mr. Usman Salim Khan

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.,

Chartered Accountants

Legal Advisor

Ms. Shazia Malik

Advocate

Shares Registrar

Messers Hameed Majeed Associates (Pvt.) Limited

H.M. House, 7-Bank Square, Lahore.

Phone No. : 042-37235081

Fax No. : 042-37235083

Bankers

MCB Bank Limited

Bank Al-Habib Limited

ARPAK INTERNATIONAL INVESTMENTS LIMITED MANAGEMENT COMMITTEES

Executive Committee

Mr. Aziz Sarfaraz Khan (Non-Executive Director)	Chairman
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Mr. Abbas Sarfaraz Khan (Non-Executive Director)	Member
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Mr. Iskander M. Khan (Executive Director)	Member
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Executive Committee is involved in day to day operations of the Company and is authorized to conduct every business except the businesses to be carried out by Board of Directors as required by section 183 of the Companies Act, 2017. Executive Committee meets periodically to review operating performance of the Company against pre-defined objectives, commercial business decisions, investments and funding requirements.

Audit Committee

Mr. Usman Salim Khan (Independent Director)	Chairman
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Mr. Aziz Sarfaraz Khan (Non-Executive Director)	Member
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Ms. Zarmine Sarfaraz (Non-Executive Director)	Member
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Mr. Mujahid Bashir	Secretary
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The terms of reference of the Audit Committee have been derived from the Code of Corporate Governance applicable to listed companies. Thereby Audit Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements. In the absence of strong grounds to proceed otherwise, the Board of Directors shall act in accordance with the recommendations of the Audit Committee in all these matters.

The Terms of Reference of the Audit Committee also includes the following:

- a) Determination of appropriate measures to safeguard the Company's assets;
- b) Review of preliminary announcements of results prior to publication;
- c) Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - The going-concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards; and
 - Compliance with listing regulations and other statutory and regulatory requirements.
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and management's response thereto;
- f) Ensuring coordination between the internal and external auditors of the Company;
- g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) Consideration of major findings of internal investigations and management's response thereto;
- i) Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
- j) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;
- k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- l) Determining of compliance with relevant statutory requirements;
- m) Monitoring compliance with the best practices of Corporate Governance and identification of significant violations thereof; and
- n) Consideration of any other issue or matter as may be assigned by the Board of Directors.

ARPAK INTERNATIONAL INVESTMENTS LIMITED

Human Resource and Remuneration Committee

Mr. Usman Salim Khan (Independent Director)	Chairman
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Mr. Aziz Sarfaraz Khan (Non-Executive Director)	Member
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Mr. Abbas Sarfaraz Khan (Non-Executive Director)	Member
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Mr. Mujahid Bashir	Secretary
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The Committee is responsible for:

- i) The overall system of remuneration and benefits for senior management and functional heads;
- ii) Succession and career development within the senior management;
- iii) The size and composition of the Board including the “mix” of Independent and Non-Executive Directors;
- iv) Selection and nomination of Non-Executive Directors to the Board and the terms & conditions, wherever applicable and if any, on which Non-Executive Directors are appointed and hold office, for the ultimate approval of the shareholders.

ARPAK INTERNATIONAL INVESTMENTS LIMITED

VISION STATEMENT

To obtain the highest rate of return by making diversified and secured investments. Efficient organization with professional competence of top order.

To ensure attractive returns to business associates and optimizing the shareholders value as per their expectations.

MISSION STATEMENT

We have developed a unique set of strength and competencies. We wish to build safe, healthy and environment friendly atmosphere and will strive continuously to achieve higher level of excellence.

To be a dynamic, profitable and growth oriented company through investments in new national and international markets and undertakings.

To give attractive returns to business associates and shareholders as per their expectations. Be a responsible employer and reward employees according to their ability and performance.

To be a good corporate citizen to fulfill its social responsibilities.

The quality policy also encompasses are long term strategic Goals and Core Values, which are integral part of our business.

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CODE OF CONDUCT

Arpak International Investments Limited has built a reputation for conducting its business with integrity in accordance with high standards of ethical behavior and in compliance with the laws and regulations that govern our business. This reputation is among our most valuable assets and ultimately depends upon the individual actions of each of our employees all over the country.

Arpak International Investments Limited Code of Conduct has been prepared to assist each of us in our efforts to not only maintain but enhance this reputation. It provides guidance for business conduct in a number of areas and references to more detailed corporate policies for further direction. The adherence of all employees to high standards of integrity and ethical behavior is mandatory and benefits all stakeholders including our customers, our communities, our shareholders and ourselves.

The Company carefully checks for compliance with the Code by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking corrective measures if and as required.

Arpak International Investments Limited Code of Conduct applies to all affiliates, employees and others who act for us countrywide, within all sectors, regions, areas and functions.

The Code of Conduct of the Company includes the policies in respect of followings:

- Standard of Conduct;
- Obeying the Law;
- Human Capital;
- Consumers;
- Shareholders;
- Business Partners;
- Community Involvement;
- Public Activities;
- The Environment;
- Innovation;
- Competition;
- Business Integrity;
- Conflicts of Interests; and
- Compliance, Monitoring and Reporting.

General Principles

- Compliance with the law, regulations, statutory provisions, ethical integrity and fairness is a constant commitment and duty of all Arpak employees and characterizes the Conduct of the organization.

The Company's business and activities have to be carried out in a transparent, honest and fair way, in good faith and in full compliance. Any form of discrimination, corruption, forced or child labor is rejected. Particular attention is paid to the acknowledgment and safeguarding of the dignity, freedom and equality of human beings.

- All employees, without any distinction or exception whatsoever, respect the principles and contents of the Code in their actions and behaviors while performing their functions according to their responsibilities, because compliance with the Code is fundamental for the quality of their working and professional performance. Relationships among employees, at all levels, must be characterized by honesty, fairness, cooperation, loyalty and mutual respect.
- The belief that one is acting in favor or to the advantage of the Company can never, in any way, justify-not even in part – any behavior that conflict with the principles and content of the Code.
- The Arpak Code of Conduct aims at guiding the “Arpak team” with respect to standards of conduct expected in areas where improper activities could result in adverse consequences to the Company, harm its reputation or diminish its competitive advantage.
- Every employee is expected to adhere to, and firmly inculcate in his/her everyday conduct; this mandatory framework; any contravention or deviation will be regarded as misconduct and may attract disciplinary action in accordance with the Company service rules and relevant laws.

Statement of Ethical Practices

It is the basic principle of Arpak International Investments Limited to obey the law of the land and comply with its legal system. Accordingly, every director and employee of the Company shall obey the law. Any director and employee guilty of violation will be liable to disciplinary consequences because of the violation of his / her duties.

Employees must avoid conflicts of interest between their private financial activities and conduct of Company business.

All business transactions on behalf of Arpak International Investments Limited must be reflected accordingly in the accounts of the Company. The image and reputation of Arpak International Investments Limited is determined by the way each and every of us acts and conducts him / her at all times.

We are an equal opportunity employer. Our employees are entitled to a safe and healthy workplace.

Every manager and supervisor shall be responsible to see that there is no violation of laws within his / her area of responsibility which proper supervision could have prevented. The manager and supervisor shall still be responsible if he / she delegates particular tasks.

ARPAK INTERNATIONAL INVESTMENTS LIMITED

TEN YEARS PERFORMANCE AT A GLANCE

PARTICULARS	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
(R U P E E S I N T H O U S A N D)										
Income	(R U P E E S I N T H O U S A N D)									
Operating (Loss) / profit	(1,455)	(8,179)	(55)	4,347	5,500	5,126	5,274	6,122	4,703	6,495
(Loss) / profit before tax	(33,819)	(16,405)	13,483	12,731	891	(10,486)	(10,600)	2,604	12,433	20,385
(Loss) / profit after tax	(35,211)	(18,304)	12,227	11,651	312	(10,795)	(10,867)	1,334	11,074	17,923
Share Capital	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Shareholders' Equity	621,096	654,872	550,314	289,225	263,226	237,247	242,386	248,916	232,357	217,045
Capital Employed	621,281	655,056	550,504	289,404	263,405	237,247	242,556	249,073	232,527	217,198
Fixed Assets - Net	6,480	6,466	6,507	6,480	6,553	6,631	6,712	6,799	6,891	6,988
Total Assets	626,498	660,783	554,537	292,546	266,240	238,317	244,709	251,505	235,555	221,674
Current Assets	45,098	48,345	75,209	66,354	62,713	69,815	52,131	32,345	27,608	24,400
Current Liabilities	5,218	5,728	4,032	3,142	2,835	2,436	2,153	2,432	3,028	4,476
Long Term Liabilities	185.00	184.00	190.00	179.00	179	0	170	157	170	153
Dividend										
Cash Dividend (%)	-	-	12.5	10	-	-	-	-	-	-
Ratios Profitability										
Operating Profit (%)	(12.56)	(70.25)	(0.50)	31.88	41.76	39.00	38.43	47.02	43.33	66.01
Profit / (loss) before tax (%)	(291.85)	(140.91)	123.65	93.36	6.77	(79.78)	(77.24)	20.00	114.54	207.19
Profit / (loss) After tax (%)	(303.86)	(157.22)	112.13	85.44	2.37	(82.13)	(79.18)	10.25	102.02	182.16
Return to Shareholders (ROE)										
ROE - Before Tax (%)	(5.45)	(2.51)	2.45	4.40	0.34	(4.42)	(4.37)	1.05	5.35	9.39
ROE - After Tax (%)	(5.67)	(2.80)	2.22	4.03	0.12	(4.55)	(4.48)	0.54	4.77	8.26
Return on Capital Employed (%)	(5.67)	(2.79)	2.22	4.03	0.12	(4.55)	(4.48)	0.54	4.76	8.25
E.P.S - After Tax	(8.80)	(4.58)	3.06	2.91	0.08	(2.70)	(2.72)	0.33	2.77	4.48
Activity										
Income to Total Assets	0.02	0.02	0.02	0.05	0.05	0.06	0.06	0.05	0.05	0.04
Income to Fixed Assets	1.79	1.80	1.68	2.10	2.01	1.98	2.04	1.91	1.58	1.41
Liquidity/Leverage										
Current Ratio	8.64	8.44	18.65	21.12	22.12	28.66	24.21	13.30	9.12	5.45
Break up Value per Share	155.27	163.72	137.58	72.31	65.81	59.31	60.60	62.23	58.09	54.26
Total Liabilities to Equity (Times)	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02

ARPAK INTERNATIONAL INVESTMENTS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 41st Annual General Meeting of the shareholders of **Arpak International Investments Limited** will be held on October 26, 2018 at 11:30 AM at the Registered Office of the Company at King's Arcade, 20-A, Markaz F-7, Islamabad, for transacting the following business:

1. To confirm the minutes of the Annual General Meeting held on October 31, 2017.
2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' reports for the year ended June 30, 2018.
3. To appoint the Auditors of the Company and to fix their remuneration for the financial year ending June 30, 2018.
4. To elect seven (7) Directors as fixed by the Board of Directors in accordance with the provision of section 159 of the Companies Act, 2017 for a term of three (3) years commencing from October 26, 2018. The names of the retiring Directors are as follows:

(i) Mr. Aziz Sarfaraz Khan (ii) Begum Laila Sarfaraz (iii) Mr. Abbas Sarfaraz Khan (iv) Ms. Zarmine Sarfaraz (v) Ms. Najda Sarfaraz (vi) Mr. Iskander M. Khan (vii) Mr. Usman Salim Khan

5. To transact any other business of the Company as may be permitted by the Chair.

The Share transfer books of the Company will remain closed from October 17, 2018 to October 26, 2018 (both days inclusive).

By order of the Board



(MUJAHID BASHIR)
Company Secretary

Islamabad
October 02, 2018

Notes:

1. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of himself/herself. Proxies in order to be effective must be valid and received by the Company not less than 48 hours before the time for holding of the Meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
2. Members are requested to notify the Shares Registrar of the Company of any change in their addresses immediately.

3. CDC shareholders are requested to bring their original computerized national identity card, account, sub account number and participant's number in the Central Depository System for identification purpose for attending the Meeting. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

4. Submission of copy of CNIC (Mandatory)

Members are requested to provide attested photocopies of their CNIC to the Company on its registered address in order to meet the mandatory requirements of SRO 831(1) 2012 of 5 July 2012 which provides that the dividend warrant should bear the CNIC number of the registered member. In case your CNIC copy is not available your dividend warrant will be no be issue/dispatched to you.

5. Transmission of Annual Financial Statements through E-Mail:

SECP vide SRO 787(1) 2014 of 8 September 2014 whereby SECP has allowed companies to circulate annual balance sheet, profit and loss account, auditor's report and directors' report etc. along with notice of annual general meeting to its members through e-mail. Members are requested to provide their e-mail addresses on registered address of the Company. CDC shareholders are requested to submit their email address and consent directly to their broker (Participant)/CDC Investor Account Services.

6. Pursuant to section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it become due payable shall vest with the Federal Government after compliance of procedure prescribed under the Companies Act, 2017. Section 244(I) (a) of the Act, requires the Company to give a 90 days' notice to the members to file their claims with the Company. Shareholders are hereby informed that a list of all unclaimed dividend has been added on the Company's website <http://premiergrouppk.com/arpak>. Any member effected by this notice is advised to write to or call at the office of the Company's Share Registrar M/s Hameed Majeed Associates (Pvt.) Ltd., H.M-House, 7-Bank Square Road, Lahore during normal working hours.
7. Any person who intends to contest the election for the office of the Directors or otherwise, shall file with the Company at its Head Office not later than fourteen (14) days before the date of the Annual General Meeting, a notice of his/her intention to offer himself/herself for election as Director in terms of Section 159(3) of the Companies Act, 2017 along with (a) consent to act as director in Form 28, duly completed and signed by the candidate; (b) a detailed profile along with office address for placement on the Company's website seven days prior to the date of AGM, in terms of SRO 634(i) of July 10, 2014; and (c) declarations in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the eligibility criteria as set out in the Companies Act, 2017.

Statement Under Section 166 (3) of the Companies Act, 2017 in respect of Election of Directors

Independent Director will be elected through the process of election of directors in terms of section 159 of the Act and they shall meet the criteria laid down under Section 166 (2) of the Act.

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ نوٹس برائے 41 واں سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی کے اراکین کا 41 واں سالانہ اجلاس عام بروز جمعہ 26 اکتوبر 2018 بوقت 11:30 بجے دن کمپنی کے رجسٹرڈ دفتر کنگز آرکیڈ، A-20، مرکز F-7، اسلام آباد میں منعقد ہوگا جس میں مندرجہ ذیل امور انجام پائیں گے۔

۱۔ 31 اکتوبر 2017 کو سالانہ اجلاس عام کی کاروائی کی توثیق۔

۲۔ 30 جون 2018 کو ختم شدہ مالی سال کے کمپنی کے آڈٹ شدہ حسابات مع ان پراڈاکٹر زاور آڈیٹر زکی رپورٹس کی وصولی، غور و خوض اور منظوری۔


۳۔ 30 جون 2019 کو ختم ہونے والے سال کیلئے آڈیٹر ان کاتقرر اور ان کے معاوضہ کا تعین کرنا۔

۴۔ صاحب صدر کی اجازت سے کمپنی کے کسی دیگر امور پر کاروائی۔

۵۔ (7) سات ڈائریکٹرز کو بورڈ آف ڈائریکٹرز نے (3) تین سال کی معیاد کیلئے کمپنی ایکٹ 2017 کی شق 159 کے تحت 26 اکتوبر کو ہونے والے الیکشن کے لئے نامزد کیا ہے۔ ریٹائرڈ ہونے والے ڈائریکٹرز کے نام مندرجہ ذیل ہیں،

1۔ جناب عزیز سرفراز خان 2۔ بیگم لیلی سرفراز 3۔ جناب عباس سرفراز خان 4۔ مس زرین سرفراز 5۔ مس نجمہ سرفراز 6۔ جناب اسکندر محمد خان 7۔ جناب عثمان سلیم خان

کمپنی کی منتقلی حصص کی کتابیں 17 اکتوبر 2018 تا 26 اکتوبر 2018 (بشمول دونوں دن) بند رہیں گی۔

حسب الحکم بورڈ

مجاہد بشیر (کمپنی سیکرٹری)

اسلام آباد

اکتوبر 2018:02

نوٹ:

۱۔ وہ ممبران جو کہ اجلاس میں حاضر ہونے اور ووٹ دینے کے اہل ہیں اپنی طرف سے حاضری بولنے اور ووٹ دینے کے لئے پراکسی کا تقرر کر سکتے ہیں۔ پراکسی کی جائز تقرری کے لئے ضروری ہوگا کہ وہ کمپنی کے اجلاس کے منعقد ہونے سے 48 گھنٹے قبل موصول ہوں اور ان پر باقاعدہ مہر، دستخط اور گواہان موجود ہوں۔ کوئی ممبر ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔

۲۔ حصہ داران سے درخواست ہے کہ اگر ان کے پتہ میں کوئی تبدیلی ہو تو فی الفور شفیکس رجسٹرار کو مطلع فرمائیں۔

۳۔ CDC کے حصص یافتگان سے درخواست ہے کہ وہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ، اکاؤنٹ، ذیلی اکاؤنٹ نمبر اور سینٹرل ڈیپازٹری کمپنی کا شرکاء نمبر اجلاس میں حاضر ہونے سے قبل شناخت کے لئے ہمراہ لائیں۔

کارپوریٹ انشائی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختیار نامہ کے ساتھ نامزد فرد کے نمونہ دستخط اجلاس میں حاضری کے وقت پیش کئے جائیں (اگر پہلے فراہم نہ کئے گئے ہوں)

۴۔ شناختی کارڈ کی کاپی کا جمع کروانا لازمی قرار دی گئی ہے

SECP کی جانب سے 2012(1)SRO831 بتاریخ 5 جولائی 2012 کے مطابق ڈیوڈنڈ وارنٹس پر CNIC نمبرز کی پرنٹنگ بھی کی جائے گی۔ جس کے بغیر ڈیوڈنڈ وارنٹ جاری نہیں کیے جائیں گے۔ اراکین سے گزارش ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل اور ای میل ایڈریس بذریعہ پوسٹ یا فیکس ارسال کریں۔ ایسے اراکین جنہوں نے تاحال اپنے CNIC نمبر فراہم نہیں کیے ہیں۔ انہیں پھر سے یاد دہانی کروائی جاتی ہے کہ جلد از جلد اپنے CNIC کی نقل کمپنی کے شیئرز رجسٹرار کو جمع کروائیں۔ کارپوریٹ ادارہ ہونے کی صورت میں گزارش کی جاتی ہے اپنا NTN نمبر بھی مہیا کریں۔ براہ مہربانی CNIC/NTN کی تفصیلات کے ساتھ فوئیو نمبر بھی ضرور دیں۔

۵۔ E-mail کے ذریعے سالانہ مالیاتی گوشواروں کی منتقلی

نوٹیفکیشن بذریعہ 2014(1)SRO787 بتاریخ ستمبر 8، 2017 کے مطابق SECP نے ہدایات جاری کی ہیں کہ ایسے اراکین کو سالانہ رپورٹ کی کاپی بذریعہ الیکٹرونک میل ارسال کی جائے جنہوں نے اس میں دلچسپی کا اظہار کیا ہے۔ دیگر اراکین جو سالانہ رپورٹ بذریعہ الیکٹرونک میل وصول کرنے کے خواہاں ہیں وہ کمپنی کی ویب سائٹ پر دستیاب درخواست فارم بتائے گئے طریقے کے مطابق پُر کر کے جمع کروائیں۔ وہ اراکین جنہوں نے سالانہ رپورٹ بذریعہ ای میل وصول کرنے کی درخواست دی ہے۔ وہ بعد ازاں سالانہ رپورٹ Hard copy میں بھی حاصل کرنے کی درخواست دے سکتے ہیں جو انہیں سات دنوں میں بلا معاوضہ مہیا کی جائے گی۔ تاہم کمپنی اپنے موجودہ طریقہ کار کے مطابق تمام دیگر اراکین کو سالانہ رپورٹ کی Hard copy ارسال کرنا جاری رکھے گی۔ اراکین سے درخواست ہے کہ مؤثر ابلاغ کو یقینی بنانے کے لیے اپنے ای میل پتے میں ہونے والی کسی بھی قسم کی تبدیلی کی صورت میں بروقت اطلاع کریں۔

۶۔ کمپنیز ایکٹ 2017 کی شق 244 کے تحت کمپنی کی طرف سے جاری کردہ حصص یا منافع منقسمہ کا اعلان جو کہ اس کے واجب الادا ہونے سے تین سال تک غیر دعویٰ شدہ یا غیر ادا شدہ رہے تو پھر اسے کمپنیز ایکٹ 2017 کے تحت تمام ضروری طریقہ کار کی تکمیل کے بعد وفاقی حکومت کو منتقل کر دیا جائے گا۔ ایکٹ کی شق (a) 244 کے تحت ممبران کو اپنے دعوے پیش کرنے کے لئے 90 دن کا نوٹس دیا جاتا ہے۔ حصص یافتگان کو مطلع کیا جاتا ہے کہ تمام غیر دعویٰ شدہ منافع منقسمہ کی فہرست کمپنی کی ویب سائٹ <http://premiergroup.pk.com/arpak> پر موجود ہے۔ کوئی بھی ممبر جو نوٹس سے متاثر ہو، اسے مشورہ دیا جاتا ہے کہ وہ تحریری طور پر یا کال کر کے کمپنی کے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، H.M. House, 7- Bank Square, لاہور سے عمومی کام کے اوقات کے دوران رابطہ کے۔

۷۔ کوئی بھی شخص جو الیکشن میں حصہ لینے کا ارادہ رکھتا ہے اسے چاہئے کہ وہ کمپنی کے ہیڈ آفس کہ پتہ پر، سالانہ جنرل میٹنگ کی تاریخ سے 14 دن قبل، ایک عدد نوٹس اپنے آپ کو ڈائریکٹر کے طور پر پیش کرنے کے لئے، کمپنی ایکٹ 2017 کی شق نمبر (3) 159 کے تحت (a) ڈائریکٹر کے طور پر کام کرنے کی رضامندی کا فارم 28 اپنے دستخط کے ساتھ (b) اپنا مکمل پروفائل اور مکمل پتہ کمپنی کی ویب سائٹ پر لگوانے کے لئے سالانہ جنرل میٹنگ سے سات دن قبل 10 جولائی 2014 کے نوٹیفیکیشن نمبر SRO 634 (i) کے مطابق (c) کمپنی ایکٹ 2017 کے بیان کردہ اہلیت اور لسٹڈ کمپنیوں کے لئے کوڈ آف کارپوریٹ گورننس 2017 کیسے مطابقت رکھتا ہو۔

کمپنی ایکٹ 2017 کی شق نمبر (3) 166 الیکشن آف ڈائریکٹر کی سٹیٹمنٹ

آزاد ڈائریکٹر کا انتخاب ڈائریکٹرز کے الیکشن کی شق نمبر 159 کے تحت عمل میں لایا جائے گا اور وہ ایکٹ کی بیان کردہ شق (2) 166 کے معیار پر پورا اترتا

ہو۔

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CHAIRPERSON'S REVIEW REPORT

I am pleased to welcome you to the 41st Annual General Meeting of your Company and present on behalf of the Board of Directors, the Audited Financial Statements for the year ended June 30, 2018 along with my review on the performance of your Company.

During the year, the Company has pre-tax loss of Rs.1.47 Million (2017:8.19 million). However, after incorporating the share of loss of Associated Companies, the pre-tax loss has increased to Rs. 33.819 million. The Paid up capital of the Company is Rs. 40.000 million, Capital Reserves Rs. 7.441 Million, General Reserves Rs. 5.400 million, Cash Reserves Rs. 42.88 million with an un-appropriated profit of Rs. 227.456 million as on June 30, 2018.

Being the Chairperson of the Board, I ensured that the management is actively working on different options to ensure appropriate returns on available funds in the agenda of the Board meetings held during the year. All written notices, including the agenda, supporting documents and other working papers of meetings were circulated prior to the meetings. Further, I ensured that the Board plays an effective role in fulfilling its responsibilities.

On the behalf of the Board of Directors of your Company, I take this opportunity to acknowledging the devoted and sincere services of employees of the Company. I am also thankful for the valuable shareholders for their patronage and confidence reposed in the Company.



(BEGUM LAILA SARFARAZ)
Chairperson

Islamabad, October 02, 2018

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ

چیئر پرسن کی جائزہ رپورٹ

میں آپ کی کمپنی کے 41 ویں سالانہ جنرل میٹنگ میں آپ کو خوش آمدید کہتی ہوں اور میں اپنی اور بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی آڈیٹڈ فنانشل سٹیٹمنٹس برائے سال جون 2018، 30 اور مجموعی کارکردگی اپنے جائزہ کے ساتھ پیش کر رہی ہوں۔

سال کے دوران کمپنی کو ٹیکس کی ادائیگی سے پہلے 1.47 ملین کا نقصان ہوا (2017 میں 8.19 ملین) تاہم، منسلک کمپنیوں کے نقصان کا حصہ شامل کرنے کے بعد ٹیکس کی ادائیگی سے پہلے یہ نقصان 33.819 ملین تک بڑھ گیا۔ 30 جون 2018 کو کمپنی کا اداس شدہ سرمایہ 40 ملین کیپٹل ریزرو 7.441 ملین، عمومی ریزرو 5.400 ملین، نقد ریزرو 42.88 ملین، اور غیر منقسم نفع 227.456 ملین تھا۔

بورڈ کی چیئر پرسن ہونے کے ناطے اس بات کی یقین دہانی کراتی ہوں کہ انتظامیہ فعال طور پر مختلف آپشنز کو مد نظر رکھتے ہوئے دستیاب فنڈز کے مناسب ریٹرنز کے ایجنڈہ پر سال کے دوران ہونے والی بورڈ میٹنگ میں کام کرتی رہی ہے۔ تمام لکھے گئے نوٹس، بشمول ایجنڈہ، متعلقہ دستاویزات اور دیگر ورکنگ پیپر میٹنگ کے دوران مہیا کیے گئے تھے۔ مزید برآں میں اس بات کی یقین دہانی کراتی ہوں کہ بورڈ اپنی ذمہ داریوں کو پورا کرنے میں موثر کردار ادا کر رہا ہے۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، میں کمپنی کے ملازمین کی مخلص خدمات کو سراہتی ہوں۔ میں کمپنی کے شیئر ہولڈرز کی کمپنی پر قابل قدر اعتماد پر ان کی شکر گزار ہوں۔



بیگم لیلہ سرفراز

چیئر پرسن

اسلام آباد، اکتوبر 2018، 02

ARPAK INTERNATIONAL INVESTMENTS LIMITED

DIRECTORS' REPORT

The Directors of Arpak International Investments Limited are pleased to present the 41st Annual Report together with the Audited Financial Statements for the year ended June 30, 2018.

Summarized Financial Results

The financial results of the Company for the year under review are as follow:-

	2018 (Rupees)	2017 (Rupees)
Loss before taxation	(33,818,660)	(16,404,804)
Taxation	-----	-----
Current tax	(1,391,821)	(1,906,131)
Deferred tax	(1,155)	6,463
	-----	-----
	(1,392,976)	(1,899,668)
Loss after taxation	(35,211,636)	(18,304,472)
Loss per share	(8.80)	(4.58)

Financial performance and future prospects

The Company has incurred pre-tax loss of Rs 1.47 million during the year (2017: Rs. 8.19 million). However, after incorporating the share of loss of associated companies, the Company's pre-tax loss has increased to Rs 33.819 million. The paid up capital of the Company is Rs. 40.000 million, Capital Reserves Rs. 7.441 million, General Reserves Rs.5.400 million, Cash Reserve Rs. 42.88 million and un-appropriated profit of Rs. 227.456 million as on June 30, 2018.

The management is actively working on different options to ensure appropriate returns on available funds and with this objective the management and staff is doing the best s.

Corporate and financial reporting framework

- The financial statements, prepared by the management of Arpak International Investments Limited, presents fair state of affairs, cash flows and changes in the equity.
- Proper books of account of Arpak International Investments Limited have been maintained.
- All appropriate accounting policies have been consistently applied while preparing financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.

- The system of internal control has been effectively implemented and monitored.
- The Arpak International Investments Limited has the ability to continue as a “going concern”.
- The Company has followed corporate governance as detailed in the listing regulations.
- Key operating and financial data for the last decade in summarized form is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges outstanding as at June 30, 2018, except for those disclosed in the financial statements.
- During the year, four (4) meetings of the Board of Directors were held. Attendance by each director was as follows:

Name of Director	No. of meetings attended
Mr. Aziz Sarfaraz Khan	4
Begum Laila Sarfaraz	4
Mr. Abbas Sarfaraz Khan	3
Ms. Zarmine Sarfaraz	3
Ms. Najda Sarfaraz	2
Mr. Iskander M. Khan	4
Mr. Usman Salim Khan	4

- Leave of absence was granted to directors who could not attend some of the Board Meetings.
- No trade in the shares of the Company were carried-out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children during the year ended June 30, 2018, other than disclosed in the pattern of the shareholding.

Role of shareholders

The Board aims to ensure that the Company's shareholders are timely informed about the major developments affecting the Company's state of affairs. To achieve this objective, information is communicated to the shareholders through quarterly, half-yearly and annual reports.

Staff

The management and Labor relations remained cordial during the year. Bonus to employees was paid the rate of 01 months' gross salary during the year.

Dividend

The Directors do not recommend any dividend due to losses suffered by the Company.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by Pakistan Stock Exchange in the PSX Rules Book, relevant for the year ended June 30, 2018 have been duly complied with. A statement to this effect is annexed with the report.

Reply to Auditors' Observation

Note 16.1.2

The Auditors have made their reservations regarding certain estimates and assumptions used by the management in impairment testing of its investment in an associated company. The management has applied discounted cash flow method for calculating “Value in Use”.

Auditors

As recommended by the Audit Committee, the Board of Directors has recommended to re-appoint M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, Lahore as Auditors of the Company for the financial year ending June 30, 2019.

Pattern of Shareholding

The Pattern of Shareholding, as required under section 227 (2) (f) of the Companies Act, 2017 is annexed.

Acknowledgment

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

The Board wishes to thank the valued shareholders for their patronage and confidence reposed in the Company and consistent support in the present challenging scenario.

On Behalf Of The Board



(ABBAS SARFARAZ KHAN)
Chief Executive

Islamabad
October 02, 2018

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ

ڈائریکٹرز کی رپورٹ

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ کے ڈائریکٹرز کمپنی کی 41 ویں سالانہ رپورٹ اور 30 جون 2018 کو ختم ہونے والے سال کے آڈیٹ شدہ مالیاتی گوشوارے، پیش کرنے پر مسرت محسوس کرتے ہیں۔

مالیاتی کارکردگی

کمپنی کی مالیاتی کارکردگی کا ذیل میں خلاصہ پیش ہے۔

2017	2018	
(روپے)	(روپے)	
(16,404,804)	(33,818,660)	ٹیکس سے پہلے (نقصان)
		ٹیکسیشن
(1,906,131)	(1,391,821)	موجودہ ٹیکس
6,463	(1,155)	ڈیفرڈ ٹیکس
(1,899,668)	(1,392,976)	
(18,304,472)	(35,211,636)	بعد از ٹیکس (نقصان)
(4.58)	(8.80)	(نقصان) فی شیئر

مالیاتی کارکردگی اور مستقبل کے امکانات

کمپنی کو اس سال ٹیکس کی ادائیگی سے پہلے 1.47 ملین کا نقصان ہوا (2017 میں 8.19 ملین) تاہم، منسلک کمپنیوں کے نقصان کا حصہ شامل کرنے کے بعد کمپنی کا ٹیکس ادائیگی سے پہلے یہ نقصان 33.819 ملین تک بڑھ گیا۔ 30 جون 2018 کو کمپنی کا ادائ شدہ سرمایہ 40 ملین، کیپیٹل ریزرو 7.441 ملین، عمومی ریزرو 5.400 ملین، نقد ریزرو 42.88 ملین، اور غیر منقسم نفع 227.456 ملین تھا۔

میںجنت فعال طور پر کو مختلف طریقوں کو مد نظر رکھتے ہوئے کام کر رہا ہے تاکہ دستیاب شدہ فنڈز پر اچھا منافع حاصل کیا جاسکے۔

کارپوریٹ اور مالیاتی رپورٹنگ کافریم ورک

- آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، رقم کی آمد و رفت، کاروباری سرمایہ میں ہونے والی تبدیلیاں اور تمام معاملات کو واضح پیش کرتے ہیں۔

- کمپنی کے حسابداری کے باقاعدہ کھاتے مرتب کیے جاتے ہیں۔

- مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتے ہیں۔ یہ گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

- انٹرنیشنل اکاؤنٹنگ رپورٹنگ، جو پاکستان میں اپناتے ہوتے ہیں ان پر عمل کرتے ہوئے مالیاتی گوشوارے تیار کیے جاتے ہیں۔

- اندرونی کنٹرول کا نظام موثر طریقے سے نافذ اور نگران کیا گیا ہے۔

- کمپنی کے قائم نہ رہنے کے حوالے سے کسی قسم کا کوئی خدشہ نہیں پایا جاتا ہے۔

- کمپنی باقاعدگی سے کارپوریٹ گورننس کے قواعد و ضوابط، جو کہ لسٹنگ کے قواعد میں واضح کئے گئے ہیں کی پاسداری کر رہی ہے۔

- کمپنی کے گزشتہ دس سال کے انتظامی اور مالی امور سے متعلق اعداد و شمار منسلک ہیں۔

- 30 جون 2018 تک کسی بھی قسم کی کوئی ٹیکس، فرائض، لیویز، چارجز، بقایاجات نہیں ہیں، سوائے ان کے جو مالیاتی بیانات میں بتائی گئیں ہیں۔

- سال کے دوران بورڈ آف ڈائریکٹر کے چار اجلاس منعقد ہوئے جن میں ڈائریکٹر کی حاضری مندرجہ ذیل ہیں :

ڈائریکٹر کے نام	حاضری اجلاس
جناب عزیز سرفراز خان	4
بیگم لیلی سرفراز	4
جناب عباس سرفراز خان	3
محترمہ زرین سرفراز	3
محترمہ عجب اسرفراز	2
جناب سکندر محمد خان	4
جناب عثمان سلیم خان	4

جو ڈائریکٹر بورڈ کے اجلاس میں حاضر نہیں ہو سکے ان کو چھٹی کی منظوری دی گئی تھی۔

30 جون 2018 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی کے سیکریٹری، ان کے ازواج اور چھوٹے بچوں کی جانب سے کمپنی کے حصص میں کوئی لین دین نہیں ہوئی ہے، اس کے علاوہ، جو کہ شیئر ہولڈنگ کے پیٹرن میں ظاہر کی گئی ہے۔
حصص داران کا کردار

بورڈ کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے حصص داران کو کسی بھی ایسی اہم پیش رفت سے بروقت مطلع کیا جائے، جو کمپنی کے معاملات پر اثر انداز ہو۔ اس مقصد کو حاصل کرنے کے لئے حصص داران کو سہ ماہی، نصف اور سالانہ رپورٹ کی معلومات فراہم کی جاتی ہے۔

سٹاف

سال کے دوران انتظامیہ اور ورکرز کے تعلقات مثالی رہے۔ ملازمین کو دوران سال ایک عدد بونس ان کی گراس سیلری کے مطابق دیا گیا۔

ڈیویڈنڈ / منافع کی ادائیگی

کمپنی کے نقصان میں ہونے کی وجہ سے ڈائریکٹر نے اس سال ڈیویڈنڈ نہ دینے کی سفارش کی ہے۔

ضابطہ برائے کاروباری نظم و نسق

کمپنی ضابطہ برائے کاروباری نظم و نسق کے تمام قواعد و ضوابط جو کہ پاکستان اسٹاک ایکسچینج کی رول بک میں درج ہیں اور 30 جون 2018 کو ختم ہونے والے سال سے متعلقہ ہیں پر پوری طرح عمل پیرا ہے اور اس سے متعلق بیان اس رپورٹ کے ساتھ منسلک ہے۔ ہے۔

آڈیٹرز کے مشاہدے کا جواب

نوٹ 16.1.2

آڈیٹرز نے انتظامیہ کی جانب سے ایسوسی ایٹ کمپنی میں سرمایہ کاری کی ایمپائر منٹ ٹیسٹنگ میں استعمال کئے گئے تخمینوں اور مفروضوں پر اپنے خدشات کا اظہار کیا ہے۔ انتظامیہ نے "Value in Use" کا حساب لگانے کے لئے Discounted Cash Flow کا طریقہ کار لاگو کیا ہے۔

آڈیٹرز

آڈٹ کمیٹی کی تجاویز کے مطابق، بورڈ آف ڈائریکٹرز نے "سٹائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور" کو مالی سال 30 جون 2019 تک آڈیٹ مقرر کرنے کی سفارش کی ہے۔

حصص داران کی تفصیل

کمپنی ایکٹ 2017 کے سیکشن 227 سب سیکشن (f) (2) کے مطابق، حصص داران کی تفصیل منسلک ہے۔

اعتراف

ڈائریکٹر نے کمپنی کے لئے سٹاف کی محنت کو سراہا ہے۔

بورڈ قابل قدر حصص داروں کا شکر گزار ہے جنہوں نے مشکل وقت میں کمپنی کا ساتھ دیا اور کمپنی پہ اپنا بھروسہ رکھا، جس کی وجہ سے کمپنی موجودہ چیلنج میں سرخرو ہوئی۔

منجانب بورڈ



(عباس سرفراز خان)

چیف ایگزیکٹو

اسلام آباد

بتاریخ: اکتوبر 2018.02

ARPAK INTERNATIONAL INVESTMENTS LIMITED

Shareholders' Information

Registered Office

King's Arcade, 20-A,
Markaz F-7, Islamabad.
Tel# 92-51-02650805-7
Fax# 92-51-2651285-6

Shares Registrar

Hameed Majeed Associates (Pvt.) Limited,
HM House, 7-Bank Square, Lahore.
Tel# 92-42-37235081-2
Fax# 92-42-37358817

M/s. Hameed Majeed Associates (Pvt.) Limited is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function.

The Shares Registrar has online connectivity with Central Depository Company of Pakistan Limited. It undertakes activities pertaining to dematerialization of shares, share transfers, transmissions, issue of duplicate/re-validated dividend warrants, and issue of duplicate/replaced share certificates, change of address and other related matters.

Listing on Stock Exchange

Arpak equity shares are listed on Pakistan Stock Exchange.

Listing Fees

The annual listing fee for the financial year 2017-18 has been paid to the Stock Exchange within the prescribed time limit.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

Stock Code

The stock code for dealing in equity shares of Arpak at **PSX** is **Arpak Intl.**

Book Closure Dates

The Register of Members and Share Transfer books of the Company will remain closed from 17.10.2018 to 26.10.2018

Web Presence

Updated information regarding the Company can be accessed at Arpak website, www.premiergrouppk.com/arpak. The website contains the latest financial results of the Company together with Company's profile.

ARPAK INTERNATIONAL INVESTMENTS LIMITED
FORM-34
PATTERN OF SHAREHOLDING AS AT JUNE 30, 2018

No. of						Total
<u>Shareholders</u>	<u>Shareholding</u>					<u>Shares Held</u>
343	From	1	to	100	Shares	13,187
274	From	101	to	500	Shares	68,468
108	From	501	to	1,000	Shares	79,494
127	From	1,001	to	5,000	Shares	268,522
11	From	5,001	to	10,000	Shares	74,410
2	From	10,001	to	15,000	Shares	20,950
2	From	15,001	to	25,000	Shares	44,754
7	From	25,001	to	70,000	Shares	375,292
1	From	70,001	to	160,000	Shares	105,498
4	From	160,001	to	210,000	Shares	811,253
1	From	210,001	to	400,000	Shares	382,386
1	From	400,001	to	500,000	Shares	413,451
1	From	500,001	to	above	Shares	1,342,335
<u>882</u>						<u>4,000,000</u>

Categories of Shareholders	Numbers	Shares Held	Percentage of Paid-up Capital
<u>Associated Companies, Undertakings and Related Parties</u>	2	833,829	21
The Premier Sugar Mills & Distillery Co. Limited	382,386	9.56	
Azlak Enterprises (Pvt.) Limited	451,443	11.29	
<u>Directors & Relatives</u>	11	2,464,387	62
<u>Executives</u>	-	-	-
<u>Public Sector Companies & Corporations</u>	6	16,365	0
Bibojee Services (Pvt) Limited	10,396	0.26	
Excel Securities (Pvt) Limited	100	0.00	
BCGA Punjab (Pvt) Limited	5,268	0.13	
Sarfaraz Mahmood (Pvt) Limited	500	0.01	
Maple Leaf Capital Limited	1	0.00	
M/s Naeems Securities (Pvt.) Ltd.	100	0.00	
<u>Banks, Development Finance Institutions, Non Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds</u>	3	6,550	0
Fidelity Investment Bank Limited	2,850	0.07	
Investment Corporation of Pakistan	2,700	0.07	
EFU General Insurance Limited.	1,000	0.03	
<u>Individuals</u>	856	617,397	15
<u>Others</u>	4	61,472	2
Chief Administrator of Auqaf, Punjab	3,798	0.09	
The Society for Rehabilitation of Crippled Children	174	0.00	
Governing body Gulshan-e-Maymaar Foundation	57,500		
	882	4,000,000	100
<u>Shareholders holding 10% or more Voting Interest in the Company</u>			
Mr. Abbas Sarfaraz Khan	1,342,335	33.56	
Azlak Enterprises (Pvt.) Limited	451,443	11.29	

ARPAK INTERNATIONAL INVESTMENTS LIMITED

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulation, 2017 (“the Regulations”) in the following manner:

1. The total numbers of Directors are seven as per the following;
 - a. Male 4
 - b. Female 3

2. The composition of Board is as follows:

Category	Names
Independent Director	Mr. Usman Salim Khan
Other Non-Executive Directors	Mr. Aziz Sarfaraz Khan, Mr. Abbas Sarfaraz Khan, Ms. Zarmine Sarfaraz, Ms. Najda Sarfaraz
Executive Directors	Begum Laila Sarfaraz, Mr. Iskander M. Khan

3. The Directors have confirmed that none of them is serving as a director in more than seven listed Companies including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (“the Act”) and these regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their directors’ training program. However, requirements regarding exemption from the Commission will be fulfilled in due course of time.
10. The board has approved appointment of CFO; Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The Board has formed Committees comprising of members given below:

- a) Audit Committee
 - i. Mr. Usman Salim Khan Chairman
 - ii. Mr. Aziz Sarfaraz Member
 - iii. Ms. Zarmine Sarfaraz Member
- b) HR & Remuneration Committee
 - i. Mr. Usman Salim Khan Chairman
 - ii. Mr. Aziz Sarfaraz Khan Member
 - iii. Mr. Abbas Sarfaraz Khan Member

The HR & Remuneration Committee have been reconstituted and effective June 04, 2018, Mr. Usman Salim Khan, an independent director, has been appointed Chairman of the Committee replacing Mr. Aziz Sarfaraz Khan.

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14. The frequency of meetings of the Committee were as per following;
 - a) Audit Committee Quarterly
 - b) HR & Remuneration Committee Half Yearly
- 15. The Board has set-up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board



(ABBAS SARFARAZ KHAN)
Chief Executive

Islamabad
October 02, 2018

ARPAK INTERNATIONAL INVESTMENTS LIMITED
INDEPENDENT AUDITORS' REVIEW REPORT ON THE STATEMENT
OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of ARPAK INTERNATIONAL INVESTMENTS LIMITED (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried-out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Audit Engagement Partner: Nafees ud din

LAHORE;
October 03, 2018

ARPAK INTERNATIONAL INVESTMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Arpak International Investments Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

The management has carried-out impairment testing of its Investments in an Associated Company by calculating their recoverable amounts using value-in-use method. In applying the said method, the management has made certain estimates and used certain assumptions with which we do not concur. Refer note 16.1.2 to the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matters	How the matter was addressed in our audit
<p>Compliance with laws and regulations</p> <p>The Companies Act, 2017 (the Act) was promulgated on May 30, 2017, which replaced the Companies Ordinance, 1984 and brought changes in the presentation and disclosures of the financial statements by elimination of duplicative disclosures with IFRS disclosure requirements and incorporation of significant additional disclosures. These changes are applicable first time to the Company's financial statements for the year ended June 30, 2018.</p> <p>The changes are considered as a key audit matter as failure to comply with the requirements of the Act could have financial impact on the Company.</p> <p>Refer notes 2, 6, 7, 14, 15, 23 and 26 for changes in disclosures made through the Act.</p>	<p>We performed following audit procedures:</p> <ul style="list-style-type: none">- Obtained an understanding of the related provisions and schedules of the Act, applicable to the Company and prepared documents to assess the Company's compliance with the disclosure requirements of the Act.- Discussed the applicable changes with the Company's management and those charged with governance as to whether the Company was in compliance with such changes.- Maintained a high level of vigilance when carrying-out our other audit procedures for identification of any non-compliance.- Ensured that the financial statements have been prepared in accordance with the approved accounting standards and the Act.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information, which comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Mr. Nafees ud din.

LAHORE;
October 03, 2018

ShineWing Hameed Chaudhri & Co.

**SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

		(Restated)	(Restated)
	2018	2017	July 01, 2016
Note	-----	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	50,000,000
Issued, subscribed and paid-up capital 4,000,000 ordinary shares of Rs.10 each issued for cash	8 40,000,000	40,000,000	40,000,000
Reserves	9 11,624,596	13,171,048	11,614,135
Unappropriated profit	227,456,172	248,080,878	257,598,009
Share of surplus on revaluation of property, plant and equipment of Associated Companies	342,015,413	353,619,680	241,102,236
Shareholders' equity	621,096,181	654,871,606	550,314,380
Deferred taxation	10 184,652	183,496	189,959
Current Liabilities			
Accruals and other payables	11 2,803,266	2,684,549	2,538,530
Unclaimed dividend	1,022,223	1,046,430	541,707
Taxation	12 1,392,017	1,996,478	952,261
	5,217,506	5,727,457	4,032,498
Contingencies and commitments	13		
	626,498,339	660,782,559	554,536,837
Assets			
Non-current Assets			
Property, plant and equipment	14 4,637,553	4,606,503	4,629,474
Investment property	15 1,841,782	1,859,173	1,877,479
Long term investments	16 531,171,156	562,222,274	441,571,108
Loan to an Associated Company	17 43,750,000	43,750,000	31,250,000
	581,400,491	612,437,950	479,328,061
Current Assets			
Current portion of loan to an Associated Company	-	-	12,500,000
Short term investment	18 38,275,176	42,124,347	59,454,365
Advances to employees - considered good	174,750	169,750	244,750
Accrued mark-up	19 860,098	1,024,894	390,527
Prepayments	4,489	14,210	4,486
Advance income tax and tax deducted at source	1,180,178	2,166,003	1,401,279
Bank balances	20 4,603,157	2,845,405	1,213,369
	45,097,848	48,344,609	75,208,776
	626,498,339	660,782,559	554,536,837

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


Mr. Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- Rupees -----	2017
Income	21	11,588,393	11,642,498
Operating and general expenses	22	(13,043,879)	(19,821,789)
Operating loss		(1,455,486)	(8,179,291)
Bank charges		(9,349)	(14,981)
		(1,464,835)	(8,194,272)
Share of loss of Associated Companies - net	16	(32,353,825)	(8,210,532)
Loss before taxation		(33,818,660)	(16,404,804)
Taxation	23	(1,392,976)	(1,899,668)
Loss after taxation		(35,211,636)	(18,304,472)
Loss per share	24	(8.80)	(4.58)

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


Mr. Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---- Rupees ----	
Loss after taxation	(35,211,636)	(18,304,472)
Other comprehensive income		
Items that may be reclassified subsequently to statement of profit or loss:		
Fair value (loss) / gain on re-measurement of available-for-sale investments	(1,246)	116,708
Adjustment for gain included in statement of profit or loss upon sale of available-for-sale investments	(521,106)	-
Share of fair value (loss) / gain on remeasurement of available-for-sale investments of Associated Companies	(1,024,100)	1,440,205
	(1,546,452)	1,556,913
Items that will not be reclassified subsequently to profit and loss:		
Share of surplus arisen on revaluation of property, plant and equipment carried out by an Associated Company	2,918,720	127,150,489
	1,372,268	128,707,402
Total comprehensive (loss) / income for the year	<u>(33,839,368)</u>	<u>110,402,930</u>

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


Mr. Abbas Sarfaraz Khan
 Chief Executive


Iskander M. Khan
 Director


Rizwan Ullah Khan
 Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	--- Rupees ---	
Cash flow from operating activities		
Loss for the year - before taxation and share of loss of Associated Companies	(1,464,835)	(8,194,272)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	75,756	80,521
Depreciation on investment property	17,391	18,306
Mark-up on loan to an Associated Company	(3,346,202)	(3,274,895)
Dividend income	-	(2,600,518)
Fair value gain on re-measurement of investments	(1,967,395)	(117,938)
Gain on sale of long term investments	(436,699)	-
Gain on redemption of short term investments - net	(183,434)	(501,656)
Loss before working capital changes	(7,305,418)	(14,590,452)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Advances to employees	(5,000)	75,000
Prepayments	9,721	(9,724)
Increase / (decrease) in current liabilities		
Accruals and other payables	118,679	146,019
Unclaimed dividend	(24,207)	504,723
	99,193	716,018
Cash used in operating activities	(7,206,225)	(13,874,434)
Income tax paid	(1,010,457)	(1,626,638)
Dividend paid	-	(6,000,000)
Net cash used in operating activities	(8,216,682)	(21,501,072)
Cash flow from investing activities		
Mark-up received on loan to an Associated Company	3,510,998	2,640,528
Redemption of short term investment	6,000,000	17,949,612
Proceeds from sale of long term investment	570,242	-
Dividends received	-	2,600,518
Purchase of property, plant and equipment	(106,806)	(57,550)
Net cash generated from investing activities	9,974,434	23,133,108
Net increase in cash and cash equivalents	1,757,752	1,632,036
Cash and cash equivalents - at beginning of the year	2,845,405	1,213,369
Cash and cash equivalents - at end of the year	4,603,157	2,845,405

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


Mr. Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Reserves					Share of surplus on revaluation of property, plant and equipment of an Associated Company	Total
	Share capital	Capital reserve	General reserve	Unrealised gain on available-for-sale investments	Unappropriated profit		
	----- Rupees -----						
Balance as at June 30, 2016 (as previously reported)	40,000,000	7,440,781	5,400,000	(1,226,646)	257,667,597	-	309,281,732
Effect of retrospective restatement due to change in accounting policy by the Company (note 7)	-	-	-	-	(69,588)	241,102,236	241,032,648
Balance as at July 01, 2016 - restated	40,000,000	7,440,781	5,400,000	(1,226,646)	257,598,009	241,102,236	550,314,380
Distribution to owners:							
Cash dividend at the rate of Rs.1.5 per ordinary share for the year ended June 30, 2016	-	-	-	-	(6,000,000)	-	(6,000,000)
Total comprehensive (loss) / income for the year ended June 30, 2017:							
- loss for the year	-	-	-	-	(18,304,472)	-	(18,304,472)
- other comprehensive income	-	-	-	1,556,913	-	127,150,489	128,707,402
	-	-	-	1,556,913	(18,304,472)	127,150,489	110,402,930
Effects of items directly credited in equity by an Associated Company	-	-	-	-	154,296	-	154,296
Share of surplus on revaluation of property, plant and equipment realised during the year by an Associated Company on account of incremental depreciation - (net of deferred taxation)	-	-	-	-	14,633,045	(14,633,045)	-
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 year ended June 30, 2018							
- loss for the year	-	-	-	-	(35,211,636)	-	(35,211,636)
- other comprehensive (loss) / income	-	-	-	(1,546,452)	-	2,918,720	1,372,268
	-	-	-	(1,546,452)	(35,211,636)	2,918,720	(33,839,368)
Effects of items directly credited in equity by an Associated Company	-	-	-	-	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

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


Mr. Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. CORPORATE INFORMATION

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 Ltd. The registered office of the Company is situated at 20-A, Markaz F-7, Islamabad. The Company is principally engaged in investment business of various forms.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

Functional and presentation currency

These financial statements have been presented in Pak Rupee, which is the Company's functional and presentation currency. All financial information presented in Pak Rupee has been rounded to the nearest rupee unless otherwise stated.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments to approved accounting standards effective in current year

New and amended standards mandatory for the first time for the financial year beginning from July 1, 2017:

- (a) Amendments to IAS 7, 'Statement of cash flows'. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments only resulted in some additional disclosures in the Company's financial statements.

- (b) IAS 12 'Income taxes' (Amendment), on recognition of deferred tax assets for unrealised losses. These amendments on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets. Further, there are no debt instruments measured at fair value. The amendment does not have any impact on the Company's financial statements.
- (c) The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes also include change in respect of recognition criteria of surplus on revaluation of fixed assets as more fully explained in note 7 to these financial statements.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the incorporation of significant additional disclosures and elimination of duplicative disclosures with the IFRS disclosure requirements.

3.2 Standards, interpretations and amendments to approved accounting standards that are effective but not relevant

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on July 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and are, therefore, not detailed in these financial statements.

3.3 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2017 and have not been early adopted by the Company:

- (a) IFRS 9, 'Financial instruments' is applicable to accounting periods beginning on or after January 1, 2018. IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company has yet to assess the impact of these changes on its financial statements.
- (b) IFRS 15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 1, 2018. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is assessing the impact of this standard on its financial statements.

- (c) IFRIC 23, 'Uncertainty over income tax treatments' is applicable to accounting periods beginning on or after January 01, 2019. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company is yet to assess the full impact of this interpretation on its financial statements.

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Taxation

(a) Current and prior year

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the year, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalised during the year.

(b) Deferred

Deferred tax is recognised using the statement of financial position liability method on all temporary differences arising between the tax basis of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liability is recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

4.2 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.3 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

4.4 Property, plant and equipment

These are stated at cost less accumulated depreciation except freehold land which is stated at cost. Depreciation is taken to statement of profit or loss applying reducing balance method at the rates stated in note 14 to write-off the cost over estimated remaining useful life of assets. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant.

Depreciation on additions to fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

Normal repairs and replacements are taken to statement of profit or loss. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of property, plant and equipment, if any, is taken to statement of profit or loss.

4.5 Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The Company uses cost model for valuation of its investment property; freehold land has been valued at cost whereas building on freehold land has been valued at cost less accumulated depreciation and any identified impairment loss.

4.6 Impairment loss

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

4.7 Investments

(a) Available-for-sale investments

These represent investments which are not held for trading. All investments are initially recognised at cost, being the fair value of the consideration given. Subsequent to initial recognition, these investments are re-measured at fair value (quoted market price).

Any gain or loss from a change in the fair value of available-for-sale investments is recognised in other comprehensive income as unrealised, unless sold, collected or otherwise disposed-off, or until the investment is determined to be impaired, at which time cumulative gain or loss previously recognised in statement of other comprehensive income will be reclassified from equity to statement of profit or loss for the period.

(b) Investments at fair value through profit or loss

A non-derivative financial asset is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction cost is recognised in profit or loss when incurred. Investments at fair value through profit or loss are measured at fair value and changes therein are recognised in statement of profit or loss.

(c) Held-to-maturity investments

Investments with fixed maturity, that the management has the intent and ability to hold to maturity are classified as held to maturity investments. Held to maturity investments are initially measured at cost and at subsequent reporting dates measured at amortised cost using the effective yield method.

(d) Investments in Associated Companies

Investments in Associated Companies are accounted for using the equity method of accounting. Under the equity method, the investments are initially recognised at cost, and the carrying amounts are increased or decreased to recognise the Company's share of profit or loss of the investee after the date of acquisition.

The Company's share of post acquisition profit or loss is recognised in the statement of profit or loss, and its share of post acquisition movements in other comprehensive income is recognised in statement of other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in Associates equals or exceeds its interest in the Associates the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the Associates.

The Company determines at each reporting date whether there is any objective evidence that the investments in the Associates are impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the Associates and its carrying values and recognises the amount adjacent to share of profit / loss of Associates in the statement of profit or loss.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of balances with banks.

4.9 Revenue recognition

Income on deposit / saving accounts / term finance certificates is accrued on time proportion basis by reference to the principal outstanding and the applicable rate of return / interest.

- Dividend income is accounted for when the right of receipt is established.
- Rental income is accounted for on 'accrual basis'.

4.10 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the statement of profit or loss for the year.

Financial instruments carried on the statement of financial position include investments, loan to an Associated Company, advances to employees, accrued mark-up, bank balances, accruals & other payables and unclaimed dividend. All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.11 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, such differences are estimated to be insignificant and hence will not affect the true and fair presentation of the financial statements. The assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgements were exercised in application of accounting policies are as follows:

(a) Taxation

In making the estimate for income taxes payable by the Company, the management looks at the applicable law and decisions of appellate authorities on certain issues in the past.

(b) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

6. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

- (a)** During the year, an Associated Company {The Premier Sugar Mills and Distillery Company Ltd. (PSM)} changed its accounting policy and reclassified surplus on revaluation of property, plant and equipment to equity by making restatement in its financial statements. As the Company measures investments in PSM by applying equity method of accounting; the Company recognised its share of surplus on revaluation of property, plant and equipment of Associated Company by making restatement in its financial statements.
- (b)** All other significant transactions and events that have affected the Company financial position and performance during the year have been adequately disclosed in these financial statements. For detail performance review of the Company refer Chairman's Review Report and Directors' Report on the Company's operations.

7. CHANGE IN ACCOUNTING POLICY

Previously, the Associated Company's {The Premier Sugar Mills and Distillery Company Ltd. (PSM)} accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provisions of section 235 of the repealed Companies Ordinance, 1984. Further, the surplus on revaluation of property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Companies Ordinance, 1984. This specific section in the repealed Companies Ordinance, 1984 has not been carried forward in the Companies Act, 2017. PSM changed its accounting policy by following the accounting treatment and presentation of surplus on revaluation of property, plant and equipment, prescribed by IAS 16, 'Property, plant and equipment' and reclassified surplus on revaluation of property, plant and equipment to equity. This resulted in restatement of the financial statements of PSM. The Company measures its investments in PSM by applying equity method of accounting. Restatement of equity in the financial statements of PSM resulted in restatement of carrying amount of investment in PSM accounted for by the Company by applying equity method of accounting.

The effect of restatement of financial statements of PSM has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarised below:

	As previously reported	Re-statement	As restated
As at June 30, 2017	----- Rupees -----		
Effect on statement of financial position			
Long term investments	207,999,769	354,222,505	562,222,274
Share of surplus on revaluation of property, plant and equipment of an Associated Companies	-	353,619,680	353,619,680
Shareholders' equity	300,649,101	354,222,505	654,871,606
As at June 30, 2016			
Effect on statement of financial position			
Long term investment	200,538,460	241,032,648	441,571,108
Share of surplus on revaluation of property, plant and equipment of Associated Companies	-	241,102,236	241,102,236
Shareholders' equity	309,281,732	241,032,648	550,314,380

8. SHARE CAPITAL

8.1 The Premier Sugar Mills & Distillery Company Ltd. and Azlak Enterprises (Pvt.) Ltd. (Associated Companies) respectively hold 382,386 (2017: 382,560) and 451,443 (2017:451,443) ordinary shares of the Company.

8.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholdings of the shareholders.

9. RESERVES

	Note	2018	2017
		--- Rupees ---	
Capital reserve	9.1	7,440,781	7,440,781
Revenue reserve - general	9.2	5,400,000	5,400,000
Fair value reserve on re-measurement of available-for-sale investments	16	(1,216,185)	330,267
		11,624,596	13,171,048

9.1 The year-end balance comprised of as follows:

Gain on sale of land arisen during the accounting
years ended on:

December 31, 1981	2,648,331	2,648,331
December 31, 1984	1,500,000	1,500,000
June 30, 1998	2,690,925	2,690,925
	6,839,256	6,839,256

Gain on sale of investments arisen during the accounting
year ended on December 31, 1983

601,525	601,525
7,440,781	7,440,781

- 9.2** This reserve was created by transfer from profit and loss appropriation account for the year ended December 31, 1983.

10. DEFERRED TAXATION

The year-end credit balance has arisen due to accelerated tax depreciation allowances.

11. ACCRUALS AND OTHER PAYABLES

	Note	2018	2017
		--- Rupees ---	
Accrued expenses		193,703	279,527
Tax deducted at source		26,704	18,352
Security deposits	11.1	400,000	424,776
Advance rent		2,158,083	1,961,894
Other		24,776	-
		2,803,266	2,684,549

- 11.1** 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.

12. TAXATION - Net

Opening balance	1,996,478	952,261
Add: provision made during the year:		
- current	1,392,017	1,996,478
- prior year	(196)	(90,347)
	1,391,821	1,906,131
	3,388,299	2,858,392
Less: adjusted against completed assessments / payments:	1,996,282	861,914
Closing balance	1,392,017	1,996,478

- 12.1** Returns filed by the Company for Tax Years 2003 to 2017 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001. The Company has not received any notice from the Tax Department for the selection of its cases for detailed scrutiny.

- 12.2** Numeric tax rate reconciliation has not been presented in these financial statements as provision made during the year represents tax payable on property income and capital gain

13. CONTINGENCIES AND COMMITMENTS

There was no known contingency or commitment outstanding as at June 30, 2018 and 2017.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings on freehold land	Furniture and fixtures	Generator and equipment	Vehicle	Total
	----- Rupees -----					
As at June 30, 2016						
Cost	3,600,000	4,005,220	27,942	280,000	420,500	8,333,662
Accumulated depreciation	-	(3,076,486)	(25,754)	(182,363)	(419,585)	(3,704,188)
Book value	3,600,000	928,734	2,188	97,637	915	4,629,474
Year ended June 30, 2017:						
Additions	-	-	24,550	33,000	-	57,550
Depreciation for the year	-	(46,437)	(1,242)	(32,659)	(183)	(80,521)
Book value	3,600,000	882,297	25,496	97,978	732	4,606,503
Year ended June 30, 2018:						
Additions	-	-	-	106,806	-	106,806
Depreciation for the year	-	(44,115)	(2,550)	(28,945)	(146)	(75,756)
Book value	3,600,000	838,182	22,946	175,839	586	4,637,553
As at June 30, 2017						
Cost	3,600,000	4,005,220	52,492	313,000	420,500	8,391,212
Accumulated depreciation	-	(3,122,923)	(26,996)	(215,022)	(419,768)	(3,784,709)
Book value	3,600,000	882,297	25,496	97,978	732	4,606,503
As at June 30, 2018						
Cost	3,600,000	4,005,220	52,492	419,806	420,500	8,498,018
Accumulated depreciation	-	(3,167,038)	(29,546)	(243,967)	(419,914)	(3,860,465)
Book value	3,600,000	838,182	22,946	175,839	586	4,637,553
Depreciation rate (%)	-	5	10	25	20	

14.1 Freehold land represents 1,600 square yards of land situated at F-7/1 , Islamabad.

15. INVESTMENT PROPERTY

	Freehold land	Buildings on freehold land	Total
	----- Rupees -----		
As at June 30, 2016			
Cost	1,511,350	1,500,000	3,011,350
Accumulated depreciation	-	1,133,871	1,133,871
Book value	1,511,350	366,129	1,877,479
Year ended June 30, 2017			
Depreciation charge	-	18,306	18,306
Book value	1,511,350	347,823	1,859,173
Year ended June 30, 2018			
Depreciation charge	-	17,391	17,391
Book value	1,511,350	330,432	1,841,782
As at June 30, 2017			
Cost	1,511,350	1,500,000	3,011,350
Accumulated depreciation	-	1,152,177	1,152,177
Book value	1,511,350	347,823	1,859,173
As at June 30, 2018			
Cost	1,511,350	1,500,000	3,011,350
Accumulated depreciation	-	1,169,568	1,169,568
Book value	1,511,350	330,432	1,841,782
Depreciation rate (%)		5	

15.1 Fair value of the investment property, based on the management's estimation, as at June 30, 2018 was Rs.17.5 million (2017: Rs.15 million).

15.2 Freehold land represents 918.56 square yards of land situated at Gulberg V , Lahore.

16. LONG TERM INVESTMENTS

The Premier Sugar Mills and Distillery Company Ltd. (PSM)	2018	(Restated) 2017	(Restated) 2016
	----- Rupees -----		
400,000 ordinary shares of Rs.10 each - cost	8,800,000	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	140,776,284	134,295,050	112,522,386
(Loss) / profit for the year - net of taxation	(30,421,548)	(9,150,214)	10,097,814
Share of other comprehensive income - net of taxation	13,580,995	15,631,448	12,474,850
Dividend received	-	-	(800,000)
Share of revaluation surplus on property, plant and equipment	342,015,413	353,619,680	241,102,236
	474,751,144	503,195,964	384,197,286
Premier Board Mills Limited (PBML)			
600,000 ordinary shares of Rs.10 each	6,000,000	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	52,356,972	50,821,192	47,889,803
(Loss) / profit for the year - net of taxation	(1,932,277)	1,086,361	3,464,303
Share of other comprehensive (loss) / income - net of taxation	(18,165)	596,098	(518,723)
Adjustment of last year based on audited financial statements	-	(146,679)	(14,191)
	56,406,530	58,356,972	56,821,192
Others - Quoted Available-for-sale			
Ibrahim Fibres Ltd.			
214 (2017: 9,750) ordinary shares of Rs.10 each - cost	3,034	136,538	136,538
Add: adjustment on re-measurement to fair value	10,448	532,800	416,092
	13,482	669,338	552,630
	531,171,156	562,222,274	441,571,108

16.1 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 June 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 June 30, 2018 was Rs.30.460 million (2017: Rs.48 million). PSM is an associate of the Company due to common directorship.

16.1.1 Summarised financial information of PSM for the year ended March 31, based on the audited consolidated financial statements for year ended September 30, and reviewed condensed interim consolidated financial statements for the half year ended March 31, is as follows:

Summarised Condensed Interim Consolidated Statement of Financial Position	2018	2017	2016
	----- Rupees in '000 -----		
Non-current assets	8,868,281	9,117,062	8,050,424
Current assets	9,669,109	9,472,318	7,366,338
	18,537,390	18,589,380	15,416,762
Non-current liabilities	2,187,493	3,015,655	3,520,517
Current liabilities	11,108,978	10,169,376	7,788,553
	13,296,471	13,185,031	11,309,070
Net assets	5,240,919	5,404,349	4,107,692
Net assets - attributable to the shareholders of PSM	4,433,999	4,698,212	3,583,781
Reconciliation to carrying amount			
Opening net assets	4,698,211	3,583,781	3,553,462
(Loss) / profit for the year	(285,202)	(84,679)	94,667
Dividend paid during the year	-	-	(7,500)
Effect of items directly credited in equity	(89,293)	(20,714)	(46,458)
Other comprehensive income / (loss) for the year	109,322	1,218,819	(8,364)
Effect of items directly credited in equity by Associated Companies	961	1,004	(2,026)
Closing net assets	4,433,999	4,698,211	3,583,781
Company's share percentage 10.67%			
Company's share	472,876	501,067	382,389
Miscellaneous adjustments	1,875	2,129	1,808
Carrying amount of investment	474,751	503,196	384,197
Summarised Condensed Interim Statement of Profit or Loss			
Sales - total	11,850,581	10,755,501	12,191,150
(Loss) / profit before taxation - total	(237,071)	5,330	151,766
(Loss) / profit after taxation - attributable to the shareholders of PSM	(285,202)	(84,679)	94,667

16.1.2 The management, as at June 30, 2018, has carried out impairment testing of its investment in PSM as required under IAS 36, 'Impairment of Assets'. The recoverable amount of investment in PSM amounted Rs.653.989 million. The recoverable amount of investment has been determined using the 'value-in-use' computation. In assessing the value in use, estimated future cash flows have been discounted to their present value using a post-tax discount rate that reflects current market assessment of the time value of money. The post-tax discount rate applied to cash flow projections is 6.34%. As a result of the aforementioned impairment testing, the management has concluded that the carrying value of investment in PSM does not exceed its recoverable amount.

16.2 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.

16.2.1 Summarised financial information of PBML, based on the un-audited financial statements for the year ended June 30, 2018 and audited financial statements for the year ended June 30, 2017 is as follows:

Summarised Statement of Financial Position	2018	2017
	--- Rupees in '000 ---	
Non-current assets	498,485	513,430
Current assets	34,890	42,555
	533,375	555,985
Current liabilities	2,879	7,145
Net assets	530,496	548,840
Reconciliation to carrying amount		
Opening net assets	548,839	533,016
(Loss) / profit for the year	(18,173)	10,217
Other comprehensive (loss) / income for the year	(2,304)	4,155
Items directly credited in equity	2,134	1,451
Closing net assets	530,496	548,839
Company's share percentage 10.63%		
Carrying amount of investment	56,407	58,356
Summarised Statement of Profit or Loss		
Income	5,462	11,970
(Loss) / profit before taxation	(18,173)	12,300
(Loss) / profit after taxation	(18,173)	10,217

17. LOAN TO AN ASSOCIATED COMPANY

The Company and Chashma Sugar Mills Ltd.(CSM) - an Associated Company 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 financial year, ranged from 7.51% to 8.17% (2017: 7.45% to 7.53%) 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, during the financial year ended June 30, 2014 and then again during the preceding financial year, 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.

18. SHORT TERM INVESTMENT	Note	2018	2017
- at fair value through statement of profit or loss		--- Rupees ---	
First Habib Cash Fund			
361,627 (2017: 419,560) Units - cost		36,307,781	42,006,409
Adjustment on re-measurement to fair value		1,967,395	117,938
		38,275,176	42,124,347
19. ACCRUED MARK-UP			
This represents due from Chashma Sugar Mills Ltd. (an Associated Company) on account of mark-up accrued on loan advanced.			
20. BANK BALANCES			
Cash at banks on:			
- current account		260,892	159,248
- deposit accounts	20.1	4,316,369	2,660,261
- dividend account		25,896	25,896
		4,603,157	2,845,405
20.1 Deposit accounts, during the current financial year, carried profit at the rates of 3.75% and 4.50 % (2017: at the rate of 3.75%) per annum.			
21. INCOME			
Interest / profit on deposit accounts		53,016	55,085
Mark-up on loan to an Associated Company		3,346,202	3,274,895
Fair value gain on re-measurement of short term investments	18	1,967,395	117,938
Gain on sale of long term investments		436,699	-
Gain on redemption of short term investments		183,434	501,656
Dividends on short term investments		-	2,600,518
Rent		5,601,647	5,092,406
		11,588,393	11,642,498

22. OPERATING AND GENERAL EXPENSES

		2018	2017
	Note	--- Rupees ---	
Salaries and allowances		4,934,698	11,255,728
Printing and stationery		426,926	366,434
Travelling and conveyance		1,325,733	1,689,763
Communication		327,485	367,019
Utilities		5,848	5,392
Rent, rates and taxes		370,322	476,225
Vehicles' running		538,388	470,005
Fees and subscription		240,290	201,181
Advertisement		133,000	184,940
Entertainment		1,566,804	1,272,161
Repair and maintenance		1,019,277	1,393,706
Insurance		78,232	102,568
Depreciation on property, plant and equipment	14	75,756	80,521
Depreciation on investment property	15	17,391	18,306
Auditors' remuneration:			
- statutory audit		131,250	75,000
- half yearly review		57,750	55,000
- certification charges		47,250	40,000
- out-of-pocket expenses		52,000	45,000
		288,250	215,000
Legal and professional charges (other than Auditors')		201,125	186,150
Others		1,494,354	1,536,690
		13,043,879	19,821,789

23. TAXATION**Current**

Current tax on profit for the year	12	1,392,017	1,996,478
Adjustments in respect of prior years	12	(196)	(90,347)
		1,391,821	1,906,131

Deferred

Origination and reversal of temporary differences		7,272	(335)
Impact of change in tax rate		(6,117)	(6,128)
		1,155	(6,463)
		1,392,976	1,899,668

- 23.1** The management has provided sufficient tax provision in the financial statement as per the applicable provisions of the Ordinance. A comparison of last three years of income tax provision as per the financial statements with the tax assessed is presented below:

	2017	2016	2015
	----- Rupees -----		
Income tax provision for the year - accounts	1,996,478	952,261	726,458
Income tax as per deemed assessment	1,996,282	861,914	1,018,819

24. LOSS PER SHARE - BASIC AND DILUTED

	2018	2017
	--- Rupees ---	
Loss after taxation attributable to ordinary shareholders	(35,211,636)	(18,304,472)
	--- No. of shares ---	
Weighted average number of shares	4,000,000	4,000,000
	----- Rupees -----	
Loss per share	(8.80)	(4.58)

25. REMUNERATION OF DIRECTORS AND EXECUTIVES

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

25.2 Salaries and benefits paid to key management personnel:

	2018	2017
	--- Rupees ---	
Managerial remuneration	3,646,560	3,081,600
Medical and utility allowances	911,640	770,400
Gratuity	-	7,225,000
Expenses reimbursed	1,923,385	1,872,935
	6,481,585	12,949,935
No. of person	1	1

26. 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.

	2018	2017
	--- Rupees ---	
Mark-up charged on loan to an Associated Company	3,346,202	3,274,895
Mark-up received from Associated Company	3,510,999	2,640,528

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 25.

27. FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors (Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management framework.

27.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties fail completely to perform as contracted. The financial assets subject to credit risk are tabulated below:

	2018	2017
	--- Rupees ---	
Long term investments	531,171,156	562,222,274
Loan to an Associated Company	43,750,000	43,750,000
Short term investment	38,275,176	42,124,347
Advances to employees	174,750	169,750
Accrued mark-up	860,098	1,024,894
Bank balances	4,603,157	2,845,405
	618,834,337	652,136,670

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

Credit rating of short term investment - at fair value through statement of profit or loss

The analysis below summarises the credit rating of the Company's investment:

	Rating	Rating assigned by
Habib Assets Management Limited	AM3+	PACRA

27.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as all obligations of the Company are short term in nature and are restricted to the extent of available liquidity. As at reporting date, accruals and other payables are the only financial liability of the Company that are due within next twelve months.

27.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to market risk on its quoted long term investments and short term investment.

(a) Currency risk

Foreign currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to foreign exchange risk as it does not have any foreign currency receivables or payables.

(b) Interest rate risk

At the reporting date carrying amount of the mark-up / profit rate profile of the Company's significant financial assets was as follows:

	2018	2017
	--- Rupees ---	
Loan to an Associated Company	43,750,000	43,750,000
Bank balances	4,316,369	2,660,261
	<u>48,066,369</u>	<u>46,410,261</u>

The effective mark-up / profit rates for the monetary financial assets have been mentioned in respective notes to the financial statements.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Company's investment in Units of Mutual Fund and ordinary shares of a listed Company. To manage its price risk arising from aforesaid investment, the Company diversifies its portfolio and continuously monitors developments in equity and capital markets. In addition, the Company actively monitors the key factors that affect price movements.

The effects of a 10% increase in redemption value of Units of Mutual Fund and share price of investment would be as follows:

Effect on statement profit or loss	3,827,518	4,212,435
Effect on equity	1,348	66,934
Effect on investments	<u>3,828,866</u>	<u>4,279,369</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on statement of profit or loss, equity and assets of the Company.

27.4 Fair value of financial instruments and hierarchy

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between carrying values and the fair value estimates.

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

The following table shows the fair value measurements of the financial instruments carried at fair value by level of the following fair value measurement hierarchy:

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 have been measured at fair value using year-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.

28. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

29. NUMBER OF EMPLOYEES

The total number of employees as at June 30, 2018 were 3 (2017: 2) and their average numbers during the year were 3 (2017: 2).

30. DATE OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on October 02, 2018 by the Board of directors of the Company.

31. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, except for the following, no material re-arrangements and re-classifications have been made in these financial statements.

As required by provisions of the Companies Act, 2017, unclaimed dividends have been disclosed as a separate line item on the face of statement of financial position.



Mr. Abbas Sarfaraz Khan
Chief Executive



Iskander M. Khan
Director



Rizwan Ullah Khan
Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED

King's Arcade 20-A, Markaz F-7, Islamabad

PROXY FORM 41st Annual General Meeting

I/We..... ofbeing a member of **Arpak International Investments Limited** and holdingordinary shares as per share register Folio/CDC Account No..... hereby appoint Mr./Mrs of another member of the Company having Folio / CDC Account No CNIC No or Passport No..... or failing him / her Mr. / Mrs of Folio / CDC Accounts No CNIC No..... Or Passport No Who is also a member of the Company, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on October 26, 2018 and at any adjournment thereof.

Revenue Stamp
Signature(Rs. 5.00)

Signature of Shareholder
(The signature should agree with the specimen registered with the Company)

Dated this day of 2018.

Signature of Proxy _____

1. Witness:

Name: _____

Signature: _____

Address: _____

CNIC No: _____

2. Witness:

Name: _____

Signature: _____

Address: _____

CNIC No: _____

Note: Proxies, in order to be effective, must reach the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

CDC Shareholders and their Proxies are each requested to attached an attested photocopy of their CNIC or Passport with the proxy form before submission to the Company.

نمائندگی کا فارم (پراکسی فارم)

41واں سالانہ اجلاس عام

[illegible]

حصص دار کے دستخط

(دستخط کمپنی میں رجسٹرڈ نمونے سے مطابقت رکھتے ہوئے چاہیے)

پانچ روپے کی ریونیو سٹامپ

تاریخ --- مہینہ --- 2018

۱۔ گواہ

و سخط:

نام:

شناختی کارڈ نمبر:

نمائندہ کے دستخط

۲۔ گواہ

و سخط:

نام:

شناختی کارڈ نمبر:

نوٹ:

نمائندگی فارم (پراسی فارم) کمپنی کے پاس کمپنی کے رجسٹرڈ پتہ 20-A مرکز ایف سیون، اسلام آباد اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہونے چاہیے، بصورت دیگر یہ فارم تصور نہیں کیا جائے گا۔

سی ڈی سی تھیں یا ننگان اور ان کے نمابندوں (پراسی) سے درخواست ہے کہ (پراسی فارم) کمپنی کو جمع کروانے سے پہلے اس کے ساتھ اپنے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی لف کریں۔