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

Arpak International Investments Limited

**CONDENSED INTERIM
FINANCIAL INFORMATION FOR
THE NINE MONTHS PERIOD ENDED
MARCH 31, 2022 (UN-AUDITED)**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Abbas Sarfaraz Khan Begum Laila Sarfaraz Mr. Aziz Sarfaraz Khan Ms. Najda Sarfaraz Mr. Iskander M. Khan Mr. Usman Salim Khan Mr. Faiysal AliKhan	Chief Executive Chairperson
AUDIT COMMITTEE	Mr. Usman Salim Khan Mr. Aziz Sarfaraz Khan Mr. Faiysal AliKhan Mr. Mujahid Bashir	Chairman Member Member Secretary
COMPANY SECRETARY	Mr. Mujahid Bashir	
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ullah Khan	
HEAD OF INTERNAL AUDIT	Mr. Zaheer Mir	
AUDITORS	M/s. ShineWing Hameed Chaudhri & Co. Chartered Accountants	
LEGAL ADVISOR	Mr. Zahoor Alam	Advocate
SHARE REGISTRAR	M/s. Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore Phone No.: 042-37235081 Fax No.: 042-37235083	
BANKERS	Bank Al-Habib Limited MCB Bank Limited	
REGISTERED OFFICE	King's Arcade, 20-A, Markaz F-7, Islamabad Phone: 051-2650805-7 Fax: 051-2651285-6	

ARPAK INTERNATIONAL INVESTMENTS LIMITED

DIRECTOR'S REVIEW REPORT

The Board of Directors of Arpak International Investments Limited takes pleasure in presenting the review on the operational and financial performance of the Company for the nine-month period ended March 31, 2022.

OPERATIONS

During the period under review, the Company suffered pre-tax loss of Rs. 15,327 (March 31, 2021: Rs. 4.728 million) and after incorporating the share of loss and provision made for impairment in investment in an Associated Company, the Company's pre-tax loss has been reflected to Rs. 97.526 million for the period.

INVESTMENTS

The Company has investments of Rs. 43.750 million in an associated Company and Rs. 20.21 million in mutual funds. The management has invested prudently to ensure appropriate returns on available funds.

ACCOUNTING POLICIES

There has been no change in the accounting policies adopted for the preparation of the enclosed quarterly financial statements of the Company.

ON BEHALF OF THE BOARD



Islamabad
April 27, 2022

(Abbas Sarfaraz Khan)
Chief Executive



(Iskander M. Khan)
Director

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ کے تیسری سہ ماہی کی اختتامی مدت پر کمپنی کے ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والے نو مہینوں کے غیر آڈٹ شدہ کنڈلڈ عبوری مالیاتی معلومات حصص داروں کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن

کمپنی کو ٹیکس کی ادائیگی سے پہلے 15,327 روپے کا نقصان ہوا (31 مارچ 2021: 4,728 ملین) تاہم منسلک کمپنیوں کے نقصان کا حصہ شامل کرنے کے بعد کمپنی کا ٹیکس ادائیگی سے پہلے نقصان 97.526 ملین روپے تک بڑھ گیا۔

انوسٹمنٹس

کمپنی نے البھوسی اینڈ کمپنی میں 43,750 ملین روپے اور باہمی (میو پیول) فنڈز میں 20.21 ملین روپے کی سرمایہ کاری کر رکھی ہے۔ انتظامیہ نے دستیاب فنڈز پر مناسب ریٹرن حاصل کرنے کے لیے بڑے سوچ بچار کے بعد سرمایہ کاری کی ہوئی ہے۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی تیسری سہ ماہی مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سہ ماہی مالیاتی معاملات میں اپنائی گئی تھی۔

منجانب بورڈ





اسلام آباد

اسکندر محمد خان

عباس سرفراز خان

بتاریخ: 27 اپریل 2022

ڈائریکٹر

چیف ایگزیکٹو

ARPAK INTERNATIONAL INVESTMENTS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Un-audited March 31, 2022	Audited June 30, 2021
Note	Rupees	Rupees
Assets		
Non-current Assets		
Property, plant and equipment	4,434,588	4,492,186
Investment property	1,784,029	1,794,653
Long term investments	4 275,207,730	226,007,730
Loan to an Associated Company	5 43,750,000	43,750,000
	325,176,347	276,044,569
Current Assets		
Short term investment	6 20,205,994	21,528,835
Advance to employees - considered good	139,750	399,750
Accrued profit and mark-up	3,304,947	2,523,095
Prepayments and other receivables	252,170	1,336,394
Advance income tax and tax deducted at source	1,521,724	1,533,699
Bank balances	2,430,193	693,423
	27,854,778	28,015,196
	353,031,125	304,059,765
Equity and Liabilities		
Share Capital and Reserves		
Authorised capital		
5,000,000 ordinary shares of Rs.10 each	50,000,000	50,000,000
Issued, subscribed and paid-up capital		
4,000,000 ordinary shares of Rs.10 each issued for cash	40,000,000	40,000,000
Reserves	12,840,781	12,840,781
Accumulated loss	(114,528,507)	(45,130,961)
Share of surplus on revaluation of property, plant and equipment of Associated Companies	408,874,100	291,809,030
	347,186,374	299,518,850
Deferred taxation	144,522	147,073
Current Liabilities		
Accruals and other payables	3,136,888	1,446,694
Unclaimed dividend	1,039,042	1,039,042
Taxation	1,524,299	1,908,106
	5,700,229	4,393,842
Contingencies and Commitments	7	
	353,031,125	304,059,765

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Quarter Ended		Nine Months Ended	
	March 31 2022	March 31 2021	March 31 2022	March 31 2021
	-----Rupees-----			
Income	3,945,380	3,133,420	10,844,246	9,478,944
Operating and General Expenses	(3,215,094)	(4,062,713)	(10,854,553)	(14,197,333)
Operating profit/(loss)	730,286	(929,293)	(10,307)	(4,718,389)
Bank Charges	(1,437)	(4,051)	(5,020)	(9,702)
Share of (loss)/profit of Associated Companies --net of taxation	728,849	(933,344)	(15,327)	(4,728,091)
Reversal/ (provision made) for impairment in investment in an Associated Company	(6,102,293)	(6,500,053)	(7,605,760)	26,726,188
Profit/(loss)- before taxation	20,122,190	(18,343,308)	(89,905,257)	(148,674,720)
Taxation	14,748,746	(25,776,705)	(97,526,344)	(126,676,623)
Profit/(loss)- after taxation	(539,417)	(387,827)	(1,517,149)	(1,116,337)
Earnings/(loss) per share- basic and diluted	14,209,329	(26,164,532)	(99,043,493)	(127,792,960)
	3.55	(6.54)	(24.76)	(31.95)

The annexed notes form an integral part of this condensed interim financial information.

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

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Quarter Ended		Nine Months Ended	
	March 31 2022	March 31 2021	March 31 2022	March 31 2021
	-----Rupees-----			
Profit/(loss) after taxation	14,209,329	(26,164,532)	(99,043,493)	(127,792,960)
Other Comprehensive Income				
Items that may be reclassified subsequently to profit and loss:				
Share of other comprehensive income from Associated Company - net	788,267	15,994,880	1,009,280	67,460,375
Share of surplus arisen on revaluation of property, plant and equipment carried out by an Associated Company	(5,018,560)	0	134,793,604	0
	(4,230,293)	15,994,880	135,802,884	67,460,375
Total Comprehensive income/(loss)	9,979,036	(10,169,652)	36,759,391	(60,332,585)

The annexed notes form an integral part of this condensed interim financial information.

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

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	March 31 2022 Rupees	March 31 2021 Rupees
Cash flow from operating activities		
Loss for the period - before taxation and share of (loss)/ profit of Associated Companies	(15,327)	(4,728,091)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	57,597	68,949
Depreciation on investment property	10,624	11,183
Mark-up on loan to an Associated Company	(3,281,852)	(2,844,614)
Dividend Income	(1,245,479)	(1,269,144)
Gain on redemption of short term investments - net	(30,741)	(21,022)
Fair value profit/(loss) on re-measurement of short term investment	(87,758)	(18,837)
Loss before working capital changes	(4,592,936)	(8,801,576)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Advance to employees - <i>considered good</i>	260,000	95,004
Prepayments and other receivables	1,084,224	2,168,479
Increase / (decrease) in current Liabilities		
Accruals and other payables	1,690,194	1,250,769
Unclaimed dividend	0	(56,801)
	3,034,418	3,457,451
Cash used in operating activities	(1,558,518)	(5,344,126)
Income tax paid	(1,891,531)	(2,628,360)
Net cash used in operating activities	(3,450,049)	(7,972,486)
Cash flow from investing activities		
Mark-up received on loan to an Associated Company	2,500,000	2,000,000
Redemption of short term investment	1,441,340	6,921,227
Dividend received	1,245,479	1,269,144
Net cash generated from investing activities	5,186,819	10,190,371
Net increase / (decrease) in cash and cash equivalents	1,736,770	2,217,885
Cash and cash equivalents - at beginning of the period	693,423	799,449
Cash and cash equivalents - at end of the period	2,430,193	3,017,334

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Reserves		Unappropriated profit/(Accumulated loss)	Share of surplus on revaluation of property, plant and equipment of an Associated Company	Total	
	Capital reserve	General reserve				
	----- Rupees -----					
Balance as at July 01, 2020	40,000,000	7,440,781	5,400,000	67,305,213	251,236,239	371,382,233
Total comprehensive income for the nine months ended March 31, 2021	-	-	-	(127,792,960)	-	(127,792,960)
Loss for the period	-	-	-	-	67,460,375	67,460,375
Other comprehensive income	-	-	-	(127,792,960)	67,460,375	(60,332,585)
Effect of items directly credited to equity by an Associated Company	-	-	-	7,906,397	(17,778,240)	(9,871,843)
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)	-	-	-	7,953,494	(7,953,494)	0
Balance as at March 31, 2021	40,000,000	7,440,781	5,400,000	(44,627,856)	292,964,880	301,177,805
Balance as at July 01, 2021	40,000,000	7,440,781	5,400,000	(45,130,961)	291,809,030	299,518,850
Total comprehensive income for the nine months ended March 31, 2022	-	-	-	(99,043,493)	-	(99,043,493)
Loss for the period	-	-	-	1,009,280	134,793,604	135,802,884
Other comprehensive income	-	-	-	(98,034,213)	134,793,604	36,759,391
Effects of items directly credited in equity by Associated Companies	-	-	-	10,908,133	-	10,908,133
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)	-	-	-	17,728,534	(17,728,534)	-
Balance as at March 31, 2022	40,000,000	7,440,781	5,400,000	(114,528,507)	408,874,100	347,186,374

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
SELECTED NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

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

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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.
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements do not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2021. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.2. standards, amendments to approved accounting standards effective in current period and are relevant

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are effective for accounting periods beginning on July 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

2.4. ACCOUNTING POLICIES

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2021.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited financial statements for the year ended June 30, 2021

4. LONG TERM INVESTMENTS

		Un-audited March 31, 2022	Audited June 30, 2021
Note		---- Rupees ----	
Associated Companies:			
The Premier Sugar Mills and Distillery Company Ltd. (PSM) - quoted			
Carrying Value- under equity method	4.1.	654,851,193	515,745,936
Less: accumulated impairment loss	4.1.1	(450,851,193)	(360,945,936)
		204,000,000	154,800,000
Premier Board Mills Ltd. (PBML) - unquoted			
	4.2.	71,207,730	71,207,730
		275,207,730	226,007,730

4.1. Investment in PSM represents 400,000 fully paid ordinary shares of Rs.10 each representing 10.67% (June 30, 2021: 10.67%) of PSM's issued, subscribed and paid-up capital as at March 31, 2022. PSM was incorporated on July 24, 1944 as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of PSM is manufacturing and sale of white sugar and spirit. PSM is an associate of the Company due to common directorship.

4.1.1 The Company has recognised impairment on its investment in PSM based on the market value of PSM's shares as at the reporting date. Market value of PSM's shares as at March 31, 2022 was Rs.510 (June 30, 2021: Rs.387) per share.

4.2. Investment in PBML represents 600,000 fully paid ordinary shares of Rs.10 each representing 10.63% (June 30, 2021: 10.63%) of PBML's issued, subscribed and paid-up capital as at March 31, 2022. 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.

4.2.1 Carrying values of investments in PBML as at March 31, 2022 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates) due to nonavailability of condensed interim financial information for the nine months ended March 31, 2022.

5. LOAN TO AN ASSOCIATED COMPANY

The Company and Chashma Sugar Mills Ltd. (CSM) had entered into a loan agreement on May 20, 2008 whereby the Company 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 period, ranged from 8.76% to 10.77% (June 30, 2021: 8.56% to 8.78%) 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 years ended June 30, 2014, June 30, 2017 and June 30, 2020, entered into a revised agreements and has changed the repayment terms. As per latest agreement balance amount of this loan is now receivable in seven half-yearly instalments commencing November, 2022. The loan is secured against a promissory note of Rs.77 million.

6. SHORT TERM INVESTMENTS - at fair value through profit or loss

This represents investment in 199,904 (June 30, 2021: 213,920) units of Al Habib Cash Fund.

7. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at March 31, 2022 and June 30, 2021.

8. TRANSACTIONS WITH RELATED PARTIES

8.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited Nine months ended March 31,	
		2022	2021
		---- Rupees ----	
Associated Company	Mark-up earned on loan to an Associated Company	3,281,852	2,844,614
Key management personnel	Remuneration and other benefits	5,748,610	5,871,081

8.2 Period / year end balances are as follows:

	Un-audited March 31, 2022	Audited June 30, 2021
	---- Rupees ----	
Loan to an Associated Company	43,750,000	43,750,000
Accrued Mark-up on loan to an Associated Company	3,304,947	2,050,976

9. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since June 30, 2021 There have been no change in risk management objectives and policies of the Company during the period.

These condensed interim financial statements does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2021.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Given below is the analysis of financial instruments, carried at fair value, by valuation method. The different levels have been defined as follows:

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 investment in Mutual Fund has been measured at fair value using period-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.

11. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2021, whereas, the condensed interim statement of profit or loss, the condensed interim statement of other comprehensive income, the condensed interim statement of cash flows and the condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended March 31, 2021.

12. GENERAL

This condensed interim financial information was approved by the Board of Directors and authorised for issue on 27 April 2022.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER