

**Arpak  
International  
Investments  
Limited**

**QUARTERLY  
FINANCIAL STATEMENTS  
(UN-AUDITED)**

**AS ON 30 SEPTEMBER, 2016**

## ARPAK INTERNATIONAL INVESTMENTS LIMITED

### COMPANY INFORMATION

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

## ARPAK INTERNATIONAL INVESTMENTS LIMITED

### BRIEF REVIEW

The Interim Financial Statements of the Company for the 1st quarter ended on September 30, 2016 are presented to the shareholders in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange.

### **OPERATIONS**

The Company earned pre-tax profit of Rs. 216,122 (September 30, 2015: Rs. 236,441) during this quarter and after incorporating the share of loss of the associated undertakings, the Company's pre-tax loss has been reflected to Rs. 6,342,077 for the period.

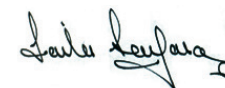
### **INVESTMENTS**

The Company has investments of Rs. 43.750 million in an associated Company and Rs. 58.734 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.

Islamabad  
27 October, 2016



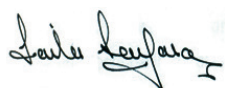
**(Begum Laila Sarfaraz)**  
Chief Executive

## ARPAK INTERNATIONAL

### CONDENSED INTERIM BALANCE SHEET AS

	Un-audited September 30, 2016	Audited June 30, 2016
Note	Rupees	Rupees
<b>Equity and Liabilities</b>		
<b>Share Capital and Reserves</b>		
Authorised capital 5,000,000 ordinary shares of Rs.10 each	<b>50,000,000</b>	50,000,000
Issued, subscribed and paid-up capital 4,000,000 ordinary shares of Rs.10 each issued for cash	40,000,000	40,000,000
Reserves	13,306,306	13,256,873
Unappropriated profit	248,708,349	256,024,859
	<b>302,014,654</b>	309,281,732
Deferred taxation	189,122	189,959
<b>Current Liabilities</b>		
Accruals and other payables	1,710,753	3,080,237
Taxation	1,237,390	952,261
	<b>2,948,143</b>	4,032,498
Contingencies and Commitments	6	
	<b>305,151,919</b>	313,504,189

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



**CHIEF EXECUTIVE**

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## INVESTMENTS LIMITED

### AT 30 SEPTEMBER, 2016 (Un-audited)

	Un-audited September 30, 2016	Audited June 30, 2016
Note	Rupees	Rupees
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	4,642,600	4,629,474
Investment property	1,872,902	1,877,479
Long term investments	8 193,339,552	200,538,460
Loan to an Associated Company	9 31,250,000	31,250,000
	<b>231,105,054</b>	238,295,413
<b>Current Assets</b>		
Current portion of loan to an Associated Company	12,500,000	12,500,000
Short term investment	10 58,734,159	59,454,365
Advance to employees - considered good	209,750	244,750
Accrued profit and mark-up Prepayments	321,865	390,527
	331,794	4,486
Advance income tax and tax deducted at source	1,409,708	1,401,279
Bank balances	539,590	1,213,369
	<b>74,046,866</b>	75,208,776
	<b>305,151,919</b>	313,504,189



**DIRECTOR**

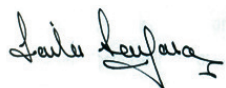
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**ARPAK INTERNATIONAL INVESTMENTS LIMITED**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)  
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2016**

	September 30, 2016	September 30, 2015
	-----Rupees-----	
Income	2,807,076	2,594,271
Operating and General Expenses	<u>2,588,689</u>	<u>2,354,025</u>
Operating Profit	218,387	240,246
Bank Charges	<u>2,265</u>	3,805
	216,122	236,441
Share of (Loss) / profit of Associated Companies - net	<u>(6,558,199)</u>	2,231,767
(Loss) / profit- before taxation	<u>(6,342,077)</u>	2,468,208
Taxation- Current	284,292	55,877
(Loss) / profit - after taxation	<u>(6,626,369)</u>	<u>2,412,331</u>
(Loss) / Earning per Share	<u>(1.66)</u>	<u>0.60</u>

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



CHIEF EXECUTIVE

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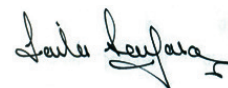
DIRECTOR

**ARPAK INTERNATIONAL INVESTMENTS LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME(Un-audited)  
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2016**

	September 30, 2016 Rupees	September 30, 2015 Rupees
(Loss) / profit after taxation	(6,626,369)	2,412,331
Other Comprehensive Income		
Fair value (loss)/gain on re-measurement of available-for-sale investments	49,433	(158,438)
Total Comprehensive (loss) / Income for the Year	<u>(6,576,936)</u>	<u>2,253,893</u>

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



CHIEF EXECUTIVE

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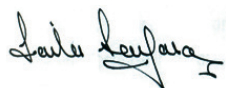
DIRECTOR

## ARPAK INTERNATIONAL INVESTMENTS LIMITED

### CONDENSED INTERIM CASH FLOW STATEMENT FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2016

	September 30, 2016 Rupees	September 30, 2015 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the quarter - before taxation and share of profit of Associated Companies	216,122	236,441
<i>Adjustments for non-cash charges and other items:</i>		
Depreciation on property, plant and equipment	19,875	12,488
Depreciation on investment property	4,577	4,817
Mark-up on loan to an Associated Company	(821,866)	(904,942)
Profit on term finance certificates	-	(591,378)
Fair value gain on measurement of investments	(686,598)	-
<b>Loss before working capital changes</b>	<b>(1,267,890)</b>	<b>(1,242,574)</b>
<b>Effect on cash flow due to working capital changes</b> (Increase) / decrease in current assets		
Investments - net	1,406,804	-
Advance to employees	35,000	35,000
Prepayments	(327,308)	(266,494)
Increase / (decrease) in accruals and other payables	(1,369,484)	(1,028,891)
	<b>(254,988)</b>	<b>(1,260,385)</b>
<b>Cash generated from / (used in) operations</b>	<b>(1,522,878)</b>	<b>(2,502,959)</b>
Income tax paid	(8,429)	(54,131)
<b>Net cash used in operating activities</b>	<b>(1,531,307)</b>	<b>(2,557,090)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Mark-up received on loan to an Associated Company	890,528	415,378
Purchase of property, plant and equipment	(33,000)	0
<b>Net cash generated from investing activities</b>	<b>857,528</b>	<b>415,378</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(673,779)</b>	<b>(2,141,712)</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>1,213,369</b>	<b>64,441,217</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>539,590</b>	<b>62,299,505</b>

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



CHIEF EXECUTIVE

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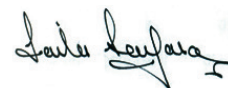
DIRECTOR

## ARPAK INTERNATIONAL INVESTMENTS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2016

	Reserves					
	Capital reserve	General reserve	Unrealised gain on long term investments			
	Share capital	Capital reserve	General reserve	Unrealised gain on long term investments	Unappropriated profit	Total
Rupees						
Balance as at June 30, 2015 - restated	40,000,000	7,440,781	5,400,000	612,750	235,771,778	289,225,309
Total Comprehensive Income for the quarter ended September 30, 2015	-	-	-	(158,438)	2,412,331	2,253,893
Effects of items directly credited in equity by Associated Companies	-	-	-	-	4,272,233	4,272,233
<b>Balance as at September 30, 2015 (Un-audited)</b>	<b>40,000,000</b>	<b>7,440,781</b>	<b>5,400,000</b>	<b>454,312</b>	<b>242,456,342</b>	<b>295,751,435</b>
Total comprehensive income for the year ended June 30, 2016	-	-	-	(196,658)	12,227,366	12,030,708
Dividend paid during the year @ Re. 1/share	-	-	-	-	(4,000,000)	(4,000,000)
Effects of items directly credited in equity by Associated Companies	-	-	-	-	12,025,715	12,025,715
<b>Balance as at June 30, 2016</b>	<b>40,000,000</b>	<b>7,440,781</b>	<b>5,400,000</b>	<b>416,092</b>	<b>256,024,859</b>	<b>309,281,732</b>
Total Comprehensive Loss for the quarter ended September 30, 2016	-	-	-	49,433	(6,626,369)	(6,576,936)
Effects of items directly credited in equity by Associated Companies	-	-	-	-	(690,141)	(690,141)
<b>Balance as at September 30, 2016</b>	<b>40,000,000</b>	<b>7,440,781</b>	<b>5,400,000</b>	<b>465,525</b>	<b>248,708,349</b>	<b>302,014,654</b>

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



CHIEF EXECUTIVE

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DIRECTOR

# ARPAK INTERNATIONAL INVESTMENTS LIMITED

## NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2016

### 1. CORPORATE INFORMATION

Arpak International Investments Limited (the Company) was incorporated in Pakistan on 26 July, 1977 as a Public Company and its shares are quoted on Lahore and Karachi Stock Exchanges. The registered office of the Company is situated at 20-A, Markaz F-7, Islamabad. It is principally engaged in investment business of various forms.

### 2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the quarter ended 30 September, 2015 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 (Interim Financial Reporting) and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where the requirements differ, the provisions of or directives issued under the Ordinance have been followed. These are required to be presented to the shareholders under section 245 of the Ordinance.

### 3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2016.

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited financial statements for the year ended June 30, 2016.

### 5. PRESENTATION

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

### 6. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at September 30, 2016 and June 30, 2016.

### 7. INVESTMENT PROPERTY

Fair value of investment property, based on the management's estimation, as at September 30, 2016 is Rs.13.90 million (June 30, 2016: Rs.13.90 million).

### 8. LONG TERM INVESTMENTS

Un-audited Quarter ended 30 September, 2016 Rupees	Audited Year ended 30 June, 2016 Rupees
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#### Associated Companies:

##### Quoted:

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

Balance as at July 01,	143,164,638	121,322,386
Effect of items directly credited in equity / share of OCI	(690,141)	12,544,438
Share of after tax profit	(6,411,520)	10,097,814
Loss for the period / year net of taxation	-	(800,000)
	<b>136,062,977</b>	<b>143,164,638</b>

##### Un-quoted:

#### Premier Board Mills Ltd. (PBML)

Balance as at July 01,	56,821,192	53,889,803
Effect of items directly credited in equity / share of OCI	-	(518,723)
Share of after tax profit		
- current period / year	-	3,464,303
- adjustment for last year based on audited financial statements	(146,679)	(14,191)
	<b>(146,679)</b>	<b>3,450,112</b>
	<b>56,674,513</b>	<b>56,821,192</b>

##### Others - Quoted

#### Available for sale

#### Ibrahim Fibres Ltd.

9,750 ordinary shares of Rs.10 each	136,538	136,538
Add: Adjustment arising from measurement to fair value	465,525	416,092
	<b>602,063</b>	<b>552,630</b>
	<b>193,339,552</b>	<b>200,538,460</b>

### 9. LOAN TO AN ASSOCIATED COMPANY

The Company and Chashma Sugar Mills Limited (CSM) have entered into a loan agreement on 20 May, 2008 whereby the company has advanced amounts aggregating Rs. 50 million to CSM. The loan carries mark -up at the rate on one month KIBOR plus 1.25% per annum. The effective mark-up rate by the Company during the period ranged from 8.08% to 11.62% (2015:10.26% to 11.63%) per annum. The loan is receivable in 7 equal installments commencing November, 2016 and is secured against a promissory note of Rs. 55.615 million.

#### 10 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on October 27, 2016.

#### 11 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended June 30, 2016 and the corresponding figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparative period as per the condensed interim financial information of the Company for the quarter ended September 30, 2015. Corresponding figures have been re-arranged, whenever, necessary, for the purpose of comparison. However no significant re-arrangements have been made.



**CHIEF EXECUTIVE**



**DIRECTOR**