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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, 2023 (UN-AUDITED)**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

Board of Directors

Begum Laila Sarfaraz	Chairperson
Mr. Abbas Sarfaraz Khan	Chief Executive
Ms. Najda Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Babar Ali Khan	Director
Mr. Usman Salim Khan	Independent Director
Mr. FaiysalAli Khan	Independent Director

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

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

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, 2023.

OPERATIONS

During the period under review, the Company suffered pre-tax loss of Rs.2.726 million (March 31, 2022: Rs. 15,327) 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. 63.29 million for the period.

INVESTMENTS

The Company has investments of Rs. 37.5 million in an associated Company and Rs. 23.12 million in mutual funds. The management has invested prudently to ensure appropriate returns on available funds.

ACCOUNTING POLICIES

The accounting policies adopting in the preparation of the condensed interim financial information for the quarter and nine months period are the same as applied in the preparation of the preceding annual financial statements of the Company.

ACKNOWLEDGEMENT

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

ON BEHALF OF THE BOARD



Islamabad
April 26, 2023

(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 2023 کو ختم ہونے والے نو مہینوں کے غیر آڈٹ شدہ کنڈرٹسڈ عبوری مالیاتی معلومات حصص داروں کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریٹن

کمپنی کو گیس کی ادائیگی سے پہلے 2.726 روپے کا نقصان ہوا (31 مارچ 2022: 15.327) تاہم شکستہ کمپنیوں کے نقصان کا حصہ شامل کرنے کے بعد کمپنی کا گیس ادائیگی سے پہلے نقصان 63.29 ملین روپے تک بڑھ گیا۔

انوسٹمنٹس

کمپنی نے ایسوسی ایٹڈ کمپنی میں 37.5 ملین روپے اور باہمی (میو پی او) کنڈرٹس میں 23.12 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۔

اعتراف

ڈائریکٹرز نے کمپنی کے لئے سٹاف کی محنت اور لگن کو سراہا ہے۔

منجانب بورڈ



اسلام آباد

اسکندر محمد خان

ڈائریکٹر



عباس سرفراز خان

چیف ایگزیکٹو

تاریخ: 26 اپریل 2023

ARPAK INTERNATIONAL INVESTMENTS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Un-audited March 31, 2023	Audited June 30, 2022
Note	Rupees	Rupees
Assets		
Non-current Assets		
Property, plant and equipment	4,366,613	4,415,390
Investment property	4,698,760	1,780,488
Long term investments	5 322,672,924	292,672,924
Loan to an Associated Company	6 25,000,000	31,250,000
	<u>356,738,297</u>	<u>330,118,802</u>
Current Assets		
Current portion of loan to an Associated Company	12,500,000	12,500,000
Short term investment	7 23,121,356	20,749,666
Advance to employees - considered good	139,750	139,750
Accrued profit and mark-up	3,037,957	2,351,696
Prepayments and other receivables	319,180	6,280
Advance income tax and tax deducted at source	1,230,752	1,628,061
Bank balances	5,062,701	1,001,294
	<u>45,411,696</u>	<u>38,376,747</u>
	<u>402,149,993</u>	<u>368,495,549</u>
Equity and Liabilities		
Share Capital and Reserves		
Authorised capital		
5,000,000 ordinary shares of Rs.10 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid-up capital		
4,000,000 ordinary shares of Rs.10 each issued for cash	40,000,000	40,000,000
Reserves	12,840,781	12,840,781
Unappropriated profit	(141,976,445)	(98,322,096)
Share of surplus on revaluation of property, plant and equipment of Associated Companies	479,088,982	408,947,433
	<u>389,953,318</u>	<u>363,466,118</u>
Deferred taxation	142,358	143,671
Current Liabilities		
Accruals and other payables	10,602,955	1,933,836
Unclaimed dividend	1,039,042	1,039,042
Taxation	412,320	1,912,882
	<u>12,054,317</u>	<u>4,885,760</u>
Contingencies and Commitments	8	
	<u>402,149,993</u>	<u>368,495,549</u>

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, 2023

	Quarter Ended		Nine Months Ended	
	March 31 2023	March 31 2022	March 31 2023	March 31 2022
	-----Rupees-----			
Income	3,921,394	3,945,380	10,021,528	10,844,246
Operating and General Expenses	(4,106,731)	(3,215,094)	(12,720,004)	(10,854,553)
Operating (loss) / profit	(185,337)	730,286	(2,698,476)	(10,307)
Bank Charges	(24,965)	(1,437)	(28,404)	(5,020)
	(210,302)	728,849	(2,726,880)	(15,327)
Share of profit / (loss) of Associated Companies--net of taxation	6,850,454	(6,102,293)	(8,505,600)	(7,605,760)
Reversal / (Provision) made for impairment in investment in an Associated Company	17,960,086	20,122,190	(52,063,868)	(89,905,257)
Profit / (loss) before taxation	24,600,238	14,748,746	(63,296,348)	(97,526,344)
Taxation	(404,634)	(539,417)	(785,920)	(1,517,149)
Profit / (loss) after taxation	24,195,604	14,209,329	(64,082,268)	(99,043,493)
Profit / (loss) per Share	6.05	3.55	(16.02)	(24.76)

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, 2023

	Quarter Ended		Nine Months Ended	
	March 31 2023	March 31 2022	March 31 2023	March 31 2022
	-----Rupees-----			
Profit/ (loss) after taxation	24,195,604	14,209,329	(64,082,268)	(99,043,493)
Other Comprehensive Income				
Items that may be reclassified subsequently to profit and loss:				
Fair value (loss)/gain on re-measurement of available-for-sale investments	0	0	0	0
Reclassification of gain on sale of available-for-sale investments				
Share of other comprehensive income from Associated Company - net	93,014	788,267	(326,933)	1,009,280
Share of Share of surplus arisen on revaluation of property, plant and equipment carried out by an Associated Company	(27,564,374)	(5,018,560)	70,141,549	134,793,604
	(27,471,360)	(4,230,293)	69,814,616	135,802,884
Total Comprehensive Income for the Year	(3,275,756)	9,979,036	5,732,348	36,759,391

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, 2023

	March 31 2023 Rupees	March 31 2022 Rupees
Cash flow from operating activities		
Loss for the period - before taxation and share of profit of Associated Companies	(2,726,880)	(15,327)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	48,777	57,597
Depreciation on investment property	81,728	10,624
Mark-up on loan to an Associated Company	(3,577,760)	(3,281,852)
Dividend Income	0	(1,245,479)
Gain on redemption of short term investments - net	(2,450,561)	(30,741)
Fair value profit/(loss) on re-measurement of short term investment	(247,002)	(87,758)
Gain on sale of long term investments	0	0
Loss before working capital changes	(8,871,698)	(4,592,936)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Advance to employees -considered good	0	260,000
Prepayments and other receivables	(312,900)	1,084,224
Increase / (decrease) in current Liabilities		
Accruals and other payables	8,669,119	1,690,194
Unclaimed dividend	0	0
	8,356,219	3,034,418
Cash used in operating activities	(515,479)	(1,558,518)
Income tax paid	(1,890,486)	(1,891,531)
Net cash used in operating activities	(2,405,965)	(3,450,049)
Cash flow from investing activities		
Purchase of property, plant and equipment	(3,000,000)	0
Mark-up received on loan to an Associated Company	2,891,499	2,500,000
Redemption of short term investment	325,873	1,441,340
Reinvestment in Short Term Investment	0	0
Dividend received	0	1,245,479
Long term loan repaid	6,250,000	0
Dividend paid	0	0
Net cash generated from investing activities	6,467,372	5,186,819
Net increase / (decrease) in cash and cash equivalents	4,061,407	1,736,770
Cash and cash equivalents - at beginning of the period	1,001,294	693,423
Cash and cash equivalents - at end of the period	5,062,701	2,430,193

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, 2023

	Reserves			Unappropriated profit/ (loss)	Share of surplus on revaluation of property, plant and equipment of an Associated Company	Total
	Capital reserve	General reserve	Unrealised gain on long term investments			
	----- Rupees -----					
Balance as at July 01, 2021	40,000,000	7,440,781	5,400,000	0	(45,130,961)	291,809,030
Distribution to owners						
Total comprehensive income for the nine months period ended March 31, 2022						
Loss for the period	-	-	-	-	(99,043,493)	(99,043,493)
Other comprehensive income	-	-	-	-	1,009,280	135,802,884
	-	-	-	-	(98,034,213)	134,793,604
Effect of items directly credited to equity by an Associated Company	-	-	-	-	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	0	(114,528,507)	408,874,100
Balance as at July 01, 2022	40,000,000	7,440,781	5,400,000	0	(98,322,096)	408,947,433
Total comprehensive income for the nine months period ended March 31, 2023						
Loss for the period	-	-	-	-	(64,082,268)	(64,082,268)
Other comprehensive income	-	-	-	-	69,814,616	69,814,616
	-	-	-	-	(64,082,268)	69,814,616
Effects of items directly credited in equity by Associated Companies	-	-	-	-	20,754,852	20,754,852
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)						
					(326,933)	326,933
Balance as at March 31, 2023	40,000,000	7,440,781	5,400,000	-	(141,976,445)	479,088,982

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, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PREPARATION

2.1. 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:

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

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

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, 2022. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.2 New standards, amendments to approved accounting standards and interpretations that are effective during the period

The new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on July 1, 2019 are considered not to be relevant or to have any significant effect on the Company's interim financial reporting and are, therefore, not detailed in these condensed interim financial statements.

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, 2022.

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, 2022.

5. LONG TERM INVESTMENTS

	Un-audited	Audited
	March 31,	June 30,
	2023	2022

Note **---- Rupees ----**

Associated Companies:

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

Carrying value - under equity method	5.1. 732,188,071	650,124,203
Less: Impairment loss	(482,188,071)	(430,124,203)
	250,000,000	220,000,000

Premier Board Mills Ltd. (PBML) - un-quoted

	5.2. 72,672,924	72,672,924
	322,672,924	292,672,924

5.1. Investment in PSM represents 400,000 fully paid ordinary shares of Rs.10 each representing 10.67% (June 2021: 10.67%) of PSM's issued, subscribed and paid-up capital as at December 31, 2021. 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 March 31, 2022 was Rs. 625 per share (June 30, 2022: Rs. 550 per share). PSM is an associate of the Company due to common directorship.

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

5.2.1 Carrying values of investments in PBML as at March 31, 2023 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 period ended March 31, 2023.

6. 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 8.56% to 8.78% (2020: 9.58% to 15.06%) per annum. As per the original loan agreement, the loan was receivable in 8 equal half-yearly instalments commenced from May, 2013. The Company and CSM, in the preceding financial years entered into revised agreements and changed the repayment terms. As per latest agreement, outstanding balance of Rs.43.750 million is now receivable in seven half-yearly instalments commencing November, 2022. The loan is secured against a promissory note of Rs.77 million.

7.	SHORT TERM INVESTMENTS - At fair value through profit or loss	Un-audited	Audited
		March 31,	June 30,
		2023	2022
		----- Rupees -----	
	First Habib Cash Fund		
	216,445 (June 30, 2022: 205,540.94) Units - cost	22,874,354	20,685,558
	Adjustment on re-measurement to fair value	247,002	64,108
		23,121,356	20,749,666

8. **CONTINGENCIES AND COMMITMENTS**

There was no known contingency and commitment outstanding as at March 31, 2023 and June 30, 2022.

9. **TRANSACTIONS WITH RELATED PARTIES**

9.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited	
		Nine months ended	
		March 31,	
		2023	2022
		----- Rupees -----	
Associated Company	Mark-up earned on loan to an Associated Company	3,577,760	3,281,852
Key management personnel	Remuneration and other benefits	3,775,230	5,748,610

9.2 **Period / year end balances are as follows:**

	Un-audited	Audited
	March 31,	June 30,
	2023	2022
	----- Rupees -----	
Loan to an Associated Company	37,500,000	43,750,000
Accrued Mark-up on loan to an Associated Company	3,037,957	2,351,696

10. **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, 2022. There have been no change in risk management objectives and policies of the Company during the period.

This condensed interim financial information does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2022

11. **CORRESPONDING FIGURES**

11.1 In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

12. **GENERAL**

This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 26, 2023.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER