

Annual Report 2024

ARPAK INTERNATIONAL INVESTMENTS LIMITED

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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 of 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 or 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
Ms. Najda Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Baber Ali Khan	Director
Mr. Usman Salim Khan	Independent Director
Mr. Faiysal Alikhan	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

M/s. 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. Baber Ali Khan (Non-Executive Director)	Member
Ms. Najda Sarfaraz (Non-Executive Director)	Member
Mr. Iskander M. Khan (Executive Director)	Member

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 196 of the Companies Ordinance, 1984. 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
Mr. Baber Ali Khan (Non-Executive Director)	Member
Mr. Faiysal Alikhan (Non-Executive Director)	Member
Mr. Mujahid Bashir	Secretary

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 annual and interim 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;
 - going-concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with these regulations and other statutory and regulatory requirements; and
 - all related party transactions.
- c) review of preliminary announcements of results prior to external communication and publication;
- 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, audit plan, reporting framework and procedures 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 of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the 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 and internal audit reports;
- 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 officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) determination of compliance with relevant statutory requirements;
- m) monitoring compliance with these regulations and identification of significant violations thereof;
- n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

- o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Human Resource and Remuneration Committee

Mr. Usman Salim Khan (Independent Director)	Chairman
Mr. Baber Ali Khan (Non-Executive Director)	Member
Mr. Abbas Sarfaraz Khan (Executive Director)	Member
Mr. Mujahid Bashir	Secretary

The Committee is responsible for:

- i) recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- ii) undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualification and major terms of appointment;
- iii) recommending human resource management policies to the board;
- iv) recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v) consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	(R U P E E S I N T H O U S A N D)									
Income	21,865	15,780	14,491	13,060	17,360	16,029	11,588	11,642	10,904	13,636
Operating profit/ (loss)	6,806	(1,530)	(806)	(696)	(478)	(574)	(1,455)	(8,179)	(55)	4,347
(Loss) / profit before tax	(247,391)	(74,828)	(77,115)	(122,134)	192,629	(79,791)	(33,819)	(16,405)	13,483	12,731
(Loss) / profit after tax	(249,559)	(76,304)	(79,020)	(123,990)	190,403	(81,695)	(35,211)	(18,304)	12,227	11,651
Share Capital	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Shareholders' Equity	339,316	388,442	363,466	299,518	371,382	184,468	180,441	654,872	550,314	289,225
Capital Employed	340,271	388,659	363,609	299,665	371,562	184,659	180,626	655,056	550,504	289,404
Fixed Assets - Net	8,863	9,079	6,196	6,286	6,394	6,521	6,480	6,466	6,507	6,480
Total Assets	352,079	400,388	368,495	304,059	375,662	191,131	185,842	660,783	554,537	292,546
Current Assets	69,424	51,878	38,376	28,015	36,474	56,340	45,098	48,345	75,209	66,354
Current Liabilities	11,808	11,729	4,885	4,393	4,100	6,470	5,218	5,728	4,032	3,142
Long Term Liabilities	954	217	143	147	180	191	185	184	190	179
Dividend										
Cash Dividend (%)	0	0	0	0	0	6.00	-	-	12.5	10
Ratios Profitability										
Operating Profit (%)	31.13	(9.70)	(5.56)	(5.33)	(2.75)	(3.58)	(12.56)	(70.25)	(0.50)	31.88
(Loss)/ profit before tax (%)	(1,131.45)	(474.20)	(532.16)	(935.18)	1,109.61	(497.79)	(291.85)	(140.91)	123.65	93.36
(Loss)/ profit after tax (%)	(1,141.36)	(483.55)	(545.30)	(949.39)	1,096.79	(509.67)	(303.86)	(157.22)	112.13	85.44
Return to Shareholders (ROE)										
ROE - Before Tax (%)	(72.91)	(19.26)	(21.22)	(40.78)	51.87	(43.25)	(18.74)	(2.51)	2.45	4.40
ROE - After Tax (%)	(73.55)	(19.64)	(21.74)	(41.40)	51.27	(44.29)	(19.51)	(2.80)	2.22	4.03
Return on Capital Employed (%)	(73.34)	(19.63)	(21.73)	(41.38)	51.24	(44.24)	(19.49)	(2.79)	2.22	4.03
E.P.S - After Tax	(62.39)	(19.08)	(19.76)	(31.00)	47.60	(20.42)	(8.80)	(4.58)	3.06	2.91
Activity										
Income to Total Assets	0.06	0.04	0.04	0.04	0.05	0.08	0.06	0.02	0.02	0.05
Income to Fixed Assets	2.47	1.74	2.34	2.08	2.72	2.46	1.79	1.80	1.68	2.10
Liquidity/Leverage										
Current Ratio	5.88	4.42	7.86	6.38	8.90	8.71	8.64	8.44	18.65	21.12
Break up Value per Share	84.83	97.11	90.87	74.88	92.85	46.12	45.11	163.72	137.58	72.31
Total Liabilities to Equity (Times)	0.04	0.03	0.01	0.02	0.01	0.04	0.03	0.01	0.01	0.01

ARPAK INTERNATIONAL INVESTMENTS LIMITED NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 47th Annual General Meeting of the shareholders of **Arpak International Investments Limited** will be held on Friday, October 25, 2024 at 11:00 AM at the Registered Office of the Company at King's Arcade, 20-A, Markaz F-7, Islamabad, for transacting the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary General Meeting held on April 22, 2024.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024 together with the Directors' and Auditors' reports, thereon.
3. To appoint the External Auditors of the Company and to fix their remuneration for the financial year ending June 30, 2025.
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 the date of AGM. The names of retiring Directors are as follows:

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

The retiring Directors of the Company are also eligible to offer themselves for re-election.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass the following resolution, with or without amendment, as a Special Resolution:

"Resolved that the consent of the shareholders in the General Meeting be and is hereby accorded to extend the grace period by **four years (4)** for repayment of balance loan amount by Chashma Sugar Mills Limited, an Associated Undertaking."

6. 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 18, 2024 to October 25, 2024 (both days inclusive).

Islamabad;

October 03, 2024

Notes:

By Order of the Board



(MUJAHID BASHIR)

Company Secretary

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 (CNIC) or Original Passport, 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. Members who desire to receive annual financial statement and notice of meeting for the financial year ended on June 30, 2024 or onward through email, instead of registered post/ courier, may submit their consent on the form available for the purpose on Company's website.
5. The Financial Statements of the Company for the year ended June 30, 2024 along with reports have been placed at website of the Company <http://premiergroup.pk.com/arpak/> (QR Code)



6. **Video-Link Facility**

The SECP vide circular no 4 of 2021 has advised to provide participation of the members through electronic means. Members interested to participate in the AGM are requested to email their Name, Folio Numbers, Number of Shares held in their name. Cell Number, CNIC Number (along with valid copy of both sides of CNIC) with subject "**Registration for Participation in AGM**" at mujahid@premiergroup.pk.com.

Video link and login credentials shall be shared with only those members whose emails, containing all the required particulars, are received by the close of business hours (till 11:00 am) on Thursday October 24, 2024.

7. **Conversion of Physical Shares into Book Entry Form**

The SECP through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised the listed companies to adhere to the provision of Section-72 of the Companies Act, 2017 (the "Act") requiring all the existing companies to replace shares issued by them in physical form with shares into Book-Entry form in a manner as may be specified and from the date notified by the SECP but not exceeding four (04) years from the date of promulgation of the Act.

8. **Election of Directors**

Any person who intends to contest the election for the office of the Directors or otherwise, shall file with the Company at its Registered 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 on Appendix Form 9, 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 1196(i)/2019

of October 03, 2019;

- (c) a declaration in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017.

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “Regulations”), the voting for the purposes of the Election of Directors of the Company will be held separately in the following three (3) categories for the specified number of seats:

S. No.	Category	No. of Seat(s)
1	Independent Director(s)	2
2	Female Director	2
3	Other Director(s)	3
	Total Seats	7

Statement of Material Fact Under Section 166(3) of the Companies Act, 2017 relating to justification for choosing the appointee as an Independent Director

In compliance with Section 166(3) of the Companies Act, 2017 for an Independent Director, consent papers will be accepted from those persons who are in compliance with section 166 (2) of the Act and their names are appearing in databank of Independent Directors maintained by Pakistan Institute of Corporate Governance.

One of the “**Current Independent Director Mr. Usman Salim Khan**”, has completed his third term, so he is not eligible for election in the category of Independent Directors.

9. Postal Balloting

For voting through post for the special business at the ANNUAL General Meeting of “**Arpak International Investments Limited**” to be held on Friday, October 25, 2024 at 11:00 AM (PST) at 20-A, Kings Arcade, F-7 Markaz, Islamabad. Designated email address of the Company Secretary at which the duly filled in ballot paper may be sent: mujahid@premiergroup.pk. Annexure of postal balloting available in website and attached with notice as well.

10. Electronic Voting

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on or before October 17, 2024.
- b) The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal M/s Hameed Majeed Associates (Pvt.) Limited (being the e-voting service provider).
- c) Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- d) E-Voting lines will start from October 22, 2024 at 09:00 a.m. and shall close on October 24, 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

11. **Scrutinizer**

In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed its **External Auditors of the Company**, a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

12. **Code of conducts for shareholders in Annual General Meeting**

Section 215 of the Companies Act, 2017 and the Regulation 55 of the Companies Regulations, 2024 "Conduct of Shareholders at Meetings" state as follows:

- i) shall not bring such material that may cause threat to participants or premises where meeting is being held;
- ii) shall confine themselves to the agenda items covered in the notice meeting;
- iii) shall keep comments and discussion restricted to the affairs of the company;
and
- iv) shall not conduct in a manner to disclose any political affiliation or offend religious susceptibility of other members Additionally in compliance with section 185 of the Act, the Company is not permitted to distribute gifts in any form to its members in its meeting.

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3)
OF THE COMPANIES ACT, 2017

A A statement under section 134 of the Companies Act, 2017 setting forth all material facts concerning the matters contained in the Notice which will be considered for adoption at the meeting and the information required is provided below:

B A total loan of Rs. 50 million was extended to Chashma Mills Limited under Section 208, after approval by the members in May 2008, for a period of six (6) years with a grace period of two (2) years, and the principal was to be repaid in eight equal installments. During the financial years ending June 30, 2014, June 30, 2016, and June 30, 2019, the company and CSM entered into revised agreements that modified the repayment terms. As per the latest agreement, the outstanding amount of the loan as of June 30, 2024, is Rs. 25 million, which is receivable in four half-yearly installments. No amount of the loan has been written off. It is now proposed that the members approve a further extension of the grace period by four (4) years, with the principal amount to be repaid in four (4) equal half-yearly installments, commencing in November 2028. Further details are as follows:

(i) Name of Investee Company	Chashma Sugar Mills Limited
(ii) Nature of Loan/Advance	Long term loan
(iii) Purpose of loans and advances	Expansion of current facilities and installation of Ethanol Fuel Plant under BMR.
(iv) Amount of loans and advances (Complete details)	Rs. 25 million only (Total Advanced Rs. 50 million out of which Rs. 25 million have been received).
(v) Rate of mark up	One month KIBOR + 1.25 % which, in any case, will not be less than the borrowing cost of the investing Company.
(vi) Tenor	It is proposed to extend grace period for further 4 years with principal amount to be repaid in 4 equal half-yearly instalments commencing November, 2028.
(vii) Securities	Demand Promissory Note as a Collateral Security had been obtained.
(viii) Source of Funds	Company's own internal reserves (Retained earnings).
(ix) Repayable Schedule	The balance amount in 4 half-yearly installments, commencing from November 2028.
(x) Benefits likely to accrue to the Company and its shareholders from loans and advance.	Higher returns on the loans leading to better dividends to the shareholders.

C Brief about Chashma Sugar Mills Limited the investee Company on the basis of reviewed consolidated condensed interim financial statements for the half year ended March 31, 2024:

Total Sales	Rs. 14,891 Million
Equity	Rs. 14,963 Million
Long term Loans and Lease	Rs. 4,501 Million
Current Ratio	0.95
GP Ratio	22.58%
Net Loss Ratio	-0.82%
Shareholding of Arpak International Investments Limited	Nil

Outstanding Balance of Loans Rs. 25 Million

D The Directors of Chashma Sugar Mills Limited have no other interest in the investment except common directorship.

E The audited financial statements of Arpak International Investments Limited for the year ended June 30, 2024, and the reviewed condensed interim financial statements of Chashma Sugar Mills Limited for the half year ended March 31, 2024, are available for inspection by the shareholders from 10:00 a.m. to 11:00 a.m. on all working days until October 25, 2024.

ARPAK INTERNATIONAL INVESTMENTS LIMITED CHAIRPERSON'S REVIEW REPORT

It is my honor to welcome you to the 47th Annual Report of your Company. On behalf of the Board of Directors, I am pleased to present the Review Report along with the Audited Financial Statements for the year ended June 30, 2024, as required by Section 192 of the Companies Act, 2017.

Being the Chairperson, I am pleased to report that an important decision was made by the Board this year regarding the investment of PKR 50 million in Premier Grain Ethanol Limited. We committed to acquiring 5 million shares as part of our strategy to diversify our investments and generate sustainable returns. This strategic move aligns with our broader objective of expanding our investment portfolio and fostering growth. Additionally, we remain open to exploring new opportunities that support our long-term vision for continued success, which will provide us with greater flexibility and create further avenues for investment in the future.

As Chairperson, I would like to report a moderate improvement in gross profit compared to the previous year, which is a positive outcome considering the current economic conditions. With prudent management and targeted investments, we will continue to work towards maintaining and enhancing the Company's financial performance in the coming year.

During the year, the Board of Directors approved key matters, including the quarterly and annual financial statements, the appointment of external auditors, and other financial decisions. All necessary documents, such as agendas and supporting papers, were shared with the Board in advance of the meetings to ensure smooth and effective discussions.

On behalf of the Board of Directors, I would like to acknowledge the dedicated and sincere efforts of the Company's employees. I also extend my gratitude to our valued shareholders for their ongoing support and trust in the Company.



(BEGUM LAILA SARFARAZ)
CHAIRPERSON

Islamabad, October 03, 2024

آرپاک انٹرنیشنل انویسٹمنٹس لمیٹڈ چیئر پرسن کی جائزہ رپورٹ

آپ کی کمپنی کی 47 ویں سالانہ رپورٹ میں آپ کو خوش آمدید کہنا چاہتی ہوں یہ میرے لئے اعزاز کی بات ہے کہ (بورڈ آف ڈائریکٹرز کی جانب سے مجھے کمپنیز ایکٹ 2017 کی دفعہ 192 کے مطابق 30 جون 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالی بیانات کے ساتھ جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے)

چیئر پرسن کی حیثیت سے مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ نے اس سال پریمیئر گرین ایٹھنول لمیٹڈ میں 50 ملین روپے کی سرمایہ کاری کے حوالے سے ایک اہم فیصلہ کیا ہے۔ ہم نے اپنی سرمایہ کاری کو متنوع بنانے اور پائیدار منافع پیدا کرنے کی اپنی حکمت عملی کے حصے کے طور پر 5 ملین حصص حاصل کرنے کا عہد کیا ہے۔ یہ تزویراتی اقدام ہمارے سرمایہ کاری پورٹ فولیو کو بڑھانے اور ترقی کو فروغ دینے کے ہمارے وسیع تر مقصد کے ساتھ مطابقت رکھتا ہے۔ مزید برآں، ہم نئے مواقع تلاش کرنے کے لئے کھلے ہیں جو مسلسل کامیابی کے لئے ہمارے طویل مدتی وژن کی حمایت کرتے ہیں، جو ہمیں مستقبل میں سرمایہ کاری کے لئے مزید مواقع پیدا کرے گا۔

چیئر پرسن کی حیثیت سے میں گزشتہ سال کے مقابلے میں مجموعی منافع میں معتدل بہتری کی اطلاع دینا چاہوں گی جو موجودہ معاشی حالات کو مد نظر رکھتے ہوئے ایک مثبت نتیجہ ہے۔ دانشمندانہ انتظام اور ہدف شدہ سرمایہ کاری کے ساتھ، ہم آنے والے سال میں کمپنی کی مالی کارکردگی کو برقرار رکھنے اور بڑھانے کے لئے کام جاری رکھیں گے۔

سال کے دوران بورڈ آف ڈائریکٹرز نے سہ ماہی اور سالانہ مالیاتی بیانات، بیرونی آڈیٹرز کی تقرری اور دیگر مالیاتی فیصلوں سمیت اہم معاملات کی منظوری دی۔ تمام ضروری دستاویزات، جیسے ایجنڈا اور معاون دستاویزات، اجلاسوں سے پہلے بورڈ کے ساتھ شیئر کے گئے تھے تاکہ ہموار اور موثر تبادلہ خیال کو یقینی بنایا جاسکے۔

بورڈ آف ڈائریکٹرز کی جانب سے میں کمپنی کے ملازمین کی مخلصانہ اور مخلصانہ کاوشوں کا اعتراف کرنا چاہتی ہوں۔ میں اپنے قابل قدر شیئر ہولڈرز کا بھی شکریہ ادا کرتی ہوں جنہوں نے کمپنی میں ان کی مسلسل حمایت اور اعتماد کا اظہار کیا۔



(بیلیم لیلیٰ سرفراز)

چیئر پرسن

اسلام آباد، 03 اکتوبر 2024

ARPAK INTERNATIONAL INVESTMENTS LIMITED DIRECTOR REPORT

The Board of Directors of Arpak International Investments Limited is pleased to present the 47th Annual Report along with the Audited Financial Statements for the year ended June 30, 2024.

1. Summarized Financial Results

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

	2024	2023
	(Rupees)	(Rupees)
Loss before taxation	(247,391,600)	(75,349,205)
Taxation		
- Current tax	(1,430,164)	(881,663)
- Deferred tax	(737,808)	(73,499)
	(2,167,972)	(955,162)
Loss after taxation	(249,559,572)	(76,304,367)
Loss per share	(62.39)	(19.08)

2. Financial Performance

The Company suffered a pre-tax loss of Rs. 244.62 million during the year (2023: Rs. 74.83 million). The loss was largely due to a Rs. 270.97 million provisions for impairment of investments.

Despite a modest improvement in income and operational performance, non-operational factors, such as the impairment provision, contributed to the loss. The Company is actively reviewing its investment strategy to address risks associated with these investments.

3. Future Outlook

The international organizations in their reports have indicated that signs of economic stabilization are strengthen in Pakistan. Gradual disinflation is underway, the dollar rupee parity is stable, the policy rate has been revised downward, and external pressure are easing, supported by improved fiscal balances, however outlook still remains challenging. The Board is considering diversifying revenue streams by exploring new business avenues, including further investments in low-risk sectors and expanding its rental income base. Management remains vigilant in improving the Company's financial position by reassessing its investment strategies and identifying profitable opportunities.

4. Investment in The Premier Grain Ethanol Limited

The Board of Directors in the meeting held on March 15, 2024 approved the subscription of 5,000,000 Ordinary Shares of Rs. 10 each, in "Premier Grain Ethanol Limited." This newly incorporated company will engage in the manufacturing, production, and sale of Ethanol, alongside related products derived from grains as primary raw materials. Moreover, at the Extra Ordinary General Meeting held on April 22, 2024, the shareholders unanimously approved the investment plan to

be financed by the sale of the Company's property located in F-7-1 Islamabad, for further investment in "Premier Grain Ethanol Limited". As of the financial closing date, Rs. 32 million has been paid towards this purchase, with the remaining Rs. 18 million to be settled in the next financial period.

5. Economic Overview and Challenges

The financial year 2023-24 was marked by significant economic challenges, both globally and locally. Rising global interest rates, inflationary pressures, and geopolitical tensions affected capital markets and investment flows. In Pakistan, hyperinflation, a sharp depreciation of the rupee, and an increase in the policy rate by the State Bank of Pakistan (SBP) impacted financial performance. The ongoing negotiations with the International Monetary Fund (IMF) added uncertainty to the business environment, affecting returns from investments.

6. Staff Relations

The management and staff maintained cordial relations throughout the year.

7. Pattern of Shareholding

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

8. Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of Arpak International Investments Limited, present a fair view of the state of affairs, cash flows, and changes in equity.
- Proper books of account 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 financial statements.
- The system of internal control has been effectively implemented and monitored.
- The Company has the ability to continue as a "going concern."
- The Company has followed the Code of 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, or charges outstanding as of June 30, 2024, except for those disclosed in the financial statements.

9. Trading in Shares

No trade in the shares of the Company was carried out by the Directors, CFO, Company Secretary, their spouses, or minor children except for the CEO, who purchased 11,150 shares during the year ended June 30, 2024, in addition to the disclosures in the pattern of shareholding.

10. Human Resource Committee

The Human Resource Committee continues to perform its duties in accordance with its terms of reference as determined by the Board of Directors.

11. Adequacy of Internal Financials Controls

The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The scope of internal auditing within the Company is clearly defined which broadly involves review and evaluation of its' internal control systems.

12. Related Party Transactions

The Related Parties transactions mentioned in 24 to the financial statements were placed before the Board Audit Committee and were approved by the Board. These transactions were in-line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a complete record of all such transactions. All transactions entered into with the related parties will also be placed before shareholders in their AGM for approval purposes. During the year, all the transactions conducted with related parties were on an arm's length basis, with no personal interest held by the directors in these transactions.

13. Board Meetings

During the year, twelve (12) meetings were held, and attendance by each director is as follows:

Name of Directors	Board Meetings	Board of Audit Committee Meetings	Human Resource and Remuneration Committee
	Attended	Attended	Attended
Non- Executive Directors			
Ms. Najda Sarfaraz	4	-	-
Mr. Baber Ali Khan	3	3	1
Executive Directors			
Begum Laila Sarfaraz	4	-	-
Mr. Abbas Sarfaraz Khan	5	-	1
Mr. Iskander M. Khan	5	-	-
Independent /*Director			
Mr. Usman Salim Khan	3	4	1
Mr. Faiysal Alikhan	3	4	-

- Leave of absence was granted to directors who were unable to attend certain meetings.

14. Role of Shareholders

The Board ensures that the Company's shareholders are kept informed about major developments affecting its state of affairs. Information is communicated to shareholders through quarterly, half-yearly, and annual reports. The Board encourages shareholder participation in the annual general meeting to maintain high levels of accountability.

15. Dividend

Due to the financial losses sustained by the Company during the year, the Board of Directors has decided not to recommend any dividend for the year ended June 30, 2024.

16. Principal Risks and Uncertainties

The Company faces significant risks and uncertainties due to persistent financial challenges, including three consecutive years of net losses from investment impairments and associated companies. Market fluctuations, regulatory risks, and operational uncertainties related to long-term investments add further complexity. To address these risks, the Company has implemented rigorous financial management strategies and continuously assesses the performance of associated companies.

17. Environmental Impact and Corporate Responsibility

The Company prioritizes environmental sustainability by implementing eco-friendly practices and complying with regulatory standards. Though it has not engaged in Corporate Social Responsibility (CSR) activities, the Company intends to contribute to CSR initiatives in the future.

18. External Auditors

The Present Auditors, M/s. Shine-Wing Hameed Chaudhri & Co, Chartered Accountants, Lahore, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee has recommended their appointment for the year ending June 30, 2025.

19. Election of Directors

All existing directors will retire in accordance with the provisions of Section 159 of the Companies Act, 2017, and a fresh election will be held at the Annual General Meeting.

20. Compliance with the Code of Corporate Governance

The Company remains committed to the highest standards of corporate governance, conducting its business in line with the best practices of the Code of Corporate Governance and the Listing Regulations of the Pakistan Stock Exchange Limited.

21. Acknowledgment

The Directors appreciate the hard work and dedication displayed by the Company's employees. The Board also thanks the shareholders for their continued support and confidence reposed during these challenging times.

On Behalf of The Board



(Abbas Sarfaraz Khan)
CEO



(Iskander M. Khan)
Director

Islamabad:
October 03, 2024

ڈائریکٹرز کی رپورٹ

آرپاک انٹرنیشنل انویسٹمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 30 جون 2024ء کو ختم ہونے والے سال کے لئے آڈٹ شدہ مالی گوشواروں کے ساتھ 47 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی کا اظہار کیا ہے۔

1. مالی نتائج کا خلاصہ

زیر غور سال کے لئے کمپنی کے مالی نتائج درج ذیل ہیں:

2023	2024	
(روپے)	(روپے)	
(75,349,205)	(247,391,600)	ٹیکس سے پہلے نقصان
		ٹیکس
(881,663)	(1,430,164)	- موجودہ ٹیکس
(73,499)	(737,808)	- ڈیفریڈ ٹیکس
(955,162)	(2,167,972)	
(76,304,367)	(249,559,572)	ٹیکس کے بعد نقصان
(19.08)	(62.39)	فی حصص نقصان

2. مالی کارکردگی

سال 2023: 74.83 ملین روپے کے دوران کمپنی کو 244.62 ملین روپے کا قبل از ٹیکس نقصان اٹھانا پڑا۔ یہ نقصان بڑی حد تک سرمایہ کاری میں خرابی کے لئے 270.97 ملین روپے کی فراہمی کی وجہ سے تھا۔ آمدنی اور آپریشنل کارکردگی میں معمولی بہتری کے باوجود، غیر آپریشنل عوامل، جیسے خرابی کی فراہمی، نے نقصان میں حصہ لیا۔ کمپنی ان سرمایہ کاری سے وابستہ خطرات سے نمٹنے کے لئے اپنی سرمایہ کاری کی حکمت عملی کا فعال طور پر جائزہ لے رہی ہے۔

3. مستقبل کا نقطہ نظر

بین الاقوامی تنظیموں نے اپنی رپورٹس میں اس بات کا اشارہ دیا ہے کہ پاکستان میں معاشی استحکام کے اشارے مضبوط ہو رہے ہیں۔ بتدریج افراط زر میں کمی کا عمل جاری ہے، ڈالر کی قدر مستحکم ہے، پالیسی ریٹ میں کمی کی گئی ہے، اور بیرونی دباؤ کم ہو رہا ہے، بہتر مالیاتی توازن کی مدد سے، تاہم نقطہ نظر اب بھی چیلنجنگ ہے۔ بورڈ کم خطرے والے شعبوں میں مزید سرمایہ کاری اور اس کی توسیع سمیت نئے کاروباری مواقع تلاش کر کے آمدنی کے ذرائع کو متنوع بنانے پر غور کر رہا ہے۔

کرایہ کی آمدنی کی بنیاد۔ انتظامیہ اپنی سرمایہ کاری کی حکمت عملی کا از سر نو جائزہ لے کر اور منافع بخش مواقع کی نشاندہی کر کے کمپنی کی مالی پوزیشن کو بہتر بنانے میں چوکس رہتی ہے۔

4. پریمیئر گرین ہتھنول لمیٹڈ میں سرمایہ کاری

بورڈ آف ڈائریکٹرز نے 15 مارچ 2024 کو منعقدہ اجلاس میں "پریمیئر گرین ہتھنول لمیٹڈ" میں 10 روپے کے 5,000,000 عام حصص کی سبسکریپشن کی منظوری دی۔ یہ نئی شامل کمپنی بنیادی خام مال کے طور پر اناج سے حاصل ہونے والی متعلقہ مصنوعات کے ساتھ ہتھنول کی مینوفیکچرنگ، پیداوار اور فروخت میں مشغول ہوگی۔ مزید برآں، 22 اپریل، 2024 کو منعقد ہونے والے ایکسٹرا آرڈینری جنرل اجلاس میں، شیئر ہولڈرز نے متفقہ طور پر "پریمیئر گرین ہتھنول لمیٹڈ" میں مزید سرمایہ کاری کے لئے ایف-7-1 اسلام آباد میں واقع کمپنی کی جائیداد کی فروخت کے ذریعے سرمایہ کاری کے منصوبے کی منظوری دی۔ مالی اختتامی تاریخ تک اس خریداری کی مد میں 32 ملین روپے ادا کیے جاسکے ہیں جبکہ بقیہ 18 ملین روپے اگلے مالی عرصے میں ادا کیے جائیں گے۔

5. معاشی جائزہ اور چیلنجز

مالی سال 2023-24 کو عالمی اور مقامی سطح پر اہم معاشی چیلنجز کا سامنا کرنا پڑا۔ بڑھتی ہوئی عالمی شرح سود، افراط زر کے دباؤ اور جغرافیائی سیاسی تناؤ نے سرمائے کی منڈیوں اور سرمایہ کاری کے بہاؤ کو متاثر کیا۔ پاکستان میں افراط زر میں اضافے، روپے کی قدر میں تیزی سے کمی اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی جانب سے پالیسی ریٹ میں اضافے نے مالیاتی کارکردگی کو متاثر کیا۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ جاری مذاکرات نے کاروباری ماحول میں غیر یقینی صورتحال میں اضافہ کیا، جس سے سرمایہ کاری سے منافع متاثر ہوا۔

6. عملے کے ساتھ تعلق

انتظامیہ اور عملے نے سال بھر خوشگوار تعلقات برقرار رکھے۔

7. حصص رکھنے کا نمونہ

کمپنیز ایکٹ 2017 کی دفعہ (ایف) (2) 227 کے تحت شیئر ہولڈنگ کا پینٹرن منسلک ہے۔

8. کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

1. آرپاک انٹرنیشنل انویسٹمنٹ لمیٹڈ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی بیانات صورتحال، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کا منصفانہ نقطہ نظر پیش کرتے ہیں۔

2. حساب کتاب کی مناسب کتابیں رکھی گئی ہیں۔

3. مالی بیانات کی تیاری کے دوران تمام مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے، اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

4. مالیاتی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز پر عمل کیا گیا ہے جیسا کہ پاکستان میں لاگو ہوتا ہے۔

5. داخلی کنٹرول کے نظام کو موثر طریقے سے نافذ کیا گیا ہے اور نگرانی کی گئی ہے۔

6. کمپنی کے پاس "جاری تشویش" کے طور پر جاری رکھنے کی صلاحیت ہے۔

7. کمپنی نے کوڈ آف کارپوریٹ گورننس پر عمل کیا ہے جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بتایا گیا ہے۔

8. گزشتہ دہائی کے اہم آپریٹنگ اور مالیاتی اعداد و شمار خلاصہ کی شکل میں منسلک ہیں۔

9. 30 جون، 2024 تک واجب الادا ٹیکسوں، ڈیوٹیوں، لیویز یا چارجز کی مد میں کوئی قانونی ادائیگی نہیں کی گئی ہے، سوائے ان کے جو مالی گوشواروں میں ظاہر کیے گئے ہیں۔

9. حصص کی تجارت
 کمپنی کے شیئرز میں ڈائریکٹرز، سی ایف او، کمپنی سیکریٹری، ان کے شریک حیات یا نابالغ بچوں کی جانب سے کوئی ٹریڈنگ نہیں کی گئی سوائے سی ای او کے جنہوں نے 30 جون 2024 کو ختم ہونے والے سال کے دوران 11 ہزار 150 حصص خریدے۔

10. ہیومن ریسورس کمیٹی
 ہیومن ریسورس کمیٹی بورڈ آف ڈائریکٹرز کے مقرر کردہ شرائط کے مطابق اپنے فرائض انجام دیتی رہتی ہے۔

11. داخلی مالیاتی کنٹرول کی مناسبت
 بورڈ نے ایک موثر انٹرنل آڈٹ فنکشن قائم کیا ہے جو اس مقصد کے لئے مناسب طور پر اہل اور تجربہ کار سمجھا جاتا ہے اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہے۔ کمپنی کے اندر داخلی آڈٹنگ کا دائرہ کار واضح طور پر بیان کیا گیا ہے جس میں وسیع پیمانے پر اس کے اندرونی کنٹرول سسٹم کا جائزہ اور تنقیح شامل ہے۔

12. متعلقہ پارٹی لین دین
 مالی گوشواروں میں 24 میں بیان کردہ متعلقہ فریقوں کے لین دین کو بورڈ آڈٹ کمیٹی کے سامنے رکھا گیا تھا اور بورڈ نے اس کی منظوری دی تھی۔ یہ لین دین انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) اور کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق تھا۔ کمپنی اس طرح کے تمام لین دین کا مکمل ریکارڈ رکھتی ہے۔ متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین کو منظوری کے مقاصد کے لئے ان کی اے جی ایم میں شیئر ہولڈرز کے سامنے بھی رکھا جائے گا۔ سال کے دوران، متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین ایک بازو کی لمبائی کی بنیاد پر تھے، ان لین دین میں ڈائریکٹرز کی کوئی ذاتی دلچسپی نہیں تھی۔

13. بورڈ کے اجلاس
 سال کے دوران، بارہ (12) اجلاس منعقد ہوئے، اور ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹروں کے نام	بورڈ کے اجلاس شرکت کی	آڈٹ کمیٹی کے بورڈ کے اجلاس شرکت کی	انسانی وسائل اور معاوضہ کمیٹی شرکت کی
غیر ایگزیکٹو ڈائریکٹرز			
محترمہ نجمہ سرفراز	4	-	
جناب بابر علی خان	3	4	1
ایگزیکٹو ڈائریکٹرز			
بیگم لیلی سرفراز	4	-	-
وفات: عباس سرفراز خان	5	-	1
جناب اسکندر ایم خان	5	-	-
آزاد ڈائریکٹر			
جناب عثمان سلیم خان	3	4	1
جناب فیصل علی خان	3	4	-

غیر حاضری کی چھٹی ان ڈائریکٹروں کو دی گئی جو بعض اجلاسوں میں شرکت کرنے سے قاصر تھے۔

14. **حصص داروں کا کردار**
 بورڈ اس بات کو یقینی بناتا ہے کہ کمپنی کے شیئرز ہولڈرز کو اس کی حالت کو متاثر کرنے والی بڑی پیش رفتوں سے آگاہ رکھا جائے۔ سہ ماہی، ششماہی اور سالانہ رپورٹس کے ذریعے شیئرز ہولڈرز کو معلومات فراہم کی جاتی ہیں۔ بورڈ احتساب کی اعلیٰ سطح کو برقرار رکھنے کے لئے سالانہ عام اجلاس میں حصص داروں کی شرکت کی حوصلہ افزائی کرتا ہے۔
15. **منافع**
 سال کے دوران کمپنی کو ہونے والے مالی نقصانات کی وجہ سے بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لئے کسی بھی ڈیویڈنڈ کی سفارش نہ کرنے کا فیصلہ کیا ہے۔
16. **بنیادی خطرات اور غیر یقینی صورتحال**
 کمپنی کو مسلسل مالی چیلنجز کی وجہ سے اہم خطرات اور غیر یقینی صورتحال کا سامنا ہے، جس میں سرمایہ کاری کی کمزوریوں اور متعلقہ کمپنیوں سے لگاتار تین سال کے خالص نقصانات بھی شامل ہیں۔ مارکیٹ میں اتار چڑھاؤ، ریگولیٹری خطرات، اور طویل مدتی سرمایہ کاری سے متعلق آپریشنل غیر یقینی صورتحال مزید پیچیدگی میں اضافہ کرتی ہے۔ ان خطرات سے نمٹنے کے لئے، کمپنی نے سخت مالیاتی انتظام کی حکمت عملی نافذ کی ہے اور متعلقہ کمپنیوں کی کارکردگی کا مسلسل جائزہ لیتا ہے۔
17. **ماحولیاتی اثرات اور کارپوریٹ ذمہ داری**
 کمپنی ماحول دوست طریقوں کو نافذ کر کے اور ریگولیٹری معیارات کی تعمیل کر کے ماحولیاتی استحکام کو ترجیح دیتی ہے۔ اگرچہ اس نے کارپوریٹ سماجی ذمہ داری (سی ایس آر) سرگرمیوں میں حصہ نہیں لیا ہے، لیکن کمپنی مستقبل میں سی ایس آر اقدامات میں حصہ ڈالنے کا ارادہ رکھتی ہے۔
18. **بیرونی آڈیٹرز**
 موجودہ آڈیٹرز میسرز شائن ونگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس لاہور آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور دوبارہ تقرری کے اہل ہوں گے۔ آڈٹ کمیٹی نے 30 جون 2025 کو ختم ہونے والے سال کے لئے ان کی تقرری کی سفارش کی ہے۔
19. **ڈائریکٹرز کا انتخاب**
 تمام موجودہ ڈائریکٹرز کمپنیز ایکٹ 2017 کی دفعہ 159 کی شقوں کے مطابق ریٹائر ہوں گے اور سالانہ جنرل میٹنگ میں نئے انتخابات ہوں گے۔
20. **کارپوریٹ گورننس کے کوڈ کی تعمیل**
 کمپنی کارپوریٹ گورننس کے اعلیٰ ترین معیارات کے لیے پرعزم ہے اور اپنے کاروبار کو کوڈ آف کارپوریٹ گورننس اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشنز کے بہترین طریقوں کے مطابق چلاتی ہے۔
21. **اعتراف**
 ڈائریکٹرز کمپنی کے ملازمین کی سخت محنت اور لگن کو سراہتے ہیں۔ بورڈ اس مشکل وقت کے دوران شیئرز ہولڈرز کی مسلسل حمایت اور اعتماد کا بھی شکریہ ادا کرتا ہے۔

بورڈ کی جانب سے



(اسلم خان)

ڈائریکٹر



(عباس سرفراز خان)

سی ای او

اسلام آباد:

03 اکتوبر 2024

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 2024-25 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 the 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 **ArpakIntl.**

Book Closure Dates

The Register of Members and Share Transfer books of the Company will remain closed from 18.10.2024 to 25.10.2024.

Web Presence

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

ARPAK INTERNATIONAL INVESTMENTS LIMITED
PATTERN OF SHAREHOLDING
As at JUNE 30, 2024

No. of Shareholders	Shareholding					Total Shares Held
298	From	1	to	100	Shares	11,237
147	From	101	to	500	Shares	34,803
57	From	501	to	1,000	Shares	41,019
69	From	1,001	to	5,000	Shares	157,123
6	From	5,001	to	10,000	Shares	38,162
1	From	10,001	to	15,000	Shares	10,396
2	From	15,001	to	25,000	Shares	42,754
6	From	25,001	to	70,000	Shares	367,543
1	From	70,001	to	160,000	Shares	86,498
2	From	160,001	to	210,000	Shares	406,253
1	From	210,001	to	400,000	Shares	373,317
1	From	400,001	to	500,000	Shares	413,451
1	From	500,001	to	above	Shares	2,017,444
592						4,000,000

Categories of Shareholders	Numbers	Shares Held	Percentage of Paid-up Capital
<u>Associated Companies, Undertakings and Related Parties</u>			
	2	840,260	21
The Premier Sugar Mills & Distillery Co. Limited		373,317	9.33
Azlak Enterprises (Pvt.) Limited		466,943	11.67
<u>Directors & Relatives</u>			
	11	2,715,605	68
<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	4,850		0
Fidelity Investment Bank Limited		2,850	0.07	
Investment Corporation of Pakistan		1,000	0.03	
EFU General Insurance Limited.		1,000	0.03	
<u>Individuals</u>	567	370,948		9
<u>Others</u>	3	51,972		1
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		48,000		
	592	4,000,000		100
<u>Shareholders holding 10% or more Voting Interest in the Company</u>				
Mr. Abbas Sarfaraz Khan		2,017,444	50.44	
Azrak Enterprises (Pvt.) Limited		466,943	11.67	

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Arpak International Investments Limited

Year ending: June 30, 2024

The Company has complied with the requirements of the Regulations in the following manner: -

1. The total numbers of Director are seven as per the following:

- a) Male 5
- b) Female 2

2. The composition of the Board of Director is as follows;

Category	Names
Independent Director	Mr. Usman Salim Khan, Mr. Faiysal Alikhan
Non-Executive Directors	Mr. Baber Ali Khan, Ms. Najda Sarfaraz
Executive Directors	Begum Laila Sarfaraz, Mr. Iskander M. Khan, Abbas Sarfaraz Khan
Female Directors	Begum Laila Sarfaraz, Ms. Najda Sarfaraz

3. The Directors have confirmed that none of them is serving as a director in more than seven listed Companies including this, Company.
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. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating is maintained by the Company.
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 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

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

a) Board of Audit Committee

- i) Mr. Usman Salim Khan
- ii) Mr. Baber Ali Khan
- iii) Mr. Faiysal AliKhan

Chairman
Member
Member

b) Human Resource and Remuneration Committee

- i) Mr. Usman Salim Khan
- ii) Mr. Baber Ali Khan
- iii) Mr. Abbas Sarfaraz Khan

Chairman
Member
Member

12. The term of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

13. The frequency of meeting of the Committee were as per following;

a) Audit Committee

Quarterly

b) Human Resource and Remuneration Committee

Yearly

14. The Board has set-up an effective internal audit function.

15. 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 and registered with Audit Oversight Board of Pakistan, that they and all their Partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.

17. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with. However, fraction (0.33) contained in one-third number for independent directors has not been rounded up as one, as the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company.

For and on behalf of the Board



(Begum Laila Sarfaraz)
CHAIRPERSON

Islamabad
October 03, 2024

**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF
ARPAK INTERNATIONAL INVESTMENTS LIMITED**

**Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **ARPAK INTERNATIONAL INVESTMENTS LIMITED** (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 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. 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.

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, 2024.

LAHORE; OCTOBER 03, 2024
UDIN: CR202410195NsZDWvFdh

Shinewing Hameed Chaudhri & Co.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ARPAK INTERNATIONAL INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

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, 2024, 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 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, 2024 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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 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.

We have determined that there are no key audit matters to communicate in our report.

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 upto 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 Nafees ud din.

LAHORE: OCTOBER 03, 2024
UDIN: AR202410195wszWoA1Ey

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	2024	2023 Restated
Note	---- Rupees ----	
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	6 40,000,000	40,000,000
Reserves	7 12,840,781	12,840,781
Accumulated loss	(323,348,568)	(145,267,882)
Share in surplus on revaluation of property, plant and equipment of Associated Companies	<u>609,824,244</u>	<u>480,869,418</u>
Shareholders' equity	339,316,457	388,442,317
Non-Current Liabilities		
Deferred taxation	8 954,978	217,170
Current Liabilities		
Accruals and other payables	9 7,829,281	9,280,340
Unclaimed dividend	1,039,042	1,039,042
Provision for tax levies	620,223	520,506
Taxation	10 2,319,512	889,348
	11,808,058	11,729,236
Contingencies and commitments	11	
	<u>352,079,493</u>	<u>400,388,723</u>
Assets		
Non-current Assets		
Property, plant and equipment	12 78,381	101,785
Investment property	13 8,784,762	8,978,100
Long term investments	14 267,541,568	320,679,966
Loan to an Associated Company	15 6,250,000	18,750,000
	282,654,711	348,509,851
Current Assets		
Current portion of loan to an Associated Company	15 18,750,000	12,500,000
Advance against shares	16 32,000,000	0
Short term investments	17 479,346	23,774,513
Advances to employees - considered good	139,750	139,750
Accrued mark-up	18 11,667,811	5,160,961
Advances, prepayments and other receivables	0	5,698
Prepaid tax levies	620,223	520,506
Advance income tax and tax deducted at source	3,291,721	1,458,278
Bank balances	19 2,475,931	8,319,166
	69,424,782	51,878,872
	<u>352,079,493</u>	<u>400,388,723</u>

The annexed notes 1 to 30 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- Rupees -----	2023 Restated
Income	20	21,865,856	15,780,939
Operating and general expenses	21	<u>(15,059,641)</u>	<u>(17,311,471)</u>
Operating profit / (loss)		6,806,215	(1,530,532)
Bank charges		<u>(5,482)</u>	<u>(24,643)</u>
		6,800,733	(1,555,175)
Share of profit from Associated Companies - net	14	<u>19,796,674</u>	18,423,119
Provision made for impairment of investments in an Associated Company	14	<u>(273,368,784)</u>	<u>(91,696,643)</u>
		<u>(253,572,110)</u>	<u>(73,273,524)</u>
Loss before taxation and final tax levies		<u>(246,771,377)</u>	<u>(74,828,699)</u>
Final tax levies		<u>(620,223)</u>	<u>(520,506)</u>
Loss before taxation		<u>(247,391,600)</u>	<u>(75,349,205)</u>
Taxation	22	<u>(2,167,972)</u>	<u>(955,162)</u>
Loss after taxation		<u><u>(249,559,572)</u></u>	<u><u>(76,304,367)</u></u>
Loss per share	23	<u><u>(62.39)</u></u>	<u><u>(19.08)</u></u>

The annexed notes 1 to 30 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	---- Rupees ----	
Loss after taxation	(249,559,572)	(76,304,367)
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss subsequently		
Share of other comprehensive income / (loss) from Associated Company - net	30,237,137	(111,033)
Share of surplus arisen on revaluation of property, plant and equipment carried out by an Associated Company	168,049,063	92,747,012
	198,286,200	92,635,979
Total comprehensive (loss) / income for the year	(51,273,372)	16,331,612

The annexed notes 1 to 30 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Reserves				Share of surplus on revaluation of property, plant and equipment of an Associated Company	Total
	Share capital	Capital reserve	General reserve	Accumulated loss		
	----- Rupees -----					
Balance as at June 30, 2022	40,000,000	7,440,781	5,400,000	(98,322,096)	408,947,433	363,466,118
Total comprehensive income for the year ended June 30, 2023						
- loss for the year	0	0	0	(76,304,367)	0	(76,304,367)
- other comprehensive (loss) / income	0	0	0	(111,033)	92,747,012	92,635,979
	0	0	0	(76,415,400)	92,747,012	16,331,612
Effects of items directly credited in equity by an Associated Company	0	0	0	8,644,587	0	8,644,587
Share in 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)	0	0	0	20,825,027	(20,825,027)	0
Balance as at June 30, 2023	40,000,000	7,440,781	5,400,000	(145,267,882)	480,869,418	388,442,317
Total comprehensive income / (loss) for the year ended June 30, 2024						
- loss for the year	0	0	0	(249,559,572)	0	(249,559,572)
- other comprehensive income	0	0	0	30,237,137	168,049,063	198,286,200
	0	0	0	(219,322,435)	168,049,063	(51,273,372)
Effects of items directly credited in equity by an Associated Company	0	0	0	2,147,512	0	2,147,512
Share in 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)	0	0	0	39,094,237	(39,094,237)	0
Balance as at June 30, 2024	40,000,000	7,440,781	5,400,000	(323,348,568)	609,824,244	339,316,457

The annexed notes 1 to 30 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 --- Rupees ---	2023
Cash flows from operating activities			
Profit / (loss) - before taxation, final tax levies and share of profit of Associated Companies		6,800,733	(1,555,175)
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment	12	23,404	65,036
Depreciation on investment property	13	193,338	50,957
Mark-up on loan to an Associated Company	20	(6,506,850)	(7,463,739)
Dividend income	20	(4,134,818)	(3,470,042)
Fair value gain on re-measurement of short term investments	20	(2,421)	(75,310)
Gain on redemption of short term investments - net	20	(187,816)	0
		(3,814,430)	(12,448,273)
Loss before working capital changes			
Effect on cash flows due to working capital changes			
Decrease in current assets - prepayments		5,698	582
(Decrease) / Increase in accruals and other payables		(1,451,059)	7,346,504
		(1,445,361)	7,347,086
Cash used in operating activities			
Taxes and levies paid		(5,259,791)	(5,101,187)
		(2,453,666)	(2,255,920)
Net cash used in operating activities			
		(7,713,457)	(7,357,107)
Cash flows from investing activities			
Mark-up received on loan to an Associated Company		0	4,654,474
Advance against investment in shares	16	(32,000,000)	0
Redemption / (purchase) of short term investments		23,485,404	(2,949,537)
Principal amount of loan received from an Associated Company		6,250,000	12,500,000
Purchase of investment property		0	(3,000,000)
Dividends received	20	4,134,818	3,470,042
		1,870,222	14,674,979
Net cash generated from investing activities			
		(5,843,235)	7,317,872
Net (decrease) / increase in cash and cash equivalents			
Cash and cash equivalents - at beginning of the year			
		8,319,166	1,001,294
Cash and cash equivalents - at end of the year			
		2,475,931	8,319,166

The annexed notes 1 to 30 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ARPAK INTERNATIONAL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 (the Act); 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 IFRSs, 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.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information has been rounded off to the nearest Rupee unless otherwise stated.

3. INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

3.1 Amendments to published accounting and reporting standards, which are effective for the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company, which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

3.2

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

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 01, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

4. MATERIAL ACCOUNTING POLICIES

The material 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 except for the change as stated in note 4.1 to the financial statements:

4.1 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 - the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, contingent liabilities and contingent assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current year or prior years' net revenues, profit after taxes and levies, equity and cash flows. Impact as of July 01, 2022 is not material to these financial statements. In accordance with the requirements of IAS 1 (Presentation of financial statements), the balances as at June 30, 2023 have been restated and third statement of financial position as of July 01, 2022 has not been presented due to immaterial impact.

In the statement of profit or loss for the year ended June 30, 2023, in terms of the requirements of IFRIC 21 / IAS 37 (the requirements), final tax levies aggregating Rs.520,506, which were previously presented as 'taxation' have now been reclassified as 'final tax levies'.

In the statement of financial position as at June 30, 2023, in terms of the aforementioned requirements, final taxes aggregating Rs.520,506, which were previously presented as 'Advance income tax' have now been reclassified as 'Prepaid tax levies'.

In the statement of financial position as at June 30, 2023, in terms of the aforementioned requirements, final taxes aggregating Rs.520,506, which were previously presented as 'Taxation' have now been reclassified as 'Provision for tax levies'.

4.2 Tax levies and taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in statement of other comprehensive income or directly in equity. In this case, the tax is also recognised in statement of other comprehensive income or directly in equity, respectively.

(a) Current year

Provisions for current taxation and tax levies are based on taxable income and gross amount of revenue or other basis respectively at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax and tax levies includes adjustments, where necessary, relating to prior years, which arise from assessments framed / 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.

4.3 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.

4.4 Financial liabilities

Classification & subsequent measurement

Financial liabilities are classified and measured at amortised cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

Derecognition

Financial liabilities are derecognised when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.5 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.

4.6 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 12 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 date on which an asset is acquired or capitalised while no depreciation is charged from the date on 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.

4.7 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.

Depreciation on investment property is taken to statement of profit or loss applying the reducing balance method at the rates stated in note 13. Depreciation on additions is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised. Impairment loss or its reversal, if any, is taken to statement of profit or loss.

4.8 Financial assets

Initial measurement

The Company classifies its financial assets in the following three measurement categories:

- fair value through other comprehensive income (FVTOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

- Equity instruments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss. Other net gains and losses are recognised in statement of other comprehensive income and are never reclassified to the statement of profit or loss.

- Debt instruments at FVTOCI

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in statement of other comprehensive income. On derecognition, gains and losses accumulated in statement of other comprehensive income are reclassified to the statement of profit or loss.

- Debt instruments at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss.

- Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

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.

4.9 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.

4.10 Revenue recognition

Return on bank deposits

Return on bank deposits / interest income is recognised using applicable effective interest rate. Income is accrued as and when the right to receive the income establishes.

Dividend income

Dividend income is accrued as and when the right to receive the income establishes.

Rental income

Rental income is accrued on 'accrual basis' as and when the right to the income establishes.

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. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

5.1 Income taxes

In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

5.2 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. SHARE CAPITAL

6.1 The Premier Sugar Mills & Distillery Company Ltd. and Azlak Enterprises (Pvt.) Ltd. (Associated Companies) respectively hold 373,317 (2023: 375,848) and 466,943 (2023: 466,943) ordinary shares of the Company.

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

7. RESERVES

		2024	2023
	Note	--- Rupees ---	
Capital reserve	7.1	7,440,781	7,440,781
Revenue reserve - general	7.2	5,400,000	5,400,000
		<u>12,840,781</u>	<u>12,840,781</u>
7.1	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
		<u>6,839,256</u>	<u>6,839,256</u>
	Gain on sale of investments arisen during the accounting year ended on December 31, 1983	601,525	601,525
		<u>7,440,781</u>	<u>7,440,781</u>

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

8. DEFERRED TAXATION

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

9. ACCRUALS AND OTHER PAYABLES

Accrued expenses		237,528	2,086,691
Tax deducted at source		96,753	193,649
Security deposits	9.1	2,050,000	2,050,000
Un-earned rental income		5,445,000	4,950,000
		<u>7,829,281</u>	<u>9,280,340</u>

9.1 This represents 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.

10. TAXATION - Net	2024	2023 Restated
	--- Rupees ---	
Opening balance	889,348	1,912,882
Add: provision made during the year:		
- current	2,319,512	889,348
- prior year	(889,348)	(7,685)
	1,430,164	881,663
	2,319,512	2,794,545
Less: adjustments made against completed assessments / payments	0	1,905,197
Closing balance	2,319,512	889,348

10.1 Returns filed by the Company for Tax Years 2003 to 2023 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.

10.2 Numeric tax rate reconciliation has not been presented in these financial statements as provision made during the year represents tax payable on property income, interest income and capital gain.

11. CONTINGENCIES AND COMMITMENTS

There was no known contingency or commitment outstanding as at June 30, 2024 and 2023.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings on freehold land	Furniture and fixtures	Generator and equipment	Vehicle	Total
	----- Rupees -----					
As at June 30, 2022						
Cost	3,600,000	4,005,220	52,492	572,556	420,500	8,650,768
Accumulated depreciation	0	(3,322,516)	(37,438)	(455,164)	(420,260)	(4,235,378)
Book value	3,600,000	682,704	15,054	117,392	240	4,415,390
Year ended June 30, 2023:						
Transferred to investment property						
- Cost	3,600,000	4,005,220	0	0	0	7,605,220
- Accumulated depreciation	0	(3,356,651)	0	0	0	(3,356,651)
	3,600,000	648,569	0	0	0	4,248,569
Depreciation for the year	0	(34,135)	(1,505)	(29,348)	(48)	(65,036)
Book value	0	0	13,549	88,044	192	101,785
Year ended June 30, 2024:						
Depreciation for the year	0	0	(1,355)	(22,011)	(38)	(23,404)
Book value	0	0	12,194	66,033	154	78,381
As at June 30, 2023						
Cost	0	0	52,492	572,556	420,500	1,045,548
Accumulated depreciation	0	0	(38,943)	(484,512)	(420,308)	(943,763)
Book value	0	0	13,549	88,044	192	101,785
As at June 30, 2024						
Cost	0	0	52,492	572,556	420,500	1,045,548
Accumulated depreciation	0	0	(40,298)	(506,523)	(420,346)	(967,167)
Book value	0	0	12,194	66,033	154	78,381
Depreciation rate (%)	-	5	10	25	20	

13. INVESTMENT PROPERTY

	Freehold land	Buildings on freehold land	Total
	----- Rupees -----		
As at June 30, 2022			
Cost	1,511,350	1,500,000	3,011,350
Accumulated depreciation	0	1,230,862	1,230,862
Book value	1,511,350	269,138	1,780,488
Year ended June 30, 2023			
Addition	0	3,000,000	3,000,000
Transferred from owned assets			
- Cost	3,600,000	4,005,220	7,605,220
- Accumulated depreciation	0	3,356,651	3,356,651
	3,600,000	648,569	4,248,569
Depreciation charge	0	50,957	50,957
Book value	5,111,350	3,866,750	8,978,100
Year ended June 30, 2024			
Depreciation charge	0	193,338	193,338
Book value	5,111,350	3,673,412	8,784,762
As at June 30, 2023			
Cost	5,111,350	8,505,220	13,616,570
Accumulated depreciation	0	4,638,470	4,638,470
Book value	5,111,350	3,866,750	8,978,100
As at June 30, 2024			
Cost	5,111,350	8,505,220	13,616,570
Accumulated depreciation	0	4,831,808	4,831,808
Book value	5,111,350	3,673,412	8,784,762
Depreciation rate (%)	-	5	

13.1 Fair value of the investment property, based on market assessment by the Company's management, as at June 30, 2024 was Rs.130 million (2023: Rs.129.185 million) of land situated at Gulberg V, Lahore and Rs.630 million (2023: Rs.371.633 million) of land situated at F-7/1, Islamabad.

13.2 Freehold land represents 918.56 square yards of land situated at Gulberg V, Lahore and 1,600 square yards of land situated at F-7/1, Islamabad.

13.3 Direct operating expenses pertaining to investment property that generated rental income amounted Rs.372,660. Both the investment properties have generated rental income.

14. LONG TERM INVESTMENTS

	Note	2024	2023
		--- Rupees ---	
Associated Companies - equity method			
The Premier Sugar Mills and Distillery Company Ltd. (PSM) - Quoted			
400,000 ordinary shares of Rs.10 each - cost		8,800,000	8,800,000
Equity held: 10.67%			
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by PSM		279,968,951	239,543,563
Profit for the period of twelve months - net of taxation		20,473,639	11,481,707
Share of other comprehensive income including effect of items directly credited in equity by PSM		71,769,200	28,943,681
Share of revaluation surplus on property, plant and equipment		598,177,840	471,051,895
		979,189,630	759,820,846
Less: impairment loss	14.1.1	(795,189,630)	(521,820,846)
	c/f	184,000,000	238,000,000

	2024	2023
Note	--- Rupees ---	
b/f	184,000,000	238,000,000
Premier Board Mills Limited (PBM) - Un-quoted		
600,000 ordinary shares of Rs.10 each	6,000,000	6,000,000
Equity held: 10.63%		
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by PBM	66,862,443	59,506,131
Loss / profit for the year - net of taxation	(676,965)	6,941,412
Share of other comprehensive (loss) / income including effect of items directly credited in equity by PBM	(290,314)	414,900
Share of revaluation surplus on property, plant and equipment	11,646,404	9,817,523
	83,541,568	82,679,966
	267,541,568	320,679,966
14.1 Investment in PSM represents 400,000 fully paid ordinary shares of Rs.10 each representing 10.67% (2023: 10.67%) of PSM's issued, subscribed and paid-up capital as at June 30, 2024. 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. PSM is an associate of the Company due to common directorship.		
14.1.1 The Company's management has recognised impairment on its investments in PSM based on the market value of PSM's share at each reporting date. Market value of PSM's share as at June 30, 2024 was Rs.460 (2023: Rs.595).		
14.1.2 Summarised condensed interim consolidated statement of financial position of PSM as at March 31, 2024 (based on reviewed interim financial information of PSM)		
Non-current assets	27,434,368	23,047,589
Current assets	29,559,828	20,492,609
	56,994,196	43,540,198
Non-current liabilities	8,123,667	9,023,373
Current liabilities	30,987,858	20,569,318
	39,111,525	29,592,691
Net assets	17,882,671	13,947,507
Net assets - attributable to the shareholders of PSM	9,127,643	7,092,625
Reconciliation to carrying amount		
Opening net assets	7,092,625	6,068,329
Profit for the year	189,659	107,641
Effect of items directly credited in equity	371,160	266,575
Other comprehensive income for the year	1,473,349	651,075
Effect of items directly credited in equity by Associated Companies	850	(995)
Closing net assets	9,127,643	7,092,625
Company's share percentage 10.67%		
Company's share	973,615	756,547
Miscellaneous adjustments	5,575	3,274
Carrying amount of investment	979,190	759,821

14.1.3 Summarised condensed interim statement of profit or loss of PSM for the twelve months period ended March 31, 2024 (based on audited and reviewed financial statements)	Note	2024	2023
		--- Rupees in '000 ---	
Sales		<u>28,947,624</u>	<u>23,053,056</u>
Profit before taxation		<u>118,144</u>	<u>321,739</u>
Profit after taxation - attributable to the shareholders of PSM		<u>189,379</u>	<u>107,641</u>
14.2 Investment in PBM represents 600,000 fully paid ordinary shares of Rs.10 each representing 10.63% (2023: 10.63%) of PBML's issued, subscribed and paid-up capital as at June 30, 2024. PBM was incorporated on May 12, 1980 as a public company and it is evaluating certain proposals for setting-up some industrial unit. PBM is an associate of the Company due to common directorship.			
14.2.1 Summarised financial information of PBM, based on the un-audited financial statements for the year ended June 30, 2024 and audited financial statements for the year ended June 30, 2023 is as follows:			
Summarised Statement of Financial Position - PBM			
Non-current assets		703,801	723,042
Current assets		87,278	61,222
		<u>791,079</u>	<u>784,264</u>
Current liabilities		5,383	6,670
Net assets		<u>785,696</u>	<u>777,593</u>
Reconciliation to carrying amount			
Opening net assets		777,593	683,478
Profit for the year		(6,367)	65,283
Other comprehensive income for the year		14,470	28,832
Share of surplus of property plant and equipment		(7,855)	(6,609)
Items directly credited in equity		7,855	6,609
Closing net assets		<u>785,696</u>	<u>777,593</u>
Company's share percentage 10.63%			
Carrying amount of investment		<u>83,541</u>	<u>82,680</u>
Summarised Statement of Profit or Loss			
Income		<u>19,434</u>	<u>16,592</u>
(Loss) / profit before taxation		<u>(3,627)</u>	<u>66,646</u>
(Loss) / profit after taxation		<u>(6,367)</u>	<u>65,283</u>
15. LOAN TO AN ASSOCIATED COMPANY			
Loan due from Associated Company	15.1	25,000,000	31,250,000
Less: recoverable within one year and grouped under current assets		<u>(18,750,000)</u>	<u>(12,500,000)</u>
		<u>6,250,000</u>	<u>18,750,000</u>

15.1 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 23.27% to 23.86 (2023:15.55% to 22.95%) 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 prior financial years, had entered into revised agreements and changed the repayment terms. As per latest agreement, outstanding balance of Rs.43.750 million is receivable in seven half-yearly instalments commenced form November, 2022. The loan is secured against a promissory note of Rs.77 million. An instalment amounting Rs.6.250 million was overdue as at June 30, 2024.

16. ADVANCE AGAINST SHARES

The Board of Directors of the Company, in the meeting held on March 15, 2024, approved subscription of 5,000,000 ordinary shares of Rs.10 each in Premier Grain Ethanol Limited. This newly incorporated company will engage in the manufacturing, production and sale of Ethanol alongside related products derived from grains as primary raw materials. Moreover, at the extra ordinary general meeting held on April 22, 2024, the shareholders unanimously approved the investment plan. The Company till the reporting date has made advances aggregating Rs.32 million in this regard.

17. SHORT TERM INVESTMENT - At FVTPL		2024	2023
First Habib Cash Fund	Note	--- Rupees ---	
4,709.33 (2023: 234,758.30) Units		476,925	23,699,203
Adjustment on re-measurement to fair value		2,421	75,310
		479,346	23,774,513

18. ACCRUED MARK-UP

This represents due from Chashma Sugar Mills Ltd. (an Associated Company) on account of mark-up accrued on loan advanced.

19. BANK BALANCES

Cash at banks on:

- current account		153,027	153,027
- deposit accounts	19.1	2,264,830	8,108,065
- dividend account		58,074	58,074
		2,475,931	8,319,166

19.1 Deposit accounts, during the current financial year, carried profit at the rate ranging from 18% to 21% (2023: 15% to 22.50%) per annum.

20. INCOME

Interest / profit on deposit accounts		1,388,951	421,848
Mark-up on loan to an Associated Company		6,506,850	7,463,739
Fair value gain on re-measurement of short term investments	17	2,421	75,310
Gain on redemption of short term investments		187,816	0
Dividends on short term investments		4,134,818	3,470,042
Rent		9,645,000	4,350,000
		21,865,856	15,780,939

21. OPERATING AND GENERAL EXPENSES	Note	2024	2023
		--- Rupees ---	
Salaries and allowances		7,968,636	10,334,292
Printing and stationery		902,752	443,099
Travelling and conveyance		90,001	163,599
Communication		298,157	355,022
Utilities		315,187	27,876
Rent, rates and taxes		1,363,209	1,397,261
Vehicles' running		751,493	781,168
Fees and subscription		80,000	440,463
Entertainment		1,192,438	1,101,552
Repair and maintenance		577,345	840,085
Insurance		72,946	582
Depreciation on property, plant and equipment	12	23,404	65,036
Depreciation on investment property	13	193,338	50,957
Auditors' remuneration:			
- statutory audit		115,500	104,817
- (over) / under provision of audit fee of prior year		(6,304)	5,163
- half yearly review		78,750	78,750
- certification charges		109,988	54,863
- out-of-pocket expenses		20,000	21,500
		317,934	265,093
Legal and professional charges (other than Auditors)		640,061	155,984
Others		272,740	889,402
		<u>15,059,641</u>	<u>17,311,471</u>
22. TAXATION			
Current			
Current tax on profit for the year	10	2,319,512	889,348
Adjustments in respect of prior years	10	(889,348)	(7,685)
		<u>1,430,164</u>	<u>881,663</u>
Deferred			
Origination and reversal of temporary differences		737,808	73,499
		<u>2,167,972</u>	<u>955,162</u>
23. LOSS PER SHARE			
Loss after taxation attributable to ordinary shareholders		<u>(249,559,572)</u>	<u>(76,304,367)</u>
		--- No. of shares ---	
Weighted average number of shares		<u>4,000,000</u>	<u>4,000,000</u>
		---- Rupees ----	
Loss per share - basic		<u>(62.39)</u>	<u>(19.08)</u>

24. REMUNERATION OF DIRECTORS AND EXECUTIVES

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

24.2 Salaries and benefits paid to key management personnel:

	2024	2023
	--- Rupees ---	
Managerial remuneration	5,511,504	5,544,401
Medical and utility allowances	1,406,643	910,576
Expenses reimbursed	1,864,987	652,408
	<u>8,783,134</u>	<u>7,107,385</u>
No. of person	1	1

25. 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. Details of related parties (with whom the Company has transacted) along with relationship and transactions with a related party, 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.

Mark-up charged on loan to an Associated Company	<u>6,506,850</u>	<u>7,463,739</u>
Mark-up received from Associated Company	<u>0</u>	<u>4,654,474</u>
Rent received	<u>2,880,000</u>	<u>2,700,000</u>

Premier Grain Ethanol Limited

Advance made for investment in shares	<u>2,880,000</u>	<u>0</u>
---------------------------------------	------------------	----------

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 24

26. 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.

26.1 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:

	2024	2023
	--- Rupees ---	
Loan to an Associated Company	25,000,000	31,250,000
Short term investments	479,346	23,774,513
Accrued mark-up	11,667,811	5,160,961
Bank balances	2,475,931	8,319,166
	39,623,088	68,504,640

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	AM2+	PACRA

26.2 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. At the reporting date, accruals and other payables are the only financial liability of the Company that are due within the next twelve months.

26.3 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 investments.

(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:

Loan to an Associated Company	25,000,000	31,250,000
Bank balances - deposit accounts	2,264,830	8,108,065
	27,264,830	39,358,065

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:

	2024	2023
	--- Rupees ---	
Effect on statement of profit or loss	<u>47,935</u>	<u>2,377,451</u>

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

26.4 Fair value of financial instruments and hierarchy

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

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.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

26.5 Financial instruments by category

2024	Amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets as per statement of financial position			
Loan to an Associated Company	25,000,000	0	25,000,000
Short term investments	0	479,346	479,346
Accrued mark-up	11,667,811	0	11,667,811
Bank balances	2,475,931	0	2,475,931
	<u>39,143,742</u>	<u>479,346</u>	<u>39,623,088</u>
2023			
Financial assets as per statement of financial position			
Loan to an Associated Company	31,250,000	0	31,250,000
Short term investments	0	23,774,513	23,774,513
Accrued mark-up	5,160,961	0	5,160,961
Bank balances	8,319,166	0	8,319,166
	<u>44,730,127</u>	<u>23,774,513</u>	<u>68,504,640</u>
		Financial liabilities measured at amortised cost	
	2024	2023	
	----- Rupees -----		
Financial liabilities as per statement of financial position			
Accruals and other payables	7,829,281	9,280,340	
Unclaimed dividend	1,039,042	1,039,042	
	<u>8,868,323</u>	<u>10,319,382</u>	

27. 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.

28. NUMBER OF EMPLOYEES

The total number of employees as at June 30, 2024 were 5 (2023: 4) and their average numbers during the year were 5 (2023: 5).

29. DATE OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on October 03, 2025 by the Board of directors of the Company.

30. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; significant re-classifications / re-statements made in these financial statements have been detailed in note 4.1.



Chief Executive Officer



Director



Chief Financial Officer

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ARPAK INTERNATIONAL INVESTMENTS LIMITED

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

PROXY FORM 47th Annual General Meeting

I/We.....of.....being a member of **M/s. Arpak International Investments Limited** and holding.....ordinary 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 25, 2025 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 2024.

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.



آرپاک انٹرنیشنل انویسٹمنٹ لمیٹڈ

کننگز آرکیڈ 20 اے، مرکز ایف 7، اسلام آباد

پراکسی فارم

47 واں سالانہ جنرل اجلاس

میں/ہم..... کا..... ایم/.....
ایس کارکن ہونے کے ناطے۔ آرپاک انٹرنیشنل انویسٹمنٹ لمیٹڈ اور ہولڈنگ..... شیئر رجسٹر فلیو / سی ڈی سی
اکاؤنٹ نمبر..... کے مطابق عام حصص جناب / مسز کا تقرر کریں.....
..... کا..... فلیو / سی ڈی سی اکاؤنٹ نمبر رکھنے والی کمپنی کا ایک
اور رکن..... شناختی کارڈ نمبر..... یا پاسپورٹ نمبر.....
..... یا اسے ناکام کرنے والے مسٹر / مسز..... کا.....
..... فلیو / سی ڈی سی اکاؤنٹ نمبر..... شناختی کارڈ نمبر..... یا پاسپورٹ
نمبر..... جو کمپنی کا ایک رکن بھی ہے، جو 25 اکتوبر، 2024 کو منعقد ہونے والی کمپنی کی سالانہ
جنرل میٹنگ میں اور اس کے کسی بھی التوا پر مجھے / ہمارے لئے اور میری / ہماری طرف سے شرکت کرنے اور ووٹ دینے
کے لئے میرے / ہمارے پراکسی کے طور پر کمپنی کا رکن بھی ہے۔

شیئر ہولڈر کے دستخط

(دستخط کمپنی کے ساتھ رجسٹرڈ نمونے سے متفق ہونا چاہئے)

پراکسی کے دستخط _____

تاریخ اس..... کا دن 2024.

2- گواہ

1- گواہ

..... دستخط:

..... دستخط:

..... نام:

..... نام:

..... پتہ:

..... پتہ:

..... شناختی کارڈ نمبر:

..... شناختی کارڈ نمبر:

نوٹ: پراکسی کو موثر ہونے کے لئے، میٹنگ کے انعقاد کے وقت سے کم از کم 84 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس تک پہنچنا ضروری ہے اور اس پر
باقاعدہ مہر، دستخط اور گواہی دی جانی چاہئے۔

سی ڈی سی شیئر ہولڈرز اور ان کے پراکسی سے درخواست کی جاتی ہے کہ وہ کمپنی کو جمع کرانے سے پہلے پراکسی فارم کے ساتھ اپنے شناختی کارڈ یا
پاسپورٹ کی تصدیق شدہ فوٹو کاپی منسلک کریں۔