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

Arpak International Investments Limited

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2023
(UN-AUDITED)**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

Board of Directors

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

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Legal Advisor

Mr. Zahoor Alam
Advocate

Shares Registrar

Messers Hameed Majeed Associates (Pvt.) Limited
H.M. House, 7-Bank Square, Lahore.
Phone No. : 042-37235081
Fax No. : 042-37235083

Bankers

MCB Bank Limited
Bank Al-Habib Limited

ARPAK INTERNATIONAL INVESTMENTS LIMITED

DIRECTORS' REVIEW REPORT

The Board of Directors of Arpak International Investments Limited takes pleasure in presenting the review on the operational and financial performance of the Company for the three months' period ended September 30, 2023.

OPERATIONS

During the period under review, the Company has earned operating profit of Rs 3.087 million (September 30, 2022: pre-tax loss of Rs. 2.387 million) and after incorporating the share of loss and reversal of impairment on investment in Associated Company, the Companies' pre-tax profit has been reflected to Rs 9.229 million for the period.

INVESTMENTS

The Company has investments of Rs. 31.250 million in an Associated Company and Rs. 24.903 million in mutual funds. The management has invested prudently to ensure appropriate returns on available funds.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this quarterly condensed interim financial information are the same as applied in the preparation of the preceding annual financial statements of the Company.

ACKNOWLEDGEMENT

The Directors appreciate the spirit of good work done by the Company's staff at all levels.

ON BEHALF OF THE BOARD



Islamabad
October 30, 2023

(ABBAS SARFARAZ KHAN)
Chief Executive



(ISKANDER M. KHAN)
Director

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ کے 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت پر کمپنی کے بورڈ آف ڈائریکٹرز غیر آڈٹ شدہ کنڈسڈ عبوری مالیاتی معلومات حصص داروں کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن کا جائزہ

رواں عرصے کے دوران کمپنی کو ٹیکس کی ادائیگی سے پہلے 3.087 ملین روپے کا منافع ہوا (30 ستمبر 2022: 2.387 ملین روپے نقصان ہوا تھا) اور ایسوسی ایٹڈ کمپنی میں سرمایہ کاری پر منافع کا حصہ اور ریورسل آف ایمپرومنٹ کو شامل کرنے کے بعد کمپنی کا ٹیکس سے پہلے نقصان 9.229 ملین ہو گیا۔

انوسٹمنٹس

کمپنی نے ایسوسی ایٹڈ کمپنی میں 31.250 ملین روپے اور باہمی (میوچیول) فنڈز میں 24.903 ملین روپے کی سرمایہ کاری کر رکھی ہے۔ انتظامیہ نے دستیاب فنڈز پر مناسب ریٹرن حاصل کرنے کے لیے بڑے سوچ بچار کے بعد سرمایہ کاری کی ہوئی ہے۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی پہلی سہ ماہی کے کنڈسڈ عبوری مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو سالانہ مالیاتی معاملات میں اپنائی گئی تھی۔

اعتراف

ڈائریکٹرز نے کمپنی کے عملے کی جانب سے ہر سطح پر کئے گئے اچھے کام کو سراہا۔

منجانب بورڈ

اسلام آباد

اسکندر محمد خان

عباس سرفراز خان

بتاریخ: 30 اکتوبر 2023

ڈائریکٹر

چیف ایگزیکٹو

ARPAK INTERNATIONAL INVESTMENTS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Audited June 30, 2023
Note	Rupees	Rupees
Equity and Liabilities		
Share Capital and Reserves		
Authorised capital 5,000,000 ordinary shares of Rs.10 each	50,000,000	50,000,000
Issued, subscribed and paid-up capital 4,000,000 ordinary shares of Rs.10 each issued for cash	40,000,000	40,000,000
Reserves	12,840,781	12,840,781
Accumulated loss	(146,985,002)	(145,267,882)
Share of surplus on revaluation of property, plant and equipment of Associated Companies	472,538,005	480,869,418
	378,393,784	388,442,317
Deferred taxation	228,554	217,170
Current Liabilities		
Accruals and other payables	8,149,513	9,280,340
Unclaimed dividend	1,039,042	1,039,042
Taxation	1,987,687	1,409,854
	11,176,243	11,729,236
Contingencies and Commitments	4	
	389,798,581	400,388,723
Assets		
Non-current Assets		
Property, plant and equipment	95,933	101,785
Investment property	8,929,129	8,978,100
Long term investments	5 308,135,966	320,679,966
Loan to an Associated Company	6 18,750,000	18,750,000
	335,911,028	348,509,851
Current Assets		
Current portion of loan to an Associated Company	12,500,000	12,500,000
Short term investment	7 24,903,516	23,774,513
Advance to employees - considered good	139,750	139,750
Accrued profit and mark-up	7,032,647	5,160,961
Advances, prepayments and other receivables	320,575	5,698
Advance income tax and tax deducted at source	2,316,442	1,978,784
Bank balances	6,674,622	8,319,166
	53,887,553	51,878,872
	389,798,581	400,388,723

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



Chief Executive



DIRECTOR



CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
-----Rupees-----		
Income	6,083,770	2,597,932
Operating and General Expenses	<u>(2,996,137)</u>	<u>(4,985,134)</u>
Operating Profit/(Loss)	3,087,633	(2,387,202)
Bank Charges	<u>(6,650)</u>	<u>(1,908)</u>
	3,080,983	(2,389,110)
Share of (loss)/ profit of Associated Companies-net of taxation	(20,062,721)	(3,460,480)
Reversal/(provision made) for impairment in investment in an Associated Company	<u>7,752,603</u>	<u>16,838,257</u>
Profit/(Loss)- before taxation	<u>(9,229,135)</u>	<u>10,988,667</u>
Taxation	<u>(585,516)</u>	<u>(118,496)</u>
Profit/(Loss)- after taxation	<u>(9,814,651)</u>	<u>10,870,171</u>
Profit/(Loss) per Share	<u>(2.45)</u>	<u>2.72</u>

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



Chief Executive



DIRECTOR



CHIEF FINANCIAL OFFICER

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ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 Rupees	September 30, 2022 Rupees
Profit/(Loss)- after taxation	(9,814,651)	10,870,171
Other Comprehensive Income		
Items that may be reclassified subsequently to profit and loss:		
Fair value (loss) / gain on re-measurement of available-for-sale investments	0	0
Share of other comprehensive profit from Associated Company - net	0	0
	0	0
Total Comprehensive Income for the period	<u>(9,814,651)</u>	<u>10,870,171</u>

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



Chief Executive



DIRECTOR



CHIEF FINANCIAL OFFICER

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ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 Rupees	September 30, 2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the quarter - before taxation and share of profit/ (loss) of Associated Companies	3,080,983	(2,389,110)
<i>Adjustments for non-cash charges and other items:</i>		
Depreciation on property, plant and equipment	5,852	16,259
Depreciation on investment property	48,971	3,364
Mark-up on loan to an Associated Company	(1,871,686)	(1,805,341)
Dividend income	(938,823)	(541,765)
Fair value (gain)/loss on measurement of investments	(331,007)	(229,474)
Gain on redemption of short term investments - net	-	-
Loss before working capital changes	(5,710)	(4,946,067)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Investments - net	(797,996)	(460,497)
Advance to employees	-	-
Prepayments	(314,877)	(212,729)
Increase / (decrease) in current liabilities		
Accruals and other payables	(1,130,828)	890,006
	(2,243,701)	216,780
Cash used in operating activities	(2,249,411)	(4,729,287)
Income tax paid	(333,956)	(84,464)
Net cash used in operating activities	(2,583,367)	(4,813,751)
CASH FLOW FROM INVESTING ACTIVITIES		
Mark-up received on loan to an Associated Company	-	4,154,474
Dividend received	938,823	541,765
Net cash generated from investing activities	938,823	4,696,239
Net increase / (decrease) in cash and cash equivalents	(1,644,544)	(117,512)
Cash and cash equivalents - at beginning of the period	8,319,166	1,001,294
Cash and cash equivalents - at end of the period	6,674,622	883,782

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


Chief Executive


DIRECTOR


CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Reserves				(Accumulated loss)/ Unappropriated profit	Share of surplus on revaluation of property, plant and equipment of an Associated Company	Total
	Share capital	Capital reserve	General reserve	Unrealised gain on long term investments			
	----- Rupees -----						
Balance as at July 01, 2022	40,000,000	7,440,781	5,400,000	-	(98,322,096)	408,947,433	363,466,118
Total Comprehensive Income for the quarter ended September 30, 2022	-	-	-	-	10,870,171	-	10,870,171
Effects of items directly credited in equity by Associated Companies	-	-	-	-	(13,377,777)	-	(13,377,777)
Share of surplus on revaluation of property, plant and equipment realised during the year by an Associated Company on account of incremental depreciation and upon sale of revalued assets - (net of deferred taxation)	-	-	-	-	(6,859,734)	6,859,734	-
Balance as at September 30, 2022	40,000,000	7,440,781	5,400,000	-	(107,689,436)	415,807,167	360,958,512
Balance as at July 01, 2023	40,000,000	7,440,781	5,400,000	-	(145,267,882)	480,869,418	388,442,317
Total Comprehensive Income for the quarter ended September 30, 2023	-	-	-	-	(9,814,651)	-	(9,814,651)
Effects of items directly credited in equity by Associated Companies	-	-	-	-	(233,882)	-	(233,882)
Share of surplus on revaluation of property, plant and equipment realised during the year by an Associated Company on account of incremental depreciation and upon sale of revalued assets - (net of deferred taxation)	-	-	-	-	8,331,413	(8,331,413)	-
Balance as at September 30, 2023	40,000,000	7,440,781	5,400,000	-	(146,985,002)	472,538,005	378,393,784

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


Chief Executive


DIRECTOR


CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

2.1. Statement of compliance

2.1.1 These condensed interim financial statements for the first quarter ended September 30, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

2.1.2 These condensed interim financial statements do not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

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

The new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on July 1, 2023 are considered not to be relevant or to have any significant effect on the Company's interim financial reporting and are, therefore, not detailed in these condensed interim financial statements.

2.3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2023.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited financial statements for the year ended June 30, 2023.

4. CONTINGENCIES AND COMMITMENTS

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

5. LONG TERM INVESTMENTS

Associated Companies: Quoted:	Note	Un-audited	Audited
		Period ended September 30, 2023 Rupees	Year ended June 30, 2023 Rupees
The Premier Sugar Mills and Distillery Company Ltd. (PSM)			
Carrying Value- under equity method	5.1.	739,524,243	759,820,846
Less: Impairment loss	5.1.1.	(514,068,243)	(521,820,846)
		225,456,000	238,000,000
Premier Board Mills Ltd. (PBML)- unquoted	5.2.	82,679,966	82,679,966
		308,135,966	320,679,966

5.1. Investment in PSM represents 400,000 fully paid ordinary shares of Rs.10 each representing 10.67% (June 30, 2023: 10.67%) of PSM's issued, subscribed and paid-up capital as at September 30, 2018. PSM was incorporated on July 24, 1944 as a public limited company and its shares are quoted on Pakistan Stock Exchange. The principal activity of PSM is manufacturing and sale of white sugar and spirit. PSM is an associate of the Company due to common directorship.

5.1.1 The Company has recognised impairment on its investment in PSM based on the market value of PSMs's shares as at reporting date. Market Value of the PSM's shares as at September 30, 2023 was Rs. 563.64 (June 30, 2023: Rs. 595) per share.

5.2. Investment in PBML represents 600,000 fully paid ordinary shares of Rs.10 each representing 10.63% (June 30, 2023: 10.63%) of PBML's issued, subscribed and paid-up capital as at June 30, 2018. PBML was incorporated on May 12, 1980 as a public company and it is evaluating certain proposals for setting-up some industrial unit. PBML is an associate of the Company due to common directorship.

5.2.1 Carrying values of investments in PBML as at September 30, 2023 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates) due to nonavailability of financial

6. LOAN TO AN ASSOCIATED COMPANY

All the term and conditions of the loan are same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2023.

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

This represents investment in 242,638.07 (June 30, 2023: 234,758) units of First Habib Cash Fund.

8. REMUNERATION OF DIRECTORS AND EXECUTIVES

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

8.2 Salaries and benefits paid to key management personnel:

	Un-audited	
	Three months ended	
	September 30, 2023	2022
	----- Rupees -----	
Managerial remuneration	1,377,876	1,377,876
Medical and utility allowances	48,860	299,353
Expenses reimbursed	226,062	530,960
	1,652,798	2,208,189
No. of person	1	1

9 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Associated Companies, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with a related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

The Company has carried out following transactions with Chashma Sugar Mills Ltd. an Associated Company due to common directorship.

	Un-audited	
	Three months ended	
	September 30,	
	2023	2022
	---- Rupees ----	
Mark-up charged on loan to an Associated Company	1,871,686	1,805,341
Mark-up received from Associated Company	-	4,154,474

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 8.

10. FINANCIAL RISK MANAGEMENT

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

There has been no change in the Company's sensitivity to these risks since June 30, 2023. There have been no change in risk management objectives and policies of the Company during the period.

This condensed interim financial information does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2023.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Level:1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level:2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level:3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's investment in Mutual Fund has been measured at fair value using period-end Net Assets Value as computed by the respective Assets Management Company. Fair value of these investments falls within level 2 of fair value hierarchy as mentioned above.

12. CORRESPONDING FIGURES

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

13. GENERAL

This condensed interim financial information was approved by the Board of Directors and authorised for issue on October 30, 2023.



Chief Executive



DIRECTOR



CHIEF FINANCIAL OFFICER