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

Arpak International Investments Limited

**CONDENSED INTERIM
FINANCIAL INFORMATION FOR
THE NINE MONTHS PERIOD ENDED
MARCH 31, 2021 (UN-AUDITED)**

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

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

ARPAK INTERNATIONAL INVESTMENTS LIMITED

DIRECTOR'S REVIEW REPORT

The Board of Directors of Arpak International Investments Limited takes pleasure in presenting the review on the operational and financial performance of the Company for the nine months period ended March 31, 2021.

OPERATIONS

During the period under review, the Company suffered pre-tax loss of Rs. 4.728 million (March 31, 2020: Rs. 0.525 million) and after incorporating the share of profit and provision made for impairment in investment in an Associated Company, the Company's pre-tax loss has been reflected to Rs. 126.677 million for the period.

INVESTMENTS

The Company has investments of Rs. 43.750 million in an associated Company and Rs. 24.168 million in mutual funds. The management has invested prudently to ensure appropriate returns on available funds.

ACCOUNTING POLICIES

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

ON BEHALF OF THE BOARD



Islamabad
April 27, 2021

(Abbas Sarfaraz Khan)
Chief Executive



(Iskander M. Khan)
Director

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

آرپاک انٹرنیشنل انوسٹمنٹس لمیٹڈ کے تیسری سہ ماہی کی اختتامی مدت پر کمپنی کے ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والے نو مہینوں کے غیر آڈٹ شدہ کنڈنسڈ عبوری مالیاتی معلومات حصص داروں کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن

کمپنی کو ٹیکس کی ادائیگی سے پہلے 4,728 ملین روپے نقصان ہوا (31 مارچ 2020: 0.525 ملین) تاہم منسلک کمپنیوں کے نفع اور ایپرمنٹ لاس کا حصہ شامل کرنے کے بعد کمپنی کا ٹیکس ادائیگی سے پہلے نقصان 126.677 ملین روپے تک بڑھ گیا۔

انوسٹمنٹس

کمپنی نے ایسوسی ایٹڈ کمپنی میں 43,750 ملین روپے اور باہمی (میڈیول) فنڈز میں 24,168 ملین روپے کی سرمایہ کاری کر رکھی ہے۔ انتظامیہ نے دستیاب فنڈز پر مناسب ریٹرن حاصل کرنے کے لیے بڑے سوچ بچار کے بعد سرمایہ کاری کی ہوئی ہے۔

اکاؤنٹنگ کی پالیسیاں

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

اعتراف

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

منجانب بورڈ



اسلام آہد

اسکندر محمد خان

ڈائریکٹر



عباس سرفراز خان

چیف ایگزیکٹو

بتاریخ: 27 اپریل 2021

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ARPAK INTERNATIONAL INVESTMENTS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	Un-audited March 31, 2021	Audited June 30, 2020
Note	Rupees	Rupees
Assets		
Non-current Assets		
Property, plant and equipment	4,515,169	4,584,118
Investment property	1,798,381	1,809,564
Long term investments	4 224,684,341	289,044,341
Loan to an Associated Company	5 43,750,000	43,750,000
	274,747,892	339,188,023
Current Assets		
Short term investment	6 24,167,824	31,049,192
Advance to employees - considered good	504,746	599,750
Accrued profit and mark-up	1,567,991	723,377
Prepayments and other receivables	180,211	2,348,690
Advance income tax and tax deducted at source	1,475,864	953,827
Bank balances	3,017,334	799,449
	30,913,970	36,474,285
	305,661,862	375,662,308
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) / unappropriated profit	(44,627,856)	67,305,213
Share of surplus on revaluation of property, plant and equipment of Associated Companies	292,964,880	251,236,239
	301,177,805	371,382,233
Deferred taxation	148,260	180,057
Current Liabilities		
Accruals and other payables	2,120,986	870,217
Unclaimed dividend	1,047,772	1,104,573
Taxation	1,167,039	2,125,228
	4,335,797	4,100,018
Contingencies and Commitments	7	
	305,661,862	375,662,308

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 PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Quarter Ended		Nine Months Ended	
	March 31 2021	March 31 2020	March 31 2021	March 31 2020
	-----Rupees-----			
Income	3,133,420	3,346,832	9,478,944	12,359,629
Operating and General Expenses	(4,062,713)	(3,536,667)	(14,197,333)	(12,879,446)
Operating loss	(929,293)	(189,835)	(4,718,389)	(519,817)
Bank Charges	(4,051)	(1,307)	(9,702)	(5,390)
	(933,344)	(191,142)	(4,728,091)	(525,207)
Share of (Loss)/ profit of Associated Companies--net of taxation	(6,500,053)	8,203,733	26,726,188	28,832,214
Provision made for impairment in investment in an Associated Company	(18,343,308)	0	(148,674,720)	0
(Loss) / profit- before taxation	(25,776,705)	8,012,591	(126,676,623)	28,307,007
Taxation	(387,827)	(248,188)	(1,116,337)	(1,082,752)
(Loss) / profit- after taxation	(26,164,532)	7,764,403	(127,792,960)	27,224,255
(Loss) / earnings per share- basic and diluted	(6.54)	1.94	(31.95)	6.81

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Quarter Ended		Nine Months Ended	
	March 31 2021	March 31 2020	March 31 2021	March 31 2020
	-----Rupees-----			
(Loss)/Profit after taxation	(26,164,532)	7,764,403	(127,792,960)	27,224,255
Other Comprehensive Income				
Items that may be reclassified subsequently to profit and loss:				
Fair value (loss)/gain on re-measurement of available-for-sale investments	0	0	0	0
Reclassification of gain on sale of available-for-sale investments	0	0	0	0
Share of Fair value (loss)/gain on re-measurement of available-for-sale investments of Associated Company	0	0	0	77,653
Share of other comprehensive loss from Associated Company - net	15,994,880	0	67,460,375	77,653
	15,994,880	0	67,460,375	77,653
Total Comprehensive (loss) / income for the Year	(10,169,652)	7,764,403	(60,332,585)	27,301,878

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ARPAK INTERNATIONAL INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31 2021 Rupees	March 31 2020 Rupees
Cash flow from operating activities		
Loss for the period - before taxation and share of profit of Associated Companies	(4,728,091)	(525,207)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	68,949	83,654
Depreciation on investment property	11,183	11,772
Mark-up on loan to an Associated Company	(2,844,614)	(4,337,364)
Dividend Income	(1,269,144)	(2,952,592)
Gain on redemption of short term investments - net	(21,022)	(28,634)
Fair value profit/(loss) on re-measurement of short term investment	(18,837)	(371,444)
Loss before working capital changes	(8,801,576)	(8,119,815)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Advance to employees - <i>considered good</i>	95,004	195,000
Prepayments and other receivables	2,168,479	3,841,061
Increase / (decrease) in current Liabilities		
Accruals and other payables	1,250,769	(2,764,561)
Unclaimed dividend	(56,801)	88,985
	3,457,451	1,360,485
Cash used in operating activities	(5,344,126)	(6,759,330)
Income tax paid	(2,628,360)	(1,126,984)
Net cash used in operating activities	(7,972,486)	(7,886,314)
Cash flow from investing activities		
Mark-up received on loan to an Associated Company	2,000,000	4,200,000
Redemption of short term investment	6,921,227	7,500,000
Reinvestment in Short Term Investment	0	(6,515,373)
Dividend received	1,269,144	2,952,592
Dividend paid	0	(2,400,000)
Net cash generated from investing activities	10,190,371	5,737,219
Net increase / (decrease) in cash and cash equivalents	2,217,885	(2,149,095)
Cash and cash equivalents - at beginning of the period	799,449	2,489,291
Cash and cash equivalents - at end of the period	3,017,334	340,196

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





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

ARPAK INTERNATIONAL INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Reserves				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			
	R u p e e s						
Balance as at July 01, 2019	40,000,000	7,440,781	5,400,000	(2,811,800)	256,160,401	278,552,337	584,741,719
Distribution to owners							
Final dividend related to the year ended June 30, 2019 at the rate of Rs. 0.60 per share					(2,400,000)		(2,400,000)
Total comprehensive income for the nine months ended March 31, 2020	-	-	-	-	27,224,225	-	27,224,225
Profit for the period	-	-	-	-	77,653	-	77,653
Other comprehensive income	-	-	-	-	27,301,878	-	27,301,878
Effect of items directly credited to equity by an Associated Company	-	-	-	2,811,800	9,039,761	-	11,851,561
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)	-	-	-	-	15,501,120	(15,501,120)	0
Balance as at March 31, 2020	40,000,000	7,440,781	5,400,000	0	305,603,160	263,051,217	621,495,158
Balance as at July 01, 2020	40,000,000	7,440,781	5,400,000	0	67,305,213	251,236,239	371,382,233
Total comprehensive income for the nine months ended March 31, 2021	-	-	-	-	(127,792,960)	-	(127,792,960)
Loss for the period	-	-	-	-	-	67,460,375	(67,460,375)
Other comprehensive income	-	-	-	-	(127,792,960)	67,460,375	(60,332,585)
Cash dividend at rate of Rs 0.60 per ordinary share for the year ended June 30, 2020	-	-	-	-	-	-	-
Effects of items directly credited in equity by Associated Companies	-	-	-	-	7,906,397	(17,778,240)	(9,871,843)
Share of surplus on revaluation of property, plant and equipment realised during the year by an Associated Company on account of incremental depreciation and upon sale of revalued assets - (net of deferred taxation)	-	-	-	-	7,953,494	(7,953,494)	-
Balance as at March 31, 2021	40,000,000	7,440,781	5,400,000	-	(44,627,856)	292,964,880	301,177,805

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





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

ARPAK INTERNATIONAL INVESTMENTS LIMITED
SELECTED NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

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

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

2.1.2 These condensed interim financial statements do not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2020. 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, 2020 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, 2020

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, 2020

4. LONG TERM INVESTMENTS

Un-audited
March 31,
2021 Audited
June 30,
2020

Note - - - - Rupees - - - -

Associated Companies:

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

Carrying Value- under equity method	4.1.	537,376,173		453,061,453
Less: accumulated impairment loss	4.1.1	(377,376,173)		(228,701,453)
		160,000,000		224,360,000

Premier Board Mills Ltd. (PBML) - unquoted

	4.2.	64,684,341		64,684,341
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		224,684,341		289,044,341
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4.1. Investment in PSM represents 400,000 fully paid ordinary shares of Rs.10 each representing 10.67% (2020: 10.67%) of PSM's issued, subscribed and paid-up capital as at March 31, 2021. PSM was incorporated on July 24, 1944 as a public limited company and its shares are quoted on Pakistan Stock Exchange. The principal activity of PSM is manufacturing and sale of white sugar and spirit. PSM is an associate of the Company due to common directorship.

4.1.1 The Company has recognised impairment on its investment in PSM based on the market value of PSM's shares as at the reporting date. Market value of the PSM's shares as at March 31, 2021 was Rs. 400 (June 30, 2020: Rs. 560.90) per share.

4.2. Investment in PBML represents 600,000 fully paid ordinary shares of Rs.10 each representing 10.63% (2020: 10.63%) of PBML's issued, subscribed and paid-up capital as at March 31, 2021. PBML was incorporated on May 12, 1980 as a public company and it is evaluating certain proposals for setting-up some industrial unit. PBML is an associate of the Company due to common directorship.

4.2.1 Carrying values of investments in PBML as at March 31, 2021 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates) due to nonavailability of condensed interim financial information for the nine months ended March 31, 2021.

5. LOAN TO AN ASSOCIATED COMPANY

The Company and Chashma Sugar Mills Ltd. (CSM) had entered into a loan agreement on May 20, 2008 whereby the Company has advanced amounts aggregating Rs.50 million to CSM. The loan carries mark-up at the rate of 1-Month KIBOR+1.25% per annum; effective mark-up rates charged by the Company, during the current period, ranged from 8.56% to 8.71% (June 30, 2020: 9.58% to 15.06%) per annum. As per the previous loan agreement, the loan was receivable in 8 equal half-yearly instalments which commenced from May, 2013. The Company and CSM, during the financial year ended June 30, 2014, June 30, 2017 and June 30, 2020, entered into a revised agreements and has changed the repayment terms. As per latest agreement this loan is now receivable in seven half-yearly instalments commencing November, 2022. The loan is secured against a promissory note of Rs. 77 million.

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

This represents investment in 240,579 (June 30, 2020: 309,321) units of First Habib Cash Fund.

7. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at March 31, 2021 and June 30, 2020.

8. TRANSACTIONS WITH RELATED PARTIES

8.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited Nine months ended March 31,	
		2021	2020
---- Rupees ----			
Associated Company	Mark-up earned on loan to an Associated Company	2,844,614	4,337,364
Key management personnel	Remuneration and other benefits	5,871,081	5,783,032

8.2 Period / year end balances are as follows:

	Un-audited	Audited
	March 31, 2021	June 30, 2020
Loan to an Associated Company	43,750,000	43,750,000
Accrued Mark-up on loan to an Associated Company	1,567,991	723,377

9. FINANCIAL RISK MANAGEMENT

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

There has been no change in the Company's sensitivity to these risks since June 30, 2020. 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, 2020

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

The Company's investment in Mutual Fund has been measured at fair value using period-end Net Assets Value as computed by the respective Assets Management Company. Fair value of these

11. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2020, whereas, the condensed interim statement of profit or loss, the condensed interim statement of other comprehensive income, the condensed interim statement of cash flows and the condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended March 31, 2020.

12. GENERAL

This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 27, 2021.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER