



# MERIT PACKAGING LIMITED

Registered Office & Corporate Department

LAKSON SQUARE, BUILDING NO. 2, SARWAR SHAHEED ROAD, KARACHI-74200, PAKISTAN

September 14, 2021

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir,

## **FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2021**

We have to inform you that the Board of Directors of our Company in their meeting held on Tuesday, September 14, 2021 at 03:00 p.m. at the Registered office of the Company at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi considered and approved the audited financial statements of the Company for the year ended June 30, 2021 and recommended the following:

### **RIGHT SHARES**

The Board has recommended to issue =119,330,029= right shares i.e. 148% at a price of Rs.12.50 per share in proportion of 1.48 ordinary shares for every 1.00 ordinary share held including a premium of Rs.2.50 (Rupees two and paisa fifty only) per share.

The financial results of the Company, Statement for issuance of Right Shares and Resolution passed by the Board of Directors are as per Annexures 'A', 'B' and 'C' attached.

The Annual General Meeting of the Company will be held on Thursday, October 21, 2021 at 03:00 p.m. at Karachi.

The Share transfer Books of the Company will be closed from October 12, 2021 to October 21, 2021 (both days inclusive). Transfers received by the Shares Registrar of the Company, M/s. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi up to the close of business on October 11, 2021 will be

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treated in time for the purpose of above entitlement and attending the annual general meeting to the transferees.

The Annual Report of the Company will be transmitted through PUCARS atleast 21 days before holding the Annual General Meeting.

Kindly acknowledge.

Yours faithfully,  
For **MERIT PACKAGING LIMITED**

  
(**MANSOOR AHMED**)  
Company Secretary

Cc to: The Commissioner  
Corporate Supervision Department  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Blue Area  
Islamabad

Director/HOD  
Surveillance, Supervision and Enforcement Department (SMD)  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Blue Area  
Islamabad





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ANNEXURE 'A'

## FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Sales - net	2,902,559,086	2,158,386,265
Cost of sales	<u>(2,944,958,201)</u>	<u>(2,356,772,914)</u>
Gross (loss) / profit	(42,399,115)	(198,386,649)
General and administrative expenses	(86,354,773)	(88,961,001)
Selling and distribution expenses	(49,394,407)	(43,123,147)
Other income	17,147,595	3,519,440
Other operating expenses	<u>(56,752,771)</u>	<u>(89,478,132)</u>
	<u>(175,354,356)</u>	<u>(218,042,840)</u>
Operating loss	(217,753,471)	(416,429,489)
Financial charges	<u>(326,962,577)</u>	<u>(353,011,461)</u>
Loss before taxation	(544,716,048)	(769,440,950)
Taxation	<u>(20,261,516)</u>	<u>76,761,474</u>
Net loss for the year	<u>(564,977,564)</u>	<u>(692,679,476)</u>
Loss per share - basic and diluted	<u>(7.01)</u>	<u>(8.59)</u>



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ANNEXURE 'B'

## ISSUE OF RIGHT SHARES

Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Right Issue, Utilization, Benefits to the issue to the Company and its shareholders, Risk Factors and Justification for issue of shares, under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2020.

<b>Quantum of Issue</b>	The issue size is 148% of the existing capital (i.e.119,330,029) ordinary shares) i.e. 1.48 ordinary shares for every one share held.
<b>Issue size</b>	the Company shall issue 119,330,029 ordinary shares, at a price of PKR 12.50 (Rupees twelve and paisa fifty only) per share, aggregating to PKR1,491,625,363 (Rupees one billion four hundred ninety-one million six hundred twenty-five thousand three hundred sixty-three only).
<b>Issue Price</b>	The Right shares will be offered at an issue price of Rs. 12.50 per share including of premium of Rs. 2.50 per share.
<b>Purpose of Right Issue</b>	The purpose of the Right Issue is repayment of the debts and working capital requirements of the Company.
<b>Utilization</b>	The fund received from the Right Issue will be used towards the repayment of the debts and working capital requirements of the Company.
<b>Benefits to the issue to the Company and its shareholders</b>	The funds will enable the Company to improve the debt equity ratio and shall result in increased profitability due to reduction in the finance cost on the existing debts of the Company.
<b>Risk if any, associated with the Right Issue to which the Company and/or its members are exposed to.</b>	There are no significant risk factors associated with the Right Issue.
<b>Justification for issue of shares at premium</b>	Considering the current market price of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice.



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**ANNEXURE 'C'**

## **EXTRACT OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS ON 14 SEPTEMBER 2021**

**“RESOLVED THAT** in order to repay the existing creditors / lenders of the Company, which would reduce the financing cost on the existing debts of the Company, and to strengthen the debt equity ratio of the Company be and is hereby authorized to issue 119,330,029 new ordinary shares of PKR 10/- each to be offered for subscription inclusive of premium of Rs.2.50 per share to the existing shareholders of the Company in proportion to 1.48 right share for every one ordinary share of the Company held by the shareholder (i.e. ratio of 1.48:1.00) in accordance with Section 83 of the Companies Act, 2017, the Companies (Further Issue of Shares) Regulations, 2020 and other applicable laws.

**FURTHER RESOLVED THAT** the said right shares so issued and subscribed shall, upon allotment, have the same rights (including right to vote) as the existing ordinary shares of the Company.

**FURTHER RESOLVED THAT** the aforesaid offer shall be valid for payment up to such date as agreed with the Pakistan Stock Exchange or otherwise determined by any one of the Directors of the Company and the offerees shall have the right to renounce any new shares offered to them and not subscribe by them in favour of any other person or to sell the unpaid right shares on the Pakistan Stock Exchange.

**FURTHER RESOLVED THAT** all fractional entitlements, if any, will be consolidated in the name of the Company Secretary, as an agent (under trust), and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited, the net proceeds from which sale, once realized, shall be distributed/paid to the entitled shareholders in accordance with their respective entitlements, as per the applicable regulations.

PHONE: 3840 0000 FAX: 92-21-3568 6571 & 3568 3410



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**FURTHER RESOLVED THAT** the Directors and/or the Chief Executive Officer and/or the Company Secretary of the Company be are hereby authorized singly to take all necessary steps for the issue of letter of rights in respect of the said right issue and the required circular and for filing or returns with the Companies Registrar, the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange, and to take all other actions as are required under law or otherwise deemed necessary for the issuance of the aforementioned right shares, including the making of arrangements for the listing of the right shares (including the letter of rights /offers for such right shares) on the Pakistan Stock Exchange and the induction of the offers for right shares and the right shares in the Central Depository System of the Central Depository Company of Pakistan Limited and in that connection to sign all requisite applications, undertakings and other documents on behalf of the Company.”

For **MERIT PACKAGING LIMITED**

**(MANSOOR AHMED)**

Company Secretary