



# **PACKAGING** FOR PROGRESS

**Half Yearly Report**  
**Period Ended December 31, 2021**

**MERIT PACKAGING LIMITED**  
**HALF YEARLY REPORT**  
**DECEMBER 2021**

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**MERIT PACKAGING LIMITED**  
**HALF YEARLY REPORT**  
**DECEMBER 2021**

**CORPORATE INFORMATION**

**Board of Directors**

Iqbal Ali Lakhani

Chairman

Amin Mohammed Lakhani

Anushka Lakhani

Farrukh Shauket Ansari

Aftab Ahmad

Ahmed Munaf

Ali Asrar Hossain Aga

**Advisor**

Sultan Ali Lakhani

**Audit Committee**

Farrukh Shauket Ansari

Chairman

Amin Mohammed Lakhani

Ahmed Munaf

**Human Resource and Remuneration Committee**

Ali Asrar Hossain Aga

Chairman

Amin Mohammed Lakhani

Amir Ahmed Chapra

**Chief Executive Officer**

Amir Ahmed Chapra

**Chief Financial Officer**

Muhammad Sohail

**Company Secretary**

Mansoor Ahmed

**Auditors**

BDO Ebrahim & Co., Chartered Accountants

**MERIT PACKAGING LIMITED**  
**HALF YEARLY REPORT**  
**DECEMBER 2021**

**CORPORATE INFORMATION**

**Bankers - Conventional**

Habib Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
JS Bank Limited  
MCB Bank Limited

**Bankers - Islamic**

Meezan Bank Limited  
United Bank Limited - Ameen  
Al-Baraka Bank (Pakistan) Limited  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited - Islamic Banking  
MCB Islamic

**Shares Registrar**

FAMCO Associates (Private) Limited  
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.  
Website : [www.famco.com.pk](http://www.famco.com.pk) | Email : [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk)  
Phone : (021) 34380101 - 5 | Fax : (021) 34380106

**Registered Office**

Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi-74200, Pakistan.

**Factory Address**

17-B, Sector 29, Korangi Industrial Area, Karachi.

**Contact Us**

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**HALF YEARLY REPORT**  
**DECEMBER 31, 2021**  
**DIRECTORS' REVIEW**

Directors of your Company herewith present the review of performance together with condensed interim un-audited financial statements of the Company and auditors' review report for the half year ended December 31, 2021.

**FINANCIAL PERFORMANCE**

Comparison of the un-audited financial results for the first half and quarter ended December 31, 2021 is as follows:

	<b>Half Year Ended</b>		<b>Quarter Ended</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
	<i>( Rupees in thousand)</i>		<i>( Rupees in thousand)</i>	
Net sales	1,922,727	1,343,171	1,051,624	703,280
Gross profit / (loss)	113,706	(77,641)	63,794	(57,114)
Operating profit / (loss)	38,072	(155,822)	21,743	(98,652)
Loss before tax	(98,728)	(317,781)	(37,668)	(179,830)

During the period under review, the net sales amounted to Rs. 1.9 billion as compared to Rs. 1.3 billion for corresponding period last year, showing an increase of Rs. 580 million or 43%. The company has achieved a gross profit of Rs. 113 million and operating profit of Rs. 38 million during the first half of current financial year as compared to gross loss of Rs. 78 million and operating loss of Rs. 156 million during same period last year. Company's pre-tax loss for the period under review is Rs 98 million as compared to Rs 318 million pre-tax losses recorded for the same period last year.

During the period, the Company issued 119,330,029 right shares at par value of Rs. 10 with premium of Rs. 2.50 per share to the existing members of the Company in proportion to 148 shares for every 100 shares held. Right issue amounting to Rs. 1,491.625 million have been allotted to the subscribers of the right shares by the Board. This further issue of shares has brought down the total debts of the Company.

**CHALLENGES**

1. Supply chain disruptions due to current situation of Covid 19 causing inefficacies in operations;
2. Devaluation of Pak Rupee against foreign currencies and increased tariff rates will adversely affect our production cost and may impact negatively on our contribution margins;
3. Increase in interest rate will lead to increased financial charges on our long-term loans and short-term borrowings;

4. Challenges in expanding our production volumes and achieving maximum capacity utilization due to highly competitive market situation in printing industry;
5. Pressure for maintaining working capital requirement on account of increased input cost and higher sales volumes; and
6. Gas shortages have significantly affected production costs and operations.

## **FUTURE OUTLOOK**

During the half year ended December 31, 2021, there was high economic uncertainty due to the multiple monetary policy reviews and delays in the revival of the IMF programme, which resulted in high volatility of the currency. This created many challenges for businesses and industries in the country. Nevertheless, adoption of the mini-budget despite severe resistance from the opposition political parties has eased some of the pressure as Pakistan moves toward the final stage of negotiation with IMF. The ever-present Covid-19 risk, however, has increased with few restrictions re-imposed in selected cities. The government continues to assure the business community and the population at large that mass lockdowns will not be re-imposed. The Company will continue to closely monitor the political situation, security risk due to the changing political environment in Afghanistan, and the economic situation.

Merit Packaging Ltd. through the positive effort of its new management along with the consistent support of the sponsors is moving in the right direction. With the new management team, your Company is making significant efforts for improving business performance and to expand its customer base, achieve faster production, lower wastages, gear uninterrupted production with more value-added jobs, besides reduction in overheads. It is expected that additional revenue will be generated and will help consolidate overall financial position of the Company by the end of this financial year. The new management will continue its efforts to benefit from available opportunities, while safeguarding the interests of the Company to the extent possible.

The directors, therefore, look forward with confidence to sustain growth by focusing on marketing driven strategies, optimization of resources and adopting cost control measures.

## **ACKNOWLEDGMENTS**

Your Directors appreciate the support and commitment of all the stakeholders. They are especially thankful to the banks for their continued support.

On behalf of the Board of Directors



**AFTAB AHMAD  
DIRECTOR**



**AMIR AHMED CHAPRA  
CHIEF EXECUTIVE OFFICER**

Karachi: February 21, 2022

## پہلی ششماہی رپورٹ دسمبر 2021ء

### ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2021ء کو ختم ہونے والی پہلی ششماہی کے لئے کارکردگی کا جائزہ مع ڈائریکٹرز کی جائزہ رپورٹ کے ساتھ مختصر عبوری غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### مالیاتی کارکردگی

31 دسمبر 2021ء کو ختم ہونے والی پہلی ششماہی اور سہ ماہی کے لئے غیر آڈٹ شدہ مالیاتی نتائج کا موازنہ درج ذیل ہے:

مختتمہ سہ ماہی		مختتمہ ششماہی		
31 دسمبر 2021ء	31 دسمبر 2020ء	31 دسمبر 2021ء	31 دسمبر 2020ء	
(ہزار روپے)		(ہزار روپے)		
1,051,624	703,280	1,922,727	1,343,171	خالص فروخت
63,794	(57,114)	113,706	(77,641)	مجموعی منافع / نقصان
21,743	(98,652)	38,072	(155,822)	آپریٹنگ منافع / نقصان
(37,668)	(179,830)	(98,728)	(317,781)	قبل از ٹیکس نقصان

زیر جائزہ مدت کے دوران خالص فروخت گزشتہ سال اسی مدت کے لئے 1.3 بلین روپے کے مقابلے میں 1.9 بلین روپے رہی جو 580 ملین روپے یا 43% کا اضافہ دکھاتی ہے۔ کمپنی نے رواں مالی سال کی پہلی ششماہی میں 114 ملین روپے کا خالص منافع اور 38 ملین روپے کا آپریٹنگ منافع حاصل کیا جو کہ گزشتہ سال اسی عرصے کے دوران 78 ملین روپے کا خالص نقصان اور 156 ملین روپے کا آپریٹنگ نقصان رہا۔ گزشتہ سال اسی مدت میں ریکارڈ کئے گئے 318 ملین روپے قبل از ٹیکس نقصان کے مقابلے میں زیر جائزہ مدت کے دوران 98 ملین روپے رہا۔

زیر جائزہ مدت کے دوران کمپنی نے 10 روپے کی مساوی قیمت اور 2.50 روپے پر بیئیم کے ساتھ 119,330,029 رائٹ حصص کا اجراء کیا جو کہ کمپنی کے موجودہ حصص یافتگان کو ہر 100 حصص کے لیے 148 حصص کے تناسب سے جاری کیے۔ 1,491.625 ملین روپے کے رائٹ ایٹو کو بورڈ نے حصص یافتگان کو مختص کر دیے ہیں جسکی وجہ سے کمپنی کے کل قرضوں میں کمی آئی ہے۔

### درپیش مشکلات:

- (۱) کوویڈ 19 کی موجودہ صورتحال کی وجہ سے سپلائی چین میں خلل پڑا جو آپریشنز میں عدم استحکام کا باعث بنتا ہے۔
- (۲) غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور ٹیرف کی شرح میں اضافہ ہماری پیداواری لاگت کو بری طرح متاثر کیا اور ہمارے منافع پر منفی اثر ڈال سکتا ہے۔
- (۳) شرح سود میں اضافہ ہمارے طویل مدتی اور مختصر مدت کے قرضوں پر مالیاتی چارجز میں اضافہ کا باعث بنے گا۔
- (۴) پرنٹنگ انڈسٹری میں انتہائی مسابقتی صورتحال کی وجہ سے ہماری پیداوار کے حجم کو بڑھانے اور زیادہ سے زیادہ صلاحیت کے استعمال کو حاصل کرنے میں مشکلات ہو سکتی ہیں۔
- (۵) بڑھتی ہوئی پیداواری لاگت اور زیادہ فروخت کے حجم کی وجہ سے ورکنگ کپیٹل کی ضرورت کو پورا کرنے کا دباؤ رہے گا۔
- (۶) گیس کی قلت نے پیداواری لاگت اور آپریشنز کو نمایاں طور پر متاثر کیا ہے۔

## مستقبل کی توقعات

31 دسمبر 2021 کو ختم ہونے والے ششماہی کے دوران، مالیاتی پالیسی کے متعدد بار جائزوں اور آئی ایم ایف پروگرام کی بحالی میں تاخیر کی وجہ سے بہت زیادہ اقتصادی غیر یقینی صورتحال تھی، جس کے نتیجے میں روپے کی وقعت میں اتار چڑھاؤ آیا۔ اس سے ملک میں کاروبار اور صنعتوں کے لیے بہت سے چیلنجز پیدا ہوئے۔ اس کے باوجود، حزب اختلاف کی سیاسی جماعتوں کی شدید مزاحمت کے باوجود منی بجٹ کو اپنانے سے دباؤ میں کچھ کمی آئی ہے جسکی بدولت پاکستان آئی ایم ایف کے ساتھ مذاکرات کے آخری مرحلے کی طرف بڑھ رہا ہے۔ تاہم، منتخب شہروں میں دوبارہ عائد کردہ چند پابندیوں کے ساتھ ہمیشہ سے موجود COVID-19 کا خطرہ بڑھ گیا ہے۔ حکومت کاروباری برادری اور آبادی کو یقین دلارہی ہے کہ بڑے پیمانے پر لاک ڈاؤن دوبارہ نہیں لگایا جائے گا۔ کمپنی سیاسی صورتحال، افغانستان میں بدلتے ہوئے سیاسی ماحول کی وجہ سے سیکورٹی ریسک، اور اقتصادی صورتحال پر گہری نظر رکھے گی۔

میرٹ پیکنگ لمیٹڈ اپنی نئی انتظامیہ کی مثبت کوششوں کے ساتھ ساتھ اسپانسرز کے مسلسل تعاون سے درست سمت میں آگے بڑھ رہی ہے۔ نئی انتظامی ٹیم کے ساتھ، آپ کی کمپنی کاروباری کارکردگی کو بہتر بنانے اور اپنے کسٹمرز کو بڑھانے، تیز پیداوار حاصل کرنے، کم ضیاع، زیادہ ویلیو ایڈڈ کاموں کے ساتھ بلا تعطل پیداوار کے حصول کے علاوہ اور ہیڈز میں کمی کے لیے اہم کوششیں کر رہی ہے۔ امید کی جاتی ہے کہ اضافی آمدنی پیدا ہوگی اور رواں سال کے اختتام تک کمپنی کی مجموعی مالی پوزیشن کو مستحکم کرنے میں مدد ملے گی۔ نئی انتظامیہ دستیاب مواقع سے مستفید ہونے کے لیے اپنی کوششیں جاری رکھے گی، اور کمپنی کے مفادات کا حتی الامکان تحفظ کرے گی۔ اس لیے ڈائریکٹرز، مارکیٹنگ پڑنی حکمت عملیوں، وسائل کی اصلاح اور لاگت پر قابو پانے کے اقدامات کو اپناتے ہوئے ترقی کو برقرار رکھنے کے لیے پراعتماد ہیں۔

## اعتراف

آپ کی کمپنی کے ڈائریکٹرز تمام اسٹیک ہولڈرز کے تعاون اور عزم کی تعریف کرتے ہیں۔ وہ خاص طور پر بینکوں کے مسلسل تعاون کے لیے ان کے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



آفتاب احمد  
ڈائریکٹر



عامر احمد چھا پرا  
چیف ایگزیکٹو آفیسر

کراچی: 21 فروری 2022ء





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## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS MERIT PACKAGING LIMITED**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of MERIT PACKAGING LIMITED ("the Company") as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six month period ended December 31, 2021 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Other Matter**

The figures for the quarters ended December 31, 2021 and December 31, 2020 in the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income have not been reviewed and we do not express a conclusion on them.

**KARACHI**

**Dated:** February 21, 2022

**CHARTERED ACCOUNTANTS**

**Engagement Partner:** Qasim E. Causer

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**MERIT PACKAGING LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		Rupees in 000's	
Note			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
6	Property, plant and equipment	2,916,905	3,005,132
7	Capital work in progress	84,782	23,101
		<u>3,001,687</u>	<u>3,028,233</u>
	Intangible assets	582	752
	Long-term loans	-	96
	Long-term deposits	5,044	5,086
	Deferred taxation	204,675	176,482
		<u>3,211,988</u>	<u>3,210,649</u>
<b>CURRENT ASSETS</b>			
	Stores and spares	75,272	85,946
	Stock-in-trade	513,938	537,335
8	Trade debts	990,324	651,600
	Loans and advances	54,702	40,256
	Trade deposits and short-term prepayments	23,997	2,625
9	Other receivables	530	13,141
10	Tax refund due from Government	377,442	430,641
	Cash and bank balances	37,670	3,539
		<u>2,073,875</u>	<u>1,765,083</u>
		<u>5,285,863</u>	<u>4,975,732</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
	Authorized share capital		
	200,000,000 ordinary shares of Rs.10/- each	2,000,000	2,000,000
12	Issued, subscribed and paid-up capital	1,999,584	806,284
	Capital reserve		
	Equity portion of loan - associated company	521,202	537,219
	Share Premium	298,325	
13	Surplus on revaluation of property, plant and equipment	802,384	805,185
	Revenue reserve		
	General reserves	106,800	106,800
	Accumulated losses	(1,804,218)	(1,706,171)
		<u>1,924,077</u>	<u>549,317</u>
<b>NON CURRENT LIABILITIES</b>			
14	Sub-ordinated loan	229,102	225,381
15	Long-term financing	1,426,312	2,182,277
	Long-term deposits	40	100
	Deferred capital grant	-	526
		<u>1,655,454</u>	<u>2,408,284</u>
<b>CURRENT LIABILITIES</b>			
16	Trade and other payables	992,020	800,833
	Mark-up accrued	25,105	26,893
11	Taxation - net	9,009	8,478
17	Short-term borrowings	386,136	785,497
	Un-claimed dividend	129	129
	Current portion of deferred capital grant	1,234	2,261
	Current portion of long-term financing	292,699	394,040
		<u>1,706,332</u>	<u>2,018,131</u>
		<u>5,285,863</u>	<u>4,975,732</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
18			

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



**AFTAB AHMAD**  
**DIRECTOR**



**AMIR AHMED CHAPRA**  
**CHIEF EXECUTIVE OFFICER**



**MUHAMMAD SOHAIL**  
**CHIEF FINANCIAL OFFICER**

**MERIT PACKAGING LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021 (UN-AUDITED)**

		Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note		Rupees in 000's			
Sales - net	19	1,922,727	1,343,171	1,051,624	703,280
Cost of sales	20	(1,809,021)	(1,420,812)	(987,830)	(760,394)
Gross profit / (loss)		113,706	(77,641)	63,794	(57,114)
General and administrative expenses		(47,188)	(40,132)	(25,446)	(19,382)
Selling and distribution expenses		(32,447)	(27,142)	(17,854)	(11,184)
Other income		10,189	5,348	4,766	3,805
Other operating expenses		(6,188)	(16,255)	(3,517)	(14,777)
		(75,634)	(78,181)	(42,051)	(41,538)
Operating profit / (loss)		38,072	(155,822)	21,743	(98,652)
Financial charges		(136,800)	(161,959)	(59,411)	(81,178)
Loss before taxation		(98,728)	(317,781)	(37,668)	(179,830)
Taxation	21	4,102	(19,692)	143	7,780
Net loss for the period		(94,626)	(337,473)	(37,525)	(172,050)
Loss per share - basic and diluted (Rs)	22	(0.97)	(4.09)	(0.34)	(2.08)

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



**AFTAB AHMAD**  
**DIRECTOR**



**AMIR AHMED CHAPRA**  
**CHIEF EXECUTIVE OFFICER**



**MUHAMMAD SOHAIL**  
**CHIEF FINANCIAL OFFICER**

**MERIT PACKAGING LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021 (UN-AUDITED)**

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>Rupees in 000's</u>			
Net loss for the period	(94,626)	(337,473)	(37,525)	(172,050)
Other comprehensive income:	-	-	-	-
Total comprehensive loss for the period	<u>(94,626)</u>	<u>(337,473)</u>	<u>(37,525)</u>	<u>(172,050)</u>

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



**AFTAB AHMAD**  
**DIRECTOR**



**AMIR AHMED CHAPRA**  
**CHIEF EXECUTIVE OFFICER**



**MUHAMMAD SOHAIL**  
**CHIEF FINANCIAL OFFICER**


**MERIT PACKAGING LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021 (UN-AUDITED)**

	Issued, subscribed and paid-up capital	Capital Reserve			Total	Revenue Reserves			Total
		Surplus on Revaluation of Property, Plant & Equipment	Share Premium Reserve	Equity portion of loan from associated companies		General Reserves	Accumulated losses	Total	
					Rupees in 000's				
<b>Balance as at July 1, 2020</b>	806,284	327,692	-	465,338	793,030	106,800	(1,134,820)	(1,028,020)	571,294
Total comprehensive loss for the period ended December 31, 2020									
Loss for the period	-	-	-	-	-	-	(337,473)	(337,473)	(337,473)
Other comprehensive income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(337,473)	(337,473)	(337,473)
Transactions with owners									
Equity portion of loan	-	-	-	30,228	30,228	-	-	-	30,228
Transferred to accumulated loss on account of incremental depreciation - net of tax	-	(611)	-	-	(611)	-	611	611	-
<b>Balance as at December 31, 2020</b>	806,284	327,081	-	495,566	822,647	106,800	(1,471,682)	(1,364,882)	264,049
<b>Balance as at July 1, 2021</b>	806,284	805,185	-	537,219	1,342,404	106,800	(1,706,171)	(1,599,371)	549,317
Total comprehensive loss for the period ended December 31, 2021									
Loss for the period	-	-	-	-	-	-	(94,626)	(94,626)	(94,626)
Other comprehensive income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(94,626)	(94,626)	(94,626)
Transactions with owners									
Equity portion of loan	-	-	-	(16,017)	(16,017)	-	-	-	(16,017)
Issue of ordinary right shares	1,193,300	-	298,325	-	298,325	-	-	-	1,491,625
Share issue costs	-	-	-	-	-	-	(6,222)	(6,222)	(6,222)
Transferred to accumulated loss on account of incremental depreciation - net of tax	-	(2,801)	-	-	(2,801)	-	2,801	2,801	-
<b>Balance as at December 31, 2021</b>	1,999,584	802,384	298,325	521,202	1,621,911	106,800	(1,804,218)	(1,697,418)	1,924,077

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.

  
**AFTAB AHMAD**  
**DIRECTOR**

  
**AMIR AHMED CHAPRA**  
**CHIEF EXECUTIVE OFFICER**

  
**MUHAMMAD SOHAIL**  
**CHIEF FINANCIAL OFFICER**

**MERIT PACKAGING LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021 (UN-AUDITED)**

		Half year ended		
		December 31, 2021	December 31, 2020	
Note		----- Rupees in 000's -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
	Cash generated from / (used in) operations	23	41,760	(18,992)
	Taxes (paid) / refund - net		(10,144)	33,848
	Financial charges paid		(72,011)	(99,820)
	Long-term loans and advances		96	37
	Long-term deposits		(18)	7
	Net cash used in operating activities		(40,317)	(84,920)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
	Capital expenditure		(73,581)	(17,263)
	Proceeds from sale of property, plant and equipment		2,419	16,483
	Ijarah lease rentals payment - net		(451)	(475)
	Net cash used in investing activities		(71,613)	(1,255)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
	Proceeds from long-term financing - Banks		-	48,705
	Repayment of long-term financing - Banks		(149,982)	-
	Repayment of long-term financing - Sponsors		(790,000)	-
	Proceeds from short-term financing - Sponsors		250,000	-
	Repayment of short term borrowings - Sponsors		(250,000)	-
	Principal paid on long term lease liabilities		-	(5,087)
	Subscription against right issue, net of share issue cost		1,485,403	-
	Net cash generated from financing activities		545,421	43,618
	Net increase / (decrease) in cash and cash equivalents		433,491	(42,557)
	Cash and cash equivalents at beginning of the period		(781,957)	(779,199)
	Cash and cash equivalents at end of the period		(348,466)	(821,756)
<b>CASH AND CASH EQUIVALENTS:</b>				
	Cash and bank balances		37,670	8,659
	Short-term running finances		(386,136)	(830,415)
			(348,466)	(821,756)

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



**AFTAB AHMAD**  
**DIRECTOR**



**AMIR AHMED CHAPRA**  
**CHIEF EXECUTIVE OFFICER**



**MUHAMMAD SOHAIL**  
**CHIEF FINANCIAL OFFICER**

**MERIT PACKAGING LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021**

**1. NATURE AND STATUS OF THE COMPANY**

- 1.1 Merit Packaging Limited ("the Company") was incorporated on January 28, 1980 in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi. The Company is mainly engaged in the manufacture and sale of printing and packaging materials.
- 1.2 The Company incurred net loss after tax for the half year ended December 31, 2021 amounting to Rs. 94.626 million (June 30, 2021: Rs. 564.977 million loss) and its accumulated losses as at December 31, 2021 amounted to Rs. 1,804.218 million (June 30, 2021: Rs. 1,706.171 million). These losses have been supported through loans by the Sponsors from time to time. The Company intends to review its operating costs and streamline operations to achieve profitability.

**2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS**

The registered office of the Company is located at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan and factory is located at Plot No. 17-B, Sector 29, Korangi Industrial Township, Karachi, Pakistan.

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

This condensed interim financial information is unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

This condensed interim financial information of the Company for the half year ended December 31, 2021 has 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:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- 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 requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 are followed.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2021 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2020.

### **3.2 Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention, except for revaluation of certain property, plant and equipment at fair value and recognition of certain employees retirement benefits at present value.

This condensed interim financial information has been prepared following accrual basis of accounting except for statement of cash flows.

### **3.3 Functional and presentation currency**

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2021.

## **5. ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2021.



		<b>Un-audited December 31, 2021</b>	<b>Audited June 30, 2021</b>
	<b>Note</b>	<b>———— Rupees in 000's ————</b>	
<b>6. OPERATING FIXED ASSETS</b>			
Opening net book value (NBV)		3,005,132	2,884,732
Additions during the period / year at cost	6.1	11,900	25,207
Revaluation surplus recognized during the period / year		-	486,057
		<u>3,017,032</u>	<u>3,395,996</u>
Disposals during the period / year at NBV	6.2	(1,966)	(90,511)
Depreciation charge for the period / year		(98,161)	(226,044)
Assets write off		-	(70,082)
Impairment charge for the period / year		-	(4,227)
		<u>(100,127)</u>	<u>(390,864)</u>
		<u><u>2,916,905</u></u>	<u><u>3,005,132</u></u>

**6.1 Detail of additions (at cost) during the period / year are as follows:**

Building / improvements on leasehold land	2,986	-
Plant and machinery	6,231	20,030
Furniture and fixtures	183	49
Vehicles	-	800
Office equipment	1,957	1,622
Computer equipment	543	2,176
Electrical installation	-	530
	<u>11,900</u>	<u>25,207</u>

**6.2 Detail of disposals (net book value) during the period / year are as follows:**

Plant and machinery	1,064	88,304
Cylinders and dies	-	1,070
Electrical installation	557	-
Office equipment	220	-
Vehicles	125	1,137
	<u>1,966</u>	<u>90,511</u>

**7. CAPITAL WORK-IN-PROGRESS**

This comprises of:

Civil works	13,723	12,436
Plant and machinery	71,059	10,665
	<u>84,782</u>	<u>23,101</u>

7.1

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	Rupees in 000's	
<b>7.1 Movement of carrying amount</b>			
Opening balance		23,101	-
Additions during the period / year at cost		73,581	48,308
Transfer to property, plant and equipment during the period / year		(11,900)	(25,207)
Closing balance		<u>84,782</u>	<u>23,101</u>
<b>8. TRADE DEBTS</b>			
(Unsecured - considered good)			
Due from associated companies		225,510	170,281
Others		<u>764,814</u>	<u>481,319</u>
		990,324	651,600
(Unsecured - considered doubtful)			
Others		2,535	2,535
Allowance for expected credit losses		<u>(2,535)</u>	<u>(2,535)</u>
		<u>990,324</u>	<u>651,600</u>
<b>9. OTHER RECEIVABLES</b>			
(Unsecured-considered good)			
Due from associated company	9.1	33	55
Others		<u>497</u>	<u>13,086</u>
		<u>530</u>	<u>13,141</u>
9.1 This represents insurance agency commission and employee's medical claim receivable from Century Insurance Company Limited, an Associated Company.			
<b>10. TAX REFUND DUE FROM GOVERNMENT</b>			
Sales tax and special excise duty receivable		250,126	289,909
Income tax refundable		<u>127,316</u>	<u>140,732</u>
		<u>377,442</u>	<u>430,641</u>
<b>11. TAXATION - NET</b>			
Advance tax		15,082	17,899
Provision for taxation	21	<u>(24,091)</u>	<u>(26,377)</u>
		<u>(9,009)</u>	<u>(8,478)</u>

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	Rupees in 000's	
12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Balance as at July 01, 80,628,398 ordinary shares of Rs. 10/- each		806,284	806,284
Issue of right shares during the period / year	12.1	1,193,300	-
Closing Balance 199,958,427 (June 30, 2021: 80,628,398) ordinary shares of Rs. 10/- each		1,999,584	806,284

- 12.1 During the period, the Company issued 119,330,029 right shares at par value of Rs. 10 with premium of Rs. 2.50 per share to the existing members of the Company in proportion to 148 shares for every 100 shares held. Right issue amounting to Rs. 1,491.625 million have been allotted to the subscribers of the right shares by the Board in their meeting held on December 9, 2021.

**13. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

**Gross surplus:**

Balance as at July 01,	819,806	335,984
Net surplus recognized during the period / year	-	486,057
Transfer to unappropriated profit in respect of incremental depreciation charged during the period/year - (net of deferred tax)	(2,801)	(1,587)
Related deferred tax liability	(1,144)	(648)
	<u>(3,945)</u>	<u>483,822</u>
Closing balance	815,861	819,806

**Related deferred tax effect:**

Balance as at July 01,	(14,621)	(8,292)
Effect of surplus recognized during the period / year	-	(6,977)
Incremental depreciation charge during the period / year	1,144	648
	<u>(13,477)</u>	<u>(14,621)</u>
	<u>802,384</u>	<u>805,185</u>

**14. SUBORDINATED LOAN - UNSECURED**

From associated undertaking	14.1 & 14.2	<u>229,102</u>	<u>225,381</u>
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- 14.1 These subordinated loans have been obtained from associated undertakings amounting to an aggregate of Rs. 250 million (June 30, 2021: Rs. 250 million) for the purpose of financing the capital expenditure requirement and to support the working capital and for funding business activities. The interest on these loans has been waived for a period of three years from the date of the agreements, resulting in reduction in face value of this loan, due to presence of a below market element. These loans have been measured at amortized cost, determined by discounting future cash flows with the prevailing market rate ranging from 7.43% to 7.79% per annum, which is determined to be the transaction price at which a similar transaction could be executed between unrelated parties.
- 14.2 This loan shall remain sub-ordinated to the financing facilities extended by the banks to the Company. The loan shall not be repaid until the entire amount of financing facilities and any payments due in respect of financing facilities or any other finance extended / provided by the banks to the Company, have been paid in full by the Company to the banks and the banks have notified to the sponsors of such payments; and / or the banks otherwise give any permission in writing to the Company to make full or part of the payments due under the long term financing to the associated undertakings.

	Note	Un-audited December 31, 2021	Audited June 30, 2021
		———— Rupees in 000's ————	
<b>15. LONG TERM FINANCING</b>			
<b>Secured</b>			
From banking companies	15.1 & 15.2	662,909	811,338
Less: Current portion shown under current liabilities		(292,699)	(306,040)
		<u>370,210</u>	<u>505,298</u>
<b>Unsecured - From associated undertaking</b>			
Opening balance	15.3	1,764,979	1,459,956
Financing obtained during the period / year		-	200,000
Financing repaid during the period / year		(790,000)	-
		<u>974,979</u>	<u>1,659,956</u>
Add : Notional mark up		65,105	146,676
Add : Present value adjustment		16,018	(41,653)
Less : Current portion		-	(88,000)
		<u>1,056,102</u>	<u>1,676,979</u>
		<u><u>1,426,312</u></u>	<u><u>2,182,277</u></u>

- 15.1 These loans have been obtained from financial institutions (loan excluding as defined in note 15.2) for the purpose of financing capital expenditure and secured against first pari passu charge on specific property, plant and equipments of the Company. The effective rate of mark-up was 8.31% to 9.69% (June 30, 2021: 7.99% to 10.22%) payable quarterly. The tenure of these financing facilities is five to six years including one year grace period.

- 15.2 The Company has approved term finance facility from Habib Bank Limited under Refinancing Scheme of the State Bank of Pakistan amounting to Rs. 71.869 million specifically for paying salaries and wages to Company's employees. The Company has not made any further drawdown during the reporting period (Rs. 48.705 million during the year ended June 30, 2021). The tenor of the financing is two and quarter year inclusive 6-Months grace period and are repayable in 8 equal quarterly installments commencing from January 2021.

This loan is secured against first pari passu charge on specific property, plant and equipment of the Company.

- 15.3 These loans have been obtained from associated undertakings amounting to an aggregate of Rs. 1,200 million (June 30, 2021: Rs. 1,990 million) for the purpose of financing the capital expenditure requirement and to support the working capital and for funding business activities. The interest on these loans has been waived for a period of three years from the date of the agreements, resulting in reduction in face value of this loan, due to presence of a below market element. These loans have been measured at amortized cost, determined by discounting future cash flows with the prevailing market rate ranging from 7.76% to 14.36% per annum, which is determined to be the transaction price at which a similar transaction could be executed between unrelated parties.

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	Rupees in 000's	
16. TRADE AND OTHER PAYABLES			
Creditors		903,970	723,345
Accrued liabilities		76,188	66,235
Payable to gratuity fund		9,373	9,373
Advances from customers		2,024	1,439
Workers' Welfare Fund		251	251
Others		214	190
		992,020	800,833

## **17. SHORT TERM BORROWINGS**

From banking companies - secured			
Running finance	17.1	386,136	785,497
From associated company - unsecured	17.2	-	-
		386,136	785,497

- 17.1 The Company has short term running finance facilities from various banks under mark-up arrangements in aggregate amount of Rs. 870 million (June 30, 2021: Rs. 962 million) having mark-up at rates ranging from 8.52% to 9.59% (June 30, 2021: 8.44% to 10.55%) per annum calculated on a daily utilization basis and payable quarterly. The unutilized balance at the end of the year was Rs. 484.443 million (June 30, 2021: Rs. 176.503 million).

The Company also has a facility for opening letters of credit under mark-up arrangements as at December 31, 2021 amounting to Rs. 445 million (June 30, 2021: Rs. 445 million) from various commercial banks. The unutilized balance at the end of the period was Rs. 445 million (June 30, 2021: Rs. 445 million). These arrangements are secured by pari passu hypothecation charge on stores and spares, stock-in-trade and trade debts.

- 17.2 During the period under review, the Company obtained a short-term borrowing facility from an associated company amounting to Rs. 250 million at a markup of 3 months KIBOR minus 2%. During the period, this short term loan has been repaid. The purpose of the loan was to finance the working capital requirement of the Company.

## 18. CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

There was no contingent liability as at December 31, 2021.

### 18.2 Commitments

The Company was committed as at the reporting date as follows:

	Un-audited December 31, 2021	Audited June 30, 2021
	Rupees in 000's	
- Stores, spares and raw materials under contractual obligation	22,271	-
- Future Ijarah rentals for Ijarah financing	525	969

Half year ended		Quarter ended	
December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Un-audited	Un-audited	Un-audited	Un-audited
Rupees in 000's			

## 19. SALES - NET

Gross sales

Local sales

Export sales

Less;

Sales tax

Sales return

2,250,711	1,590,781	1,231,301	851,767
-	7,359	-	-
2,250,711	1,598,140	1,231,301	851,767
(327,149)	(228,791)	(178,924)	(122,432)
(835)	(26,178)	(753)	(26,055)
(327,984)	(254,969)	(179,677)	(148,487)
1,922,727	1,343,171	1,051,624	703,280

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees in 000's			
<b>20. COST OF SALES</b>				
Materials consumed	1,414,958	1,013,674	794,189	535,862
Salaries, wages and other benefits	85,126	61,473	46,028	31,102
Packing material consumed	39,199	29,596	22,694	16,598
Outsourced services	10,142	20,173	5,275	10,676
Stores and spares consumed	36,136	24,609	19,669	14,937
Power and fuel	56,318	51,609	31,340	27,477
Depreciation	97,067	119,724	48,366	58,536
Amortization	40	40	20	20
Rent, rates and taxes	4,170	3,127	2,123	1,425
Repairs and maintenance	12,621	6,173	6,929	2,861
Vehicle running expenses	1,559	1,029	777	487
Insurance	6,620	9,393	3,307	4,696
Ijara lease rentals	139	139	70	69
Printing and stationery	507	299	328	167
Communication charges	786	809	409	492
Travelling and conveyance	371	848	160	324
Fee and subscription	108	772	-	772
Software license fee	424	473	232	237
Other expenses	876	326	428	139
	1,767,167	1,344,286	982,344	706,877
Opening work-in-process	73,131	56,988	48,376	57,834
Closing work-in-process	(46,299)	(38,428)	(46,299)	(38,428)
	26,832	18,560	2,077	19,406
Cost of goods manufactured	1,793,999	1,362,846	984,421	726,283
Opening stock of finished goods	55,936	129,799	44,323	105,944
Closing stock of finished goods	(40,914)	(71,833)	(40,914)	(71,833)
	15,022	57,966	3,409	34,111
	1,809,021	1,420,812	987,830	760,394
<b>21. TAXATION</b>				
Current	(24,091)	(3,127)	(13,202)	(3,127)
Deferred	28,193	(16,565)	13,345	10,907
	4,102	(19,692)	143	7,780

21.1 The current tax liability of the Company is covered under Section 113 "Minimum tax" of the Income Tax Ordinance, 2001.

- 21.2 Total deferred tax asset arising due to timing difference calculated at applicable tax rates as at reporting date amounted to Rs. 389.190 million (June 30, 2021: Rs. 353.166 million) debit. Out of this balance, deferred tax asset amounting to Rs. 184.515 million (June 30, 2021: Rs. 176.685 million) has not been recognized in these financial statements in accordance with the stated accounting policy of the Company.

Deferred tax asset has been recognized to the extent of excess deductible temporary differences over and above taxable temporary differences.

Half year ended		Quarter ended	
December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Un-audited	Un-audited	Un-audited	Un-audited
Rupees in 000's			

## 22. LOSS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

Loss for the period	(94,626)	(337,473)	(37,525)	(172,050)
		(Restated)		(Restated)
Weighted average number of ordinary shares (in thousands)	97,267	82,597	111,937	82,597
Loss per share (Rupees)	(0.97)	(4.09)	(0.34)	(2.08)

Unaudited	
Half year ended	
December 31, 2021	December 31, 2020
Rupees in 000's	

## 23. CASH USED IN OPERATIONS

Loss before taxation	(98,728)	(317,781)
Adjustment for non-cash items and other items:		
Gain on disposal of Property, plant and equipment	(453)	(1,371)
Financial charges	136,800	161,959
Depreciation	98,161	120,637
Amortization	170	124
Government grants	(1,553)	(1,747)
Impairment loss	-	7,089
Provision for slow moving stock and obsolete items	4,114	6,704
Ijarah lease rentals	451	475
	237,690	293,870
Profit / (loss) before working capital changes	138,962	(23,911)
Working capital changes	(97,202)	4,919
	41,760	(18,992)

23.1



Unaudited	
Half year ended	
December 31, 2021	December 31, 2020
Rupees in 000's	

### 23.1 Working capital changes

(Increase) / decrease in current assets:

Stores and spares	8,523	(17,010)
Stock-in-trade	21,434	60,696
Trade debts	(338,724)	(53,208)
Loans and advances	(14,446)	(5,573)
Trade deposits and short term prepayments	(21,372)	(747)
Other receivables	12,610	(1,246)
Tax refund due from Government	43,586	(2,881)
	(288,389)	(19,969)

Increase in current liabilities:

Trade and other payables (excluding unclaimed dividend)	191,187	24,888
	(97,202)	4,919

## 24. TRANSACTIONS WITH RELATED PARTIES

24.1 The related parties comprise of related group companies, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

		Un-audited			
		Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees in 000's			
Relation with the Company	Nature of transaction				
Associated Companies	Sales of goods and services	696,078	382,164	351,386	245,938
	Purchases of goods and services	1,036,802	796,472	653,952	390,583
	Rent and allied charges	202	138	47	75
	Insurance agency commission income	-	1,271	-	636
	Insurance claim	718	714	426	454
	Mark-up on short-term financing	3,957	-	3,957	-
	Repayment of long-term financing	790,000	-	790,000	-
	Short-term financing obtained	250,000	-	-	-
	Repayment of short-term financing	250,000	-	250,000	-
Retirement benefit plans	Contribution towards employees retirement benefit plans	4,651	5,513	2,449	2,674
Key management personnel	Compensation in respect of:				
	Short term employee benefits	8,878	9,685	4,396	4,635
	Retirement benefits	593	662	297	337

Un-audited December 31, 2021	Audited June 30, 2021
———— Rupees in 000's ————	

## 24.2 Period / year end balances:

Receivable from associated companies	225,544	170,335
Payable to associated companies	642,099	503,295
Long-term financing from associated company	1,056,102	1,764,979
Sub-ordinated loan	229,102	225,381

24.3 The above transactions with related parties are at arm's length based on normal commercial rates.

## 25. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and currency risk) arising from the financial instruments it holds.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2021.

## 27. CAPITAL RISK MANAGEMENT

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders through the optimization of the debt and equity balance.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares.

The Company management believes on maintaining appropriate mix of debt and equity capital and monitors capital on the basis of the net debt to equity ratio. The net debt is defined as long and short term borrowings offset by cash and bank balances. The equity includes ordinary share capital and reserves.

## **28. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on February 21, 2022.

## **29. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

## **30. GENERAL**

Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



**AFTAB AHMAD**  
**DIRECTOR**



**AMIR AHMED CHAPRA**  
**CHIEF EXECUTIVE OFFICER**



**MUHAMMAD SOHAIL**  
**CHIEF FINANCIAL OFFICER**

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