



HALF YEARLY REPORT DECEMBER 31, 2024

Complementing your Packaging ambitions with
our Packaging Expertise

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Iqbal Ali Lakhani (Chairman)
Mr. Amin Mohammed Lakhani
Ms. Anushka Lakhani
Mr. Aftab Ahmad
Mr. Farrukh Shauket Ansari
Mr. Ahmed Munaf
Mr. Sheikh Asim Rafiq

ADVISOR

Mr. Sultan Ali Lakhani

AUDIT COMMITTEE

Mr. Sheikh Asim Rafiq (Chairman)
Mr. Amin Mohammed Lakhani
Mr. Farrukh Shauket Ansari

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Sheikh Asim Rafiq (Chairman)
Mr. Amin Mohammed Lakhani
Mr. Amir Ahmed Chapra
Mr. Aftab Ahmad

CHIEF EXECUTIVE OFFICER

Mr. Amir Ahmed Chapra

CHIEF FINANCIAL OFFICER

Mr. Umair Ahmed

COMPANY SECRETARY

Mr. Mansoor Ahmed

AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

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 Bank Limited

SHARES REGISTRAR

FAMCO Share Registration Services (Private) Limited
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S.,
Shahra-e-Faisal, Karachi.
Website: www.famcosrs.com
Email : info.shares@famcosrs.com
Phone : (021) 34380101- 5 | Fax : (021) 34380106

REGISTERED & HEAD OFFICE

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

FACTORY

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

MARKETING DIVISIONS

CONTACT US

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Phone Number: 0341-2464451
Email: info@meritpack.com | Web: www.meritpack.com

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

The Board of Directors is pleased to present the financial results of the Company for the half-year ended December 31, 2024.

Overview

During the half-year ended December 31, 2024, Global economic growth in late 2024 was moderate, with easing inflation. The US economy proved resilient, while China experienced moderate growth. Europe's economy, however, stagnated.

Pakistan's late 2024 economic landscape was mixed. Improved macroeconomic indicators, including eased inflation and a narrower fiscal deficit, offered cautious optimism. Growth rebounded, driven by agriculture and services, with large-scale manufacturing recovering contrasted with the slow trickle-down effect on purchasing power. Exports and remittances increased, boosting reserves. Ongoing fiscal consolidation and structural reforms aimed at stability and growth continued. However, challenges like high debt persisted, requiring further reforms for sustainable growth and poverty reduction. Global stability and effective domestic policies remain crucial for continued improvement.

The depressed PPP has led to weaker performance of FMCG products, impacting the Company's revenue.

Operating performance

In the half year under review, Net Revenue declined to PKR 3,052 million, a decrease of PKR 493 million (13.9%) compared to the same period last year. The gross margin also saw a reduction of PKR 89 million from the half year ended December 2023.

Operating profit similarly declined, reaching PKR 71 million, down by PKR 107 million (60%) from PKR 178 million in the same period last year. Despite this, a substantial decrease in financial charges helped contain the loss before tax to PKR 30 million, compared to PKR 37 million in the previous year's half year. This reduction in financial charges mainly results from the repayment of the Sponsors' Loan of PKR 1,200 million in May 2024.

The Company reported a net loss of PKR 68 million (LPS: Re. 0.34) for the half-year ended December 2024, slightly lower than last year's net loss of PKR 82 million (LPS: Re. 0.41).

Future prospects

The IMF's projected 3% growth for Pakistan, coupled with a 9.5% average inflation rate, suggests a recovering economy. However, this recovery is contingent upon crucial structural reforms. Broadening the tax base, reforming the struggling energy sector, and other key measures are essential for long-term stability. While the near-term outlook is positive, it remains fragile, heavily reliant on both global economic conditions and the effectiveness of domestic policies. Specifically, the packaging industry's fortunes are closely linked to the performance of the FMCG sector, which itself is directly impacted by the purchasing power of the population, informal / unorganized sector growth. Our leadership team maintains a vigilant and proactive stance, closely monitoring these evolving dynamics. We are committed to implementing strategic initiatives that will empower the company to effectively navigate this complex landscape, ensuring resilience and preparedness in the face of potential challenges.

Acknowledgment

The management would like to express its gratitude to all customers, financial institutions, staff members, suppliers, and shareholders who have been associated with the Company for their continued support and cooperation. It would like to especially thank its sponsors for their continued support during the turbulent times and guidance to drive the Company towards growth and advancement.

On behalf of the Board of Directors



Iqbal Ali Lakhani
Chairman

Karachi: February 27, 2025



Amir Ahmed Chapra
Chief Executive

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS 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, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year ended December 31, 2024 (here-in-after referred as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial statements. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements 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 condensed interim financial statements is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2024 and December 31, 2023 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.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI
DATED: February 27, 2025
UDIN: RR202410166EiKUPagb5


BDO EBRAHIM & Co.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

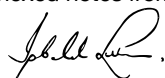
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

| | Note | (Un-audited) | (Audited) |
|---|------|----------------------|------------------|
| | | December 31, 2024 | June 30, 2024 |
| Rupees in thousands | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 2,890,010 | 2,805,924 |
| Operating fixed assets | | | |
| Capital work in progress | 8 | 64,399 | 115,560 |
| | | 2,954,409 | 2,921,484 |
| Right-of-use assets | | 133,000 | 140,062 |
| Intangible assets | | 106 | 152 |
| Long-term deposits | | 12,249 | 12,249 |
| | | 3,099,764 | 3,073,947 |
| CURRENT ASSETS | | | |
| Stores and spares | | 148,034 | 114,459 |
| Stock-in-trade | | 633,099 | 452,569 |
| Trade debts | 9 | 1,488,532 | 1,196,428 |
| Loans and advances | | 29,976 | 28,842 |
| Trade deposits and short-term prepayments | | 22,357 | 86,904 |
| Other receivables | 10 | 18,485 | 17,748 |
| Tax refund due from Government | | 339,236 | 272,680 |
| Taxation - net | | 40,949 | 62,894 |
| Cash and bank balances | 11 | 4,125 | 21,310 |
| | | 2,724,793 | 2,253,835 |
| | | 5,824,557 | 5,327,782 |
| TOTAL ASSETS | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 200,000,000 (June 30, 2024: 200,000,000) ordinary shares of Rs. 10/- each | | 2,000,000 | 2,000,000 |
| Issued, subscribed and paid-up capital | | 1,999,584 | 1,999,584 |
| 199,958,000 (June 30, 2024: 199,958,000) ordinary shares of Rs. 10/- each | | | |
| Capital reserve | | | |
| Surplus on revaluation of property, plant and equipment | | 941,765 | 973,961 |
| Share Premium | | 298,325 | 298,325 |
| Revenue reserves | | | |
| General reserves | | 106,800 | 106,800 |
| Accumulated losses | | (1,280,724) | (1,244,708) |
| Equity portion of loan - associated company | | 691,149 | 789,950 |
| | | 2,756,899 | 2,923,912 |
| NON-CURRENT LIABILITIES | | | |
| Sub-ordinated loan | 12 | 250,000 | 143,634 |
| Long-term financing | 13 | - | 46,824 |
| Lease liability | | 136,673 | 142,388 |
| | | 386,673 | 332,846 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,759,356 | 1,295,864 |
| Mark-up accrued | | 25,233 | 36,397 |
| Short-term borrowings | | 797,422 | 640,312 |
| Current portion of: | | | |
| Long-term financing | 13 | 93,647 | 93,647 |
| Long-term lease liability | | 5,198 | 4,675 |
| Un-claimed dividend | | 129 | 129 |
| | | 2,680,985 | 2,071,024 |
| | | 5,824,557 | 5,327,782 |
| TOTAL EQUITY AND LIABILITIES | | | |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 14 | | |

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Iqbal Ali Iakhani
Director



Amir Ahmed Chapra
Chief Executive Officer



Umair Ahmed
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR AND QUARTER PERIOD ENDED DECEMBER 31, 2024 (UNAUDITED)

| | Note | Half year ended December 31, | | Quarter ended December 31, | |
|--|------|------------------------------|-------------|----------------------------|-------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rupees in thousands | | Rupees in thousands | |
| | | | (Restated) | | (Restated) |
| Revenue - net | 15 | 3,052,033 | 3,544,769 | 1,532,247 | 1,790,240 |
| Cost of sales | | (2,854,084) | (3,257,513) | (1,433,495) | (1,659,545) |
| Gross profit | | 197,949 | 287,256 | 98,752 | 130,695 |
| Other income | | 14,551 | 9,143 | 5,710 | 5,745 |
| General and administrative expenses | | (82,333) | (68,014) | (38,041) | (37,539) |
| Selling and distribution expenses | | (53,517) | (44,973) | (28,505) | (24,736) |
| Other operating expenses | | (5,887) | (5,444) | (3,025) | 3,442 |
| | | (127,186) | (109,288) | (63,861) | (53,088) |
| Operating profit | | 70,763 | 177,968 | 34,891 | 77,607 |
| Financial charges | | (100,634) | (215,267) | (48,748) | (107,992) |
| Loss before income tax and levy | | (29,871) | (37,299) | (13,857) | (30,385) |
| Levy | | (38,341) | (44,424) | (19,379) | (22,084) |
| Loss before income tax | | (68,212) | (81,723) | (33,236) | (52,469) |
| Taxation | | - | - | - | - |
| Loss for the period | | (68,212) | (81,723) | (33,236) | (52,469) |
| | | | (Rupee) | | (Rupee) |
| | | | (Restated) | | (Restated) |
| Loss per share - basic and diluted (Rupee) | 16 | (0.34) | (0.41) | (0.17) | (0.26) |

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Iqbal Ali Iakhani
Director



Amir Ahmed Chapra
Chief Executive Officer



Umair Ahmed
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR AND QUARTER PERIOD
ENDED DECEMBER 31, 2024 (UNAUDITED)

| | Half year ended December 31, | | Quarter ended December 31, | |
|---|------------------------------|-----------------|----------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | Rupees in thousands | | Rupees in thousands | |
| | | (Restated) | | (Restated) |
| Loss for the period | (68,212) | (81,723) | (33,236) | (52,469) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | <u>(68,212)</u> | <u>(81,723)</u> | <u>(33,236)</u> | <u>(52,469)</u> |

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Iqbal Ali Iakhani
Director



Amir Ahmed Chapra
Chief Executive Officer



Umair Ahmed
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

| | Capital Reserves | | | Revenue Reserves | | Equity portion of loan from associated company | Total |
|---|--|---|-----------------------|------------------|--------------------|--|------------------|
| | Issued, subscribed and paid-up capital | Surplus on revaluation of property, plant and equipment | Share Premium Reserve | General Reserve | Accumulated losses | | |
| | Rupees in thousands | | | | | | |
| Balance as at July 01, 2023 (Audited) | 1,999,584 | 2,198,989 | 298,325 | 106,800 | (2,274,388) | 622,382 | 2,951,692 |
| Total comprehensive income for the period ended December 31, 2023 | - | - | - | - | (81,723) | - | (81,723) |
| Loss for the period (Restated) | - | - | - | - | - | - | - |
| Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation (Restated) | - | (39,031) | - | - | 39,031 | - | - |
| Transaction with owners | - | - | - | - | - | 223,079 | 223,079 |
| Equity portion of loan | - | - | - | - | - | - | - |
| Balance as at December 31, 2023 (Unaudited) | 1,999,584 | 2,159,958 | 298,325 | 106,800 | (2,317,080) | 845,461 | 3,093,048 |
| Balance as at July 01, 2024 (Audited) | 1,999,584 | 973,961 | 298,325 | 106,800 | (1,244,708) | 789,950 | 2,923,912 |
| Total comprehensive income for the period ended December 31, 2024 | - | - | - | - | (68,212) | - | (68,212) |
| Loss for the period | - | - | - | - | - | - | - |
| Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation | - | (32,196) | - | - | 32,196 | - | - |
| Transaction with owners | - | - | - | - | - | (98,801) | (98,801) |
| Equity portion of loan | - | - | - | - | - | - | - |
| Balance as at December 31, 2024 (Unaudited) | 1,999,584 | 941,765 | 298,325 | 106,800 | (1,280,724) | 691,149 | 2,756,899 |

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Iqbal Ali Ikhani
Director



Amir Ahmed Chapra
Chief Executive Officer



Umair Ahmed
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR PERIOD ENDED DECEMBER 31, 2024 (UNAUDITED)

| | Note | December 31, | |
|--|------|---------------------|------------------|
| | | 2024 | 2023 |
| | | Rupees in thousands | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 17 | 139,760 | 207,451 |
| Taxes paid - net | | (16,395) | (45,917) |
| Financial charges paid | | (88,426) | (130,279) |
| Net cash generated from operating activities | | 34,939 | 31,255 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (141,410) | (100,692) |
| Net cash used in investing activities | | (141,410) | (100,692) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long-term financing | | (46,824) | (98,075) |
| Payment against lease liability | | (21,000) | - |
| Net cash used in financing activities | | (67,824) | (98,075) |
| Net decrease in cash and cash equivalents | | (174,295) | (167,512) |
| Cash and cash equivalents at beginning of the period | | (619,002) | (671,036) |
| Cash and cash equivalents at end of the period | | <u>(793,297)</u> | <u>(838,548)</u> |
| CASH AND CASH EQUIVALENTS: | | | |
| Cash and bank balances | 11 | 4,125 | 12,970 |
| Short-term borrowings | | (797,422) | (851,518) |
| | | <u>(793,297)</u> | <u>(838,548)</u> |

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Iqbal Ali Iakhani
Director



Amir Ahmed Chapra
Chief Executive Officer



Umair Ahmed
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR AND QUARTER PERIOD ENDED DECEMBER 31, 2024 (UNAUDITED)

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 Company is mainly engaged in the manufacture and sale of printing and packaging materials.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical location and addresses of the Company’s business units / immovable assets are as under:

| Business Unit | Address |
|----------------------|---|
| - Registered office | Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan. |
| - Factory | Plot No. 17-B, Sector 29, Korangi Industrial Township, Karachi, Pakistan. |

3 BASIS OF PREPARATION

3.1 Statement of compliance

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 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 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 are followed.

These condensed interim financial statement do not include all the information and disclosures required for the complete set of 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, 2024. 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 of statement of financial position presented in these condensed interim financial statements, together with the notes thereto have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2024, whereas the comparative of the 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 statements for the half year ended December 31, 2023.

These condensed interim financial statements are 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.

3.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the company.

4 MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN

The material accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2024.

4.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5 ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards, as applicable, requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimates, assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. During the preparation of these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements for the year ended June 30, 2024.

6 TAXATION

The provisions for taxation levy for the half year and quarter ended December 31, 2024, have been made using the best estimated effective tax rate applicable to expected total annual earnings. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Any tax charged under Income Tax Ordinance, 2001 which is not based on taxable income is classified as levy in these condensed interim statement of profit or loss as these levies fall under the scope of IFRIC 21/IAS 37.

Last year, the Institute of Chartered Accountants of Pakistan (ICAP) has issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Company has recognize minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognized as 'Income tax', accordingly the comparative condensed interim statement of profit or loss has been restated and an amount of Rs. 44.424 million has been reclassified from taxation to levy.

7 OPERATING FIXED ASSETS

| | Note | (Un-audited) | (Audited) |
|---|------|----------------------|------------------|
| | | December 31, 2024 | June 30, 2024 |
| Rupees in thousands | | | |
| Opening net book value (NBV) | | 2,805,924 | 4,292,848 |
| Additions during the period / year at cost | 7.1 | 192,571 | 268,889 |
| | | 2,998,495 | 4,561,737 |
| Disposals during the period / year at NBV | | - | (1,520,505) |
| Depreciation charge for the period / year | | (108,485) | (235,308) |
| | | (108,485) | (1,755,813) |
| Closing net book value (NBV) | | 2,890,010 | 2,805,924 |
| 7.1 Detail of additions (at cost) during the period / year are as follows: | | | |
| Leasehold improvements | | 83,915 | - |
| Building / improvements on leasehold land | | - | 84,254 |
| Plant and machinery | | 99,194 | 106,453 |
| Furniture and fixtures | | 4,048 | 18,090 |
| Office equipment | | 2,926 | 16,364 |
| Computer equipment | | 1,985 | 5,739 |
| Electrical installation | | 503 | 37,989 |
| | | 192,571 | 268,889 |

| | Note | (Un-audited) | (Audited) |
|--|---|--------------------------------------|-------------------------------|
| | | December 31, 2024 | June 30, 2024 |
| 8 CAPITAL WORK-IN-PROGRESS | | Rupees in thousands | |
| This comprises of: | | | |
| Civil works | | 24,784 | 115,560 |
| Plant and machinery | | 20,816 | - |
| Software under development | | 18,799 | - |
| | 8.1 | 64,399 | 115,560 |
| 8.1 Movement of carrying amount is as follows: | | | |
| Opening balance | | 115,560 | 138,068 |
| Additions (at cost) during the period / year | | 141,410 | 246,381 |
| | | 256,970 | 384,449 |
| Transferred to operating fixed assets during the period / year | | (192,571) | (268,889) |
| Closing balance | | 64,399 | 115,560 |
| 9 TRADE DEBTS | | | |
| Unsecured - considered good | | | |
| Due from associated companies | | 461,527 | 507,895 |
| Others | | 1,027,005 | 688,533 |
| | | 1,488,532 | 1,196,428 |
| Unsecured - considered doubtful | | | |
| Others | | 48,681 | 48,681 |
| Allowance for expected credit losses | | (48,681) | (48,681) |
| | | 1,488,532 | 1,196,428 |
| 10 OTHER RECEIVABLES | | | |
| Unsecured-considered good | | | |
| Due from associated company | 10.1 | 344 | 64 |
| Receivable from gratuity fund | | 17,684 | 17,684 |
| Others | | 457 | - |
| | | 18,485 | 17,748 |
| 10.1 | This represents insurance claim receivable from Century Insurance Company Limited, an Associated Company. | | |
| 11 CASH AND BANK BALANCES | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
| | | Rupees in thousands | |
| Cash in hand | | 3,341 | 1,060 |
| Cash at bank | | | |
| Current account | | | |
| Islamic mode | | 320 | 359 |
| Conventional mode | | 464 | 485 |
| | | 784 | 844 |
| Cash at bank - saving account | | - | 19,406 |
| | | 4,125 | 21,310 |
| 12 SUB-ORDINATED LOAN | | | |

During the year ended June 30, 2024, the sponsors had extended the interest free loan amounting to Rs. 250 million. The loan is obtained to meet the working capital requirements, financing the capital expenditure and for funding business activities. This loan was discounted at current market rate ranging from 22.60% to 22.84% per annum and the difference between the principal amount and the fair value was recorded in equity.

Effective from October 1, 2024, the waiver of markup on the loan was revoked, and the loan was converted into an interest-bearing facility. As a result, the loan, with a carrying value of Rs. 151.2 million after the unwinding of Rs. 16.2 million on the date of revised agreement, was increased by Rs. 98.8 million, and the corresponding adjustment has been reflected in equity. The interest rate applicable to the restructured loan is based on the three-month KIBOR plus a 0.5% spread, payable on a quarterly basis. The loan tenure remains unchanged at three years.

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.

| 13 | LONG TERM FINANCING | (Un-audited) | | (Audited) | |
|----|---|---------------------|--|---------------|--|
| | | December 31, 2024 | | June 30, 2024 | |
| | | Rupees in thousands | | | |
| | Secured - From banking companies | | | | |
| | Islamic mode | | | | |
| | Dubai Islamic Bank Pakistan Limited | 93,647 | | 140,471 | |
| | Less: Current portion shown under current liabilities | (93,647) | | (93,647) | |
| | | - | | 46,824 | |
| | Unsecured - From associated undertaking | | | | |
| | Opening balance | - | | 1,141,605 | |
| | Unwinding of loan | - | | 110,993 | |
| | Equity component on restructuring of loan during the year | - | | (52,599) | |
| | Paid during the year | - | | (1,200,000) | |
| | | - | | - | |
| | | - | | 46,824 | |
| 14 | CONTINGENCIES AND COMMITMENTS | | | | |

There were no contingencies and commitments as at December 31, 2024. (June 30, 2024: Nil).

| 15 | REVENUE - NET | Half Yearly ended December 31, | | Quarter ended December 31, | |
|----|--------------------|--------------------------------|-----------|----------------------------|-----------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rupees in thousands | | Rupees in thousands | |
| | Gross sales | | | | |
| | Local sales | 3,558,352 | 4,186,768 | 1,777,305 | 2,115,328 |
| | Export sales | 38,596 | - | 26,957 | - |
| | | 3,596,948 | 4,186,768 | 1,804,262 | 2,115,328 |
| | Less: | | | | |
| | Sales tax | (542,419) | (638,058) | (270,952) | (322,243) |
| | Sales return | (2,496) | (3,941) | (1,063) | (2,845) |
| | | (544,915) | (641,999) | (272,015) | (325,088) |
| | | 3,052,033 | 3,544,769 | 1,532,247 | 1,790,240 |

| | Half Yearly ended December 31, | | Quarter ended December 31, | |
|---|--------------------------------|----------|----------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | Rupees in thousands | | Rupees in thousands | |
| | (Restated) | | (Restated) | |
| 16 LOSS PER SHARE - BASIC AND DILUTED | | | | |
| Loss for the period | (68,212) | (81,723) | (33,236) | (52,469) |
| Weighted average number of ordinary shares (in thousands) | 199,958 | 199,958 | 199,958 | 199,958 |
| Loss per share (Rupee) | 16.1 (0.34) | (0.41) | (0.17) | (0.26) |

16.1 There is no dilutive effect on the basic loss per share of the Company.

| | Note | Half year ended December 31, | |
|--|------|------------------------------|----------|
| | | 2024 | 2023 |
| | | Rupees in thousands | |
| 17 CASH GENERATED FROM OPERATIONS | | | |
| Loss before income tax and levy | | (29,871) | (37,299) |
| Adjustment for non-cash and other items: | | | |
| Financial charges | | 100,634 | 215,267 |
| Depreciation | | 115,548 | 121,557 |
| Amortization | | 46 | 46 |
| Loss on disposal of property, plant and equipment | | - | 1 |
| | | 216,228 | 336,871 |
| Profit before working capital changes | | 186,357 | 299,572 |
| Working capital changes | 17.1 | (46,597) | (92,121) |
| | | 139,760 | 207,451 |
| 17.1 Working capital changes | | | |
| (Increase) / decrease in current assets: | | | |
| Stores and spares | | (33,575) | (6,152) |
| Stock-in-trade | | (180,530) | 98,907 |
| Trade debts | | (292,104) | (82,517) |
| Loans and advances | | (1,134) | (35,586) |
| Trade deposits and short term prepayments | | 64,547 | (19,118) |
| Other receivables | | (737) | 359 |
| Tax refund due from Government | | (66,556) | (14,261) |
| | | (510,089) | (58,368) |
| Increase / (decrease) in current liabilities: | | | |
| Trade and other payables | | 463,492 | (33,753) |
| | | (46,597) | (92,121) |

18 TRANSACTIONS WITH RELATED PARTIES

18.1 The related parties comprise of group companies, 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 Yearly ended December 31, | | Quarter ended December 31, | |
| | | 2024 | 2023 | 2024 | 2023 |
| Nature of transaction | | Rupees in thousands | | | |
| Nature of transaction | | Nature of Relation | | Basis of Relation | |
| Sale of goods, services and reimbursement of expenses | | | | | |
| Colgate Palmolive Pakistan Limited | Associated company | | 1,591,400 | 548,000 | 767,413 |
| Century Paper & Board Mills Limited | Associated company | | 92,991 | 36,584 | 46,168 |
| Caraway (Private) Limited | Associated company | | 3,671 | 3,166 | - |
| Siza Foods (Private) Limited | Associated company | | 1,396 | 2,274 | 1,276 |
| Purchase of goods, services and reimbursement of expenses | | | | | |
| Century Paper & Board Mills Limited | Associated company | | 1,728,491 | 669,112 | 839,788 |
| Century Insurance Company Limited | Associated company | | 10,773 | 6,268 | 6,812 |
| Princeton Travels (Private) Limited | Associated company | | 2,486 | 191 | 2,021 |
| Lakson Business Solutions Limited | Associated company | | 2,014 | - | 1,007 |
| SIZA Services (Private) Limited | Associated company | | | | |
| | Common Director and 24.20% shares held | | 1,738 | 10,209 | 869 |
| Cyber Internet Services (Private) Limited | Associated company | | 1,431 | 1,228 | 604 |
| Sybrid (Private) Limited | Associated company | | - | 441 | - |
| Markup on sub-ordinated loan | | | | | |
| Siza (Private) Limited | Associated company | | - | 8,383 | - |
| Premier Fashions (Private) Limited | Associated company | | - | 2,096 | - |
| Rent & other allied charges | | | | | |
| Hassanali & Gulbano Lakhani Foundation | Associated company | | 205 | 102 | 96 |
| Insurance claim | | | | | |
| Century Insurance Company Limited | Associated company | | 1,100 | - | 683 |
| Others | | | | | |
| Remuneration and other benefits | Key Management Personnel | | 12,725 | 7,398 | 6,863 |
| Contribution to Staff Retirement Benefit Plans | Employees Fund | | 4,592 | 2,811 | - |

| | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|--------------------------------------|-------------------------------|
| | Rupees in thousands | |
| 18.2 Period / year end balances: | | |
| Receivable from associated companies | 461,527 | 507,895 |
| Payable to associated companies | 863,993 | 634,463 |
| Sub-ordinated loan | 250,000 | 143,634 |

18.3 The above transactions with related parties are at agreed terms on normal commercial rates as per duly approved by the Board of Directors.

19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements 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.

20 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 annual financial statements for the year ended June 30, 2024.

21 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.

22 CORRESPONDING FIGURES

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

23 GENERAL

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

24 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 27, 2025 by the Board of Directors of the Company.



Iqbal Ali Iakhani
Director



Amir Ahmed Chapra
Chief Executive Officer



Umair Ahmed
Chief Financial Officer



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