

KARACHI STOCK EXCHANGE LIMITED

KSE/N-5789

NOTICE

October 23, 2013

Reproduced hereunder letter received from **MERIT PACKAGING LIMITED**, for information of TREC Holders of the Exchange.

(Copy of the same is also available on our Website www.kse.com.pk)

Merit Packaging Limited
Annexure

Board of Directors' Meeting dated September 23, 2013
Information on Right Issue of Ordinary Shares for Stock Exchange

1) **NEED FOR ISSUE OF RIGHT SHARES AND ITS BENEFITS TO THE COMPANY**


Amount of the proposed issue:	@ 750 %	Rs.355,713,520/- divided into 35,571,352 ordinary shares of Rs 10/- each.
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Owing to a relatively a small paid up capital of Rs. 47,428 million, the company has to borrow additional loans periodically to meet working capital requirements and capital expenditure in order to streamline production activities according to the needs of the business. This results in higher financial cost and puts pressure on the bottom line of our financial results.

Accordingly, the Board of Directors has decided to enhance the paid up capital of the Company through the issuance of right shares. This will help in improving the liquidity and profitability of the Company. The proceeds of the right shares will be utilised to reduce debts. This will also reduce financial charges as we repay our loans.


Iqbal Ali Lakhani


Tasleemuddin Ahmed Batley


Shahid Ahmed Khan


Shaikh Mohammad Barinuddin


Shaikh Asim Rafiq


Mohammad Shahid