



HALF YEARLY REPORT DECEMBER 31, 2024

Complementing your Packaging ambitions with
our Packaging Expertise

TABLE OF CONTENTS

01 Corporate Information	2
02 Directors' Report	3
03 Review Report on Condensed Interim Financial Statements To The Members Merit Packaging Limited.....	4
04 Condensed Interim Statement of Financial Position	5
05 Condensed Interim Statement of Profit or Loss (Un-Audited).....	6
06 Condensed Interim Statement of Comprehensive Income (Un-Audited).....	7
07 Condensed Interim Statement of Changes in Equity (Un-Audited).....	8
08 Condensed Interim Statement of Cash Flows (Un-Audited)	9
09 Notes to the Condensed Interim Financial Statements (Un-Audited)	10

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

UAN: +9221 38892147 Ext. 1014, 1008 |
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

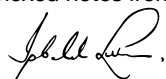
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

		(Un-audited)	(Audited)
		December 31, 2024	June 30, 2024
Note		Rupees in thousands	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	2,890,010	2,805,924
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	(68,212)	(81,723)	(33,236)	(52,469)

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



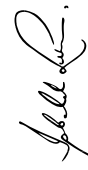
Umair Ahmed
Chief Financial Officer

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)	2,951,692
Total comprehensive income for the period ended December 31, 2023						
Loss for the period (Restated)	-	-	-	-	(81,723)	(81,723)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation (Restated)	-	(39,031)	-	-	39,031	-
Transaction with owners						
Equity portion of loan	-	-	-	-	-	223,079
Balance as at December 31, 2023 (Unaudited)	1,999,584	2,159,958	298,325	106,800	(2,317,080)	3,093,048
Balance as at July 01, 2024 (Audited)	1,999,584	973,961	298,325	106,800	(1,244,708)	2,923,912
Total comprehensive income for the period ended December 31, 2024						
Loss for the period	-	-	-	-	(68,212)	(68,212)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	(32,196)	-	-	32,196	-
Transaction with owners						
Equity portion of loan	-	-	-	-	-	(98,801)
Balance as at December 31, 2024 (Unaudited)	1,999,584	941,765	298,325	106,800	(1,280,724)	2,756,899

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 CASH FLOWS

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

		December 31,	
		2024	2023
		Rupees in thousands	
	Note		
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		(793,297)	(838,548)
CASH AND CASH EQUIVALENTS:			
Cash and bank balances	11	4,125	12,970
Short-term borrowings		(797,422)	(851,518)
		(793,297)	(838,548)

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

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) December 31, 2024	(Audited) June 30, 2024
	Rupees in thousands	
Opening net book value (NBV)	2,805,924	4,292,848
Additions during the period / year at cost	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) December 31, 2024	(Audited) June 30, 2024
			Rupees in thousands	
8	CAPITAL WORK-IN-PROGRESS			
	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.			
			(Un-audited) December 31, 2024	(Audited) June 30, 2024
11	CASH AND BANK BALANCES		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

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)

(Un-audited) December 31, 2024	(Audited) June 30, 2024
--------------------------------------	-------------------------------

Rupees in thousands

46,824

Unsecured - From associated undertaking

Opening balance

Unwinding of loan	-	1,141,605
Equity component on restructuring of loan during the year	-	110,993
Paid during the year	-	(52,599)
	-	(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

Gross sales

Local sales	3,558,352	4,186,768	1,777,305	2,115,328
Export sales	38,596	-	26,957	-

Less:

Sales tax	(542,419)	(638,058)	(270,952)	(322,243)
Sales return	(2,496)	(3,941)	(1,063)	(2,845)

Half Yearly ended December 31,		Quarter ended December 31,	
2024	2023	2024	2023
Rupees in thousands		Rupees in thousands	
3,596,948	4,186,768	1,804,262	2,115,328
(542,419)	(638,058)	(270,952)	(322,243)
(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)	(0.17)	(0.26)

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

		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	(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)

Note

17.1

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
		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	Common Director	1,591,400	548,000	767,413
Century Paper & Board Mills Limited	Associated company	Common Director	92,991	36,584	46,168
Caraway (Private) Limited	Associated company	Common Director	3,671	3,166	-
Siza Foods (Private) Limited	Associated company	Common Director	1,396	2,274	1,276
Purchase of goods, services and reimbursement of expenses					
Century Paper & Board Mills Limited	Associated company	Common Director	1,728,491	669,112	839,788
Century Insurance Company Limited	Associated company	Common Director	10,773	6,268	6,812
Princeton Travels (Private) Limited	Associated company	Common Director	2,486	191	2,021
Lakson Business Solutions Limited	Associated company	Common Director	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	Common Director	1,431	1,228	604
Sybrid (Private) Limited	Associated company	Common Director	-	441	-
Markup on sub-ordinated loan					
Siza (Private) Limited	Associated company	Common Director	-	8,383	-
Premier Fashions (Private) Limited	Associated company	Common Director	-	2,096	-
Rent & other allied charges					
Hassanali & Gulbano Lakhani Foundation	Associated company	Trustee	205	102	96
Insurance claim					
Century Insurance Company Limited	Associated company	Common Director	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)	(Audited)
		December 31,	June 30,
		2024	2024
18.2 Period / year end balances:		Rupees in thousands	
	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 Ikhani
Director



Amir Ahmed Chapra
Chief Executive Officer



Umair Ahmed
Chief Financial Officer

