

**Financial Statements
for the
quarter ended
September 30, 2017**



MERIT PACKAGING LIMITED
A Lakson Group Company

Corporate Information	2
Directors' Review	3
Condensed Interim Balance Sheet	5
Condensed Interim Profit & Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	10-16

Corporate Information

Board of Directors

Iqbal Ali Lakhani	Chairman
Amin Mohammed Lakhani	
Anushka Zulfiqar Lakhani	
Tasleemuddin Ahmed Batlay	
Shahid Ahmed Khan	Chief Executive Officer
Shaikh Muhammad Barinuddin	Independent Director
Sheikh Asim Rafiq	Nominee Director (NIT)
Farrukh Shauket Ansari	Nominee Director (NIT)

Advisor

Sultan Ali Lakhani

Audit Committee

Shaikh Muhammad Barinuddin	Chairman
Iqbal Ali Lakhani	
Tasleemuddin Ahmed Batlay	

Human Resource and Remuneration Committee

Iqbal Ali Lakhani	Chairman
Tasleemuddin Ahmed Batlay	
Shahid Ahmed Khan	

Company Secretary

Mansoor Ahmed

Auditors

BDO Ebrahim & Co.
Chartered Accountants

Bankers

Al-Baraka Bank (Pakistan) Limited
Askari Bank Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Bank Limited - Islamic Banking
JS Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
United Bank Limited - Ameen

Shares Registrar

FAMCO Associates (Pvt) Ltd
8-F, Next to Hotel Faran, Nursery Block-6,
P.E.C.H.S., Shakra-e-Faisal, Karachi.
Email : info.shares@famco.com.pk
Phone : (021) 34380101 - 2, Fax : (021) 34380106
Website : www.famco.com.pk

Registered Office

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

Karachi Factory

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

Lahore Factory

224/B, Sunder Industrial Estate, Sunder,
Raiwind Road, Lahore.

Website

www.meritpack.com

Directors' Review

The Directors of your Company are pleased to present the performance review of the Company together with the condensed interim financial statements for the first quarter ended September 30, 2017.

OPERATING RESULTS

Following are the comparative financial results for the first quarter ended September 30, 2017 and the same period last year respectively:

	Quarter ended	
	September 30, 2017	September 30, 2016
	Rs. in thousands	
Net sales	541,428	404,462
Gross profit	51,646	37,403
Operating profit	31,053	20,635
Profit before tax	489	649

During the period under review, the net sales amounted to Rs. 541 million as compared to Rs. 404 million for the same financial period last year, showing an increase of Rs. 137 million or 34%. This was made possible due to additions of machines resulting in quality of our products and services. Pre-tax profit for the period under review is Rs 0.489 million as compared to Rs 0.649 million recorded for the same period last year.

Significant increase in price of inputs resulted in elevated costs of production, the company is making full efforts to pass impacts of such costs to customers however severe competition in the printing industry is putting pressure for registering the much needed price increase thus impacting profit margins.

Moreover, rigorous negotiations with suppliers and customers are underway so as to maintain desired margins and reap higher profitability through increased volumes of value added jobs by effectively utilizing recently enhanced production capacity and providing better customer service through timely delivery of better quality products.

The Board in its meeting held on October 27, 2017 has decided to increase the paid up capital of the Company from Rs 403.142 million to Rs 806.284 million by issue of a further 40.314 million ordinary shares, to be offered as right shares, at par (Rs 10 per share) in the ratio of 1 right share for each ordinary share held.

All the above steps and significant investment will definitely pay off and ensure uninterrupted customer satisfaction besides focusing more on increased throughput and profitability.

We are confident that increased sales and operational efficiencies in terms of product quantity and quality will improve the Company's market share and profitability in the next quarters.

On behalf of the Board of Directors



IQBAL ALI LAKHANI
Chairman

Karachi: October 27, 2017



SHAHID AHMED KHAN
Chief Executive Officer

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز بڑی مسرت کے ساتھ 30 ستمبر 2017ء کو ختم ہونے والی پہلی سہ ماہی کے لئے کارکردگی کا جائزہ مع مختصر عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

آپریٹنگ نتائج

30 ستمبر 2017ء کو ختم ہونے والی پہلی سہ ماہی اور گزشتہ سال اسی مدت کے لئے مسابقتی مالیاتی نتائج درج ذیل ہیں:

تختہ سہ ماہی		
30 ستمبر 2016ء	30 ستمبر 2017ء	
(ہزار روپے)	(ہزار روپے)	
404,462	541,428	خالص فروخت
37,403	51,646	مجموعی منافع
20,635	31,053	آپریٹنگ منافع
649	489	قبل از ٹیکس منافع

زیر جائزہ سہ ماہی کے دوران خالص فروخت گزشتہ سال اسی مدت کے لئے 404 ملین روپے کے مقابلے میں 541 ملین روپے رہا جو 137 ملین روپے کا اضافہ دکھاتا ہے۔ یہ اضافہ نئی مشینوں کی آنے کی وجہ سے ممکن ہوا جو کہ ہماری مصنوعات اور خدمات کے معیار میں بہتری کا باعث بنا۔ قبل از ٹیکس منافع گزشتہ سال اسی مدت میں ریکارڈ کئے گئے 0.649 ملین روپے کے مقابلے میں 0.489 ملین روپے ہے۔

خام مال کے دام میں بے تحاشہ اضافہ ہمارے پیداواری خرچے میں اضافے کا باعث ہے جس کا اثر کسٹمز کو منتقل کرنے کیلئے کمپنی اپنی پوری کوشش کر رہی ہے۔ البتہ پرنٹنگ کی صنعت میں سخت مقابلہ قیمتوں میں اضافہ محدود کرنے کیلئے دباؤ ڈال رہا ہے جو کہ ہمارے منافع کے مارجن پر اثر انداز ہو رہا ہے۔


اس کے علاوہ ہمارے کسٹمز اور سیلائرز کے ساتھ سخت مذاکرات جاری ہے تاکہ حالیہ بہتر پیداواری صلاحیت کو مؤثر طریقے سے استعمال کرتے ہوئے فروخت کے حجم میں اضافہ کر کے اور بہتر مصنوعات کی بروقت ترسیل کر کے مطلوبہ مارجن قائم رکھ کر اعلیٰ منافع حاصل کیا جاسکے۔


ڈائریکٹرز نے اپنے بورڈ کے اجلاس میں، جو کہ 27 اکتوبر 2017ء کو منعقد ہوئی، فیصلہ کیا ہے کہ کمپنی کے مزید 40.314 ملین عام حصص کا اجراء کر کے ادا شدہ سرمایہ کو 403.142 ملین روپے سے بڑھا کر 806.284 ملین روپے کیا جائے گا۔ مزید حصص ایک عام حصص کے بدلے ایک رائٹ حصص کے تناسب سے، برابر قیمت پر (10 روپے فی حصص)، رائٹ حصص کی صورت میں پیش کیا جائے گا۔

درج بالا اقدامات اور اہم سرمایہ کاری یقیناً سود مند ثابت ہونگے اور اضافی ماحصل پر توجہ مرکوز رکھنے کے ساتھ ساتھ بلا تعلق کسٹمز کے اطمینان اور بہتر منافع کو یقینی بنائیں گے۔

ہم پرامید ہیں کہ بروقت اور بہتر مصنوعات کے لحاظ سے اضافی استعداد کار کمپنی کا مارکیٹ شیئر اور منافع اگلے سہ ماہیوں میں بہتر بنائے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے


شاہد احمد خان
چیف ایگزیکٹو آفیسر


اقبال علی لاکھانی
چیرمین

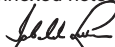
کراچی: 27 اکتوبر 2017

Condensed Interim Balance Sheet


As at September 30, 2017 (Un-audited)

		September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
	Note	Rs. in 000's	Rs. in 000's
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,369,567	1,386,982
Capital work-in-progress	7	590,405	513,570
		1,959,972	1,900,552
Intangible assets		155	48
Long-term loans and advances		1,174	1,200
Long-term deposits		13,087	13,110
Deferred taxation		31,362	31,362
		2,005,750	1,946,272
CURRENT ASSETS			
Stores and spares		101,310	93,845
Stock-in-trade		343,613	326,353
Trade debts		507,891	383,986
Loans and advances		16,552	9,447
Trade deposits and short-term prepayments		19,617	5,020
Other receivables		2,639	123
Tax refund due from Government		241,192	250,716
Taxation - net		44,683	27,960
Cash and bank balances		9,902	2,051
		1,287,399	1,099,501
TOTAL ASSETS		3,293,149	3,045,773
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 100,000,000 (June 30, 2017: 100,000,000) ordinary shares of Rs.10/- each		1,000,000	1,000,000
Issued, subscribed and paid-up capital 40,314,199 (June 30, 2017: 40,314,199) ordinary shares of Rs.10/- each		403,142	403,142
Accumulated losses		(3,683)	(4,327)
		399,459	398,815
SURPLUS ON REVALUATION OF FIXED ASSETS		214,192	214,347
NON-CURRENT LIABILITIES			
Sub-ordinated loan		100,000	100,000
Long-term financing	8	1,181,604	1,193,324
Long-term deposits		622	645
		1,282,226	1,293,969
CURRENT LIABILITIES			
Trade and other payables		298,342	229,600
Mark-up accrued		35,078	18,770
Short-term borrowings	9	889,970	738,390
Current portion of long-term financing		173,882	151,882
		1,397,272	1,138,642
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		3,293,149	3,045,773

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


IQBAL ALI LAKHANI
Chairman


SHAHID AHMED KHAN
Chief Executive Officer


MUHAMMAD AAQIL JAH
Chief Financial Officer

Condensed Interim Profit and Loss Account

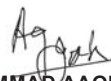
For the period ended September 30, 2017 (Un-audited)

	Note	Quarter ended	
		September 30, 2017	September 30, 2016
		Rs. in 000's	Rs. in 000's
Sales - net	11	541,428	404,462
Cost of sales	12	(489,782)	(367,059)
Gross profit		51,646	37,403
General and administrative expenses		(12,004)	(9,448)
Selling and distribution expenses		(9,047)	(7,165)
Other income		1,257	669
Other operating expenses		(800)	(824)
		(20,594)	(16,768)
Operating profit		31,052	20,635
Financial charges		(30,564)	(19,986)
Profit before taxation		488	649
Taxation		-	-
Profit after taxation		488	649
Earnings per share - basic and diluted (Rupees)	13	Rs. 0.01	Rs. 0.02

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


IQBAL ALI LAKHANI
Chairman


SHAHID AHMED KHAN
Chief Executive Officer


MUHAMMAD AAQIL JAH
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

For the period ended September 30, 2017 (Un-audited)

	Quarter ended	
	September 30, 2017	September 30, 2016
	Rs. in 000's	Rs. in 000's
Profit for the period	488	649
Other comprehensive income	-	-
Total comprehensive income for the period	488	649

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.



IQBAL ALI LAKHANI
Chairman



SHAHID AHMED KHAN
Chief Executive Officer



MUHAMMAD AAQIL JAH
Chief Financial Officer

Condensed Interim Cash Flow Statement

For the period ended September 30, 2017 (Un-audited)

	Note	Quarter ended	
		September 30, 2017	September 30, 2016
		Rs. in 000's	Rs. in 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	14	(56,186)	(11,311)
Taxes (paid)/refund		(3,476)	(3,928)
Financial charges paid		(14,256)	(5,877)
Long-term loans and advances		26	52
Net cash used in operating activities		(73,892)	(21,064)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(80,072)	(122,043)
Intangible assets		(120)	-
Proceeds from sale of operating fixed assets		75	-
Net cash used in investing activities		(80,117)	(122,043)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		33,495	54,138
Repayment of long term financing		(23,215)	(5,625)
Net cash generated from financing activities		10,280	48,513
Net decrease in cash and cash equivalents		(143,729)	(94,594)
Cash and cash equivalents at beginning of the period		(486,339)	(521,023)
Cash and cash equivalents at end of the period		(630,068)	(615,617)
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash and bank balances		9,902	8,205
Short-term running finance		(639,970)	(623,822)
		(630,068)	(615,617)

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


IQBAL ALI LAKHANI
Chairman


SHAHID AHMED KHAN
Chief Executive Officer


MUHAMMAD AAQIL JAH
Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the period ended September 30, 2017 (Un-audited)

	Issued, subscribed and paid-up capital Rs. in 000's	General reserve Rs. in 000's	Reserves		Total Rs. in 000's
			Accumulated loss Rs. in 000's	Total Rs. in 000's	
Balance as at July 1, 2016	403,142	106,800	(143,798)	(36,998)	366,144
Transfer from surplus on revaluation of fixed assets	-	-	222	222	222
Total comprehensive income for the quarter ended September 30, 2016	-	-	649	649	649
Balance as at September 30, 2016	403,142	106,800	(142,927)	(36,127)	367,015
Balance as at July 1, 2017	403,142	106,800	(111,127)	(4,327)	398,815
Transfer from surplus on revaluation of fixed assets	-	-	156	156	156
Total comprehensive income for the quarter ended September 30, 2017	-	-	488	488	488
Balance as at September 30, 2017	403,142	106,800	(110,483)	(3,683)	399,459

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


IQBAL ALI LAKHANI
Chairman


SHAHID AHMED KHAN
Chief Executive Officer


MUHAMMAD AAQIL JAH
Chief Financial Officer

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2017 (Un-audited)

1. NATURE AND STATUS OF THE COMPANY

Merit Packaging Limited ("the Company") was incorporated on January 28, 1980 in Pakistan as a public limited Company under the repealed Companies Ordinance, 1984 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the quarter ended September 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and are being submitted to the shareholders as required under section 245 of the repealed Companies Ordinance, 1984.

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, 2017 which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

The comparative balance sheet 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, 2017, whereas the comparative condensed interim profit and loss accounts, 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 quarter ended September 30, 2016.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value.

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

2.3 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.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 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, 2017.

3.2 The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2017. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2017 (Un-audited)

4. TAXATION

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

5. ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and 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, 2017.

	Note	September 30, 2017 Un-audited Rs. in 000's	June 30, 2017 Audited Rs. in 000's
6. PROPERTY, PLANT AND EQUIPMENTS			
Opening net book value (NBV)		1,386,982	928,705
Additions (at cost) during the period / year	6.1	3,237	521,071
		1,390,219	1,449,776
Disposals (NBV) during the period / year		-	(495)
Depreciation charged during the period / year		(20,652)	(62,299)
		(20,652)	(62,794)
		1,369,567	1,386,982
6.1 Detail of additions (at cost) during the period / year are as follows:			
Building / improvements on leasehold land		-	21,959
Plant and machinery		2,729	457,707
Furniture and fixtures		-	5,874
Vehicles		-	3,448
Office equipment		158	2,483
Computer equipment		350	1,412
Electrical Installation		-	28,188
		3,237	521,071
7. CAPITAL WORK-IN-PROGRESS			
This comprises of:			
Civil works		67,467	66,353
Plant and machinery		522,938	447,217
		590,405	513,570

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2017 (Un-audited)

	Note	September 30, 2017 Un-audited Rs. in 000's	June 30, 2017 Audited Rs. in 000's
7.1	Movement of carrying amount is as follows:		
	Opening balance	513,570	539,288
	Additions (at cost) during the period / year	80,072	495,353
		593,642	1,034,641
	Transfer to operating fixed assets during the period / year	(3,237)	(521,071)
	Closing balance	590,405	513,570

7.2 This includes borrowing cost capitalised amounting to Rs. 9.348 million (June 30, 2017: Rs. 36.232 million) as per IAS 23. The rate of capitalization is 7.25 % (June 30, 2017: 6.96 %) per annum.

8. LONG TERM FINANCING

Secured				
	From banking company	8.1	915,486	905,205
	Current portion shown under current liabilities		(151,882)	(151,882)
			763,604	753,323
Unsecured				
	From associated undertaking	8.2	440,000	440,000
	Current portion shown under current liabilities		(22,000)	-
			418,000	440,000
			1,181,604	1,193,323

8.1 These loans have been obtained from financial institutions 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 6.63% to 7.79% (June 30, 2017: 6.59% to 7.73%) payable quarterly. The tenure of these financing facilities is five to six years including one year grace period.

8.2 This loan has been obtained from an associated undertaking. An aggregate amount of Rs. 540 million was received out of which Rs. 100 million has been converted into subordinated loan. Repayment of loan has been rescheduled and the amount is now repayable in twenty equal quarterly installments commencing from July 2018. The rate of markup is 0.5% over last business day of three months KIBOR of preceding quarter. During the year, the effective mark-up rate was 6.64% per annum (June 30, 2017: 6.58% per annum).

9. SHORT-TERM BORROWINGS

Secured				
	From banking companies			
	Running finance	9.1	639,970	488,390
Unsecured				
	From associated undertaking	9.2	250,000	250,000
			889,970	738,390

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2017 (Un-audited)

- 9.1 These carry mark up ranging from 7.03% to 7.64% (June 30, 2017: 6.91% to 7.58%) per annum.
- 9.2 This short-term borrowing facility has been obtained from an associated undertaking. The rate of markup is 0.5% over last business day of three months KIBOR of preceding quarter.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no significant change in the contingent liabilities of the Company since the last annual balance sheet date.

	September 30, 2017 Un-audited Rs. in 000's	June 30, 2017 Audited Rs. in 000's

10.2 Commitments

The Company was committed as at the balance sheet date as follows:

Capital expenditure under letter of credit	-	10,279
Capital expenditure under contractual obligation	3,410	-
Stores, spares and raw materials under letter of credit	7,423	-
Stores, spares and raw materials under contractual obligation	3,403	3,538

	September 30, 2017 Un-audited Rs. in 000's	September 30, 2016 Un-audited Rs. in 000's
11. SALES - NET		
Gross sales	632,891	473,788
Sales tax	(91,463)	(69,326)
	541,428	404,462

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2017 (Un-audited)

	Quarter ended	
	September 30, 2017	September 30, 2016
	Un-audited Rs. in 000's	Un-audited Rs. in 000's
12. COST OF SALES		
Materials consumed	381,209	279,547
Salaries, wages and other benefits	38,014	29,477
Packing material consumed	11,827	9,766
Outsource services	5,693	6,265
Stores and spares consumed	13,100	9,379
Power and fuel	14,559	8,666
Depreciation	20,047	9,969
Amortisation	15	3
Rent, rates and taxes	4,478	2,057
Repairs and maintenance	2,383	1,456
Vehicle running expenses	229	320
Insurance	2,422	1,773
Ijarah lease rentals	48	-
Printing and stationery	293	231
Communication charges	194	345
Travelling and conveyance	274	46
Fees and subscription	-	40
Software license fee	439	115
Other expenses	877	417
Manufacturing cost	496,101	359,872
Opening work-in-process	42,882	63,106
Closing work-in-process	(46,063)	(61,115)
	(3,181)	1,991
Cost of goods manufactured	492,920	361,863
Opening stock of finished goods	52,056	37,207
Closing stock of finished goods	(55,194)	(32,011)
	(3,138)	5,196
	489,782	367,059
13. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the period	488	649
Weighted average number of ordinary shares outstanding (in thousands)	40,314	40,314
Earnings per share (Rupees)	0.01	0.02

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2017 (Un-audited)

	Note	Quarter ended	
		September 30, 2017	September 30, 2016
		Un-audited Rs. in 000's	Un-audited Rs. in 000's
14. CASH USED IN OPERATIONS			
Profit before taxation		488	649
Adjustment for non-cash items and other items:			
Gain on disposal of operating fixed assets		(75)	-
Financial charges		30,564	19,986
Depreciation		20,652	10,603
Amortisation		14	10
		51,155	30,599
Profit before working capital changes		51,643	31,248
Working capital changes	14.1	(107,829)	(42,559)
		(56,186)	(11,311)
14.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(7,465)	(16,560)
Stock-in-trade		(17,260)	(9,319)
Trade debts		(123,905)	(20,092)
Loans and advances		(7,105)	(4,852)
Trade deposits and short term prepayments		(14,597)	(5,019)
Other receivables		(2,516)	19,861
Tax refund due from government		(3,723)	(13,766)
		(176,571)	(49,747)
Increase in current liabilities:			
Trade and other payables (excluding unclaimed dividend)		68,742	7,188
		(107,829)	(42,559)

15. TRANSACTIONS WITH RELATED PARTIES

15.1 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:

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2017 (Un-audited)

Relation with the Company	Nature of transaction	Quarter ended	
		September 30, 2017	September 30, 2016
		Un-audited Rs. in 000's	Un-audited Rs. in 000's
Associated companies	Sales of goods and services	65,663	39,684
	Purchases of goods and services	285,875	242,305
	Rent and allied charges	37	64
	Insurance agency commission income	667	300
	Insurance claim	331	16
	Mark-up on long-term financing	9,038	9,392
	Mark-up on short-term financing	4,184	5,218
Retirement benefit plans	Contribution towards employees retirement benefits plans	2,056	1,597
Key management personnel	Compensation in respect of: Short term employee benefits Retirement benefits	5,007	4,885
		295	241
		September 30, 2017 Un-audited Rs. in 000's	June 30, 2017 Audited Rs. in 000's
15.2	Period / year end balances		
	Receivable from related parties	44,001	25,224
	Payable to related parties	90,630	67,135
	Long-term financing payable to associated undertaking	418,000	440,000
	Current portion of long-term financing payable to associated undertakings	22,000	-
	Sub-ordinated loan	100,000	100,000
	Short-term financing payable to associated undertaking	250,000	250,000
	Mark-up payable to associated undertaking	13,222	-

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

16. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2017.

17. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Company, at their meeting held on October 27, 2017, have decided to increase the paid up capital of the Company by issuance of 40.314 million ordinary shares, to be offered as right shares at par (Rs 10 per share) in the ratio of 1 right share for each ordinary share held.

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information was authorized for issue by the Board of Directors of the Company on October 27, 2017.

19. GENERAL

19.1 Amounts have been rounded off to the nearest thousand of rupees.

19.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison, the effect of which is not material.


IQBAL ALI LAKHANI
Chairman


SHAHID AHMED KHAN
Chief Executive Officer


MUHAMMAD AAQIL JAH
Chief Financial Officer

www.jamapunji.pk

**Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ



Key features:

- 📄 Licensed Entities Verification
- 🔍 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- 🗨️ FAQs Answered

- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📄 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 🖨️ Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices



MERIT PACKAGING LIMITED

A Lakson Group Company

17-B, Sec 29, Korangi Industrial Area, Karachi-75180/Pakistan
Tel: (92 213) 501 7180, 5544, website: www.meritpack.com