

LEINER PAK GELATINE LIMITED



UN-AUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2020.



LEINER PAK GELATINE LIMITED

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COMPANY INFORMATION BOARD OF DIRECTORS

Mr. Ahmed Ali Riaz
Khwaja Imtiaz Ahmed
Ibrar Ahmed Khwaja
Mian Zia-Ud-Din
Ijaz Ahmed Khwaja
Ayesha Ahmed
Rashid Minhas

Chairman
Chief Executive & Managing Director
Executive Director
Independent Director
Non-Executive Director
Non-Executive Director
Independent Director

AUDIT COMMITTEE

Rashid Minhas (Chairman)
Ijaz Ahmed Khwaja (Member)
Ahmed Ali Riaz (Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Rashid Minhas (Chairman)
Khwaja Imtiaz Ahmed (Member)
Ayesha Ahmed (Member)

COMPANY SECRETARY

Ibrar Ahmed Khwaja

CHIEF FINANCIAL OFFICER

Mr. Muhammad Javaid

AUDITORS

M. Almas & Co.

Chartered Accountants

207-Sadiq Plaza, 2nd Floor, 69-The Mall, Lahore.

LEGAL ADVISOR

Khwaja Muhammad Akram
Advocate

1-Begum Road, Mozang Adda, Lahore.

REGISTRAR

CORPLINK (PVT) LTD.,
Wings Arcade, 1-K Commercial,
Model Town, Lahore.

REGISTERED OFFICE

17-G, Gulberg-2, G/Postmall No. 3529, Lahore-54660
Ph. #: 0092-42-35756953-54.

PLANT

19th Kilometer,
Shahrah-e-Pakistan, Kala Shah Kaku,
District Sheikhupura.

Ph. #: 0092-42-37950018 – 37980179

BANKERS

Bank Al Habib Limited
Summit Bank Limited
United Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited
MCB Bank Limited-Islamic Banking
Bank Alfalah Limited-Islamic Banking

DIRECTORS' REVIEW

The Directors are pleased to present the accounts of the company for the three months period ended September 30, 2020.

OPERATIONS

During the period under review company registered sales at Rs. 91.53 million as compared to last corresponding period sales of Rs. 60.30 million. During this period Gelatine was produced from brought forward stock in process and sale proceeds were realized at feasible prices. Furthermore production process of current financial year was started without any delay and as a result Di-Calcium Phosphate (D.C.P) was available for sale which helped to bring sales revenue at Rs. 91.53 million and profit before tax at Rs. 1.728 million as compared to loss before tax at (Rs. 15.46 million) in last corresponding period.

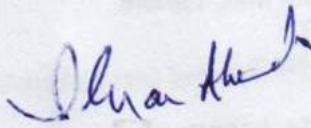
FUTURE PROSPECTS

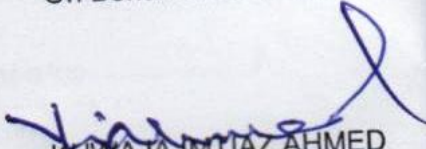
Management has made major sales shift from local customers to exports due to conducive export market. It is assumed that our move to increase our export volume shall yield better financial results in future.

ACKNOWLEDGMENT

We really acknowledge the efforts of all our employees and friends who are contributing to strengthen the company.

On Behalf of the Board


IBRAR AHMED KHWAJA
DIRECTOR


KHWAJA IMTIAZ AHMED
Chief Executive Officer
& Managing Director

Lahore:
October 29, 2020.

ڈائریکٹر زیو یو

ڈائریکٹر ان کمپنی کے سہ ماہی حسابات جو کہ ۳۰ ستمبر ۲۰۲۰ء کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

کاروباری عمل

زیر جائزہ دورانیہ میں کمپنی کی فروخت پچھلے سال کی اسی دورانیہ کی فروخت مبلغ ۶۰.۳۰ ملین روپے کے مقابلے میں مبلغ ۹۱.۵۳ ملین روپے رہی۔ اس دورانیہ میں پچھلے سال سے منتقل کیے ہوئے نیم تیار مال سے جیلاٹین تیار کی گئی جس کی فروخت بہتر قیمت پر کی گئی۔ علاوہ ازیں موجودہ مالی سال میں پیداواری عمل بغیر کسی دیر کے شروع کر دیا گیا تھا جس کے نتیجہ میں ڈائی کیلشیم فاسفیٹ (D.C.P) فروخت کے لیے میسر ہو گئی تھی جس کی مدد سے کمپنی کی فروخت کی مد میں آمدن مبلغ ۹۱.۵۳ ملین روپے رہی اور پچھلے سال کے قبل از ٹیکس نقصان مبلغ (۱۵.۴۶ ملین روپے) کے مقابلے میں قبل از ٹیکس منافع مبلغ ۱.۷۲۸ ملین روپے رہا۔

مستقبل کے امکانات

انتظامیہ برآمدات کی مارکیٹ میں بہتری کی وجہ سے زیادہ تر مقامی گاہکوں کی بجائے برآمدات پر منتقل ہو گئی ہے۔ یہ خیال کیا جاتا ہے برآمدات کو بڑھانے کی مد میں کیا گیا قدم مستقبل میں بہتر مالی نتائج اخذ کرے گا۔

اعتراف

ہم اپنے تمام ملازمین اور دوستوں کی کاوشوں کا اعتراف کرتے ہیں جو کمپنی کے استحکام کے لیے اپنا کردار ادا کر رہے ہیں۔

Shiraz Ahmed

ابرار احمد خواجہ

ڈائریکٹر

لاہور

۱۲۹ اکتوبر ۲۰۲۰ء

منجانب بورڈ

Shiraz Ahmed

خواجہ امیاز احمد

چیف ایگزیکٹو آفیسر

اینڈ منیجنگ ڈائریکٹر

LEINER PAK GELATINE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note Rupees in thousand.....	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	75,000	75,000
Revenue Reserve:		(2,760)	(3,272)
Accumulated loss			
Capital Reserve:		336,262	336,262
Surplus on revaluation of property, plant and equipment		408,502	407,990
Non-current liabilities			
Long term finance	8	15,125	9,786
Lease liabilities	9	2,307	3,637
		17,432	13,423
Current liabilities			
Trade and other payables		333,528	255,540
Unclaimed dividend		771	771
Mark-up accrued		4,920	5,360
Short term borrowings	10	327,267	306,207
Current portion of long term finance	8	9,075	3,262
Current portion of lease liabilities	9	3,150	2,339
		678,711	573,479
Contingencies and commitments	11	-	-
		1,104,645	994,892
ASSETS			
Non-current assets			
Property, plant and equipment	12	501,128	501,955
Intangible assets	13	-	-
Long term deposits		255	255
Deferred taxation		-	-
		501,383	502,210
Current assets			
Stores, spare parts and loose tools		44,756	114,368
Stock-in-trade		481,907	308,556
Trade debts		9,284	7,477
Advances		2,308	1,354
Trade deposits and short term prepayments		899	1,539
Other receivables		25,691	21,443
Advance income tax-net		37,987	37,480
Cash and bank balances		430	465
		603,262	492,682
		1,104,645	994,892

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

LAHORE

DATE: October 29, 2020

KH. IMTIAZ AHMED

Chief Executive Officer
& Managing Director

IBRAR AHMED KHWAJA
Director

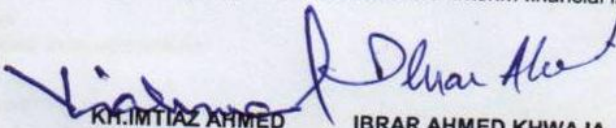
MUHAMMAD JAVAID
Chief Financial Officer

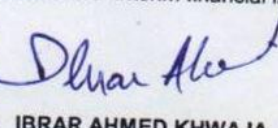
LEINER PAK GELATINE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020Rupees in thousand....	September 30, 2019
Sales-net		91,536	60,300
Cost of sales		69,615	51,671
Gross profit		21,921	8,629
Other income		23	-
		21,944	8,629
Distribution cost		2,380	1,184
Administrative expenses		11,306	14,981
Other operating expenses		91	-
Finance cost		6,439	7,926
Profit/(Loss) before taxation		1,728	(15,462)
Taxation		1,216	757
Profit/(Loss) after taxation	14	512	(16,219)
Earning/(Loss) per share-basic and diluted (Rupees)	15	0.07	(2.16)

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

LAHORE
DATE: October 29, 2020


KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director


IBRAR AHMED KHWAJA
Director

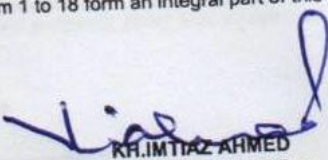

MUHAMMAD JAVAID
Chief Financial Officer

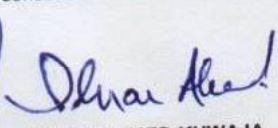
LEINER PAK GELATINE LIMITED**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

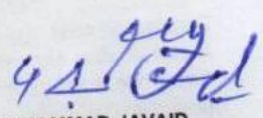
Note	September 30, 2020	September 30, 2019
Rupees in thousand....	
Profit/(Loss) after taxation	512	(16,219)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the period	512	(16,219)

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

LAHORE
DATE: October 29, 2020


KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director


IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

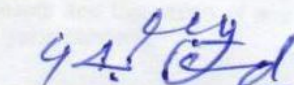
	September 30, 2020	September 30, 2019
Rupees in thousand.....	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,728	(15,462)
Adjustments for:		
Depreciation	4,177	3,336
Provision for employee retirement benefits	818	741
Finance cost	6,439	7,926
Gain on disposal of operating fixed asset	-	-
Provision for Workers' Profit Participation Fund	91	-
Provision for Workers' Welfare Fund	-	-
	11,525	12,003
Operating income/(loss) before changes in working capital	13,253	(3,459)
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	69,612	49,878
Stock-in-trade	(173,351)	(106,603)
Trade debts	(1,807)	15,553
Advances	(954)	(5,477)
Trade deposits and short-term prepayments	640	375
Other receivables	38	(37)
Increase / (decrease) in current liabilities		
Trade and other payables	78,764	49,117
Cash (used in) / generated from operations	(13,805)	(653)
Finance cost paid	(6,879)	(6,095)
Payments to provident fund	(1,470)	(681)
Taxes paid	(1,723)	(725)
Sales tax refund/payments	(4,286)	(1,514)
Workers Profit Participation Fund	(215)	-
Workers' Welfare Fund paid	-	-
Net cash used in operating activities	(28,378)	(9,668)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(3,350)	(2,165)
Right of use of asset	(474)	-
Proceeds from disposal of property, plant and equipment	-	-
Decrease/(Increase) in long term deposits	-	-
Net cash used in investing activities	(3,824)	(2,165)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	11,152	-
Repayment of lease liabilities	(45)	(45)
Net increase in short term borrowings	21,060	13,669
Net cash generated from financing activities	32,167	13,624
Net increase in cash and cash equivalents	(35)	1,791
Cash and cash equivalents at the beginning of the period	465	321
Cash and cash equivalents at the end of the period	430	2,112

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

LAHORE
DATE: October 29, 2020


KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

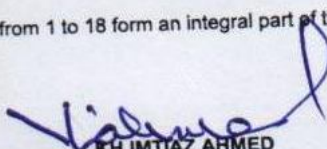
LEINER PAK GELATINE LIMITED

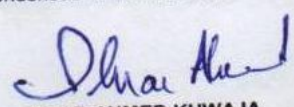
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

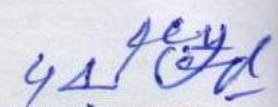
	Share capital	Reserves		Total
		Revenue Reserve	Capital Reserve	
	Issued, subscribed and paid up share capital	Un appropriated profit / accumulated (loss)	Surplus on revaluation of property, plant and equipment	
.....Rupees in thousand.....				
Balance as at 01 July 2019	75,000	(5,200)	336,262	406,062
Total comprehensive loss for the three months period ended September 30, 2019	-	(16,219)	-	(16,219)
Balance as at September 30, 2019	75,000	(21,419)	336,262	389,843
Balance as at 01 July 2020	75,000	(3,272)	336,262	407,990
Total comprehensive income for the three months period ended September 30, 2020	-	512	-	512
Balance as at September 30, 2020	75,000	(2,760)	336,262	408,502

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

LAHORE
DATE: October 29, 2020


KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director


IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

1 The Company and its operations

Leiner Pak Gelatine Limited ("the Company") was incorporated in Pakistan on 14 February 1983 as a public limited Company. The registered office of the Company is situated at 17-G, Gulberg II, Lahore and manufacturing facility is located at 19 Kilometer, Shahrah-e-Pakistan, Kala Shah Kaku, District Sheikhpura. The Company is listed on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of gelatine and di-calcium phosphate etc., produced from animal bones.

2 Going concern basis of accounting

The company has negative cash flow from operating activities during the three months period ended September 30, 2020 and, as of that date, its accumulated loss was Rupees 2.760 million and its current liabilities exceeded its current assets by Rupees 75.449 million. Further, as mentioned in note 10.5 in these condensed interim financial statements, the running finance facility amounting to Rs.30 million from the Summit Bank Limited has been expired during the year ended June 30, 2019 and the bank has not yet renewed it for the future periods. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The effects of measures taken by the management of the Company like (i) energy conservation measures, (ii) start of procurement of raw materials direct from the source by avoiding the middleman role and (iii) shifting from use of crushed bone to procurement of raw bone and doing in-house crushing, have positive impact on the performance of the Company whereby rate of gross profit has further improved resulting into profit after tax amounting to Rs. 0.512 million during the three months period ended September 30, 2020. The approved financial projections also show continued improvements and profitability. Further, keeping in view the following factors, the management foresees that the Company will continue to be a going concern.

- There is continued demand for the products of the Company. Demand of "Halal" Gelatine exists in foreign and local markets as "Halal" Gelatine is equally consumed in Muslim and Non-Muslim countries. After devaluation of Pakistan Rupee against US \$, the export sales will further increase in future.
- There is continued financial support of the Company's sponsors. The sponsors' of the Company have inducted up to September 30, 2020 Rupees 82.513 million (June 30, 2020: Rupees 80.263 million) interest free loans. They are also committed to induct further funds, if the need arises, to address any liquidity issues for smooth operations.
- Major financing arrangements with banks as at September 30, 2020 are valid and for future periods as well. The Summit Bank running finance account is fully operational and banking transactions are being made therein regularly up to the sanctioned limit. The management of the Company is engaged with the said bank for renewal of the facility as well as working on arranging alternate financing arrangements, if required.

Apart from the aforementioned factors there are also positive indicators as per these condensed interim financial statements as mentioned below:

- a) The existence of new sales orders along with advance payments received there against; and
- b) Profit after taxation during the current period and continuous existence of profits before taxation since past more than five years to date.

These interim financial statements have, therefore, been prepared using going concern basis of accounting and, accordingly, do not include any adjustment relating to realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as going concern.

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:

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

- - International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards 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 from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 3.2 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2020, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the condensed interim financial statements for the three months ended September 30, 2020.
- 3.3 These condensed interim financial statements have been prepared under the historical cost convention except for freehold land at revalued amount. In these financial statements, except for the statement of cash flows, all transactions have been accounted for on accrual basis.
- 3.4 Items included in condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. The condensed interim financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

4 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in preparation of the annual published financial statements for the year ended 30 June 2020 except as detail in note 4.1 below:

4.1 New amendments / interpretations to existing standards

The following are new and amended standards and interpretations that are mandatory for the accounting periods beginning 01 July, 2019 in addition to IFRS 16 – Leases. The following are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

Effective date (Annual Periods beginning on Or after)		
IFRS 3	Business Combinations	January 01, 2019
IFRS 9	Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 11	Joint Arrangement	January 01, 2019
IAS 12	Income Tax	January 01, 2019
IAS 19	Employee Benefits	January 01, 2019
IAS 23	Borrowing Costs	January 01, 2019
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures	January 01, 2019
IFRS 14	Regulatory Deferral Accounts - Original issue	July 01, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019
IFRS 8	Operating Segments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019

5 Judgments, estimates and assumptions

The preparation of the condensed interim financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Judgments, accounting estimates and assumptions made by the management in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2020.

6 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements as at and for the year ended 30 June 2020.

7 Share capital

Authorised share capital

10,000,000 (June 30, 2020: 10,000,000) ordinary shares of Rupees 10 each

Issued, subscribed and paid up share capital

7,500,000 (June 30, 2020: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash

8 Long term finance - secured

Bank Al Habib Limited

Current portion shown under current liabilities

Deferred Income-Government Grant

Current portion shown under current liabilities

9 Lease liabilities

Present value of minimum lease payments

Less: Current portion presented under current liabilities

10 Short term borrowings

From banking companies-secured

Finance against packing credit (FAPC-1-Own)

Bank Al-Habib Limited

Short term finance against payables

Bank Al-Habib Limited

Short term finance against IBP receivables

Bank Al-Habib Limited

Running finance

Bank Al-Habib Limited

Summit Bank Limited

From related parties-unsecured

Loans from director and close relative thereof

(Un-audited) September 30, 2020	(Audited) June 30, 2020
..... Rupees in thousand.....	

100,000	100,000
75,000	75,000
75,000	75,000
22,084	11,650
(8,628)	(2,354)
13,456	9,296
2,116	1,398
(447)	(908)
1,669	490
15,125	9,786
5,457	5,976
3,150	2,339
2,307	3,637
10.1	22,000
10.2, 10.6	25,000
10.3, 10.6	25,000
10.4, 10.6	142,773
10.5, 10.7	29,981
	244,754
10.9	82,513
	327,267
	80,263
	306,207

10.1 The short term finance facility (FAPC-1 Own preshipment 120 days one off basis) is extended by Bank Al Habib Limited. This facility is bearing markup 03 months Kibor plus 1.75% per annum. Repayment of principal amount is to be made upon realization of export proceeds.

10.2 The short term finance facility having sanctioned limit of Rupees 25 million (June 30, 2020: Rupees 25 million) has been obtained from Bank Al-Habib Limited for purchase of raw material. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2020: three months KIBOR plus 1.75%) per annum payable quarterly. The principle amount is to be repaid in 60 days through business cash flows. The facility is valid till February 07, 2021 with credit review on annual basis.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

- 10.3 The IBP receivable finance facility having sanctioned limit of Rupees 25 million (June 30, 2020: Rupees 25 million) has been obtained from Bank Al-Habib Limited for financing of receivables. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2020: three months KIBOR plus 1.75%) per annum. The principal amount is to be repaid upon realization of export proceeds as per tenure of respective bill but not later than 60 days from draw down date or on demand while mark-up is to be serviced upon adjustment of each loan or at the end of each calendar quarter whichever is earlier. The facility is valid till February 07, 2021 with credit review on annual basis.
- 10.4 The running finance facility having sanctioned limit of Rupees 85 million (June 30, 2020: Rupees 85 million) has been obtained from Bank Al-Habib Limited for working capital requirements. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2020: three months KIBOR plus 1.75%) per annum payable quarterly. The sanctioned limit has temporarily been exceeded due to issuance of cheques which will be presented after September 30, 2020. The facility is valid till February 07, 2021 with credit review on annual basis.
- 10.5 The running finance facility having sanctioned limit of Rupees 30 million (June 30, 2020: Rupees 30 million) has been obtained from Summit Bank Limited for working capital requirements. It carries mark-up at three months KIBOR plus 2.50% (June 30, 2020: three months KIBOR plus 2.50%) per annum payable quarterly. The facility was valid till September 30, 2018 and currently the Company is in negotiation with the bank for renewal of this facility.
- 10.6 The facilities mentioned in 10.2, 10.3 and 10.4 are commonly secured against first pari passu charge of Rupees 180 million (June 2020: Rupees 180 million) over current assets of the Company registered with SECP. Equitable mortgage supported by first pari passu charge on fixed assets of Rupees 300 million (June 30, 2020: Rupees 250 million) comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Lien over export documents under letter of credit and contract, shipping documents, accepted drafts, counter guarantee of the Company and personal guarantees of three Directors/Shareholders amounting to Rupees 250 million each (June 30, 2020: Rupees 250 million).
- 10.7 The facility mentioned in 10.5 is commonly secured against ranking charge of Rupees 40 million (June 30, 2020: Rupees 40 million) over all present & future current assets of the Company with 25% margin, duly insured, with Summit Bank Limited and registered with SECP. Pari passu charge on fixed assets, comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Personal guarantees of three Directors along with Personal Net Worth Statement (PNWS).
- 10.8 As at September 30, 2020 the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/usance) amounting to Rupees 5 million (June 30, 2020: Rupees 5 million). Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2020: Rupees 15 million) from Bank Al-Habib Limited.
- 10.9 The Loans from Chief Executive/director (Kh.Imtiaz Ahmed) and his close relative (Kh.Ahmed Hassan) amounting to Rs.66.813 million (June 30, 2020: Rs.66.658 million) and Rs.15.700 million (June 30, 2020: Rs.13.605 million) respectively, are for working capital requirements. These loans are re-payable on demand and non-interest bearing.

11 Contingencies and commitments

There have been no significant changes in contingencies as disclosed in the notes to the preceding annual published financial statements for the year ended June 30, 2020.

Guarantees issued by bank on behalf of Company as at September 30, 2020 amounting to Rupees 11.256 million (June 30, 2020: Rupees 11.256 million).

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020 Rupees in thousand.....	(Audited) June 30, 2020
12 Property, plant and equipment			
Operating fixed assets	12.1	486,479	490,558
Capital work in progress	12.4	14,649	11,397
		<u>501,128</u>	<u>501,955</u>
12.1 Opening book value		490,558	473,992
Cost of additions during the period / year	12.2	98	33,024
Less:			
Deletion during the period / year (book value)	12.3	-	7
Depreciation charged during the period / year		4,177	16,451
		<u>486,479</u>	<u>490,558</u>
12.2 Cost of addition during the period / year			
Factory building- on freehold land		-	7,175
Plant and machinery		-	19,018
Electric installation and equipment		-	91
Office equipment		98	73
Right of-use-asset		-	6,667
		<u>98</u>	<u>33,024</u>
12.3 Deletion during the period / year			
Cost		-	216
Depreciation		-	209
		<u>-</u>	<u>7</u>
12.4 Capital work in progress			
Opening balance		11,397	13,188
Additions during the period / year		3,252	16,911
		<u>14,649</u>	<u>30,099</u>
Transfer to operating fixed assets		-	18,702
Closing balance		<u>14,649</u>	<u>11,397</u>

13 The intangible assets represents computer software costing Rupees 70,000 which is fully amortized.

14 Taxation

The provision for current taxation has been made on minimum tax under Section 113 and Section 154 for income from export sales under fixed tax regime of Income Tax Ordinance, 2001.

Finance Act 2020 has fixed the corporate tax rate for Companies at 29% for current as well as future tax years. Deferred tax has been measured at the rates that are expected to be applied to the temporary differences when those are expected to reverse based on the rates enacted or substantively enacted by the reporting date.

15 Earning/(Loss) per share-basic and diluted

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

	September 30, 2020	September 30, 2019
	..Rupees in thousand..	
Profit/(Loss) after taxation	512	(16,219)
Weighted average number of ordinary shares	7,500	7,500
Earning/(Loss) per share-basic and diluted (Rupees)	0.07	(2.16)

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

16 Transactions with related parties

The related parties comprise of associated Company, directors of the company and their close relatives, key management personnel and post employment contribution plan. Detail of transactions with related parties with whom the Company had entered into transactions or have arrangements / agreements in place are as follows:

Nature of relation	Nature of transaction	September 30,	September 30,
		2020	2019
	Rupees in thousand.....	
16.1 Key management personnel			
	Loan obtained from chief executive - Khwaja Imtiaz Ahmed	2,110	-
	Loan repaid to chief executive - Khwaja Imtiaz Ahmed	1,955	-
	Loan obtained from close relative - Khwaja Ahmed Hassan	10,555	-
	Loan repaid to close relative - Khwaja Ahmed Hassan	8,460	-
	Remuneration	1,053	1,053
16.2 Contribution to Provident Fund			
	Contribution to provident fund Trust	818	741
16.3 The outstanding balances with above related parties are included in Trade and other payables "Payable to Provident fund" as at September 30, 2020 Rs.793,426 (June 30, 2020: Rs. 735,965) and Short term borrowings (note 10) "Short term borrowings from related parties" as at September 30, 2020 Rs. 82.513 million (June 30, 2020: Rs. 80.263 million)			

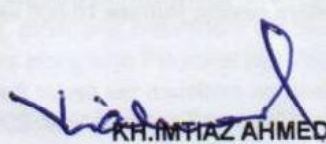
17 Date of authorization for issue

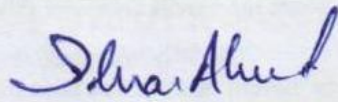
These condensed interim financial statements were authorized for issue by the Board of Directors on October 29, 2020.

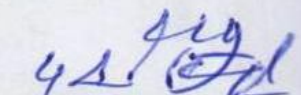
18 General

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

LAHORE
DATE: October 29, 2020


KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director


IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

BOOK POST PRINTED MATTER

Reason for Return Mail (English)	Reason for Return Mail (Urdu)
Shareholder Shifted	منتقل ہو گئے
No Such Consignee	اس نام سے کوئی نہیں
House / Office Closed	گھر / دفتر بند ہے
Incomplete Address	پتہ نامکمل ہے
Retired	ریٹائر
Passed Away	انتقال کر گئے
Need Building Name	بلڈنگ کا نام درکار ہے
Need House / Gali / Plot No.	پلاٹ / گھر / گلی نمبر درکار ہے
Out of City / Country	شہر / ملک سے باہر ہیں
Share Refused to Accept	وصول کرنے سے انکار
Non Service Area	رسائی ممکن نہیں
Any Other Reason, Please Mention Hereunder:	کوئی اور وجہ / پیچھے لکھیں:

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