



LEINER PAK GELATINE LTD.

2025 **ANNUAL**
REPORT

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**COMPANY INFORMATION
BOARD OF DIRECTORS**

Mr. Ahmed Ali Riaz	Chairman
Khwaja Imtiaz Ahmed	Chief Executive & Managing Director
Abrar Ahmed Khwaja	Executive Director
Ijaz Ahmed Khwaja	Non-Executive Director
Ayesha Ahmed	Non-Executive Director
Rashid Minhas	Independent Director
Syed Rizwan Haider	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)

SUSTAINABILITY COMMITTEE

Ahmed Ali Riaz (Chairman)
Ijaz Ahmed Khwaja (Member)
Ayesha Ahmed (Member)

COMPANY SECRETARY

Abrar 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

Labeeb Zafar Bajwa

Advocate

4-A, Mozang Road, 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 Sheikhpura.

Ph. #: 0092-42-37950018 – 37980179

BANKERS

Bank Al Habib Limited

Bank Makramah Limited

Habib Bank Limited

United Bank Limited

National Bank of Pakistan

Bank Islami Pakistan Limited

MCB Bank Limited-Islamic Banking

Bank Alfalah Limited-Islamic Banking



LEINER PAK GELATINE LIMITED

NOTICE OF 42nd ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting of LEINER PAK GELATINE LTD., will be held on Tuesday, the 28th October, 2025 at 10.00 A.M. at the Registered office of the Company, 17/G, Gulberg-2, Lahore-54660 to transact the following business:

1. Recitation from the Holy Quran.
2. To confirm the minutes of the Extra Ordinary General Meeting held on Saturday, 18th January, 2025.
3. To receive and adopt the Annual Accounts of the Company for the Year ended 30th June, 2025 together with Directors' and Auditors' Report thereon.
4. To appoint the Auditors of the Company for the year ending 30th June, 2026 and to fix their remuneration.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP S.R.O. 389(1)/2023 dated March 21, 2023, the financial statements of the company can be accessed through the following weblink and QR enable code:

<http://www.leinerpakgelatine.com/reports.php?type=1>



BY ORDER OF THE BOARD,

**(ABRAR AHMED KHWAJA),
COMPANY SECRETARY.**

LAHORE:

DATED: 07th October, 2025.

NOTES:

1. The Share Transfer Books of the Company will remain closed from 22nd October, 2025 to 28th October, 2025 (both days inclusive). Shares may be lodged for transfer with our Registrar M/s CORPLINK (PVT) LTD., Wings Arcade, 1-K, Commercial, Model Town, Lahore. Phone Nos: 042-35839182, 35887262, 35916719 Fax No: 042-35869037.
2. The Shareholders are advised to notify the Registrar of any change in their address.
3. The shareholders intending to participate in the meeting via video link are hereby requested to share the following information for obtaining video link and login credentials, with the office of the company secretary:
Shareholder's Name, CNIC Number, Folio/CDC Account No., Active Mobile Phone Number and Email address for timely communication.

This information shall be sent not later than 48 hours before the time of AGM at Email: info@leinerpakgelatine.com

4. A member entitled to attend and vote at this meeting may appoint another member as proxy to attend and vote instead of him. The Proxy Form duly signed and stamped must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. Proxy form can be downloaded from Company's website (www.leinerpakgelatine.com).
5. Any individual beneficial owner of the share in the Central Depository Company (CDC) entitled to vote at this meeting with him/her to prove him/her identity together with his/her Account number in CDC and in case of proxy, must enclose an attested copy of his/her CNIC. Representative of Corporate Members should bring the usual documents required for such purpose.
6. Pursuant to the directive of the Securities and Exchange Commission of Pakistan (SECP), CNIC numbers of shareholders are mandatory required on dividend warrants. Shareholders are therefore requested to submit a copy of their CNIC (if not already provided) to the Shares Registrar. In case of non-receipt of the copy of a valid CNIC, the company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 of SECP and therefore will be constrained under SECP order dated July 13, 2015 to withhold the dispatch of dividend warrants of such shareholders.
7. Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/s Corplink (Pvt) Limited to collect / enquire about their unclaimed dividend or pending shares, if any.
8. As per section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. The shareholders having physical shareholding are therefore requested to open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into scrip less form.
9. Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company received consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

"I/We, _____ of _____, being a member of Leiner Pak Gelatine limited, holder of _____ ordinary Share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."

VISION STATEMENT

Continue to lead the domestic industry in Gelatine manufacturing with technology and quality of the product along with persistent recognition in international market in the line of code of conduct and best practices of corporate governance.

MISSION

The mission of the management of the company is to focus on the vision and its accomplishment by:

- Adoption of advanced technologies in Gelatine manufacturing.
- Investment in human resources to create and strengthen professional environment.
- Developing company's code of conduct and pursuance of best practices of corporate governance.
- Exploring new international markets with the satisfaction of existing customers.
- Continuous improvement of quality system, environmental management system from ISO-9001:2000, ISO 14000 (already obtained) to other achievements of quality management.
- Fetching and delivering healthy returns to all stakeholders.
- Contribution towards economic and social uplift of employees and community in general.

CORPORATE STRATEGY

OBJECTIVES

Our corporate strategy is very much in line with vision and mission statement. Strategic objectives are covering the following areas.

- Sustainable growth.
- Promotion for efficient use of energy.
- Innovation in product line.
- Customer satisfaction.
- Adherence to the code of conduct.
- Safeguard the shareholders interest.
- Continuous improvement of human capital.

STRATEGIC PLANNING

It is planned to innovate the product line with scheduled R&D activities. Energy Conservation through calibration, expert advises and induction of efficient machinery and replacing the old production line which shall lead to sustainable growth. Well-equipped quality assurance department is maintained to achieve consistency in quality of the products. Optimal utilization of Company resources to achieve the economy level. Investment in human capital by participating in workshops, conferences, and different technical courses offered by reputed institutions. Formulation of Code of Conduct for better governance and to bring corporate culture in Company.

CHAIRMAN'S REVIEW

On behalf of the Board of Directors, I warmly welcome all participants to the Annual General Meeting of Leiner Pak Gelatine Limited. It is my pleasure to present the 42nd Annual Report.

In the fiscal year 2024-25, Pakistan's economy showed signs of stability but remained below its growth potential. In the second half of the fiscal year, inflation pressure began to ease after a period of sharp increase driven by elevated energy costs, currency weakening, and food supply disruptions. The moderation in inflation was largely a result of State Bank of Pakistan's stringent monetary stance, which involved maintaining elevated interest rates to dampen and support the currency. Although State Bank cautiously relaxed its policy as price pressures reduced, inflation remained persistently above targets for much of the year. Despite these effects, the broader economic landscape remained vulnerable.

During the year company's sales remained subdued. The company registered its turnover at Rs. 1.629 billion as compared to Rs.3.345 billion in previous year. This downturn in sales is largely attributed to a decline in gelatin exports, alongside a notable correction in domestic pricing. Export performance was impacted by synchronized slowdown in global economy as well as inventory adjustments by international buyers who reverted their procurement levels to pre-pandemic norms. On the domestic front, rising consumer prices have eroded purchasing power, leading to sluggish demand and downward pressure on gelatin prices. The overall slowdown in economic activity both at domestic level and abroad has weighed heavily on sales performance and financial out comes during the year which restricted the company's profit at Rs. 15.822 million.

Company policies and procedures have been developed and put in place to ensure adherence to relevant laws and best practices including Code of Corporate Governance Regulations, 2019. The Board operates in accordance with the principles of Code of Corporate Governance as do its committees (Audit Committee, Human Resource, Remuneration Committee and Sustainability Committee). Board is having two independent and one female Director in total seven Directors. Board held 6 meetings in a year.

In compliance with the provisions of the Code of Corporate Governance, the company has implemented a system for evaluating Directors. This evaluation is conducted annually. The pending Directors training program for three Directors will be accomplished in coming days. The company has implemented various policies which include anti-harassment policy, diversity, equity & inclusion policy (DE&I) and CSR policy with a focus to create safe work place for everyone, equal opportunities for its staff members and to facilitate community in health and education front.

Board of Directors recognizes the contribution of company employees to the success of your company.

LAHORE
DATED: October 07, 2025

AHMED ALI RIAZ
Chairman

چیرمین کی جائزہ رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے سالانہ جنرل میٹنگ کے تمام شرکاء کو خوش آمدید کہتا ہوں۔ مجھے بیالیسویں سالانہ رپورٹ کے پیش کرنے پر بہت خوشی ہے۔

مالی سال ۲۰۲۴-۲۵ میں پاکستان کی معیشت نے گواہی دے کر دکھایا ہے مگر معیشت ممکنہ ترقی سے نیچے ہی رہی ہے۔ مالی سال کے دوسرے نصف حصہ میں افراط زر کے دباؤ میں کمی واقع ہوئی تھی جو کہ توانائی کی قیمت میں اضافہ، کمزور کرنسی اور خوراک کی ترسیل میں رکاوٹ کی وجہ سے پیدا ہوا تھا۔ افراط زر میں اعتدال کی بڑی وجہ سٹیٹ بینک آف پاکستان کی سخت مانیٹری پالیسی ہے جس کی وجہ سے سود کی شرح کو بڑھا کر کرنسی کو سپورٹ کیا گیا۔ اگرچہ قیمتوں کے پریش میں کمی سے سٹیٹ بینک نے پالیسی ریٹ کو کم کرنے کے لیے احتیاط سے کام لیا مگر افراط زر پھر بھی سال کے زیادہ تر حصہ میں اپنے ہدف سے زیادہ ہی رہا ہے۔ ان تمام اثرات کے باوجود مجموعی طور پر معیشت کمزوری کا شکار رہی ہے۔

اس سال کمپنی کی فروخت میں کمی واقع ہوئی ہے۔ کمپنی کی فروخت پچھلے سال کی فروخت مبلغ ۳.۳۴۵ بلین روپے کے مقابلے میں مبلغ ۱.۶۲۹ بلین روپے رہی ہے۔ فروخت کی یہ کمی زیادہ تر جیلائن کی ایکسپورٹ میں کمی اور اس کے ساتھ ساتھ مقامی طور پر ہونے والی قیمتوں میں کمی کی وجہ سے ہوئی ہے۔ مقامی منڈی میں قیمتوں میں ہونے والے اضافے کی وجہ سے قوت خرید میں کمی واقع ہوئی جس کی وجہ سے طلب میں کمی واقع ہوئی اور جیلائن کی قیمتوں پر منفی دباؤ بھی آیا۔ مقامی طور پر اور ایکسپورٹ میں ہونے والی مجموعی کمی نے فروخت کی کارکردگی اور مالی کارکردگی پر بہت بڑا اثر ڈالا جس کی وجہ سے کمپنی کا منافع ۵.۸۲۲ بلین روپے پر منتج ہوا۔

کمپنی کی پالیسیاں اور طریقہ کار اس طرح وضع کئے گئے ہیں تاکہ متعلقہ قوانین، بہتر طریقہ کار بشمول کوڈ آف کارپوریٹ گورننس ریگولیشن ۲۰۱۹ء پر عمل پیرا ہونے کو یقینی بنایا جاسکے۔ بورڈ بھی کوڈ آف کارپوریٹ گورننس کے حصول کے مطابق کام کرتا ہے جیسا کہ اس کی کمیٹیاں (آڈٹ کمیٹی، ہیومن ریسورسز اینڈ ریوژنیشن کمیٹی اور سسٹیمز کمیٹی) عمل پیرا ہیں۔ بورڈ میں سات میں سے دو خود مختار اور ایک خاتون ڈائریکٹر شامل ہیں۔ بورڈ نے اس سال چھ میٹنگز منعقد کی ہیں۔

کمپنی ہڈانے ڈائریکٹران کی کارکردگی کا جائزہ لینے کے لیے کوڈ آف کارپوریٹ گورننس کی شقوں کے مطابق نظام وضع کر رکھا ہے۔ کارکردگی کا جائزہ سالانہ بنیادوں پر ہے۔ زیر التواء ڈائریکٹران کی ٹریننگ کا پروگرام آنے والے دنوں میں مکمل کر لیا جائے گا۔ کمپنی نے مختلف پالیسیوں کا نفاذ بھی کر رکھا ہے جس میں اینٹی ہراسمنٹ پالیسی، ڈی۔ای اینڈ آئی اور کارپوریٹ سماجی ذمہ داری کی پالیسی بھی شامل ہیں اور ان میں اس بات کو مد نظر رکھا گیا ہے کہ کمپنی میں سب کے لیے محفوظ کام کی جگہ بنائی جائے، تمام سٹاف کو یکساں مواقع کا حصول ہوں، سماج کو صحت اور تعلیم کے میدان میں مدد کی جائے۔

بورڈ آف ڈائریکٹرز کمپنی کی کامیابی میں اپنے ملازمین کی خدمات کا اعتراف کرتے ہیں۔

احمد علی ریاض

چیرمین

لاہور

۷ اکتوبر ۲۰۲۵ء

DIRECTORS' REPORT

The Directors are pleased to present the 42nd Annual Report along with company's financial statements for the year ended 30th June, 2025 together with Auditors' Report thereon.

PRINCIPAL ACTIVITY

Leiner Pak Gelatine Limited is involved in manufacturing "Halal" Gelatine and Di-calcium Phosphate (by product).

OPERATIONS

In the year 2024-25 Pakistan's economy faced high inflation and low growth, but there were signs of gradual stabilization. Inflation, which had surged due to energy price hikes, currency depreciation, and food supply issues, began to ease in second half of the fiscal year. This decline was largely driven by tight monetary policy, as the State Bank of Pakistan maintained high interest rates to control demand and stabilize the currency. As inflation began to slow, monetary policy was also cautiously eased. Despite this, inflation remained above target for much of the year, and overall economic environment stayed fragile due to fiscal pressure, low investment, and political uncertainty.

This year company posted top line at Rs.1.629 billion as compared to Rs.3.345 billion sales in previous year and recorded notable decline 51.30% from previous year. During the year company encountered significant challenges in both domestic and international markets which adversely impacted overall sales performance.

The overall decline in company sales is largely attributed to the tepid pace of gelatine export. Shrinkage in export sales stems from a wide spread economic downturn affecting multiple international markets simultaneously and alignment of raw material inventory levels by the foreign buyers prior to the pandemic level. Due to the availability of excess stocks with some potential buyers, export orders were deferred, which has reduced the urgency for fresh shipments. As result of this deferment company witnessed temporary decline in export volumes.

Company's production facility is designed for production of premium quality gelatin from bovine animal bones. The demand of high quality gelatin in domestic market (especially in confectionary industry) is affected due to availability of low priced substitutes. Additionally, the rise in consumer price index (CPI) in Pakistan has led to move cautious purchasing approach from buyers, leading to a downward revision in their orders.

A combination of sluggish demand in domestic market and deferment of export orders from foreign buyers, led to notable reduction in sales volumes. The plunge in sales during the year placed considerable pressure on overall financial performance, ultimately resulting in profit after tax Rs. 15.822 million.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Company is fully compliant with the Code of Corporate Governance and Corporate and Financial Reporting framework of the Securities & Exchange Commission of Pakistan (SECP). Board is pleased to place following statement on record:

1. The financial statements prepared by the management of the company present fairly its state of the affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. The accounting estimates wherever required are based on reasonable and prudent judgment.
4. IFRS and International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There has been no material departure from the best practices of corporate governance, as detailed in listing regulations.
7. Outstanding taxes, duties and charges have been disclosed in the financial statements.

KEY OPERATING AND FINANCIAL DATA OF LAST SIX YEARS

Years ending on June:	2024	2023	2022	2021	2020	2019
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Turnover	3,344,534	2,335,021	1,012,393	941,515	660,888	779,659
Profit after Taxation	81,519	66,673	8,276	5,004	1,928	2,537
Assets	1,872,143	1,839,350	1,611,306	1,145,211	994,892	860,191
Dividend	-	-	-	-	-	-
Non-current Liabilities	22,693	22,087	12,400	23,378	13,423	864

ADEQUACY OF INTERNAL CONTROL

Internal control system of the company is properly designed keeping in view the nature of business and materiality of the transactions involved. Internal control system is periodically reviewed by the audit committee and improvements in the system are made keeping in view recommendations of internal audit department.

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

The "Statement of Value Addition and its Distribution is annexed to the report".

DIRECTORS' REMUNERATION

Remuneration of the Board of Directors is approved by the Board. Non-executive Directors and independent Directors are entitled for fee for attending the meetings. Remuneration of Director and Chief Executive Officer are disclosed in Note No. 40 to the financial statements for the year ended June 30, 2025.

DIRECTORS OF THE COMPANY

During the year following Directors served on the Board of the company.

Sr. No.	Name of Directors	Number of Meetings
1.	Ahmed Ali Riaz	6
2.	Khwaja Imtiaz Ahmed	6
3.	Ijaz Ahmed Khwaja	6
4.	Abrar Ahmed Khwaja	6
5.	Ayesha Ahmed	6
6.	Rashid Minhas (independent)	6
7.	Syed Rizwan Haider (independent)	6

APPROPRIATIONS

Management of the company has made strategic decision to utilize the funds against profits in research and development and to undertake some major overhauling of the manufacturing facility and it has been decided to omit the dividend for the current year.

EARNING RATIO:

The earning per share after tax works out to Rs.2.11 {last year Rs.10.87 }.

PROVIDENT FUND

The company operates an approved contributory provident fund covering all permanent employees. The value of the fund at the year ended 30th June, 2025 is Rs.222.517 million. The investment values of the respective fund is as follows:

Provident Fund

Last audited statements	June 30, 2025
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Investments at fair value Rs.(000s)	<u>141,299</u>
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These funds are invested as given below:

	Rs.(000s)
Unit Trust Schemes	72,468
Mutual Funds	2,293
Bank Deposits	19,961
Listed Securities	46,577
	<u>141,299</u>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) reflects a company's dedication to conducting business ethically while making meaningful contributions to society. As a broad and evolving concept, CSR can manifest in various forms depending on the nature of the company and its industry. Leiner Pak consistently demonstrates its commitment to social responsibility by actively

supporting community initiatives, particularly through generous donations to the healthcare and education sectors.

OUT STANDING STATUTORY PAYMENTS

All outstanding payments are of routine nature.

CODE OF CONDUCT

Company has developed and adopted a comprehensive Code of conduct with respect to ethical practices to be followed by all employees and protection against harassment at work place. This code outlines expected behavior, prohibited conduct, and the procedure for addressing harassment at the work place. Board has also adopted controls for timely identification and redressal of unethical practices performed on the part of employees. Code of conduct is fully disseminated throughout the company.

BOARD COMMITTEES

AUDIT COMMITTEE

Company has formulated Audit Committee in accordance with code of corporate governance. This committee is headed by an independent Director. Names of Audit Committee members are given below:

Name of Directors

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

Audit Committee provides assistance to the Board of Directors in discharging their responsibilities in accordance with provisions of code of corporate governance and financial reporting framework. This committee is also entrusted to implement an effective internal control system and forward recommendations to the Board of Directors for further improve of the systems.

Audit Committee's other responsibilities in the light of code of corporate governance also include the following:

1. Determination of appropriate measures to safeguard the company's assets;
2. Review of annual and interim financial statements of the company, prior to their approval by the board, focusing on;
 - a) major judgmental areas;
 - b) significant adjustments resulting from the audit;
 - c) going concern assumption;
 - d) any changes in accounting policies and practices;
 - e) compliance with applicable accounting standards;
 - f) compliance with the regulations of code of corporate governance and other statutory and regulatory requirements; and
 - g) all related party transactions;

3. Review of the preliminary announcements of results prior to external communication and publication;
4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
5. Review of management letter issued by external auditors and managements' response thereto;
6. Ensuring coordination between the internal and external auditors of the company;
7. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
9. Ascertaining the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
10. Review of the company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
11. Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with Chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
12. Determination of compliance with relevant statutory requirements;
13. Monitoring compliance with these regulations (including code of corporate governance) and identification of significant violation thereof;
14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
15. Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the regulations. The Board shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;
16. Consideration of any other issue or matter as may be assigned by the board particularly with respond to risk management done by the internal auditor and considered by the audit committee.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Human resource management is an important function of management that deals with most valuable assets of an organization which is human resource. Human Resource and Remuneration committee of the company comprises three directors, which include one executive director and one non-executive director being the members and one independent director as chairman of the committee. Following three members are entrusted by the board to form the Human Resource and Remuneration Committee:

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

In accordance with code of corporate governance, the responsibilities of the committee include:

1. Recommendation to the Board for consideration and approval a policy framework for determining remuneration of Directors (both executive and non-executive Directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;
2. undertaking annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' report disclosing therein name and qualification of such consultant and major terms of his/its appointment;
3. recommending human resource management policies to the Board;
4. recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary, and head of internal audit;
5. consideration and approval on recommendation of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
6. where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.

SUSTAINABILITY

The Board of Directors recognizes that sustainability related risks and opportunities are increasingly material to the company's long-term business strategy and financial performance. The board is also committed to integrating environmental, social, and governance (ESG) considerations into the company's strategic decision-making and risk oversight process. The Board of Directors has also constituted a sustainability committee comprising the following Board members:

Ahmed Ali Riaz	(Chairman)
Ijaz Ahmed Khwaja	(Member)
Ayesha Ahmed	(Member)

The sustainability committee has also started its function with respect to the assessment of sustainability risks and opportunities, which also includes the identification of material (ESG) risks, such as climate change, regulatory changes, social inequality, and ethical governance. The company has implemented a range of practices aligned with (ESG).

ENVIRONMENT

- Usage of biomass fuel in place of fossil fuels.
- Alternate usage of waste water.

- Energy conservation practices.

SOCIAL

- Implementation of diversity, equity & inclusion.
- Health and safety measures (company acquired HACCP and FSCC certifications).
- CSR activities with special focus on health and education of the community.

GOVERNANCE

- Diversity on the Board (Board comprising men and woman members).
- Independence of the Board (two independent directors have representation on the Board).
- Implementation of the code of conduct at the company level which also contains the principles of ethics and anti-corruption policy.
- Capacity building of senior staff members on sustainability reporting by participation in seminars and workshops.

DIVERSITY, EQUITY & INCLUSION (DE&I)

Management is committed to fostering a diverse, equitable, and inclusive workplace where every employee is valued, respected, and empowered to thrive. At Leiner Pak, we actively embrace a broad spectrum of backgrounds, experiences, and perspectives, recognizing their vital role in driving innovation and achieving excellence. In alignment with this vision, the Board has formally approved and adopted a Diversity, Equity, and Inclusion (DE&I) policy, which is being systematically implemented across all levels and departments of the organization.

GENDER PAY GAP

Mean Gap

The mean pay for women is 121.51% higher than that of men

Median Gap

The median pay for women is 130.31% higher than that of men

RISK AND UNCERTAINTIES

The company's ability to create value for its shareholders is largely shaped by broader macroeconomic conditions as well as risks inherent to its specific business operations. At present, the company is exposed to several risk areas that may affect its operational performance and overall profitability:

1. Raw Material Prices: The cost of crushed bone is a significant concern.
2. Foreign Currency Exchange Rates: Fluctuations can affect purchasing power and costs.
3. Energy Costs: The availability and prices of gas and electricity remain critical issues.

To produce premium-quality gelatin, the company depends on animal bones, primarily bovine bones which is also exported from Pakistan to international markets such as China and Japan. As a result, the company is required to purchase these raw materials at export parity prices. A devaluation of the Pakistani Rupee could further intensify procurement challenges, making it increasingly difficult to source bovine bones at competitive rates.

Currency devaluation typically contributes to cost-push inflation, driving up the prices of industrial inputs, including essential raw materials. This inflationary pressure may also lead to lower capacity utilization.

Moreover, Pakistan continues to face a persistent energy crisis, characterized by elevated costs of gas, fuel, and electricity within the manufacturing sector. Although the government is importing LNG to address industrial energy needs, these measures may fall short of resolving the broader issue. Escalating gas prices, combined with existing tariff structures, are likely to further raise production costs which may impact the profitability of the gelatine manufacturing business.

IMPACT ON ENVIRONMENT

The company remains deeply committed to its environmental responsibilities, striving continuously to minimize its ecological footprint. Our management upholds the highest standards of health, safety, and environmental stewardship to ensure the well-being of our employees and the communities in which we operate. To reinforce this commitment, the company has achieved FSSC and HACCP certifications, reflecting adherence to globally recognized benchmarks. Gelatine production at our facility is carried out in strict compliance with international standards, and to date, no adverse environmental impacts have been identified.

FUTURE PROSPECTS

Pakistan's economy entered fiscal year 2025–26 with relatively stable macroeconomic conditions and improved growth prospects. However, the recent extreme monsoon flooding has significantly disrupted the country's economic landscape. The agriculture sector has incurred substantial losses, resulting in a sharp decline in agricultural growth—from an earlier projection of 2.2% to just 1.1%. Consequently, GDP growth forecasts have been revised downward to 3.2%, compared to the initial estimate of 3.4%. The floods are also expected to drive inflation upward, particularly through rising food prices and supply disruptions. Overall, the economic outlook for FY 2025–26 is now subject to considerable downside risks, especially in the areas of food security and supply chain stability.

The company's sales are primarily driven by export markets. However, during the year, export volumes were adversely impacted due to deferment of orders by foreign buyers, largely attributed to their internal inventory management strategies. As a result of the subdued export activity, overall sales witnessed a decline compared to the previous year. The company has initiated negotiations with buyers across various regions in an effort to regain export momentum. These strategic engagements are expected to yield positive outcomes in future.

Furthermore, Company has entered into a sale agreement with its related party (Leiner Gelatine SDN. BHD. Malaysia) for the supply of equipment and machinery against 100% advance receipts as per the specifications mentioned in approved Proforma invoices. This business transaction (supply of gelatine manufacturing equipment and machinery) is a new venture in the business history of the Company which can lead to further improvement in financial performance.

TRAINING PROGRAMME OF DIRECTORS

The Company has embedded Directors' Training as an integral and ongoing component of its corporate governance framework. This initiative ensures that the Board remains well-informed

of evolving best practices and principles of effective governance. Management is fully committed to addressing any delays in the scheduling of the Directors' Orientation Program.

The company conducted election of Directors in January 18, 2025 and elected seven Directors including two independent Directors and one female Director. Out of the seven Directors on the Board, three are exempt from the training requirements as stipulated under the Code of Corporate Governance. One Director who is also a chairman has already successfully completed the Directors' Training Program (DTP). One of the independent director Mr. Rashid Minhas is an Electrical Engineer and holds an MBA from a recognized university. He brings with him colossal entrepreneurial experience. He is intended to complete his Directors' training program in next quarter. Syed Rizwan Haider, is another independent director is a Fellow of the Institute of Chartered Accountants of Pakistan (ICAP) and regularly participates in Continuing Professional Development (CPD) activities conducted by ICAP. He is also scheduled to complete the Directors' Training Program in upcoming quarter. Ayesha Ahmed a non-executive director is well-versed in key business laws owing to her background in a prominent business family and brings valuable international experience with her. She is slated to complete her Directors' Training Program in the ensuing quarter.

TRADE IN SHARES OF THE COMPANY

During the year following movements has been seen in shareholding of the Spouse of one of the Director:

Shares Purchased

Mrs. Nausheen Ibrar	1,000
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There is no any sale/purchase/transfer of the company shares during this year by Directors, Executives, their spouse and minor children.

AUDITORS

The present auditors, M/s M. Almas & Co. Chartered Accountants, Lahore, has completed their assignment for the year ended June 30, 2025 and shall retire on the conclusion of 42nd Annual General Meeting. The retiring auditors' M/s M. Almas & Co. Chartered Accountants are eligible for re-appointment.

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the audit committee considered and recommended the re-appointment and remuneration of M/s M. Almas & Co. Chartered Accountants as statutory auditors for the year 2025-2026.

PATTERN OF SHAREHOLDING

It appears on page no:73.....

ACKNOWLEDGEMENT

The Board of Directors would like to express their appreciation for the efforts and dedication of all employees which enabled the company management to run the business affairs smoothly.

KH. IMTIAZ AHMED
Chief Executive Officer & Managing Director
Lahore.

ABRAR AHMED KHAWAJA
Director

Dated: October 07, 2025

ڈائریکٹر رپورٹ

ڈائریکٹر کو ۲۲ ویں سالانہ رپورٹ جو کہ ۳۰ جون ۲۰۲۵ء کو ختم ہونے والے سال کے لیے کمپنی نے مالیاتی نتائج اور آڈیٹران کی رپورٹ پر مشتمل ہے۔ پیش کرنے پر خوشی محسوس ہو رہی ہے۔

بنیادی کاروبار:-

لائسنس یافتہ جیلاٹین لمیٹڈ ”حلال“ جیلاٹین اور ڈائریکٹ کیمسٹری فاسفیٹ (بائی پراڈکٹ) کو تیار کرنے کا کام کرتی ہے۔

کاروباری عمل:- (Operations)

سال ۲۰۲۲-۲۵ میں پاکستان کی معیشت کو افراط زر میں اضافہ اور بڑھوتری میں کمی کا سامنا رہا ہے لیکن افراط زر میں بتدریج استحکام بھی دیکھا گیا جس کے بڑھنے کی وجہ توانائی کی قیمتوں میں اضافہ، کرنسی کی قدر میں کمی اور خوراک کی فراہمی کے مسائل ہیں۔ تاہم مالی سال کے دوسرے نصف حصہ میں افراط زر میں بہتری آنا شروع ہو گئی تھی۔ اس کمی کی بڑی وجہ سخت مانیٹری پالیسی ہے کیونکہ سٹیٹ بینک آف پاکستان نے کرنسی کی طلب کو مستحکم رکھنے کے لیے شرح سود بلند سطح پر رکھا ہوا تھا۔ اس تمام کے باوجود افراط زر سال کے زیادہ تر حصہ میں ہدف سے زیادہ رہا ہے اور مالی دباؤ، سرمایہ کاری میں کمی اور سیاسی عدم استحکام کی وجہ سے مجموعی معاشی ماحول نازک صورتحال کا شکار رہا ہے۔

اس سال کمپنی کی فروخت پچھلے سال کی فروخت مبلغ ۳.۳۴۵ بلین روپے کے مقابلے میں مبلغ ۱.۶۲۹ بلین روپے رہی ہے اور پچھلے سال کے مقابلے میں ۵۱.۳۰ فیصد قابل غور کمی ہوئی ہے۔ اس سال کے دوران کمپنی کو اندرون ملک اور بیرون ملک بہت سی مشکلات کا سامنا رہا ہے جس کی وجہ سے مجموعی فروخت بری طرح متاثر ہوئی ہے۔

کمپنی کے فروخت میں مجموعی کمی کی وجہ جیلاٹین کی ایکسپورٹ میں ہونے والی کمی ہے۔ ایکسپورٹ میں کمی کی وجہ عالمی سطح پر ہونے والی اقتصادی بدحالی اور خریداروں کی طرف سے خام مال کی انوینٹری کو وبائی امراض سے پہلے والی سطح پر لانا ہے۔ کچھ بیرونی خریداروں کے پاس مال کی زیادہ موجودگی کی وجہ سے ایکسپورٹ کے آرڈر تاخیر کا شکار ہوئے جس کی وجہ سے نئی ایکسپورٹ ترسیلات میں کمی واقع ہوئی ہے۔

کمپنی کا پیداواری پلانٹ بڑے جانوروں کی ہڈیوں سے تیار ہونے والی بہترین کوالٹی کی جیلاٹین بنانے کے لیے ڈیزائن کیا گیا ہے۔ مقامی مارکیٹ (خاص طور پر کنفیکشنری کی صنعت) میں اعلیٰ کوالٹی کی جیلاٹین کی طلب میں کم قیمت پر موجود متبادل مال کی موجودگی کی وجہ سے کمی واقع ہوئی ہے۔ علاوہ ازیں پاکستان میں قیمتوں میں ہونے والے اضافہ کی وجہ سے خریدار محتاط رویہ اپنائے ہوئے ہیں جس کی وجہ سے خریداری کے آرڈروں میں بھی کمی واقع ہوئی ہے۔

مقامی مارکیٹ میں مندرے اور ایکسپورٹ کے آرڈروں میں تاخیر کے ملاپ کی وجہ سے فروخت میں قابل ذکر کمی واقع ہوئی ہے۔ فروخت میں ہونے والے کمی کی وجہ سے مجموعی مالی کارکردگی پر اب زیادہ دباؤ آیا اور بالآخر کمپنی کا بعد از ٹیکس منافع مبلغ ۱۵.۸۲۲ ملین روپے رہا ہے۔

کارپوریٹ اور مالیاتی دستاویز کا ضابطہ:-

کمپنی کوڈ آف کارپوریٹ گورننس اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے کارپوریٹ اور مالیاتی رپورٹنگ کے دائرہ کار پر پوری طرح عمل درآمد کر رہی ہے۔ بورڈ درج ذیل بیانات قلمبند کرنے میں خوشی محسوس کرتے ہیں۔

۱۔ مالی دستاویز، جو کہ کمپنی انتظامیہ کی جانب سے تیار کی گئی ہے جو منصفانہ امور کی نشاندہی، اپنے آپریشنز، نقدی کا بہاؤ اور ایکوٹی میں تبدیلی کا نتیجہ ہے۔

۲۔ کمپنی کے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا گیا ہے۔

۳۔ مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ مالی اکاؤنٹ کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ اندازے معقول اور دانش مندانہ فیصلے پر مبنی ہیں۔

۴۔ انٹرنیشنل فنانشل رپورٹنگ سٹینڈرز اور انٹرنیشنل اکاؤنٹنگ سٹینڈرز جو پاکستان میں قابل عمل ہیں کی مالی بیانات کی تیاری میں پیروی کی گئی ہے۔

۵۔ اندرونی کنٹرول کے نظام کا ڈیزائن صحیح ہے اور اس پر موثر طریقے سے عملدرآمد اور اس کی نگرانی کی گئی ہے۔

۶۔ کارپوریٹ گورننس کے بہترین طریقوں پر بغیر کسی انحراف کے عمل کیا گیا ہے جو کہ لسٹنگ کے ضابطے میں موجود ہے۔

۷۔ واجب الادائیکس، ڈیویڈز اور واجبات مالی دستاویزات میں ظاہر کیے گئے ہیں۔

گزشتہ چھ سالوں میں کلیدی آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ

ماہ جون پر ختم ہونے والے سال	۲۰۲۲ء	۲۰۲۳ء	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۰ء	۲۰۱۹ء
	روپے (000)	روپے (000)	روپے (000)	روپے (000)	روپے (000)	روپے (000)
فروخت (Turnover)	۲۴,۳۲۲,۵۳۴	۲۴,۳۳۵,۰۲۱	۱۰,۱۲۴,۳۹۳	۹,۴۱۰,۵۱۵	۶۶,۰۸۸۸	۷۷,۹۰۶,۶۵۹
بعد از ٹیکس خالص منافع	۸۱,۵۱۹	۶۶,۶۷۳	۸,۲۷۶	۵,۰۰۴	۱,۹۲۸	۲,۵۳۷
اثاثہ جات	۱,۸۷۲,۱۲۳	۱,۸۳۹,۳۵۰	۱,۶۱۱,۳۰۶	۱,۱۲۵,۴۱۱	۹۹,۴۸۹۲	۸۶,۰۱۹۱
تقسیم شدہ منافع	---	---	---	---	---	---
قرضہ جات (لمبے عرصہ کے لئے)	۲۲,۶۹۳	۲۲,۰۸۷	۱۲,۴۰۰	۲۳,۳۷۸	۱۳,۴۲۳	۸۶۴

موزوں اندرونی کنٹرول:-

کمپنی کے اندرونی کنٹرول سسٹم کو کاروبار کی نوعیت اور ٹرانزیکشن کی مالیت (materiality) کو مد نظر رکھتے ہوئے پوری طرح ترتیب دیا گیا ہے۔ آڈٹ کمیٹی وقتاً فوقتاً اندرونی کنٹرول سسٹم کا جائزہ لیتی ہے اور انٹرئل آڈٹ شعبہ کی سفارشات کو مد نظر رکھتے ہوئے سسٹم میں بہتری لائی گئی ہے۔

قدر میں اضافہ اور اس کی تقسیم کی دستاویز:-

”قدر میں اضافہ اور اس کی تقسیم کی دستاویز“ رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹران کا معاوضہ:-

ڈائریکٹران کا معاوضہ بورڈ آف ڈائریکٹرز سے منظور کیا گیا ہے۔ نان ایگزیکٹو ڈائریکٹران اور خود مختار ڈائریکٹران میٹنگوں میں شمولیت کی فیس کے اہل ہیں۔ ڈائریکٹران اور چیف ایگزیکٹو آفیسر کا معاوضہ مالیاتی دستاویزات ۳۰ جون ۲۰۲۵ء کے نوٹ نمبر ۴۰ میں دکھایا گیا ہے۔

کمپنی کے ڈائریکٹران:-

دوران سال درج ذیل ڈائریکٹران نے کمپنی کے بورڈ پر اپنی خدمات پیش کیں:-

سیریل نمبر	ڈائریکٹران کے نام	میٹنگز میں شرکت
۱	احمد علی ریاض	۶
۲	خواجہ امتیاز احمد	۶
۳	اعجاز احمد خواجہ	۶
۴	ابراہیم احمد خواجہ	۶
۵	عائشہ احمد	۶
۶	راشد منہاس	۶ انڈیپنڈنٹ
۷	سید رضوان حیدر	۶ انڈیپنڈنٹ

منافع کی تقسیم: (Appropriations)

انتظامیہ نے منافع کی مد میں حاصل ہونے والی رقم کو کمپنی کی تحقیق و ترقی اور پیداواری ادارے کی مکمل اور ہالنگ کیلئے استعمال کرنے کی حکمت عملی کا فیصلہ کیا ہے اور اس سال منافع کی تقسیم نہ کرنے کا فیصلہ کیا گیا ہے۔

منافع کا تناسب:

ہر حصے کا بعد از ٹیکس منافع مبلغ ۲.۱۱ روپے ہے۔ (پچھلے سال منافع مبلغ ۱۰.۸۷ روپے)۔

پراویڈنٹ فنڈ:-

کمپنی اپنے تمام مستقل ملازمین کیلئے ایک منظور شدہ شراکتی پراویڈنٹ فنڈ چلا رہی ہے۔ اس سال ۳۰ جون ۲۰۲۵ء تک فنڈ کی قدر مبلغ ۲۲۲.۵۱ ملین روپے ہے اس فنڈ کی سرمایہ کاری کی قدر درج ذیل ہے:-

پراویڈنٹ فنڈ

۳۰ جون ۲۰۲۵ء

۱۲۱،۲۹۹	سرمایہ کاری کی منصفانہ قدر (000) روپے
(000) روپے	فنڈ کی سرمایہ کاری درج ذیل ہے:-
۷۲،۴۶۸	یونٹ ٹرسٹ سکیمز
۲،۲۹۳	میوچل فنڈز
۱۹،۹۶۱	بینکوں میں جمع شدہ رقم
۴۶،۵۷۷	لسٹڈ سکیورٹیز
۱۲۱،۲۹۹	

کارپوریٹ سماجی ذمہ داری:

کارپوریٹ سماجی ذمہ داری کمپنی کے اپنے کاروبار کو اخلاقی طور پر انجام دینے کے ساتھ ساتھ سماج کی ترقی میں با معنی حصہ ڈالنے کا نام ہے۔ ایک وسیع اور ارتقائی تصور میں سماجی ذمہ داری کی مختلف اشکال ہو سکتی ہیں جو کہ کمپنی اور اس کے کاروبار کی نوعیت کے مطابق ہو سکتی ہیں۔ لائبریا پاک سماج کو مختلف امور میں مدد جس میں صحت اور تعلیم کے میدان میں فراخ دلانہ عطیات شامل ہیں کی انجام دہی میں تسلسل کے ساتھ عمل پیرا ہے۔

سٹیچوٹری بقایا جات کی ادائیگی:

تمام بقایا جات کی ادائیگی معمول کے مطابق ہے۔

ضابطہ اخلاق:

کمپنی نے اپنے تمام ملازمین کی اخلاقی اقدار کی پیروی کرنے اور کام کرنے کی جگہ کو ہر اسگی کے خلاف حفاظت کے لئے ایک مکمل ضابطہ اخلاق تیار کیا اور اس کو اپنایا ہوا ہے۔ اس ضابطہ اخلاق میں ملازمین کے متوقع رویے، ممنوع عمل اور کام کرنے کی جگہ کو ہر اسمنٹ سے نمٹنے کے لیے مواد شامل ہے۔ بورڈ نے ایسے کنٹرولز بھی اپنا رکھے ہیں جن سے ملازمین کی طرف سے غیر اخلاقی کام کی بروقت نشاندہی کی جاسکے۔ ضابطہ اخلاق کی ادارہ کی ہر سطح پر آگاہی کر دی گئی ہے۔

بورڈ کمیٹیاں:

آڈٹ کمیٹی:

کمپنی کے کوڈ آف کارپوریٹ گورننس کے مطابق آڈٹ کمیٹی کی تشکیل کی ہے۔ اس کمیٹی کا سربراہ ایک انڈیپنڈنٹ ڈائریکٹر ہے۔ آڈٹ کمیٹی کے ممبران کے نام درج ذیل ہیں:-

راشد منہاس (چیئرمین)

اعجاز احمد خواجہ (ممبر)

احمد علی ریاض (ممبر)

آڈٹ کمیٹی ڈائریکٹران کو کوڈ آف کارپوریٹ گورننس اور مالیاتی دستاویزات کے ضابطوں کے مطابق ان کی ذمہ داریوں کو پورا کرنے میں ان کی مدد کرتی ہے۔ آڈٹ کمیٹی کو یہ ذمہ داری بھی سونپی گئی ہے کہ وہ ایک موثر اندرونی کنٹرول کو نافذ کرے اور سسٹم کو مزید بہتر بنانے کیلئے سفارشات ڈائریکٹران تک پہنچائے۔ آڈٹ کمیٹی کوڈ آف کارپوریٹ گورننس کی روشنی میں درج ذیل مزید عوامل کی بھی ذمہ دار ہے:-

(۱) کمپنی کے اثاثہ جات کے تحفظ کیلئے مناسب اقدام لینا۔

(۲) بورڈ کی منظوری سے پہلے کمپنی کی عبوری اور سالانہ مالیاتی تفصیلات کا درج ذیل کو مد نظر رکھتے ہوئے جائزہ لینا۔

(i) بڑے Judgemental حصے۔

(ii) آڈٹ کے باعث ہونے والی اہم ایڈجسٹمنٹس۔

(iii) کاروبار کے جاری رہنے کا جائزہ۔

(iv) اکاؤنٹنگ پالیسیوں اور پریکٹس میں ہونے والی کوئی تبدیلی۔

(v) قابل اطلاق اکاؤنٹنگ اسٹینڈرڈز پر عمل پیرا ہونا۔

(vi) ان ریگولیٹری اور دوسری قانونی ضروریات پر عمل درآمد کرنا؛ اور۔

(vii) تمام ریلیفیڈ لوگوں کے ساتھ ہونے والے لین دین۔

(۳) تفصیلات کی بیرونی ترسیل اور نشر ہونے سے پہلے ان کا ابتدائی جائزہ لینا۔

- (۴) بیرونی آڈٹ میں سہولت فراہم کرنا اور بیرونی آڈیٹران کے ساتھ عبوری اور مکمل آڈٹ کے دوران اٹھنے والے بڑے نقاط اور ایسے تمام معاملات جو آڈیٹران اپنی مرضی سے بھی اٹھانا چاہتے ہوں ان کے ساتھ ان پر بات چیت کرنا۔
- (۵) بیرونی آڈیٹران کی طرف سے جاری کردہ انتظامی خط اور انتظامیہ کے ردِ عمل کا جائزہ لینا۔
- (۶) اندرونی آڈٹ اور بیرونی آڈیٹران کے درمیان تعاون کو یقینی بنانا۔
- (۷) اندرونی آڈٹ کے دائرہ کار اور حدود، آڈٹ پلان، رپورٹنگ کے طریقہ کار کا جائزہ لینا اور اس بات کو یقینی بنانا کہ اندرونی آڈٹ کے شعبہ کے پاس مناسب ذرائع موجود ہوں اور کمپنی میں ہر جگہ اس پر عمل کیا جاسکے۔
- (۸) فراڈ، کرپشن اور اختیارات سے تجاوز کرنے کے بڑے معاملات کی اندرونی جانچ پڑتال اور انتظامیہ کے ردِ عمل کا جائزہ لینا۔
- (۹) اندرونی کنٹرول کے نظام جس میں مالیاتی اور آپریشنل کنٹرول شامل ہیں، اکاؤنٹنگ نظام، خرید و فروخت، وصولیوں اور ادائیگیوں، اثاثہ جات اور واجبات کے صحیح اندراج اور معلومات پہنچانے کے ڈھانچے کا صحیح اور موثر طریقے سے چلنے کو یقینی بنانا۔
- (۱۰) کمپنی کی طرف سے اندرونی کنٹرول پر جاری کردہ تفصیلات کا اندرونی آڈٹ کی رپورٹ اور بورڈ کی منظوری سے پہلے جائزہ لینا۔
- (۱۱) چیف ایگزیکٹو آفیسر کے مشورہ سے بورڈ کے سفارش کردہ معاملات، نئے منصوبوں کے اجراء، روپے کی قدر کا مطالعہ اور دوسرے معاملات کی جانچ پڑتال کا جائزہ لینا اور کسی اور معاملے کو بیرونی آڈیٹران یا بیرونی ادارے کے ساتھ اٹھانا شامل ہے۔
- (۱۲) متعلقہ سٹیچوٹری ضروریات پر عملدرآمد کو یقینی بنانا۔
- (۱۳) ان قوانین پر عمل پیرا ہونے کا خیال رکھنا (بشمول کوڈ آف کارپوریٹ گورننس) اور بڑی خلاف ورزیوں کی نشاندہی کرنا۔
- (۱۴) آڈٹ کمیٹی کو با اعتماد رپورٹنگ، کسی بھی تشویش، حقیقی اور مالیاتی اور دوسرے معاملات میں ہونے والی غلطیوں اور ان کے حل اور اثرات کو ختم کرنے کی تجاویز کے لیے ملازمین اور انتظامیہ کے انتظامات کا جائزہ لینا۔
- (۱۵) بورڈ کو بیرونی آڈیٹران کے مقرر کرنے، ان کا ہٹانا، آڈٹ کی فیس، بیرونی آڈیٹران کی جانب سے مالی

دستاویزات کے آڈٹ کے علاوہ کسی بھی اور جائز خدمات کو کمپنی کی فراہمی کی تجاویز دینا۔ بورڈ کو آڈٹ کمیٹی کی تجاویز کا بغور جائزہ لینا چاہیے اور خلاف ورزی کی صورت میں وجوہات کا اندراج کرنا۔

(۱۶) بورڈ کی جانب سے تفویض کردہ دوسرے معاملات پر توجہ دینا خاص طور پر انٹرنل آڈیٹر کی طرف سے کی گئی رسک مینجمنٹ کے جواب میں آڈٹ کمیٹی کا غور و خوض کرنا۔

انسانی وسائل اور اجرتی کمیٹی:-

انسانی وسائل کا انتظام انتظامیہ کے لیے ایک بہت اہم حصہ ہے جس کا تعلق ادارے کے بہت قیمتی اثاثہ جات سے ہے جو کہ انسانی وسائل ہیں۔ کمپنی کی انسانی وسائل اور اجرتی کمیٹی تین ڈائریکٹران پر مشتمل ہے جو ایک ایگزیکٹو ڈائریکٹر اور ایک نان ایگزیکٹو ڈائریکٹر بحیثیت ممبران اور ایک خود مختار ڈائریکٹر بحیثیت کمیٹی چیئر مین پر مشتمل ہے۔ انسانی وسائل اور اجرتی کمیٹی میں درج ذیل تین ڈائریکٹران شامل ہیں:-

راشد منہاس (چیئر مین)

خواجہ امتیاز احمد (ممبر)

عائشہ احمد (ممبر)

کوڈ آف کارپوریٹ گورننس کے مطابق کمیٹی کی ذمہ داریوں میں شامل ہے:-

- (i) ڈائریکٹران (ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹران اور سینئر انتظامیہ کے ممبران) کی اجرت کو متعین کرنے کے لیے ضابطہ کار بنانے پر غور اور اس کی منظوری دینے کے لیے بورڈ کو سفارشات پیش کرنا۔ سینئر انتظامیہ کی تعریف بورڈ متعین کرے گا جن میں چیف ایگزیکٹو کے بعد کی انتظامیہ کی پہلی تہہ ہوتی ہے۔
- (ii) حسب ضابطہ مکمل بورڈ اور اس کی کمیٹیوں کا بذات خود یا کسی خود مختار مشیر کے ذریعے ان کی کارکردگی کا جائزہ لینا اور اگر ایسا مشیر مقرر کیا گیا ہو تو اس کے متعلق ڈائریکٹر رپورٹ میں بتایا جائے اور رپورٹ میں اس کا نام، تعلیم اور اسے مقرر کرنے کی بڑی شرائط بھی ہوں۔
- (iii) بورڈ کو انسانی وسائل کے انتظام کی پالیسیوں کے بارے میں سفارشات پیش کرنا۔
- (iv) بورڈ کو چیف آپرینٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کے انتخاب، جانچ اور معاوضہ (بشمول ریٹائرمنٹ بینیفٹ) کے بارے میں سفارشات پیش کرنا۔
- (v) ایسے تمام معاملات جن کا تعلق کلیدی عہدوں کی انتظامیہ سے ہو اور وہ چیف ایگزیکٹو آفیسر یا چیف آپرینٹنگ

آفیسر کو ڈائریکٹ جوابدہ ہوں گا جائزہ لینا اور منظوری دینا۔

(vi) جہاں انسانی وسائل اور اجرتی مشین مقرر کیے جائیں، ان کے بارے میں کمیٹی کو مکمل تفصیلات معلوم ہونی چاہئیں اور اس بارے میں بھی بتائیں اگر کمپنی کے ساتھ ان کا کوئی اور تعلق ہے۔

سسٹینبلٹی (Sustainability) کمیٹی:

بورڈ آف ڈائریکٹر تسلیم کرتا ہے کہ سسٹینبلٹی سے متعلق خطرات اور مواقع کمپنی کی طویل مدتی کاروباری حکمت عملی اور مالی کارکردگی کے لیے بہت زیادہ اہم ہیں۔ بورڈ ماحولیاتی، سماجی اور گورننس (ای۔ ایس۔ جی) تحفظات کو کمپنی کے اسٹریٹجک فیصلہ سازی اور خطرات کی نگرانی کے عمل میں شامل کرنے کے لیے بھی پر عزم ہے۔ بورڈ آف ڈائریکٹر نے مندرجہ ذیل بورڈ ممبران پر مشتمل ایک سسٹینبلٹی کمیٹی بھی تشکیل دی ہے:

احمد علی ریاض (چیئر مین)

اعجاز احمد خواجہ (ممبر)

عائشہ احمد (ممبر)

سسٹینبلٹی کمیٹی نے سسٹینبلٹی کے خطرات اور مواقع کے جائزے کے حوالے سے اپنی سرگرمیاں شروع کر دی ہیں جن میں اہم (ای۔ ایس۔ جی) خطرات کی شناخت بھی شامل ہے، جیسے کہ موسمیاتی تبدیلی، ریگولیٹری تبدیلیاں، سماجی عدم مساوات اور اخلاقی گورننس۔ کمپنی نے (ای۔ ایس۔ جی) کے ساتھ ہم آہنگ متعدد طریقوں کو نافذ کیا ہے۔

ماحولیات (Environment)

فوسل فیولز کی جگہ بایو ماس ایندھن کا استعمال۔

ویسٹ واٹر کا متبادل استعمال۔

توانائی کے تحفظ کے طریقے۔

سماجی (Social)

تنوع، مساوات اور شمولیت کا نفاذ

صحت اور حفاظت کے اقدامات (کمپنی نے HACCP اور FSCC سرٹیفیکیشنز حاصل کیے ہیں)۔

کیونٹی کی صحت اور تعلیم پر خصوصی توجہ کے ساتھ (CSR) سرگرمیاں۔

(GOVERNANCE) گورننس

- ☆ بورڈ میں تنوع (بورڈ میں مرد اور خاتون ممبران شامل ہیں)۔
- ☆ بورڈ کی آزادی (دو آزاد ڈائریکٹرز بورڈ میں نمائندگی رکھتے ہیں)۔
- ☆ کمپنی کی سطح پر ضابطہ اخلاق کا نفاذ جس میں اخلاقیات اور انسداد رشوت ستانی کی پالیسی بھی شامل ہے۔
- ☆ سینئر عملے کے ارکان کی سسٹینبلٹی رپورٹنگ پر صلاحیت سازی، سیمینارز، ورکشاپس میں شرکت شامل ہے۔

DIVERSITY, EQUITY & INCLUSION (DE&I)

انتظامیہ پر عزم ہے کہ مختلف اقسام۔ منصفانہ اور شمولیت والی کام کی جگہ ترتیب دینے کے عمل کو فروغ دیا جائے جہاں پر ملازم قابل قدر، باعزت اور باختیار ہو کر ترقی کے منازل طے کرے۔ ہم لائبریا پاک میں مختلف پس نظر۔ تجربات اور مختلف نقطہ نظر کے لوگوں کو بہترین کارکردگی اور جدت کے حصول پر سراہتے ہیں۔ اس تصور کے تحت بورڈ نے (DE&I) کی پالیسی کو منظور کیا ہے اور اپنایا ہوا ہے جو کہ منظم طریقہ سے ادارہ کے مختلف ڈیپارٹمنٹ پر لاگو کیا گیا ہے۔

صنعتی تنوع کا فرق:-

درمیانی فرق	اوسط فرق
درمیانی (Median) کے لحاظ سے	اوسط (Mean) کے لحاظ سے
عورتوں کی تنوع مردوں کی	عورتوں کی تنوع مردوں کی
نسبت ۱۲۱.۵۱ فیصد زیادہ ہے۔	نسبت ۱۳۰.۳۱ فیصد زیادہ ہے۔

خطرات اور غیر یقینی صورتحال:-

کمپنی کی اپنے شیئر ہولڈرز کے لیے قدر (VALUE) پیدا کرنے کی صلاحیت کو بڑی حد تک وسیع تر معاشی حالات اور اس کے مخصوص کاروباری عمل سے وابستہ خطرات متاثر کرتے ہیں۔ فی الحال، کمپنی کو کئی خطرناک عوامل کا سامنا ہے جو اس کی عملی کارکردگی اور مجموعی منافع کو متاثر کر سکتے ہیں:

1- خام مال کی قیمتیں: گٹی ہوئی ہڈیوں (Crushed Bone) کی لاگت ایک اہم تشویش ہے۔

2- غیر ملکی کرنسی کا شرح تبادلہ: اُتار چڑھاؤ خریداری کی طاقت اور لاگت کو متاثر کر سکتا ہے۔

3- توانائی کے اخراجات: گیس اور بجلی کی دستیابی اور قیمتیں اہم مسائل ہیں۔

اعلیٰ معیار کی جیلائین تیار کرنے کے لیے کمپنی جانوروں کی ہڈیوں پر انحصار کرتی ہے، خاص طور پر گائے کی ہڈیوں پر جو پاکستان سے چین اور جاپان جیسے بین الاقوامی بازاروں میں برآمد کی جاتی ہیں۔ نتیجتاً، کمپنی کو یہ خام مال برآمدی قیمتوں پر خریدنا پڑتا ہے۔ پاکستانی روپے کی قدر میں کمی سے خام مال کی خریداری کے چیلنجز مزید شدید ہو سکتے ہیں، جس سے گائے کی ہڈیوں کو مسابقتی نرخوں پر حاصل کرنا مشکل ہو جاتا ہے۔

کرنسی کی قدر میں کمی عام طور پر لاگت کی افراط زر کا باعث بنتی ہے، جو صنعتی خام مال کی قیمتوں کو بڑھاتی ہے۔ یہ افراط زر کا دباؤ پیداواری صلاحیت کے کم استعمال کا باعث بھی بن سکتا ہے۔

مزید برآں پاکستان کو مستقل توانائی کا بحران کا سامنا ہے جس کی وجہ سے مینوفیکچرنگ سیکٹر کو گیس، ایندھن اور بجلی کی بلند قیمتوں کا سامنا رہتا ہے۔ اگرچہ حکومت صنعتی توانائی کے تقاضوں کو پورا کرنے کے لیے ایل این جی درآمد کر رہی ہے لیکن یہ اقدامات وسیع تر مسئلے کو حل کرنے میں ناکافی ہو سکتے ہیں۔ گیس کی بڑھتی ہوئی قیمتیں موجودہ ٹیرف ڈھانچے کے ساتھ مل کر پیداواری لاگت میں مزید اضافہ کر سکتی ہیں جو جیلائین بنانے کے کاروبار کے منافع کو متاثر کر سکتی ہیں۔

ماحول پر اثر:-

کمپنی اپنی ماحولیاتی ذمہ داریوں کے لیے گہری وابستگی رکھتی ہے اور اپنے ماحولیاتی اثرات کو کم کرنے کے لیے مسلسل کوشش کرتی ہے۔ ہماری انتظامیہ صحت، حفاظت اور ماحولیاتی ذمہ داری کے اعلیٰ معیار کو برقرار رکھتی ہے تاکہ ہمارے ملازمین اور ہمارے ارد گرد کے لوگوں کی فلاح و بہبود کو یقینی بنایا جاسکے۔ اس عزم کو تقویت دینے کے لیے کمپنی نے (FSCC) اور (HACCP) سرٹیفیکیشنز حاصل کئے ہیں، جو عالمی سطح پر تسلیم شدہ معیارات کی پابندی کی عکاسی کرتے ہیں۔ ہماری فیکٹری پر جیلائین کی پیداوار بین الاقوامی معیارات کے مطابق سختی سے کی جاتی ہے اور اب تک کوئی منفی ماحولیاتی اثرات کی نشاندہی نہیں کی گئی ہے۔

مستقبل کے امکانات:-

پاکستان کی معیشت مالی سال ۲۰۲۵-۲۶ میں نسبتاً مستحکم معاشی حالات اور بہتر ترقی کے امکانات کے ساتھ داخل ہوئی۔ تاہم حالیہ شدید مون سون سیلاب نے ملک کے معاشی منظر نامے کو نمایاں طور پر متاثر کیا ہے۔ زرعی شعبے کو بھاری نقصانات کا سامنا کرنا پڑا، جس کے نتیجے میں زرعی ترقی کی شرح میں کافی کمی ہوئی۔ پہلے سے طے شدہ ۲.۲ فیصد سے کم ہو کر صرف ۱.۱ فیصد رہ گئی۔ نتیجتاً جی ڈی پی کی ترقی کے تخمینوں کو ۳.۴ فیصد سے کم کر کے ۳.۲ فیصد کر دیا گیا ہے۔ سیلاب سے خوراک کی قیمتوں اور سپلائی میں خلل کی وجہ سے افراط زر میں اضافہ متوقع ہے۔ مجموعی طور پر مالی سال ۲۰۲۵-۲۶ کے معاشی امکانات کو خطرات لاحق ہیں، خاص طور پر خوراک کی فراہمی اور سپلائی چین کے استحکام کے شعبوں میں۔

کمپنی کی فروخت بنیادی طور پر برآمدی منڈیوں سے چلتی ہے۔ تاہم، سال کے دوران غیر ملکی خریداروں کی طرف سے آرڈرز کی تاخیر کی وجہ سے برآمدی حجم متاثر ہوا، جو زیادہ تر ان کی اندرونی انوینٹری مینجمنٹ حکمت عملی کی وجہ سے تھا۔ نتیجتاً، مجموعی فروخت گزشتہ سال کے مقابلے میں کم ہوئی۔ کمپنی نے برآمدی رفتار دوبارہ حاصل کرنے کی کوشش میں مختلف خطوں کے ساتھ مذاکرات شروع کئے ہیں۔ ان اسٹریٹجک روابط سے مستقبل میں مثبت نتائج کی توقع ہے۔

مزید برآں، کمپنی نے متعلقہ پارٹی (لایمر جیلاٹین ایس ڈی این۔ بی ایچ ڈی۔ ملائیشیا) کے ساتھ آلات اور مشینری کی فروخت جس کی تفصیل منظور شدہ پروفارمہ انوائس میں درج ہے کے بارے میں ۱۰۰ فیصد پیشگی ادائیگی کے عوض معاہدہ کیا ہے۔ یہ کاروباری ٹرانزیکشن (جیلاٹین بنانے کے آلات اور مشینری کی فروخت) کمپنی کی کاروباری تاریخ میں ایک نیا کام ہے جس کی وجہ سے مالی کارکردگی میں مزید بہتری ہو سکتی ہے۔

ڈائریکٹران کا ٹریننگ پروگرام:

کمپنی نے ڈائریکٹرز کی تربیت کو اپنے کارپوریٹ گورننس فریم ورک کا ایک لازمی اور جاری جزو بنایا ہے۔ یہ اقدام اس بات کو یقینی بناتا ہے کہ بورڈ موثر گورننس کے بہترین طریقوں اور اصولوں سے باخبر رہے۔ انتظامیہ ڈائریکٹران کے اورینٹیشن پروگرام کی شیڈولنگ میں کسی تاخیر کو دور کرنے کے لیے پوری طرح پرعزم ہے۔ کمپنی نے ۱۸ جنوری ۲۰۲۵ کو ڈائریکٹران کا انتخاب کیا اور سات ڈائریکٹرز منتخب کئے، جن میں دو آزاد ڈائریکٹرز اور ایک خاتون ڈائریکٹر شامل ہیں۔ بورڈ کے ساتھ ڈائریکٹرز میں تین کو کارپوریٹ گورننس کے کوڈ کے تحت تربیتی تقاضوں سے استثنیٰ حاصل ہے۔ ایک ڈائریکٹر، جو چیئرمین بھی ہیں نے پہلے ہی ڈائریکٹرز کے تربیتی پروگرام

(DTP) کو کامیابی سے مکمل کر لیا ہے۔ ایک آزاد ڈائریکٹر جناب راشد منہاس، الیکٹریکل انجینئر ہیں اور ایک تسلیم شدہ یونیورسٹی سے ایم بی اے کی ڈگری رکھتے ہیں۔ وہ اپنے ساتھ زبردست کاروباری تجربہ بھی ساتھ لائے ہیں۔ وہ اگلے سہ ماہی میں اپنا ڈائریکٹر کا تربیتی پروگرام مکمل کرنے کا ارادہ رکھتے ہیں۔ سید رضوان حیدر، ایک آزاد ڈائریکٹر، انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے فیلو ممبر ہیں اور (ICAP) کے زیر اہتمام مسلسل پیشہ ورانہ ترقی (CPD) کی سرگرمیوں میں باقاعدگی سے حصہ لیتے ہیں۔ وہ بھی آنے والی سہ ماہی میں ڈائریکٹر کا تربیتی پروگرام مکمل کرنے کے لیے شیڈول ہیں۔ عائشہ احمد، ایک غیر ایگزیکٹو ڈائریکٹر، ایک ممتاز کاروباری خاندان کے پس منظر کی وجہ سے کلیدی کاروباری قوانین سے اچھی طرح واقف ہیں اور اپنے ساتھ قیمتی بین الاقوامی تجربہ لائی ہیں۔ وہ آنے والی سہ ماہی میں ڈائریکٹر کا تربیتی پروگرام مکمل کرنے والی ہیں۔

کمپنی کے حصص میں خرید و فروخت:

امسال ایک ڈائریکٹر کی بیوی کے حصص میں درج ذیل تبدیلی دیکھی گئی ہے۔

حصص کی خرید

۱,۰۰۰

مسماۃ نوشین ابرار

دوسرے ڈائریکٹران، ایگزیکٹوز، ان کی بیویوں اور نابالغ بچوں میں سے کسی نے بھی کمپنی کے حصص میں ماسوائے اوپر والے معاملے کے کوئی خرید و فروخت نہیں ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، ایم۔ الماس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور نے ۳۰ جون ۲۰۲۵ء کو ختم ہونے والے سال سے متعلق اپنا کام مکمل کر لیا ہے اور ۴۲ ویں سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ ریٹائر ہونے والے آڈیٹرز، ایم۔ الماس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس دوبارہ منتخب ہونے کے اہل ہیں۔

لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز ۲۰۱۹ء کی رو سے آڈٹ کمیٹی نے ایم۔ الماس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کا جائزہ لیتے ہوئے ان کی سال ۲۰۲۵-۲۶ء کیلئے سٹیچوٹری آڈیٹرز کی حیثیت سے تقرری اور معاوضہ کی سفارشات پیش کی ہیں۔

حصہ داران کی تفصیل:

حصہ داران کی تفصیل صفحہ نمبر ۷۳ پر موجود ہے۔

اعتراف:

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کی کاوشوں اور لگن کی تعریف کرتا ہے جس نے کمپنی کی انتظامیہ کو کاروباری معاملات احسن طریقے سے چلانے میں مدد کی۔

ابرار احمد خواجہ
ڈائریکٹر

خواجہ امتیاز احمد
چیف ایگزیکٹو آفیسر اینڈ
منیجنگ ڈائریکٹر
لاہور

۷ اکتوبر ۲۰۲۵ء

**STATEMENT OF VALUE ADDITION & WEALTH DISTRIBUTION
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	%age	2024	%age
	(Rs. '000')		(Rs. '000')	
Value addition				
Total revenue	1,758,774		3,493,394	
Bought in materials & services	(1,355,923)		(2,931,783)	
	402,851	100.0%	561,611	100.0%
Value distribution				
To employees				
Salaries, wages and benefits	165,106	40.98%	194,373	34.61%
To Government				
Income taxes and Sales Tax	133,806	33.21%	184,283	32.81%
To providers of capital/funds				
Interest/Mark up on borrowed funds	67,050	16.64%	79,228	14.11%
Retained for reinvestment and growth				
Depreciation & retained profits	36,889	9.16%	103,727	18.47%
	402,851	100%	561,611	100%

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of the Company: Leiner Pak Gelatine Limited

Year ended: June 30, 2025

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:

a	Male director	6
b	Female director	1

2. The composition of the Board is as follows:

Categories	Name of Directors
Independent Directors*	Rashid Minhas Syed Rizwan Haider
Non-Executive Directors	Ahmed Ali Riaz Ijaz Ahmed Khwaja Ayesha Ahmed
Executive Directors	Khwaja Imtiaz Ahmed Abrar Ahmed Khwaja
Female Director	Ayesha Ahmed

* In order to comply with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, two independent directors were elected on the Board of Directors upon maturity of existing term, whereas the code requires to appoint at-least two or one-third of the Board members (whichever is higher). The fraction of 0.33 was not rounded up as the Board feels that two appointed independent directors are sufficient to maintain independence at the present Board level and the requisite skill is diverse enough to provide the necessary strategic direction to the Company to accomplish its determined goals.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies alongwith their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:

Sr.	Name of Directors	Remarks
1	Khwaja Imtiaz Ahmed	Exempt under CCG.
2	Ijaz Ahmed Khwaja	Exempt under CCG.
3	Abrar Ahmed Khwaja	Exempt under CCG.
4	Ahmed Ali Riaz	Completed Directors' Training Program.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

1. Rashid Minhas (Chairman)
2. Ijaz Ahmed Khwaja (Member)
3. Ahmed Ali Riaz (Member)

b) HR and Remuneration Committee

1. Rashid Minhas (Chairman)
2. Khwaja Imtiaz Ahmed (Member)
3. Ayesha Ahmed (Member)

c) Sustainability Committee

1. Ahmed Ali Riaz (Chairman)
2. Ijaz Ahmed Khwaja (Member)
3. Ayesha Ahmed (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following:
 - a) Audit Committee; _____ (quarterly)
 - b) HR and Remuneration Committee _____ (yearly)
15. The Board has set up an effective internal audit function which comprises of professionals who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Directors' Training Program (DTP) It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Four directors of the Company have either acquired Directors' Training Program certification or are exempted under the CCG. The remaining three directors possess strong professional qualifications and diverse experience, and have already committed to completing the prescribed Directors' Training Program. Their enrollment is planned in the ensuing quarter, ensuring that the Board achieves full compliance	19(1)

		and continues to strengthen its governance framework.	
2	Directors' Training Program (DTP) Companies are encouraged to arrange training every year under the Directors' Training Program for: -at least one female executive; and -at least one head of department.	The Company has planned to arrange Directors' Training Program certification for female executives and departmental heads over the next few years.	19(3)
3	Nomination Committee The Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the Nomination Committee are being addressed at Board level, with the help of Human Resource and Remuneration Committee, as and when needed so a separate committee is not considered to be necessary.	29(1)
4	Risk Management Committee The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a Risk Management Committee and senior officers of the Company along with the Audit Committee perform the requisite functions and apprise the Board accordingly.	30(1)
5	Role of the Board and its members to address sustainability risk and opportunities: The board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director.	The board established a dedicated sustainability committee having one female director. The Committee is in the process of developing a framework to embed sustainability principles into the Company's strategy and operations. Although the formal report has not yet been submitted to the Board, the Committee has commenced its work on assessing sustainability risks and opportunities, and the first report will be presented in the upcoming year. This phased approach will allow the report to reflect well-integrated practices that contribute to long-term corporate value.	10A

Khwaja Imtiaz Ahmed
Chief Executive Officer

Ahmed Ali Riaz
Chairman

LAHORE
Dated: October 07, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Leiner Pak Gelatine Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Leiner Pak Gelatine Limited** for the year ended **June 30, 2025** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Lahore

Dated: October 07, 2025

UDIN: CR202510785lsk9B6CDS

M. Almas & Co.

Chartered Accountants

Audit Engagement Partner

Mohammad Almas

INDEPENDENT AUDITOR'S REPORT

To the members of Leiner Pak Gelatine Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Leiner Pak Gelatine Limited** (the Company), which comprise the statement of financial position as at **June 30, 2025**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025, and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
<p>1. Valuation of stock in trade</p> <p>(Refer notes 4.4, 18 and 26 of the financial statements.)</p> <p>Stock in trade as at year ended June 30, 2025 having carrying value of Rs. 906.470 million constitutes 41.34% of total assets.</p> <p>We identified the valuation of stock in trade as key audit matter as it directly affects the profitability of the Company.</p>	<p>Our audit procedures to assess the valuation of stock in trade, amongst others, included the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation, and operating effectiveness; - Comparing on a sample basis specific purchases with underlying supporting documents / agreements, if any; - Comparing calculations of the allocation of directly attributable costs and allocation of factory overhead costs with the underlying supporting documents;

	<ul style="list-style-type: none"> - Physical observation of stock in trade inventory count at the year end; - Test of valuation methods and their appropriateness in accordance with applicable accounting standards; - Obtaining an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work in process and costs necessary to make the sales and their basis; and - Comparing the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stock in trade in accordance with applicable accounting and reporting standards.
2. Revenue recognition (Refer note 4.10 and 25 in the financial statements) The Company generates revenue from sale of goods to domestic as well as export customers. During the year, the revenue of the Company has decreased (51.31%) as compared to the last year. Since revenue represents one of the key performance indicators and due to decrease in revenue in the current year, we identified recognition of revenue (against the sale of goods) as a key audit matter. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	Our audit procedures to assess the recognition of revenue recognized from the sale of products included but were not limited to the following: <ul style="list-style-type: none"> - Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; - Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; - Comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challan and other relevant underlying documents to assess whether the related revenue was recognized in accordance with the Company's revenue recognition accounting policies; - Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and - Assessed the adequacy of disclosures made in the financial statements related to revenue.
3. Revaluation of freehold land (Refer notes 4.1, 6 and 14 of the financial statements) During the year, the Company has carried out its revaluation of the freehold land by an independent valuer by considering its nature, size, and location, as well as trend in the real estate property sector. Based on such revaluation, the fair market value and forced sale value of said land is amounting to Rs. 788.535 million and Rs. 630.828 million respectively, leading to recognition of revaluation surplus amounting to Rs. 780.709 million. Due to significant judgements and estimations involved in the determination of the revalued amount, we considered this area as key audit matter.	Our audit procedures included the following: <ul style="list-style-type: none"> - We enquired about the qualification of the managements' independent valuer and reviewed the revaluation report to understand the basis and methodology used for such valuation. - We assessed the adequacy of the related disclosures in the financial statements in accordance with applicable financial reporting standards and relating regulatory requirements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Almas.

Lahore
Date: October 07, 2025

M. Almas & Co.
Chartered Accountants

UDIN: AR202510785fqBm54vJ7

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

	Note	30 June 2025	30 June 2024
		-----Rupees in thousand-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	5	75,000	75,000
Revenue Reserve:			
Unappropriated profit		174,022	158,200
Capital Reserve:			
Surplus on revaluation of property, plant and equipment	6	780,709	565,654
Sponsor's Loan – Related Party	7	82,500	82,500
		<u>1,112,231</u>	<u>881,354</u>
Non-current liabilities			
Deferred taxation	9	3,946	15,738
Lease liabilities	8	2,234	6,955
		<u>6,180</u>	<u>22,693</u>
Current liabilities			
Trade and other payables	10	643,052	566,410
Unclaimed dividend		771	771
Mark-up accrued	11	10,447	14,676
Short term borrowings	12	415,171	379,592
Current portion of lease liabilities	8	4,653	6,647
		<u>1,074,094</u>	<u>968,096</u>
Contingencies and commitments	13	-	-
		<u>2,192,505</u>	<u>1,872,143</u>
ASSETS			
Non-current assets			
Property, plant and equipment	14	979,567	755,411
Intangible assets	15	-	-
Long term deposits	16	1,561	3,105
		<u>981,128</u>	<u>758,516</u>
Current assets			
Stores, spare parts and loose tools	17	24,351	14,856
Stock-in-trade	18	906,470	993,277
Trade debts	19	138,978	26,824
Advances	20	62,395	5,744
Trade deposits and short term prepayments	21	3,245	1,617
Other receivables	22	8,602	19,511
Advance tax- net	23	56,899	41,968
Cash and bank balances	24	10,437	9,830
		<u>1,211,377</u>	<u>1,113,627</u>
		<u>2,192,505</u>	<u>1,872,143</u>

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2025

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

ABRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	30 June 2025	30 June 2024
		-----Rupees in thousand-----	
Sales - net	25	1,628,612	3,344,534
Cost of sales	26	1,355,295	2,926,641
Gross profit		273,317	417,893
Other income	27	11,616	515
		284,933	418,408
Distribution cost	28	50,547	64,178
Administrative expenses	29	102,615	116,186
Other operating expenses	30	20,471	22,525
Finance cost	31	73,428	90,796
Profit before final tax, minimum tax and income tax		37,872	124,723
Final taxes	32	-	21,173
Minimum taxes	32	8,199	1,531
Profit before income tax		29,673	102,019
Income tax	32		
Current - For the year		12,159	11,589
For prior year		13,485	1,645
Deferred		(11,793)	7,266
		13,851	20,500
Profit after taxation		15,822	81,519
Earnings per share - basic and diluted (Rupees)	33	2.11	10.87

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE

Dated: October 07, 2025

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

ABRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	30 June 2025	30 June 2024
	-----Rupees in thousand-----	
Profit after taxation	15,822	81,519
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Surplus on Revaluation of property, plant and equipment during the year	215,055	-
	<u>215,055</u>	<u>-</u>
Total comprehensive income for the year	<u><u>230,877</u></u>	<u><u>81,519</u></u>

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2025

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

ABRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Share Capital	Reserves		Sponsor's Loan	Total
		Revenue Reserve	Capital Reserve		
	Issued, subscribed and paid-up share capital	Unappropriated profit	Surplus on revaluation of property, plant and equipment		
----- Rupees in thousand -----					
Balance as at June 30, 2023	75,000	76,681	565,654	82,500	799,835
Profit for the year	-	81,519	-	-	81,519
Other comprehensive income	-	-	-	-	-
	-	81,519	-	-	81,519
Balance as at June 30, 2024	75,000	158,200	565,654	82,500	881,354
Profit for the year	-	15,822	-	-	15,822
Other comprehensive income	-	-	215,055	-	215,055
	-	15,822	215,055	-	230,877
Balance as at June 30, 2025	75,000	174,022	780,709	82,500	1,112,231

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2025

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

ABRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	30 June 2025 -----Rupees in thousand-----	30 June 2024
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	34	133,202	123,849
Finance cost paid including lease liabilities of Rs. 1.40 million		(74,425)	(84,209)
Payments to provident fund		(4,199)	(3,639)
Levies and taxes paid		(48,774)	(34,010)
Workers' Profit Participation Fund paid	10.3	(3,860)	(1,006)
Net cash generated from operating activities		1,944	985
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(30,168)	(16,633)
Proceeds from disposal of property, plant and equipment	14.8	-	692
Net cash (used in) investing activities		(30,168)	(15,941)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities- principal portion		(6,748)	(5,023)
Short-term borrowings – received - net	34.1	35,579	27,986
Net cash generated from financing activities		28,831	22,963
Net increase in cash and cash equivalents		607	8,007
Cash and cash equivalents at the beginning of the year		9,830	1,823
Cash and cash equivalents at the end of the year	35	10,437	9,830

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2025

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

ABRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 THE COMPANY AND ITS OPERATIONS

Leiner Pak Gelatine Limited ("the Company") was incorporated in Pakistan as a public limited Company on 14 February 1983 under the Companies Ordinance, 1984 (Now: the Companies Act, 2017) and is listed on the Pakistan Stock Exchange (PSX). The registered office of the Company is situated at 17-G, Gulberg II, Lahore and manufacturing facility is located at 19 Kilometer, Shahr-e-Pakistan, Kala Shah Kaku, District Shaikhupura. The Company's product, Gelatine, is duly licensed and certified by the Pakistan Halal Authority. The principal activity of the Company is manufacturing and sale of gelatine and di-calcium phosphate etc., produced from animal bones and animal hides.

2 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

2.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2024. However, these do not have any significant impact on the Company's financial statements.

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

		Effective date (annual reporting periods beginning on or after)
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 01, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 01, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 01, 2026
IFRS 17	Insurance Contracts	January 01, 2026
	Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)	January 01, 2026

2.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

2.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025:

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRIC 12 Service Concession Arrangements
IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 19 Subsidiaries without Public Accountability: Disclosures

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- 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 Basis of measurement

These 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.

3.3 Judgements, estimates and assumptions

The preparation of the financial statements in conformity with approved accounting standards requires management to make judgements, 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 judgements 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 judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the subsequent years are discussed in the note - 36.

3.4 Functional and presentation currency

Items included in financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are tangible items that are held for use in production or supply of goods or services, for rentals to others or for administrative purposes and are expected to be used during more than one year. An item of property, plant and equipment is recognized when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. On initial recognition, items of property, plant and equipment are measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the item.

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses with the exception of freehold land which is measured at revalued amount.

Parts of an item of property, plant and equipment having different useful lives are recognized as separate items.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit or loss, as incurred.

Increase in the carrying amounts arising on revaluation of land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decrease that reverses previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. The revaluation surplus is not available for distribution to the Company's shareholders.

Capital work-in-progress

Capital work in progress is stated at cost less accumulated impairment losses, if any.

Depreciation

Depreciation is recognized in profit or loss by applying reducing balance method over the useful life of each item of property, plant and equipment using the rates specified in note 14.1 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the date on which the item becomes available for use. Depreciation is discontinued from the date on which the item is disposed or classified as held for disposal.

The depreciation method, useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date.

De-recognition

An item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss on disposal of property, plant and equipment is recognized in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

4.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Cost associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset as specified in note 15 on a systematic basis applying the straight line method.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

4.3 Stores, spare parts and loose tools

These are generally held for internal use and, except for items in transit which are valued at invoice price plus related expenses incurred up to the reporting date, are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average. Provision for obsolete and slow moving items is made based on management's best estimate regarding their future usability.

4.4 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined using the following basis:

Raw material	Weighted average cost
Work-in-process	Average manufacturing cost
Finished goods	Average manufacturing cost
Raw material in transit	Invoice price plus related expenses incurred up to the reporting date.

Average manufacturing cost in relation to work-in-process and finished goods consists of direct material, labor and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

For items which are slow moving, a provision is made for excess of carrying amount over estimated net realizable value.

4.5 Financial instruments

4.5.1 Financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a) Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**4.5.2 Financial liabilities**

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

4.5.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.6 Right-of-use assets and lease liabilities**4.6.1 Right-of-use assets**

Right-of-use-assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset. Depreciation is charged to profit or loss account at rates given in note 14.1.

4.6.2 Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently, these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

Liabilities in respect of short term and low value leases are not recognized and payments against such leases are recognized as expense in profit or loss. At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration and uses hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

4.7 Employee benefits

A defined contribution plan is a post-employment benefit under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to a defined contribution plan is recognized as an employee service benefit expense in the statement of profit or loss when it is due.

The Company operates a recognized provident fund for all its regular employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 8.5% of the basic salary. The fund is administered by the Trustees.

4.8 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost.

4.9 Trade debts and other receivables

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest method. Impairment of trade debts and other receivables is described in note 4.16.

4.10 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognized on following basis:

Revenue from sale of goods is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and the control transfers at a point in time, i.e. at the time the goods are dispatched / shipped to customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, returns rebates and government levies.

4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale or added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the profit or loss, as incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

4.12 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation, after taking into account tax credits, rebates and exemptions available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalized during the year. The amount of unpaid income tax in respect of current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or the prior periods is recognized as an asset.

Deferred

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for tax purposes.

Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.13 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.14 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise cash and bank balances. Cash and cash equivalents are carried at cost.

4.15 Foreign currency transactions

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated to the functional currency at exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate at the date that fair value was determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to the functional currency at exchange rate at the date of transaction. Any gain or loss arising on transaction is recognized in profit or loss.

4.16 Impairment

Financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025****Non-financial assets**

The carrying amounts of the non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss. An impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.17 Provisions

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the correct best estimate.

4.18 Dividend to shareholders

Dividend paid to shareholders is recognized in the year in which it is declared.

4.19 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment, however, certain information, as required by the approved accounting standards, is presented in note 39 to these financial statements.

4.20 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.21 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

5	SHARE CAPITAL	30 June 2025	30 June 2024
		Rupees in thousand	
	Authorised share capital		
	10,000,000 (June 30, 2024: 10,000,000) ordinary shares of Rupees 10 each	100,000	100,000
	Issued, subscribed and paid-up share capital		
	7,500,000 (June 30, 2024: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash	75,000	75,000
		75,000	75,000

5.1 Ordinary shares of the Company held by associated undertaking as at year end are as follows:

	30 June 2025	30 June 2024
	(Number of shares)	
INA Securities (Private) Limited	647,066	417,141
	647,066	417,141

5.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends and are entitled to one vote per share at general meetings of the Company.

6	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	30 June 2025	30 June 2024
		Rupees in thousand	
	Revaluation surplus -note- 6.1	780,709	565,654
6.1	Revaluation surplus		
	Revaluation surplus relating to revaluation carried out at June 30, 1990	8,873	8,873
	Revaluation surplus relating to revaluation carried out at June 09, 2008	69,325	69,325
	Revaluation surplus relating to revaluation carried out at April 05, 2012	85,936	85,936
	Revaluation surplus relating to revaluation carried out at April 26, 2016	114,780	114,780
	Revaluation surplus relating to revaluation carried out at May 15, 2019	57,348	57,348
	Revaluation surplus relating to revaluation carried out at May 12, 2022	229,392	229,392
	Revaluation surplus relating to revaluation carried out at May 20, 2025	215,055	-
		780,709	565,654

6.2 The Company had revalued its freehold land on June 30, 1990, June 09, 2008, April 05, 2012, April 26, 2016, May 15, 2019, May 12, 2022 and May 20, 2025. The revaluation was carried out by independent valuers Mr. Anwar ul Haq in 1990 and M/S Hamid Mukhtar & Co. (Pvt) Ltd. in 2008, 2012, 2016, 2019, 2022 and 2025 respectively to replace the carrying amount of land with local market values. The following aggregated net appraisal surplus arisen on the revaluation on June 30, 1990, June 09, 2008, April 05, 2012, April 26, 2016, May 15, 2019, May 12, 2022 and May 20, 2025 was credited to surplus on revaluation of property, plant and equipment.

	Book value	Re-valued amount	Surplus on revaluation
	Rupees in thousand		
Free hold land	7,826	788,535	780,709
	7,826	788,535	780,709

6.3 Since the revaluation relate to freehold land which is a non-depreciable asset, no deferred tax liability arises on revaluation. In the absence of depreciable amount, no incremental depreciation net off deferred tax transferred to unappropriated profit nor any disclosure regarding these have been made in the above note.
6.4 The revaluation on freehold land is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

7	SPONSOR'S LOAN - RELATED PARTY	30 June 2025	30 June 2024
		Rupees in thousand	
		82,500	82,500

This represents a loan received from the Chief Executive of the Company to meet the working capital requirements. This loan is unsecured, interest free and repayable at the discretion of the Company. In the light of guidance provided in the Technical Release - 32 (Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan, this loan has been classified as part of equity.

8	LEASE LIABILITIES	30 June 2025	30 June 2024
		Rupees in thousand	
	Present value of minimum lease payments	6,887	13,602
	Less: current portion presented under current liabilities -note- 8.3	4,653	6,647
		2,234	6,955

8.1 Reconciliation of lease liabilities

Opening Balance		13,602	18,625
Add:			
Interest on lease liabilities for the year -note- 31		1,434	2,940
		1,434	2,940
Less:			
payments / adjustments during the year		8,149	7,963
		8,149	7,963
Closing balance		6,887	13,602

8.2 Where the implicit rate is available in the lease contract, that has been used which is 3 months KIBOR plus 1.75 % per annum in case of vehicles leased from Bank Al-Habib Limited. In case of Right-of-use asset for the office building, the Company's incremental borrowing rate i.e. 18.07% is used.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

8.3 Future minimum payments and their present values are regrouped as under:

	2025		2024	
	Over one year	More than one year but less than five years	Over one year	More than one year but less than five years
	Rupees in thousand			
Total minimum lease payments	4,919	2,255	8,348	7,550
Less : Finance charges	(266)	(21)	(1,701)	(595)
Present value of minimum lease payments	4,653	2,234	6,647	6,955

9 DEFERRED TAXATION

Deferred tax on temporary differences comprises of :

Taxable temporary differences

Accelerated tax depreciation

Right-of-use assets

Deductible temporary differences

Minimum tax credits

Lease liabilities

Provision for impairment of trade debts

Other

Opening Balance as at July 1

Add: Charged to profit or loss -note- 32.3

Closing Balance as at June 30

	30 June 2025	30 June 2024
	Rupees in thousand	
	21,819	19,935
	1,905	3,246
	23,724	23,181
	9,730	1,531
	1,997	3,945
	-	1,967
	8,051	-
	3,946	15,738
	15,738	8,472
	(11,793)	7,266
	3,946	15,738

10 TRADE AND OTHER PAYABLES

Creditors

Accrued liabilities

Contract liabilities

Payable to provident fund

Other payables

Income tax withheld payable

Workers' Profit Participation Fund

Workers' Welfare Fund

10.1 This includes salaries payable to Kh. Imtiaz Ahmed - Chief Executive and Abrar Ahmad Kh.- Executive Director as at June 30, 2025 of Rs. 5.014 million (June 30, 2024: Rs. 4.1 million) and Rs.7.70 million (June 30, 2024: Rs. 8.81 million) respectively.

10.2 Contract liabilities represent unsecured advances from customers for the supply of goods by the Company during the period of one year from the reporting date. Such advances as at June 30, 2024 amounting to Rs. 65.852 million have been recognized as revenue for the year ended June 30, 2025. It also includes advance of Rs. 122.976 million (2024: Rs. nil) received from Leiner Gelatine SDN. BHD. Malaysia - Related party, for supply of gelatine manufacturing machinery and equipment.

	30 June 2025	30 June 2024
	Rupees in thousand	
	332,699	365,818
	74,777	106,323
	204,056	65,851
	730	900
	395	317
	2,633	1,820
	19,060	17,516
	8,703	7,865
	643,052	566,410

10.3 Workers' Profit Participation Fund (WPPF)

Balance at beginning of the year

Interest on funds utilized in Company's business

Allocation/ expense for the year -note- 31 -note- 30, 34

Less: paid during the year

	30 June 2025	30 June 2024
	Rupees in thousand	
	17,516	8,747
	3,198	2,876
	2,206	6,899
	22,920	18,522
	3,860	1,006
	19,060	17,516

Interest is paid at prescribed rate under the Companies Profits (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

11 MARK-UP ACCRUED

On borrowings from banking companies - secured

Short term borrowings

	30 June 2025	30 June 2024
	Rupees in thousand	
	10,447	14,676
	10,447	14,676

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

12 SHORT TERM BORROWINGS

From banking companies - secured

		30 June 2025	30 June 2024
		Rupees in thousand	
Export Refinance			
Bank Al-Habib Limited	-note- 12.1, 12.4	224,990	314,990
Export Refinance			
Habib Bank Limited	-note- 12.2, 12.5	99,800	-
Running finance			
Bank Al-Habib Limited	-note- 12.3, 12.4	34,365	16,663
		359,155	331,653

From related parties - unsecured

Loans from director and close relative thereof	-note- 12.8	56,016	47,939
		415,171	379,592

- 12.1 The Company has finance against packing credit (FAPC) facility having sanctioned limit of Rupees 275 million (June 30, 2024: Rupees 325 million) including one-off FAPC facility of Rupees 50 million (June 30, 2024: Rupees 100 million) from Bank Al-Habib Limited. The rate of mark-up on this facility is three months KIBOR plus 1.75% (June 30, 2024: three months KIBOR plus 1.75%) per annum. The principal is to be repaid through own sources or on demand or upon realization of exports proceeds as per the tenor of respective bill but not later than 120 days from the 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, 2027 with credit review on annual basis.
- 12.2 The finance against packing credit (FAPC-Contract) facility having sanctioned limit of Rupees 100 million has been obtained during the year from Habib Bank Limited. The rate of mark-up on this facility is three months KIBOR plus 1.75%. The principal is to be repaid upon realization of the export proceeds as per the tenor of the respective export bill but not later than 180 days while mark-up is to be paid on quarterly basis and/or at the time of maturity. The facility was valid till April 30, 2025.
- 12.3 The running finance facility having sanctioned limit of Rupees 35 million (June 30, 2024: Rupees 35 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, 2024: three months KIBOR plus 1.75%) per annum payable quarterly. The facility is valid till February 07, 2027 with credit review on annual basis.
- 12.4 The facilities mentioned in 12.1 and 12.3 are commonly secured against first charge of Rupees 365 million (June 2024: Rupees 365 million) over current assets of the Company registered with SECP. Equitable mortgage supported by first charge on fixed assets of Rupees 450 million (June 30, 2024: Rupees 450 million) comprising land 90 Kanals & 08 Marlas, 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 Directors / Shareholders amounting to Rupees 300 million each (June 30, 2024: Rupees 300 million). The running finance facility at note 12.3 in addition to securities aforesaid is also secured against pro note amounting to Rs. 71.750 million (June 2024 : Rupees 71.750 million).
- 12.5 The facility mentioned in 12.2 is commonly secured against first pari passu charge of Rupees 134 million over current assets of the Company. First Pari passu charge of Rupees 134 million on fixed assets, comprising land, building, plant and machinery. Personal guarantees of Directors/ shareholders. Lien on export documents under letter of credit and contract.
- 12.6 As at June 30, 2025, the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/ usance) amounting to Rupees 5 million (June 30, 2024: Rupees 5 million). The Company has not any letter of credit facility (one off) during the year (June 30, 2024: 19.417 million). Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2024: Rupees 15 million) from Bank Al-Habib Limited.
- 12.7 The net aggregate short term borrowing facilities unavailed as at June 30, 2025 amounting to Rupees 50.845 million (June 30, 2024: Rupees 53.35 million) and for letters of credit and bank guarantees amounting to Rupees 8.744 million (June 30, 2024: Rupees 28.16 million).
- 12.8 The loans from Chief executive / Director (Khawaja Imtiaz Ahmed) and his close relative (Khawaja Ahmed Hassan) amounting to Rs. 10.168 million (June 30, 2024: 23.117 million) and Rs. 45.848 million (June 30, 2024: 24.822 million) respectively, are for working capital requirements. These loans are re-payable on demand and non-interest bearing.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- 13.1.1 The Pakistan Environmental Protection Agency has filed a complaint against the Company before the Environmental Protection Tribunal on March 25, 2005 on account of Company's failure to properly dispose effluent water discharge during the production. The agency regards this to be a criminal offence. The Company has filed a writ petition against the Agency's claim before the Honourable Lahore High Court ("LHC") on April 8, 2005 which is pending for hearing. As per Legal Counsel of the Company, it is anticipated that the Company has a fair chance of success. In this context, therefore, no adverse results can be contemplated. The Company has not recognized any liability in this regard as the decision of the above mentioned writ petition will not carry any financial obligation on part of the Company.

- 13.1.2 Guarantees issued by bank on behalf of Company as at June 30, 2025 amounting to Rupees 11.256 million (June 30, 2024: Rupees 11.256 million).

13.2 Commitments

The Company has no commitment as at June 30, 2025 (June 30, 2024: Rupees nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

14.2 Operating fixed assets - for the year ended June 30, 2024

PARTICULARS	COST/REVALUED AMOUNT				DEPRECIATION				Net book value as at 30 June 2024			
	As at 30 June 2025	Additions / Revaluation	Disposals	Transfers	As at 30 June 2024	Annual rates	As at 30 June 2023	Disposals		Transfers	For the year	As at 30 June 2024
Assets owned by the Company												
Langkasa Assets												
Freehold land	873,460	-	-	-	873,460	-	-	-	-	-	-	873,460
Factory building on freehold land	130,630	-	-	-	130,630	10%	82,693	-	-	4,937	85,662	64,966
Office building on freehold land	617	-	-	-	617	5%	739	-	-	4	743	74
Plant and machinery	320,042	-	-	-	320,042	10%	220,173	-	-	9,937	231,160	89,882
Electric installation and equipment	31,464	2,820	-	-	34,284	10%	22,174	-	-	948	23,120	11,164
Fine lighting equipment	79	-	-	-	79	10%	61	-	-	2	83	16
Service and other equipment	660	-	-	-	660	10%	557	-	-	2	659	21
Office equipment	8,559	2,254	-	-	10,813	10%	5,364	-	-	401	5,765	4,827
Laboratory equipment	3,650	-	-	-	3,650	10%	2,662	-	-	37	3,623	310
Permanant and special equipment	261	-	-	-	261	10%	262	-	-	1	263	6
Furniture, fixtures and fittings	1,529	-	-	-	1,529	10%	1,264	-	-	27	1,291	248
Vehicles	12,169	3,220	2,422	-	15,811	20%	9,127	2,245	-	759	7,641	6,386
Railway rolling	417	-	-	-	417	10%	414	-	-	3	414	3
Cycles and accessories	77	-	-	-	77	20%	72	-	-	1	73	4
Arms and ammunition	141	-	-	-	141	10%	91	-	-	8	99	46
Furniture	197	-	-	-	197	10%	179	-	-	2	180	17
30 June 2024	5,064,358	6,314	2,422	-	5,093,100		3,447,713	2,245	-	17,171	358,653	750,382
Rights of use assets												
Vehicles	15,648	-	-	-	15,648	20%	5,393	-	-	2,033	7,436	8,210
Office building	8,953	-	-	-	8,953	33.125 %*	2,984	-	-	2,984	5,969	2,986
As at 30-06-2024	5,108,957	6,314	2,422	-	5,114,699		353,090	2,245	-	22,238	373,042	761,317

* Lease term is 3 years and Right-of-use asset is depreciated on straight-line method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

14.3 The depreciation charged for the year has been allocated as follows:

Cost of lease	-078/- 26.3
Administrative expenses	-078/- 26

30 June 2025	30 June 2024
-----Rupees in thousands-----	
14,884	15,872
6,223	6,226
8,661	9,646

14.4 Plant and machinery, and buildings are subject to the straight line charge and a equitable mortgage amounting to Rs. 834 million as on June 30, 2025 (June 30, 2024: Rs. 430 million). These charges are agreed to be paid from various banks as disclosed in note 12 of the financial statements.

14.5 The Company has reviewed its freehold land on June 30, 2025, April 26, 2025, May 12, 2025 and May 20, 2025. The valuation was carried out by independent valuers Mr. Anwarul Haq in 1990 and Mr. Harid Kumar & Co. (Pvt) Ltd. in 2016, 2017, 2018, 2019, 2020 and 2023 respectively to arrive at the carrying amount of and with lease market value. The following aggregated net book value as on the valuation on June 30, 1990, June 30, 2016, May 12, 2022 and May 20, 2025 was credited to surplus on revaluation of property, plant and equipment. The value has been determined by an independent valuer Mr. Harid Kumar & Co. (Pvt) Ltd. ("The valuer") on May 20, 2025 on the basis of present market value keeping in view that the land is freehold and is used for the production and sale of Company's product. The valuation has resulted in aggregate increase in value of freehold land by Rupees 780,759 million as at June 30, 2025 which is included in book value of freehold land.

Had there been no revaluation, the cost of freehold land would have been as follows:

30 June 2025	30 June 2024
-----Rupees in thousands-----	
Cost	7,826
Accumulated depreciation	7,826
Net book value	0

Freehold land

14.6 For sale value of the freehold land based on valuation conducted on May 20, 2025 was Rs. 630,628 million

14.7 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (squares)	Covered Area (sq. ft)
19 Kilometer, Sharanya-Registan, Khas Bhan Kaba, District Shikharjura	Manufacturing facility	14,337	188,381

14.8 Particulars of property, plant and equipment disclosed are as follows:

Cost	Accumulated depreciation	Net book value	30 June 2024			Particulars of purchase
			Cost	Gain	Net book value	
Vehicle	1,200	867	143	200	87	MR ASAD KAMAL ASLAM S/O RAJA MUHAMMAD ASLAM
Vehicle	1,422	1,389	34	462	439	MR ASAD KAMAL ASLAM S/O RAJA MUHAMMAD ASLAM
Total	2,622	2,256	177	662	815	

14.8.1 The above mentioned purchase has no relationship with the Company or any of its directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

14.9 Capital work in progress

	Plant and Machinery	Building and Civil Works	Total
	Rs. in thousands	Rs. in thousands	Rs. in thousands
As at 01 July 2024	10,876	2,878	13,754
Additions	33,168	-	33,168
Transfer to operating fixed assets	47,064	2,878	49,942
As at 30 June 2025	86,998	5,756	92,754

15 INTANGIBLE ASSETS

PARTICULARS	COST		AMORTISATION			Annual Rate
	As at 30 June 2024	Additions / (Deductions)	As at 30 June 2025	As at 30 June 2024	For the year	
Computer software	70	-	70	70	-	20%
30 June 2025	70	-	70	70	-	
30 June 2024	70	-	70	70	-	

15.1 The intangible asset has been fully amortised and is in active use of Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

16 LONG TERM DEPOSITS

		30 June 2025	30 June 2024
		Rupees in thousand	
Security deposits		3,105	3,105
Less: Current portion shown under current assets	-note- 21	1,544	-
		<u>1,561</u>	<u>3,105</u>

17 STORES, SPARE PARTS AND LOOSE TOOLS

Stores, spare parts and loose tools		23,846	14,597
Packing material		505	259
		<u>24,351</u>	<u>14,856</u>

17.1 It is impracticable to distinguish stores, spare parts and loose tools, each from the other.

17.2 Stores, spare parts and loose tools are generally held for internal use only.

17.3 No item of stores, spare parts and loose tools is pledged as security as at the reporting date.

18 STOCK-IN-TRADE

Raw material		479,381	858,471
Work in process		15,994	15,360
Finished goods:			
Gelatine		411,088	119,446
By-product Di-Calcium Phosphate (DCP)	-note- 18.1	7	-
		<u>411,095</u>	<u>119,446</u>
		<u>906,470</u>	<u>993,277</u>

18.1 The entire stock of by-product, Di-Calcium Phosphate (DCP) is carried at net realizable value.

18.2 No item of stock-in-trade is pledged as security as at the reporting date.

19 TRADE DEBTS

Considered good:

Unsecured -Local		13,277	4,810
Unsecured -Foreign	-note- 19.1	125,701	22,014
		<u>138,978</u>	<u>26,824</u>

Considered doubtful:

Unsecured - Local		-	6,784
		<u>138,978</u>	<u>33,608</u>
Less: Provision for doubtful trade debts	-note- 19.2	-	6,784
		<u>138,978</u>	<u>26,824</u>

19.1 These include an amount of Rupees 125,701,446 (2024: Rupees 12,245,339) due from an associated Company, Leiner Gelatine SDN. BHD. Malaysia out of which Rs.73,745,926 is past due by 1-30 days and is not impaired. The maximum aggregate amount due from the associated Company at the end of any month during the year was Rupees 125,701,446 (2024: Rupees 12,245,339).

19.2 Movement of provision for doubtful trade debt is as follows:

		30 June 2025	30 June 2024
		Rupees in thousand	
Balance as at July 1		6,784	-
Provision during the year		-	6,784
Less: Doubtful trade debt recovered		6,691	-
Net provision for doubtful debts during the year	-note- 27	(6,691)	6,784
Less: Doubtful debt written - off		93	-
Balance as at June 30		<u>0</u>	<u>6,784</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

20 ADVANCES

Considered good:

To staff - secured -note- 20.1
To suppliers - unsecured

30 June 2025	30 June 2024
Rupees in thousand	
1,119	1,155
61,276	4,589
62,395	5,744

20.1 These are amounts advanced to staff against future salaries and retirement benefits and are in accordance with the Company's policy and are interest-free. None of the advances relate to executives and directors.

21 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Current portion of long term deposits -note- 16
Prepayments

30 June 2025	30 June 2024
Rupees in thousand	
1,544	-
1,701	1,617
3,245	1,617

22 OTHER RECEIVABLES

Sales tax refundable -note- 22.1

8,602	19,511
8,602	19,511

22.1 This represents excess of input tax on purchases over sales tax payable.

23 ADVANCE TAX - NET

Advance tax
Less: Adjustment for provision for taxation -note- 32
Advance tax at the end of the year

90,742	77,113
(33,843)	(35,145)
56,899	41,968

24 CASH AND BANK BALANCES

With banks in local currency:
 in current accounts
 in deposit account -note- 24.1
Cash in hand

1,280	1,160
14	-
9,143	8,670
10,437	9,830

24.1 Deposit account carried profit rate ranges between 8.4% to 13.75% during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

25 SALES - NET

		30 June 2025	30 June 2024
		Rupees in thousand	
Export sales	-note- 25.1	928,311	2,294,946
Local sales	-note- 25.2	700,301	1,049,588
		<u>1,628,612</u>	<u>3,344,534</u>
25.1 Export sales			
Gelatine		<u>928,311</u>	<u>2,294,946</u>
25.2 Local sales			
Gelatine		269,667	478,199
Di-Calcium Phosphate, by-product		549,181	719,734
		<u>818,848</u>	<u>1,197,933</u>
Less: sales tax		99,963	148,345
sales return		18,584	-
		<u>118,547</u>	<u>148,345</u>
		<u>700,301</u>	<u>1,049,588</u>

26 COST OF SALES

Raw material consumed	-note- 26.1	1,024,115	1,847,562
Stores, spare parts and loose tools consumed		82,033	163,221
Packing material consumed		14,232	14,508
Salaries, wages and benefits	-note- 26.2	106,624	134,401
Fuel and power		342,144	646,719
Factory overheads	-note- 26.3	78,430	94,758
		<u>1,647,578</u>	<u>2,901,169</u>
Add: opening work in process		15,360	131,013
Less: closing work in process		15,994	15,360
		<u>(634)</u>	<u>115,653</u>
Cost of goods manufactured		<u>1,646,944</u>	<u>3,016,822</u>
Add: opening stock of finished goods		119,446	29,265
Less: closing stock of finished goods		411,095	119,446
		<u>(291,649)</u>	<u>(90,181)</u>
		<u>1,355,295</u>	<u>2,926,641</u>

26.1 Raw material consumed

Opening stock		858,471	654,634
Purchases		645,025	2,051,399
		<u>1,503,496</u>	<u>2,706,033</u>
Less: closing stock		479,381	858,471
		<u>1,024,115</u>	<u>1,847,562</u>

26.2 Salaries, wages and benefits include employer's contribution to recognised provident fund amounting to Rupees 2,677,788 (June 30, 2024: Rupees 2,537,592).

26.3 Factory overheads

		30 June 2025	30 June 2024
		Rupees in thousand	
Indirect labour wages		8,735	12,913
Insurance		1,690	1,137
Repair and maintenance		36,121	43,334
Depreciation	-note- 14.3	14,864	15,972
Loading and unloading		8,854	9,462
Miscellaneous expenses		8,166	11,940
		<u>78,430</u>	<u>94,758</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

27 OTHER INCOME

		30 June 2025	30 June 2024
		Rupees in thousand	
Income from financial instruments:			
Foreign exchange gain - net		1,584	-
Profit on deposit accounts		31	-
Income from non-financial instruments:			
Liabilities no longer required written back		3,310	-
Reversal of provision of doubtful trade debt	-note- 19.2	6,691	-
Gain on disposal of fixed asset	-note- 14.8	-	515
		<u>11,616</u>	<u>515</u>

28 DISTRIBUTION COST

Shipping expenses		21,109	35,800
Commission on exports		920	720
Other expenses		28,518	27,658
		<u>50,547</u>	<u>64,178</u>

29 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	-note- 29.1	49,748	47,059
Insurance		1,105	1,234
Vehicle running and maintenance		13,717	15,890
Rent, rates and taxes		3,892	1,611
Travelling and conveyance		4,498	5,700
Legal and professional charges		1,492	326
Printing and stationery		1,570	1,499
Fees and subscription	-note- 29.3	3,174	4,050
Telephone and postage		2,192	1,720
Repair and maintenance		1,908	13,005
Auditors' remuneration	-note- 29.2	1,627	1,477
Entertainment		1,854	7,532
Utilities		1,151	1,621
Depreciation	-note- 14.3	6,203	6,236
Amortisation	-note- 15	-	-
Security expenses		6,584	4,975
Miscellaneous expenses		1,900	2,251
		<u>102,615</u>	<u>116,186</u>

29.1 Salaries, wages and benefits include employer's contribution to recognised provident fund amounting to Rupees 1,351,892 (June 30, 2024: Rupees 1,314,029).

29.2 Auditors' remuneration

		30 June 2025	30 June 2024
		Rupees in thousand	
Audit fee		1,100	1,100
Fee for half yearly limited review of financial information		350	250
Review of statement of code of corporate governance, CDC and free-float certifications		150	100
Out of pocket expenses		27	27
		<u>1,627</u>	<u>1,477</u>

29.3 This includes penalty amounting to Rs. 25,000 paid by the Company against the order received, from Securities and Exchange Commission of Pakistan (SECP) disposing of the proceedings initiated through the show cause notice dated February 24, 2025 by the SECP under Section 218 read with section 219 and 479 of the Companies Act, 2017. Compensation amounting to Rs. 677,605 paid to the trustees of the provident fund for delayed payments- as per note 31.

30 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	-note- 10.3	2,206	6,899
Workers' Welfare Fund	-note- 34	839	3,475
Sales tax written off		16,056	1,286
Provision for doubtful trade debt	-note- 19.2	-	6,784
Donations	-note- 30.1	1,370	2,545
Foreign exchange loss - net		-	1,536
		<u>20,471</u>	<u>22,525</u>

30.1 Donations

Details of donations given to a single party exceeding Rs. 1,000,000/- or 10 percent of the Company's total amount of donations, whichever is higher, during the year are as follows:

		30 June 2025	30 June 2024
		Rupees in thousand	
Shaukat Khanum Memorial Trust		1,020	2,030
Hijaz Hospital		350	500

30.1.1 None of the directors or their spouses had any interest in the donees in respect of donations made by the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

31 FINANCE COST

		30 June 2025	30 June 2024
		Rupees in thousand	
Mark-up/ interest on:			
Short term borrowings		62,418	73,412
Workers' Profit Participation Fund	-note- 10.3	3,198	2,876
Lease liabilities	-note- 8.1	1,434	2,940
Provident fund		678	-
Bank charges and commission		5,700	11,568
		<u>73,428</u>	<u>90,796</u>

32 LEVIES AND TAXATION

32.1 Final tax	-note- 32.1.1	-	21,173
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32.1.1 This represents final tax paid under section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

		30 June 2025	30 June 2024
		Rupees in thousand	
32.2 Minimum tax	-note- 32.2.1	8,199	1,531

32.2.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

		30 June 2025	30 June 2024
		Rupees in thousand	
32.3 Income tax			
Current - for the year		12,159	11,589
-for prior years		13,485	1,645
		25,644	13,234
Deferred - current year	-note- 9	(11,793)	7,266
- effect of change in tax rate		-	-
		<u>(11,793)</u>	<u>7,266</u>
		<u>13,851</u>	<u>20,500</u>

32.4 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	30 June 2025	30 June 2024
	Rupees in thousand	
Current tax liability for the year as per applicable tax laws	20,358	34,293
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(12,159)	(11,589)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(8,199)	(22,704)
Difference	-	-

32.5 Relationship between taxes, levies and accounting profit for the year is as follows:

Profit before levies and taxation	37,872	-
Tax at the applicable rate of 29%	10,983	-
Tax effect of:		
-expense not deductible for tax purposes	13,396	-
-expenses deductible for tax purposes but not taken to profit and loss account	(12,221)	-
Adjustment in respect of prior years	13,485	-
Adjustment in respect of minimum tax credit	8,199	-
Deferred taxation	(11,793)	-
Levies and income tax	<u>22,050</u>	<u>-</u>

32.6 The Income Tax assessments of the Company are complete upto tax year 2024, as deemed assessments in terms of Section 120(1) of the Income Tax Ordinance, 2001 (The Ordinance) as per income tax returns of the Company.

32.7 Finance Act, 2019 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. Deferred tax asset on minimum tax will lapse after 2 years of its occurrence.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

33 EARNINGS PER SHARE - BASIC AND DILUTED

	30 June 2025	30 June 2024
	Rupees in thousand	
There was no dilutive effect on basic earnings per share of the Company which is based on:		
Profit after taxation attributable to ordinary shareholders of the Company	15,822	81,519
Weighted average number of ordinary shares outstanding during the year	(No. of shares) 7,500	7,500
Earnings per share	(Rupees) 2.11	10.87

34 CASH GENERATED FROM OPERATIONS

	30 June 2025	30 June 2024
	Rupees in thousand	
Profit before final tax, minimum tax and income tax	37,872	124,723
Adjustments for:		
Depreciation	-note- 14.3 21,067	22,208
Provision for employee retirement benefits	-note- 29.1,26.2 4,030	3,852
Finance cost	-note- 31 73,428	90,796
Provision for Workers' Profit Participation Fund	-note- 10.3 2,206	6,899
Provision for Workers' Welfare Fund	-note- 30 839	3,475
Reversal of provision of doubtful trade debt	-note- 27 (6,691)	-
Liabilities no longer required written back	-note- 27 (3,310)	-
Gain on disposal of property, plant and equipment	-note- 27,14.8 -	(515)
Operating profit before changes in working capital	91,569	126,715
Changes in working capital	129,441	251,438
Decrease/(Increase) in current assets:		
Stores, spare parts and loose tools	(9,496)	13,903
Stock-in-trade	86,806	(178,257)
Trade debts	(105,465)	(223)
Advances	(56,650)	143,831
Trade deposits and short term prepayments	(83)	(270)
Other receivables	10,909	(11,451)
(Decrease)/ increase in current liabilities:		
Trade and other payables	77,740	(95,122)
	133,202	123,849

34.1 Reconciliation of movement of liabilities to cashflows arising from financing activities

	June 30, 2024	Net (decrease) / Increase due to cash flows	June 30, 2025
	Rupees in thousand		
Short term finance - secured			
Running Finance	16,663	17,702	34,365
Bank-Al-Habib Limited			
Export Refinance	-	99,800	99,800
Habib Bank Limited			
Export Refinance	314,990	(90,000)	224,990
Bank-Al-Habib Limited			
	331,653	27,502	359,155
From related parties - unsecured			
Loans from director and close relative thereof	47,939	8,077	56,016
	379,592	35,579	415,171
Sponsor's Loan - Related Party	82,500	-	82,500
	462,092	35,579	497,671

**NOTES TO THE FINANCIAL STATEMENTS
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		30 June 2025	30 June 2024
		-----Rupees in thousand-----	
35 CASH AND CASH EQUIVALENTS			
Cash and bank balances	-note- 24	<u>10,437</u>	<u>9,830</u>
36 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS			
36.1 Depreciation / amortisation methods, rates and useful lives			
The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment and intangible assets annually by considering expected pattern of economic benefits that the Company expects to derive from that item.			
36.2 Recoverable amounts of assets / cash generating units			
The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amounts if there is any such indication.			
36.3 Taxation			
The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.			
36.4 Provisions			
Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.			
36.5 Revaluation of freehold land			
Revaluation of freehold land is carried out by independent professional valuers. Revalued amounts are determined by the reference to local market values.			
36.6 Stock in trade/ Stores, spare parts & loose tools			
Management has made estimates for realizable amount of slow moving and obsolete stocks, stores, spare parts & loose tools items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stocks, stores, spare parts & loose tools with corresponding effect on amounts recognized in statement of profit or loss as provision / reversal.			
36.7 Impairment of financial assets			
The management makes judgments for estimating the allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.			
36.8 Leases			
The management uses judgments for recognition of leases under IFRS 16 and the related practical expedients thereunder.			

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

37 FINANCIAL RISK MANAGEMENT

37.1 Financial instruments

30 June 2025 30 June 2024
Rupees in thousand

The following are financial instruments by category:

Financial assets at amortized cost

Security deposits	1	1
Trade debts	138,978	26,824
Advances	1,119	1,155
Cash and bank balances	10,437	9,830
	<u>150,535</u>	<u>37,810</u>

Financial liabilities at amortized cost

Lease liabilities	6,887	13,602
Short term borrowings	415,171	379,592
Mark up accrued	10,447	14,676
Trade and other payables	410,504	474,278
Unclaimed dividend	771	771
	<u>843,780</u>	<u>882,919</u>

The Company's activities expose it to a variety of financial risks including effects of changes in foreign exchange rates, market interest rates, credit and liquidity risks associated with various financial assets and liabilities. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

37.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as under:

30 June 2025 30 June 2024
Rupees in thousand

Security deposits	1	1
Trade debts	138,978	26,824
Advances	1,119	1,155
Bank balances	1,294	1,160
	<u>141,392</u>	<u>29,139</u>

The maximum exposure to credit risk for trade debts amounting to Rupees 138.978 million (June 30, 2024: Rupees 26.824 million) at the reporting date by geographic region is as under:

30 June 2025 30 June 2024
Rupees in thousand

Domestic	13,277	4,810
Export	125,701	22,014
	<u>138,978</u>	<u>26,824</u>

The export debtor of the Company is situated in Malaysia.

The maximum exposure to credit risk for trade debts amounting to Rupees 138.978 million (June 30, 2024: Rupees 26.824 million) at the reporting date by type of customer is as under:

30 June 2025 30 June 2024
Rupees in thousand

End user customers	138,978	26,824
	<u>138,978</u>	<u>26,824</u>

NOTES TO THE FINANCIAL STATEMENTS
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The aging of trade debts at the reporting date is as under:

	30 June 2025	30 June 2024
	Rupees in thousand	
Not past due	51,988	9,769
Past due 1-30 days	73,746	16,054
Past due 31-120 days	13,107	957
Past due 121-365 days	137	44
More than one year	-	6,784
	138,978	33,608
Less: Provision for doubtful trade debts	-	6,784
	138,978	26,824

The Company continuously monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery. The Company manages credit risk by limiting significant exposure to individual customers and obtaining advances against sales. Based on (i) historic record (ii) subsequent recoveries and (iii) confirmation of balance /acceptance of liability by customer, the Company believes that no impairment allowance is necessary in respect of trade debts past due amounts upto one year. Further, bank balances are held only with reputable banks with high quality credit ratings. The short term and long term credit ratings as determined by PACRA and JCR-VIS are as follows:

	Short term	Rating Long term	Agency	30 June 2025	30 June 2024
	Rupees in thousand				
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	4	2
Bank Alfalah Limited	A1+	AAA	PACRA	85	10
Bank Al - Habib Limited	A1+	AAA	PACRA	1,151	1,071
MCB Bank Limited	A1+	AAA	PACRA	8	8
Habib Bank Limited	A-1+	AAA	JCR - VIS	5	-
Bank Makramah Limited	A-3	BBB-	JCR - VIS	1	1
United Bank Limited	A-1+	AAA	JCR - VIS	38	66
Bank Islami Pakistan Limited	A1	AA-	PACRA	2	2
				1,294	1,160

37.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company closely monitors its liquidity and cash flow position. This includes maintenance of financial position, liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The following are contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	2 to 5 years	More than 5 years
	June 30, 2025 Rupees in thousand					
Lease liabilities	6,887	7,174	1,840	3,079	2,255	-
Short term borrowings	415,171	423,151	423,151	-	-	-
Mark up accrued	10,447	10,447	10,447	-	-	-
Trade and other payables	410,504	410,504	410,504	-	-	-
Unclaimed dividend	771	771	771	-	-	-
	843,780	852,047	846,713	3,079	2,255	-
	June 30, 2024 Rupees in thousand					
Lease liabilities	13,602	15,896	4,174	4,174	7,550	-
Short term borrowings	379,592	391,848	391,848	-	-	-
Mark up accrued	14,676	14,676	14,676	-	-	-
Trade and other payables	474,278	474,278	474,278	-	-	-
Unclaimed dividend	771	771	771	-	-	-
	882,919	897,471	885,747	4,174	7,550	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at 30 June. The rates of mark up have been disclosed in notes 8.2, 12.1, 12.2 & 12.3 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

37.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and the liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

37.4.1 Currency risk

The Company is exposed to a currency risk on trade debts of Rupees 125.701 million as at June 30, 2025 (June 30, 2024: Rupees 22.014 million) that are denominated in a currency other than the functional currency of the Company. The Aggregate exposure of statement of financial position to currency risk works out to be Rupees 125.701 million as at June 30, 2025 (June 30, 2024: Rupees 22.014 million). The currency in which these transactions primarily denominated is US Dollar.

2025	2024	2025	2024
Average rates		Reporting date rate	

Significant exchange rates applied during the year:

US Dollar	279.90	283.23	283.60	278.30
-----------	--------	--------	--------	--------

Sensitivity analysis

A 10 percent strengthening of the Rupee against above mentioned currency as at 30 June 2025 would have decreased profit by Rupees 12.570 million mainly as a result of net foreign exchange difference on translation of foreign currency net assets. The analysis assumes that all other variables remain constant. A 10 percent weakening of the Rupee against above currencies at 30 June 2025 would have had the equal but opposite effect on the profit or loss, on the basis that all other variables remains constant.

37.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks. At the reporting date, the interest rate profile of the Company's variable interest bearing financial instruments is given below:

The variable rate financial liabilities as at June 30, 2025 aggregated to Rupees 366.042 million (June 30, 2024: 345.255 million) and fixed rate liabilities aggregated to Rupees nil (June 30, 2024: nil). The Company does not account for fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the statement of profit or loss and the equity of the Company. A change of 100 basis points in interest rates at the reporting date would have (decreased) / increased the loss / profit for the year by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit & loss	
	100 bp increase	100 bp decrease
	Rupees in thousand	
As at June 30, 2025		
Cash flow sensitivity - variable rate instruments	(405)	405
As at June 30, 2024		
Cash flow sensitivity - variable rate instruments	(693)	693

37.5 Fair Value of Financial Instruments

Fair Value is the price 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.

A financial Instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Company classifies fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value. Fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices), or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

37.6 Fair value measurement – non-financial assets

(i) Fair value hierarchy

Judgments and estimates are made for non-financial assets that are measured at fair value in these financial statements. To provide an indication of the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into following three levels:

	Level 1	Level 2	Level 3	Total
	Rupees (000)	Rupees (000)	Rupees (000)	Rupees (000)
As at June 30, 2025				
Freehold land	-	788,535	-	788,535
As at June 30, 2024				
Freehold land	-	573,480	-	573,480

(ii) Valuation techniques used in determining level 2 fair value

The Company obtains independent valuations of its freehold land at revalued amounts every three to five years. The best evidence of fair value of freehold land is current prices in an active market for similar lands.

(iii) Valuation process

The Company engages external, independent and qualified valuers to determine the fair value as detailed in note 6.2 of the financial statements.

38 CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in industry, the Company monitors capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt represents total of lease liabilities and short term borrowings less cash and bank balances. Total capital is calculated as equity shown in statement of financial position plus net debt. There were no major changes in the Company's management during the year and the Company is not subject to externally imposed capital requirement.

	30 June 2025	30 June 2024
	Rupees in thousand	
Total borrowing	422,058	393,194
Less: Cash and bank balances	10,437	9,830
Net debt	411,621	383,364
Total equity	1,112,231	881,355
Total capital	1,523,852	1,264,719
Gearing ratio	27.01%	30.31%

39 OPERATING SEGMENTS

39.1 These financial statements have been prepared on the basis of a single reportable segment.

39.2 Sales revenue from Gelatine and Di-Calcium Phosphate (by product) represent 71.78% and 28.22% (June 30, 2024: 81.76% and 18.24%) of the total revenue of the Company respectively.

39.3 All non-current assets of the Company as at June 30, 2025 are located in Pakistan.

39.4 Sales to external customers Marlin Dow Marker Limited, Pakistan is around 7.20% (2024: 2.81%), Sri Nona food, Malaysia is around 6.99% (2024: 58.62%) and Leiner Gelatine SDN. BHD. is around 38.44% (2024: 0.76%) of the total revenue of the Company during the year ended June 30, 2025.

39.5 The sales percentage by geographic region is as follows:

	30 June 2025	30 June 2024
	%	%
Pakistan	43.00	31.38
Malaysia	55.32	67.81
Sri Lanka	1.68	-
Vietnam	-	0.81
	100	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Director		Executives	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Rupees in thousand		Rupees in thousand		Rupees in thousand	
Managerial remuneration	2,568	2,568	1,860	1,860	27,814	27,596
Medical expense	309	574	690	261	273	497
Contribution to provident fund	121	121	88	88	885	888
	<u>2,998</u>	<u>3,263</u>	<u>2,638</u>	<u>2,209</u>	<u>28,972</u>	<u>28,981</u>
Number of persons	1	1	1	1	14	14

40.1 In addition to above, the Chief Executive and the Executive Director are provided with free use of Company maintained cars.

40.2 In addition to the above, aggregate amount charged in these financial statements in respect of Directors' fee and reimbursement of expenses to Non-Executive Directors amounted to Rs. 0.352 million (2024: Rs. 0.267 million).

41 TRANSACTION WITH RELATED PARTIES

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

41.1 Nature of relation	Nature of transaction	30 June 2025	30 June 2024
		Rupees in thousand	
Associated Company	Advance from Leiner Gelatine SDN. BHD. for supply of gelatine machinery and equipments.	122,976	-
	Sale of finished goods - Leiner Gelatine SDN. BHD.	625,963	25,707
Key management personnel	Short-term loan obtained from chief executive - Khwaja Imtiaz Ahmed	18,360	48,300
	Short-term loan repaid to chief executive - Khwaja Imtiaz Ahmed	31,388	38,345
	Short-term loan obtained from close relative - Khwaja Ahmed Hassan	25,530	4,270
	Short-term loan repaid to close relative - Khwaja Ahmed Hassan	4,504	7,925
	Managerial remuneration	See note - 40	
41.2 Contribution to provident fund	Contribution to provident fund trust	4,030	3,852

41.3 The outstanding balances with above related parties are included in Equity (note 7) Sponsor's loan as at June 30, 2025 amount to Rs. 82.5 million (June 30, 2024: Rs. 82.5 million), trade and other payables (note 10) 'Payable to Provident fund', 'Contract Liability from Leiner Gelatine SDN.BHD. Malaysia' and 'Accrued liabilities' as at June 30, 2025 Rs. 0.730 million (June 30, 2024: Rs. 0.899 million), Rs.122.976 (2024:Rs. nil) and Rs. 12.714 million (June 30, 2024: Rs.12.910 million) respectively, short term borrowings (note 12.8 "Short term borrowings from related parties" as at June 30, 2025 Rs. 56.016 million (June 30, 2024: Rs. 47.939 million)) and trade Debts (note 19.1 "Receivable from the associated Company, Leiner Gelatine SDN. BHD" as at June 30, 2025 Rs. 125.701 million (June 30,2024: Rs. 12.245 million))

41.4 Following is the related party with whom the Company had entered into transactions or have arrangements/agreements in place.

Company name	Country of incorporation	Basis of relationship	Aggregate % of shareholding in the Company
LEINER GELATINE SDN. BHD.	Malaysia	Associate	N/A
INA SECURITIES (PRIVATE) LIMITED	Pakistan	Associate	N/A

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

42 PROVIDENT FUND

	30 June 2025	30 June 2024
	Rupees in thousand	
Size of the fund - total assets	222,517	192,136
Percentage of investment made	63.50%	61.75%
Fair value of investments	141,299	118,638
Cost of investments made	37,870	51,558

42.1 Break up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2025		2024	
	Investments	Investment as % of size of the fund	Investments	Investment as % of size of the fund
	Rupees in thousand		Rupees in thousand	
Unit Trust Schemes	72,468	32.57%	56,952	29.64%
Mutual Funds	2,293	1.03%	2,012	1.05%
Savings Schemes of Banks	-	0.00%	2,785	1.45%
Bank Deposits	19,961	8.97%	21,443	11.16%
Listed Securities	46,577	20.93%	35,446	18.45%
	141,299	63.50%	118,638	61.75%

42.2 Based on the audited financial statements of the provident fund (The Fund) as at June 30, 2025, investments in collective investment schemes, listed equity and listed debt securities out of the Funds have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

43 PLANT CAPACITY AND ACTUAL PRODUCTION

	30 June 2025	30 June 2024
	Metric Tons	
Estimated plant capacity in metric tons		
Gelatine (Blended / Unblended)	2,000	2,000
Di-Calcium Phosphate (DCP)	9,000	9,000
Actual production in metric tons		
Gelatine (Blended / Unblended)	859	1,379
Di-Calcium Phosphate (DCP)	3,563	4,403

43.1 The actual production was as per market demand. Under utilization is due to boom and bust of economy, energy crisis, and export of crushed bone out of Pakistan which has created difficulties in procurement of raw materials.

44 NUMBER OF EMPLOYEES

	30 June 2025	30 June 2024
	Numbers	
Number of employees as at June 30		
Permanent	151	156
Contractual	43	46
	194	202
Average number of employees during the year		
Permanent	157	157
Contractual	43	43
	200	200

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

45 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

	Note	30 June 2025	30 June 2024
Rupees in thousand			
Financing as per Islamic mode			
Long-term and Short term		-	-
Financing as per conventional mode			
Export Refinance			
Bank Al-Habib Limited	12	224,990	314,990
Export Refinance			
Habib Bank Limited	12	99,800	-
Running finance			
Bank Al-Habib Limited	12	34,365	16,663
Interest accrued on conventional loans			
Finance Cost	11	10,447	14,676
Shariah compliant bank balances			
Bank Balances	24	110,438	20,931
Shariah compliant sales			
Net Sales	25	1,628,612	3,344,534
Exchange gain earned from actual currency			
Exchange gain	27	1,584	-
Interest paid on conventional loans			
Short term borrowings	31	62,418	73,412
Source and breakup of other income			
Shariah compliant			
Profit on deposit accounts	27	31	-
Gain on disposal of fixed asset	27	-	515

Relationship with shariah compliant financial institutions

Name	Relationship
MCB Islamic Limited	Bank Balance
Bank Alfalah Limited	Bank Balance
Bank Makramah Limited	Bank Balance
Bank Islamic Limited	Bank Balance
Bank Al-Habib Limited	Bank Balance

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 07, 2025 by the Board of Directors of the Company.

47 GENERAL

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

47.2 Corresponding figures have been re-classified, wherever necessary, for purpose of comparison.

LAHORE
Dated: October 07, 2025

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

ABRAR AHMED KH.
Director

MUHAMMAD JAVAIID
Chief Financial Officer

FORM 20

**THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING**

1.1 Name of the Company

LEINER PAK GELATINE LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2025

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
371	1	100	15,062
425	101	500	111,456
137	501	1,000	119,159
216	1,001	5,000	640,089
30	5,001	10,000	211,351
7	10,001	15,000	80,021
2	15,001	20,000	34,000
1	20,001	25,000	20,800
1	25,001	30,000	28,716
3	30,001	35,000	96,400
1	35,001	40,000	38,300
1	40,001	45,000	40,345
2	45,001	50,000	100,000
2	50,001	55,000	105,000
1	70,001	75,000	74,000
3	155,001	160,000	479,500
2	170,001	175,000	340,600
1	200,001	205,000	202,500
2	210,001	215,000	429,200
1	215,001	220,000	218,140
1	270,001	275,000	271,300
1	300,001	305,000	304,550
1	315,001	320,000	320,000
1	330,001	335,000	330,020
1	335,001	340,000	337,900
1	415,001	420,000	419,800
1	425,001	430,000	428,926
1	750,001	755,000	751,765
1	950,001	955,000	951,100
1,218			7,500,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,440,815	45.8775%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	647,066	8.6275%
2.3.3 NIT and ICP	25	0.0003%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	15	0.0002%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	1,756,865	23.4249%
2.3.8 General Public		
a. Local	3,361,800	44.8240%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	47,597	0.6346%
- Pension Funds	2,494	0.0333%
- Other Companies	188	0.0025%

LEINER PAK GELATINE LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2025

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	INA SECURITIES (PVT) LIMITED. (CDC)	647,066	8.6275%
Mutual Funds (Name Wise Detail)			
		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	KH. IMTIAZ AHMED	805,765	10.7435%
2	MRS. AYESHA QASIM	172,200	2.2960%
3	MR. IJAZ AHMED KHAWAJA	304,550	4.0607%
4	MR. RASHID MINHAS	1,000	0.0133%
5	KH. ABRAR AHMED	951,100	12.6813%
6	MR. AHMED ALI RIAZ	74,000	0.9867%
7	SYED RIZWAN HAIDER	500	0.0067%
8	MRS. NAVIDA IMTIAZ W/O KH. IMTIAZ AHMED	657,900	8.7720%
9	MRS. NEELUM NAZ W/O KH. IJAZ AHMED	202,500	2.7000%
10	MRS. NAUSHEEN IBRAR W/O KH. ABRAR AHMED (CDC)	271,300	3.6173%
Executives:		657,900	8.7720%
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		2,509	0.0335%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	KH. IBRAR AHMED	951,100	12.6813%
2	KH. IMTIAZ AHMED	805,765	10.7435%
3	KH. AHMED HASSAN	749,820	9.9976%
4	INA SECURITIES (PVT) LIMITED. (CDC)	647,066	8.6275%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
1	NAUSHEEN IBRAR (CDC)	-	1,000



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Form of Proxy

The Company Secretary,
Leiner Pak Gelatine Ltd.
17-G, Gulberg2,
Lahore-54660

ANNUAL GENERAL MEETING

I/ We _____
of _____ being a member of LEINER PAK GELATINE LIMITED,
holder of _____ Ordinary Shares as per Share Register Folio No. _____
(No. of Shares)

_____ and/or CDC Participant I.D. No. _____
and Sub Account No. _____ hereby appoint _____
Of _____
Or failing him _____ of _____
as my/our proxy to vote for me /us and on my / our behalf at the Annual General Meeting of the Company to be
held on 28th day of October, 2025 and at any adjournment thereof.

Signed this _____ day of _____ 2025

WITNESSES

1. **Signature** _____

Name _____

Address _____

NIC or _____

Passport No. _____

2. **Signature** _____

Name _____

Address _____

NIC or _____

Passport No. _____

Signature on
Rs. 5/-
Revenue stamp

(Signature should agree with the
specimen signature registered with
the Company)

Note:

1. A member entitled to be present and vote at the Meeting may appoint a proxy to attend and vote for him / her. A proxy need be a member of the Company.
2. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
3. **CDC Shareholders and there Proxies** must each attach an attested photocopy of there National Identity Card of Passport with this proxy form.

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District Sheikhupura.