



**LEINER PAK
GELATINE LTD.**



**20
26**

**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 Sheikhupura.

Ph. #: 0092-42-37950018 – 37980179

BANKERS

Bank Al Habib Limited
Bank Makramah Limited
Habib Bank Limited
United Bank Limited
Meezan 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 43RD ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of LEINER PAK GELATINE LTD., will be held on Wednesday, the 28th October, 2026 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 Annual General Meeting held on Tuesday, 28th October, 2025.
3. To receive and adopt the Annual Accounts of the Company for the Year ended 30th June, 2026 together with Directors' and Auditors' Report thereon.
4. To appoint the Auditors of the Company for the year ending 30th June, 2027 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, 2026.

NOTES:

1. The Share Transfer Books of the Company will remain closed from 22nd October, 2026 to 28th October, 2026 (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. The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 09, 2018 and S.R.O.452(1)/2025 has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway/packages) in any form or manner, to shareholders at or in connection with general meetings. Under section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties. Hence, no gifts in any form will be distributed at the meeting.
9. 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.
10. 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 welcome all participants to the Annual General Meeting of Leiner Pak Gelatine Limited. It is my pleasure to present the 43rd Annual Report.

The global economy remained resilient but continued to operate in an environment of considerable uncertainty during the year 2025-26. Geo political tensions, particularly in the Middle East affected the overall economic environment of the region and it posed risk to energy markets, international trade routes, supply chain and overall business confidence. The inflationary pressure persisted in the country, particularly in energy, transportation and other essential inputs, contributing to an increase in overall cost structure of the business.

During the year, the Company posted its sales at Rs. 1.626 billion as compared to Rs. 1.629 billion in the previous year. Although the Company's turnover remained broadly in line with the preceding year, it fell short of the anticipated growth, primarily due to heightened volatility and uncertainty arising from the evolving geo political situation in the Middle East, which affected overall business activity and market sentiments. Export sales remained below the desired growth trajectory and moderated global demand and cautious business sentiments. Overseas customers continued to exercise prudence in inventory management, maintaining inventories at relatively low levels and deferring replenishment orders. This resulted in subdued export orders and limited export growth. Meanwhile, higher energy prices, raw material costs and other imported industrial inputs increased the cost of production, placing pressure on margins and profitability. This resulted in Company's profit after tax Rs. 0.293 million this year.

Company's 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 and Remuneration Committee and Sustainability Committee). Board is having two independent and one female Director in total seven Directors. Board held 5 meetings during the 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 workplace for everyone, providing equal opportunities for its staff members and to facilitate community in health and education front.

The Board of Directors recognizes the contribution of Company's employees to the success of your Company.

LAHORE
DATED: October 07, 2026

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 تینتالیسویں سالانہ رپورٹ کے پیش کرنے پر بہت خوشی ہے۔

سال ۲۰۲۵-۲۶ کے دوران عالمی معیشت نے مجموعی طور پر چمک کا مظاہرہ کیا تاہم یہ مدت زیادہ غیر یقینی صورتحال کے ماحول میں گزری۔ جغرافیائی سیاسی کشیدگی، بالخصوص مشرق وسطیٰ کی صورتحال نے خطے کے مجموعی معاشی ماحول کو متاثر کیا اور توانائی کی منڈیوں، بین الاقوامی تجارتی راستوں، سپلائی چین اور مجموعی کاروباری اعتماد کے لئے خطرات پیدا کیے۔ ملک میں افراط زر کے دباؤ، خصوصاً توانائی، نقل و حمل اور دیگر ضروری اشیاء و خدمات کی لاگت میں برقرار ہے جس کے نتیجے میں کاروبار کے مجموعی اخراجات جاتی ڈھانچے میں اضافہ ہوا ہے۔ سال کے دوران کمپنی نے ۱۱.۶۲۶ ارب روپے کی فروخت ریکارڈ کی ہے جبکہ گزشتہ سال فروخت ۱۰.۶۲۹ ارب روپے رہی تھی۔ اگرچہ کمپنی کا کاروباری حجم گزشتہ سال کے مقابلے میں تقریباً اسی سطح پر برقرار رہا تاہم متوقع شرح نمو حاصل نہ ہو سکی۔ اسکی بنیادی وجہ مشرق وسطیٰ کی بدلتی ہوئی جغرافیائی سیاسی صورتحال کے باعث پیدا ہونے والی غیر معمولی اتار چڑھاؤ اور غیر یقینی صورتحال تھی، جس نے مجموعی طور پر کاروباری سرگرمیوں اور مارکیٹ کے رجحانات کو متاثر کیا۔ برآمدی فروخت مطلوبہ شرح نمو کے مقابلے میں کم رہی، جس کی وجوہات میں عالمی طلب اعتدال اور کاروباری حلقوں میں محتاط رویہ شامل ہیں۔ بیرون ملک صارفین نے انوینٹری مینجمنٹ میں محتاط حکمت عملی اختیار کرتے ہوئے اپنے ذخائر نسبتاً کم سطح پر برقرار رکھے اور نئی اشیاء کی فراہمی کے آڈرز کو موخر کیا۔ اس کے نتیجے میں برآمدی آرڈر میں کمی اور برآمدات کی شرح نمو محدود رہی۔ دریں اثنا توانائی کی بلند قیمتوں، خام مال کی بڑھتی ہوئی لاگت اور دیگر درآمدی صنعتی اشیاء کی قیمتوں میں اضافے نے پیداواری لاگت میں اضافہ کیا جس کے باعث منافع کے مارجن اور مجموعی منافع پر دباؤ رہا۔ نتیجتاً کمپنی نے رواں سال ۲۰۲۹۔۰ ملین روپے بعد از ٹیکس منافع ریکارڈ کیا۔

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 ریمونریشن کمیٹی اور سسٹینیبلیٹی کمیٹی) عمل پیرا ہیں۔ بورڈ میں سات میں سے دو خود مختار اور ایک خاتون ڈائریکٹر شامل ہیں۔ بورڈ نے اس سال پانچ 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 شفاف کوکیساں 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 ۲۰۲۶ء

DIRECTORS' REPORT

The Directors are pleased to present the 43rd Annual Report along with Company's financial statements for the year ended 30th June, 2026 together with the Auditors' Report thereon.

PRINCIPAL ACTIVITY

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

OPERATIONS

During the earlier part of the financial year 2025-26 Pakistan's economy experienced gradual improvement in economic activity through improved fiscal management, exchange rate stability and relatively contained inflation. However, the operating environment became increasingly challenging following the escalation of the Middle East Conflict, which resulted in greater uncertainty, volatility in international energy prices and increased transportation and logistics costs. These developments remained challenging for industries exposed to energy, imported materials, transportation and discretion of consumer spending.

This year company registered its top line at Rs.1.626 billion as compared to the sales of Rs.1.629 billion in the previous year. Although the company's turnover remained broadly in line with immediate preceding year, the anticipated growth could not be achieved. The performance was mainly impacted by heightened volatility and instability resulting from West Asian crises which adversely affected overall business activity.

During the year under review, the Company's export sales remained below the desired growth trajectory, primarily reflecting the challenging global economic environment and geopolitical unrest. In this environment, overseas customers continued to adopt a cautious approach towards inventory management, maintaining their inventory levels at relatively low levels and deferring replenishment of their inventories to the levels maintained prior to the conflict.

The company also remained exposed to significant cost pressure during the year. Substantial increase in prices of energy, raw materials and other imported inputs resulted in an increase in the overall cost of production.

The combined impact of subdued economic activity and elevated input costs also contributed to lower production volumes, compressed the Company's margin and restricted the profit after tax to Rs. 0.293 million for the year.

During the year, the Company experienced significant cost pressures arising from elevated raw material prices, increased energy and logistics costs, amid the prevailing geopolitical tensions in the Middle East. These factors, coupled with subdued profitability, constrained the Company's ability to generate sufficient cash from its core operations, resulting in negative cash flows from operating activities during the year. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern and therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company continues to maintain a stable business base, with turnover remaining broadly in line with preceding year amid prevailing geo political uncertainties. However, the prices of raw

material inputs increased due to the above-mentioned reason resulting into decline in profitability. The management of the Company consider it as temporary condition. The Company has retained its overseas customer base, and continued demand from these customers in the shape of confirmed purchase orders. The approved projections also show steady improvements and profitability along with positive cash flows from operating activities. Furthermore, keeping in view of the following, the management foresees that the Company will continue to be a going concern:

- Sustained demand of Company's products.
- Retention of company's customers especially overseas customers.
- Continued financial support by the directors/ sponsors. Management continues to closely monitor working capital, cash flows and supply chain requirements and is taking appropriate measures to facilitate cash generation and strengthen liquidity. During the year ended June 30, 2026, the directors / sponsors of the Company have inducted Rupees 27.880 million as interest free short-term loans bringing the aggregate of such loans to Rupees 83.896 million. In addition to the above loans, an interest free sponsors' loan payable at discretion of the Company amounting to Rupees. 82.5 million have also been inducted till June 30, 2026 (June 30, 2025: Rupees 82.5 million). The sponsors have also committed to induct further funds if the need arises to address any liquidity issue(s) for smooth operations.

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

The auditors' report contains emphasis of matter paragraph to draw attention towards the going concern matter. In this regard management's assessment is detailed in note 2 in the annexed financial statements.

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). The Board is pleased to place the 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 the preparation of the financial statements. The accounting estimates, wherever required are based on reasonable and prudent judgement.
4. IFRS and International Accounting Standards as applicable in Pakistan have been followed in preparation of the 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:	2025	2024	2023	2022	2021	2020
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Turnover	1,628,612	3,344,534	2,335,021	1,012,393	941,515	660,888
Profit after Taxation	15,822	81,519	66,673	8,276	5,004	1,928
Assets	2,192,505	1,872,143	1,839,350	1,611,306	1,145,211	994,892
Dividend	-	-	-	-	-	-
Non-current Liabilities	6,180	22,693	22,087	12,400	23,378	13,423

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. 41 to the financial statements for the year ended June 30, 2026.

DIRECTORS OF THE COMPANY

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

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

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.0.04 {last year Rs.2.11}

PROVIDENT FUND

The company operates an approved contributory provident fund covering all permanent employees. The value of the fund as at the year ended 30th June, 2026 is Rs.263.685 million. The investment value of the respective fund is as follows:

Provident Fund**Last audited statements****June 30, 2026**Investments at fair value **Rs.(000s)****169,398**

These funds are invested as given below:

	Rs.(000s)
Unit Trust Schemes	76,833
Mutual Funds	2,528
Bank Deposits	20,229
Listed Securities	69,808
	<u>169,398</u>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) represents a company's commitment to conducting its business in an ethical, responsible, and sustainable manner while contributing positively to the wider community. As a dynamic and multifaceted concept, CSR may take different forms depending on an organization's operations, objectives, and industry. Leiner Pak demonstrates a strong commitment to social responsibility through its active involvement in community development initiatives. In particular, the company contributes generously to the healthcare and education sectors, supporting initiatives aimed at improving access to essential services, enhancing community well-being, and creating greater opportunities for individuals and society as a whole. Through these efforts, Leiner Pak seeks to extend its impact beyond its commercial activities and contribute meaningfully to sustainable social development.

OUT STANDING STATUTORY PAYMENTS

All outstanding payments are of routine nature.

CODE OF CONDUCT

The 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 the work place. This code outlines expected behavior, prohibited conduct, and the procedure for addressing harassment at the workplace. Board has also adopted controls for timely identification and redressal of unethical practices performed on the part of employees. The 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 of 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

Sustainability has become an integral component of responsible and resilient business management, encompassing environmental stewardship, social responsibility, and sound corporate governance. The Board of Directors places due emphasis on the growing importance of sustainability in creating long-term value and strengthening the Company's resilience against evolving environmental, social, and economic challenges. The Board remains committed to promoting sustainable practices, ensuring responsible use of resources, and integrating sustainability considerations into the Company's strategic planning and decision-making processes. The Board of Directors has constituted a sustainability committee comprising the following Board members:

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

The Sustainability Committee continues to play an important role in assessing sustainability-related risks and opportunities and in reviewing material Environmental, Social and Governance (ESG) matters, including climate change, regulatory developments, social inequality, and ethical governance. During the year, the Committee continued its efforts to evaluate and strengthen the Company's sustainability practices in line with evolving ESG principles and expectations. The recommendations of the Committee for further aligning the Company's corporate practices with relevant sustainability and ESG considerations are being duly considered by the Board of Directors as part of its ongoing oversight and commitment to responsible and sustainable business practices. The Company has implemented a range of practices aligned with (ESG) principles.

ENVIRONMENT

- Usage of biomass fuel in place of fossil fuels.
- Alternate usage of waste water.
- Energy conservation practices.
- Installation of solar panels at office premises to minimize carbon footprint.

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 member).
- 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.
- Board oversight of ESG and sustainability matters recommended by the committee.

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 94.65% higher than that of men

Median Gap

The median pay for women is 100.61% 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, electricity and alternate fuel (Diesel & Furnace oil) 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.

Pakistan continues to grapple with a persistent energy crisis, characterized by elevated costs of gas, fuel, and electricity for the manufacturing sector. While the government has undertaken measures such as importing LNG to meet industrial energy requirements, these efforts may not be sufficient to address the broader structural challenges within the energy sector. The situation has been further aggravated by the ongoing instability in the Middle East, which has disrupted regional energy supply chains and increased the cost of imported fuels. Alternative fuels such as high-speed diesel and furnace oil have also become increasingly expensive, while supply uncertainties and disruptions in import routes have raised concerns regarding their availability.

Consequently, escalating gas prices, higher electricity tariffs, and the rising cost of alternative fuels are likely to place additional pressure on manufacturing expenses.

IMPACT ON ENVIRONMENT

The company remains firmly committed to environmental sustainability and continuously strives to minimize its ecological footprint across its operations. Management places strong emphasis on maintaining the highest standards of health, safety, and environmental stewardship, while safeguarding the well-being of its employees and the communities in which it operates. As part of this commitment, the company has obtained FSSC and HACCP certifications, demonstrating its adherence to internationally recognized standards for food safety, quality, and operational controls. Gelatine production at the facility is conducted in accordance with applicable international standards and established environmental and safety requirements.

FUTURE PROSPECTS

Pakistan enters the fiscal year 2026–27 with improved macroeconomic stability and signs of a gradual recovery in economic activity. Nevertheless, the economic outlook remains exposed to significant external and domestic risks, particularly those arising from ongoing geopolitical tensions in the Middle East and elevated international energy prices. The country remains vulnerable to developments that could place renewed pressure on its macroeconomic position, including a sharp rise in global oil prices, heightened geopolitical uncertainty, adverse weather conditions, and exchange rate depreciation. Such factors could contribute to higher import costs, inflationary pressures, and increased pressure on the external and fiscal balances, potentially slowing the pace of economic recovery.

The global economic environment and ongoing geopolitical uncertainties continued to pose challenges to business activity during the year, limiting the potential for growth in sales. Overseas customers remained cautious in their inventory management and procurement decisions, reflecting continued uncertainty in international markets.

Despite these challenges, the Company's management remained actively engaged with prospective overseas customers and potential buyers in the domestic market. The Company maintained its existing customer base, with sales remaining broadly in line with the previous year and no significant loss of customers.

Management remains optimistic about the prospects for recovery in gelatin exports as geopolitical uncertainties gradually ease and international market conditions improve. The Company expects that financial performance can strengthen in the coming year, subject to greater stability in energy prices and the continuation of appropriate monetary, fiscal, and structural economic reforms by the Government.

TRAINING PROGRAMME OF DIRECTORS

The Company places significant emphasis on Directors' Training as an integral and ongoing component of its corporate governance framework. Such training enables the Board to remain informed of evolving regulatory requirements, governance practices, and emerging principles relevant to the effective discharge of its responsibilities. The management remains committed to facilitating the timely completion of the Directors' Orientation Programme and to addressing the scheduling constraints to ensure fulfilment of the applicable governance requirements.

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 Programme (DTP).

Following the election of the Board of Directors, the Company had planned to arrange the requisite Directors' Training Programme for the remaining three Directors within the period prescribed under the applicable Code of Corporate Governance. However, despite the Company's intention to complete the programme within the stipulated timeframe, its implementation was deferred primarily due to the demanding professional schedules and commitments of the Directors, which resulted in difficulties in finalizing mutually convenient dates for the training sessions within the prescribed period. Accordingly, the programme could not be concluded within the originally envisaged timeframe. The Company remains committed to fulfilling the applicable requirements and is taking the necessary steps to arrange the training programme at the earliest practicable opportunity.

TRADE IN SHARES OF THE COMPANY

There is no any sale/purchase/transfer of the Company's 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, 2026 and shall retire on the conclusion of 43rd 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 2026-2027.

PATTERN OF SHAREHOLDING

It appears on page no:77.....

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, 2026

ڈائریکٹرز رپورٹ

ڈائریکٹرز کو ۲۳ ویں سالانہ رپورٹ جو کہ ۳۰ جون ۲۰۲۶ء کو ختم ہونے والے سال کے لیے کمپنی نے مالیاتی نتائج اور آڈیٹر ان کی رپورٹ پر مشتمل ہے۔ پیش کرنے پر خوشی محسوس ہو رہی ہے۔

بنیادی کاروبار:-

لائسنس یافتہ جیلاٹین لمیٹڈ ”حلال“ جیلاٹین، اوسین اور ڈائی کیٹیم فاسفیٹ (بائی پراڈکٹ) کو تیار کرنے کا کام کرتی ہے۔

کاروباری عمل:- (Operations)

مالی سال ۲۰۲۵-۲۶ کے پہلے حصہ میں پاکستان کی معیشت میں بہتر محاصل کے انتظام کے زرمبادلہ کی شرح میں استحکام اور نسبتاً مستحکم افراط زر کی وجہ سے بتدریج بہتری دیکھی گئی ہے۔ تاہم مشرق وسطیٰ کے تنازعہ میں اضافہ کی وجہ سے کاروباری ماحول بہت زیادہ مشکلات کا شکار رہا ہے، جس کی وجہ سے بین الاقوامی توانائی کی قیمتوں میں بہت زیادہ غیر یقینی کی صورت حال رہی اور نقل و حمل اور ترسیلات کی لاگت میں بھی اضافہ ہوا۔

اس سال کمپنی کی فروخت پچھلے سال کی فروخت مبلغ ۱.۶۲۹ بلین روپے کے مقابلے میں مبلغ ۱.۶۲۶ بلین روپے رہی ہے۔ اگرچہ کمپنی کی فروخت پچھلے سال کی فروخت کے قریب رہی ہے مگر اس میں متوقع بڑھوتری حاصل نہ ہو سکی ہے۔ کارکردگی بنیادی طور پر مغربی ایشین تنازعہ کی وجہ سے پیدا ہوئے شدید عدم استحکام کی وجہ سے متاثر ہوئی ہے اور جس کی وجہ سے کاروباری عمل شدید متاثر ہوا ہے۔

زیر جائزہ مالی سال میں کمپنی کی برآمدات متوقع بڑھوتری حاصل نہ کر سکی جس کی بنیادی وجہ بین الاقوامی معاشی ماحول کو درپیش مشکلات اور جغرافیائی سیاسی بد امنی ہے۔ اس ماحول میں سمندر پار گاہکوں نے انوینٹری مینجمنٹ میں محتاط نقطہ نظر مزید جاری رکھا ہے اور اپنے سٹاک کو نسبتاً کم سطح رکھا ہے اور تنازعہ سے پہلے والے انوینٹری لیول کو بحال کرنے کو موخر کر دیا ہے۔

اس سال کے دوران کمپنی پیداواری لاگت میں بہت زیادہ اضافہ کا شکار رہی ہے۔ توانائی، خام مال اور دوسرے درآمدی سامان کی قیمتوں میں ہونے والے بے پناہ اضافہ کی وجہ سے مجموعی پیداواری لاگت میں اضافہ ہوا ہے۔

کاروباری عمل میں کمی اور بڑھی ہوئی پیداواری لاگت کی وجہ سے پیداوار میں کمی اور منافع میں کمی کی وجہ سے بعد از ٹیکس منافع مبلغ ۰.۲۹۳ ملین روپے رہا ہے۔

سال کے دوران کمپنی کو خام مال کی قیمتوں میں اضافے، توانائی اور لاجسٹکس کے اخراجات میں اضافے، اور مشرق وسطیٰ میں جاری جغرافیائی سیاسی کشیدگی کے باعث بہت زیادہ دباؤ کا سامنا کرنا پڑا۔ ان عوامل کے ساتھ ساتھ کمزور منافع نے کمپنی کی بنیادی سرگرمیوں سے خاطر خواہ نقد رقم پیدا کرنے کی صلاحیت کو متاثر کیا، جس کے نتیجے میں سال کے دوران آپریٹنگ سرگرمیوں سے منفی نقد بہاؤ پیدا ہوا۔ یہ حالات و واقعات اس بات کی نشاندہی کرتے ہیں کہ ایک غیر یقینی صورتحال موجود ہے جو کمپنی کی بطور کاروباری ادارہ کام جاری رکھنے کی صلاحیت کے بارے میں شکوک پیدا کر سکتی ہے، اور اس کے نتیجے میں کمپنی معمول کی کاروباری سرگرمیوں کے دوران اپنے اثاثوں کو قابل وصول بنانے اور اپنے واجبات کو ادا کرنے کے قابل نہ ہو سکتی ہے۔

کمپنی ایک مستحکم کاروباری بنیاد برقرار رکھتی ہے، جبکہ موجودہ جغرافیائی سیاسی غیر یقینی صورتحال کے باوجود اس کا کاروباری حجم گزشتہ سال کے مقابلے میں مجموعی طور پر تقریباً اسی سطح پر رہا۔ تاہم، مذکورہ بالا وجوہات کی بنا پر خام مال کی قیمتوں میں اضافہ ہوا، جس کے نتیجے میں منافع بخشی میں کمی واقع ہوئی، کمپنی کی انتظامیہ اسے ایک عارضی صورتحال تصور کرتی ہے۔ کمپنی نے اپنے بیرون ملک صارفین کا موجودہ کسٹمر بیس برقرار رکھا ہے، اور ان صارفین کی جانب سے تصدیق شدہ خریداری کے آرڈر کی صورت میں مسلسل طلب موجود ہے۔ منظور شدہ مالی تخمینے بھی آپریٹنگ سرگرمیوں سے مثبت نقد بہاؤ کے ساتھ کاروباری کارکردگی اور منافع بخشی میں بتدریج بہتری کی نشاندہی کرتے ہیں۔ مزید برآں، درج ذیل عوامل کو مد نظر رکھتے ہوئے، انتظامیہ کو توقع ہے کہ کمپنی بطور ایک جاری ادارہ اپنی سرگرمیاں جاری رکھے گی:

- ☆ کمپنی کی مصنوعات کی طلب کی برقراری
- ☆ کمپنی کے بیرون ملک صارفین کو برقرار رکھنا
- ☆ ڈائریکٹرز/اسپانسرز کی جانب سے مسلسل معاونت۔ انتظامیہ ورکنگ کیپٹل، نقد بہاؤ اور سپلائی چین کی ضروریات کی مسلسل فراہمی کی نگرانی کر رہی ہے اور نقد رقم پیدا کرنے اور کمپنی کی مالیاتی روانی (Liquidity) کو

مضبوط بنانے کے لئے مناسب اقدامات کر رہی ہے۔

۳۰ جون ۲۰۲۶ء کو ختم ہونے والے سال کے دوران کمپنی کے اسپانسرز نے ۸۸۰.۸۲ ملین روپے کا بلا سود قرض فراہم کیا ہے جس کی مجموعی مالیت ۸۳.۸۹۶ ملین ہو چکی ہے۔ اس کے علاوہ ۳۰ جون ۲۰۲۶ء تک ۸۲.۵ ملین روپے کا اسپانسرز قرض بھی فراہم کیا جا چکا ہے (۳۰ جون ۲۰۲۵ء: ۸۲.۵ ملین روپے) اسپانسرز نے یہ عزم بھی ظاہر کیا ہے کہ اگر بہتر کاروباری سرگرمیوں کو جاری رکھنے کے لئے کسی بھی قسم کے مالیاتی مسائل یا لیکوڈٹی کی ضرورت پیش آتی ہے تو وہ مزید فنڈز فراہم کریں گے۔

یہ مالیاتی دستاویزات کمپنی کے مسلسل چلنے کی اکاؤنٹنگ بنیاد پر تیار کی گئی ہیں، اور ان مالیاتی نتائج میں کسی قسم کی (Adjustment) (اگر کمپنی کا روبار جاری رکھنے کی اہلیت نہ رکھتی ہو) جس کا تعلق اثاثہ جات کی قیمت اور واجبات کی مالیت سے ہو، موجود نہ ہے۔

آڈیٹر ان کی رپورٹ میں ”کمپنی کے کاروبار کے چلنے کے معاملات کی توجہ دلانے کے لیے“ ایک پیرا گراف میں کمپنی کے چلنے کے متعلق اہم غیر یقینی صورت حال کا ذکر کیا گیا ہے۔ اس کے جواب میں انتظامیہ کا نقطہ نظر مالیاتی نتائج کے نوٹ نمبر ۲ میں شامل کیا گیا ہے۔

کارپوریٹ اور مالیاتی دستاویز کا ضابطہ:-

کمپنی کوڈ آف کارپوریٹ گورننس اور سکیورٹیز 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 الادا ٹیکس، ڈیوٹیز 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	۲۰۲۵ء	۲۰۲۴ء	۲۰۲۳ء	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۰ء
	روپے (000)	روپے (000)	روپے (000)	روپے (000)	روپے (000)	روپے (000)
فروخت (Turnover)	۱,۶۲۸,۶۱۲	۳,۳۲۴,۵۳۴	۲,۳۳۵,۰۲۱	۱,۰۱۲,۳۹۳	۹۴۱,۵۱۵	۶۶۰,۸۸۸
بعد از ٹیکس خالص منافع	۱۵,۸۲۲	۸۱,۵۱۹	۶۶,۶۷۳	۸,۲۷۶	۵,۰۰۴	۱,۹۲۸
اثاثہ جات	۲,۱۹۲,۵۰۵	۱,۸۷۲,۱۴۳	۱,۸۳۹,۳۵۰	۱,۶۱۱,۳۰۶	۱,۱۴۵,۲۱۱	۹۹۴,۸۹۲
تقسیم شدہ منافع	---	---	---	---	---	---
قرضہ جات (لمبے عرصہ کے لئے)	۶,۱۸۰	۲۲,۶۹۳	۲۲,۰۸۷	۱۲,۴۰۰	۲۳,۳۷۸	۱۳,۴۲۳

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 انٹرنل 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 ۲۰۲۶ء کے نوٹ نمبر ۴۱ 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	۵
۲	خواجہ امتیاز احمد	۵
۳	اعجاز احمد خواجہ	۵
۴	ابرار احمد خواجہ	۵
۵	عائشہ احمد	۴
۶	راشد منہاس	۵ انڈیپنڈنٹ
۷	سید رضوان حیدر	۵ 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 ۰.۰۴ روپے ہے۔ (پچھلے سال منافع مبلغ ۲.۱۱ روپے)۔

پراویڈنٹ فنڈ:-

کمپنی اپنے تمام مستقل ملازمین کیلئے ایک منظور شدہ شراکتی پراویڈنٹ فنڈ چلا رہی ہے۔ اس سال ۳۰ جون ۲۰۲۶ء تک فنڈ کی قدر مبلغ ۶۸۵.۶۳ ملین روپے ہے اس فنڈ کی سرمایہ کاری کی قدر درج ذیل ہے:-

پراویڈنٹ فنڈ

۳۰ جون ۲۰۲۶ء

۱۶۹،۳۹۸

سرمایہ کاری کی منصفانہ قدر (000) روپے

(000) روپے

فنڈ کی سرمایہ کاری درج ذیل ہے:-

۷۶،۸۳۳

یونٹ ٹرسٹ سکیمز

۲،۵۲۸

میوچل فنڈز

۲۰،۲۲۹

بینکوں میں جمع شدہ رقم

۶۹،۸۰۸

لسٹڈ سکیورٹیز

۱۶۹،۳۹۸

کارپوریٹ سماجی ذمہ داری:

کارپوریٹ سماجی ذمہ داری کمپنی کا روبرو اخلاقیات، ذمہ داری اور استحکامی طور پر اپنے ارد گرد کے لوگوں کے لیے مثبت شراکت داری کے عزم کا اظہار کرتی ہے۔ کمپنی کی سماجی ذمہ داری کی مختلف اشکال ہیں جس کا انحصار کمپنی کے کاروبار، مقاصد اور انڈسٹری پر ہے۔ لائسنر پاک سماجی ذمہ داری کے لئے پُر عزم ہے اور اس کے لئے معاشرتی ترقی کے لیے اقدامات کرتی ہے۔ خاص طور پر کمپنی کھلے دل کے ساتھ صحت اور تعلیم کے میدان میں شراکت داری کرتی ہے تاکہ لوگوں کی بنیادی سہولیات، ان کی خوشحالی اور انفرادی اور اجتماعی مواقع تک رسائی حاصل ہو۔ ان کاموں کی وجہ سے لائسنر پاک اپنے کاروباری عمل سے بڑھ کر معاشرتی ترقی کے استحکام کے لئے اہم کام سرانجام دیتی 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 (چیرمین)

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 ریلیٹیو 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 رد 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 رد 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 آپریٹنگ 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 آپریٹنگ

آفیسر کوڈ آف ایکٹ جوابدہ ہوں کا جائزہ لینا اور منظوری دینا۔

(vi) جہاں انسانی وسائل اور اجرتی مشیر 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:

سسٹینبلٹی پائیدار ذمہ دارانہ اور مضبوط کاروباری انتظام کا ایک لازمی جزو جس میں ماحولیاتی ذمہ داری، سماجی ذمہ داری اور موثر و مستحکم کارپوریٹ گورننس شامل ہیں۔ بورڈ آف ڈائریکٹرز طویل مدتی قدر کے فروغ اور بدلتے ہوئے ماحولیاتی، سماجی اور معاشی چیلنجز کے مقابلے میں کمی کی مضبوطی اور استقامت کو مستحکم کرنے کے لئے پائیداری کی بڑھتی ہوئی اہمیت پر خصوصی توجہ مرکوز کرتا ہے۔ بورڈ پائیدار طریقہ کار کو فروغ دینے، وسائل کے ذمہ دارانہ استعمال کو یقینی بنانے اور پائیداری سے متعلق امور کو کمپنی کی حکمت عملی کی منصوبہ بندی اور فیصلہ سازی کے عمل میں شامل کرنے کے لئے پرعزم ہے۔ بورڈ آف ڈائریکٹرز نے درج ذیل بورڈ ممبران پر مشتمل سسٹینبلٹی کمیٹی تشکیل دی ہے۔

احمد علی ریاض (چیئرمین)

عجاز احمد خواجہ (ممبر)

عائشہ احمد (ممبر)

سسٹینبلٹی کمیٹی پائیداری سے متعلق خطرات اور مواقع کا جائزہ لینے اور ماحولیاتی، سماجی اور گورننس

(ESG) سے متعلق اہم امور کا جائزہ لینے میں اپنا اہم کردار جاری رکھے ہوئے ہے جن میں موسمیاتی

تبدیلی، ریگولیٹری پیش رفت، سماجی عدم مساوات اور اخلاقی طرز حکمرانی شامل ہیں۔ دوران سال، کمیٹی نے

بدلتے ہوئے ESG اصولوں اور تقاضوں کے مطابق کمپنی کے پائیداری سے متعلق طریقہ کار کا جائزہ لینے اور

انہیں مضبوط بنانے کے لئے اپنی کوششیں جاری رکھیں۔ کمپنی کے کاروباری طریقہ کار کو متعلقہ پائیداری اور

ESG اصولوں سے مزید ہم آہنگ کرنے کے لیے کمیٹی کی سفارشات کو بورڈ آف ڈائریکٹرز کی جانب سے

اس کی جاری نگرانی اور ذمہ دارانہ پائیدار کاروباری طریقہ کار کے عزم کے تحت مناسب طور پر زیر غور لایا

جا رہا ہے۔ کمپنی نے ماحولیاتی، سماجی اور گورننس (ESG) سے ہم آہنگ متعدد طریقہ کار اور اقدامات اختیار

کیے ہیں۔

ماحولیات (Environment)

فوسل فیولز کی جگہ بایو ماس ایندھن کا استعمال۔

ویسٹ واٹر کا متبادل استعمال۔

توانائی کے تحفظ کے طریقے۔

کاربن فٹ پرنٹ میں کمی لانے کے لیے دفتر میں سولر پینل کی تنصیب۔

سماجی (Social)

تنوع، مساوات اور شمولیت کا نفاذ

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

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

گورننس (GOVERNANCE)

☆ 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 سسٹم بنڈل رپورٹنگ پر صلاحیت سازی، سیمینارز، ورکشاپس میں شرکت شامل ہے۔

☆ کمیٹی کی جانب سے تجویز کردہ ESG اور پائیداری سے متعلق امور کی بورڈ آف ڈائریکٹرز کی نگرانی۔

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 لائبریاک میں مختلف پس

نظر۔ تجربات اور مختلف نقطہ نظر کے لوگوں کو بہترین کارکردگی اور جدت کے حصول پر سہاوتے 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۔

درمیانی فرق	اوسط فرق
درمیانی (Median) کے لحاظ سے	اوسط (Mean) کے لحاظ سے
عورتوں کی تنخواہ مردوں کی	عورتوں کی تنخواہ مردوں کی
نسبت ۱۰۰.۶۱ فیصد زیادہ ہے۔	نسبت ۹۴.۶۵ 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- خال 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 جیلاٹین 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۔

پاکستان کو بدستور کرنسی کی توانائی کے ایک مسلسل بحران کا سامنا ہے، جس میں نمایاں طور پر صنعتی شعبے کے لیے گیس، ایندھن اور بجلی کی بلند قیمتیں شامل ہیں۔ اگرچہ حکومت نے صنعتی توانائی کی ضروریات کو پورا کرنے کے لیے ایل این جی کی درآمد سمیت مختلف اقدامات کیے ہیں، تاہم یہ کوششیں توانائی کے شعبے میں موجود وسیع تر چیلنجز سے نمٹنے کے لیے کافی ثابت نہیں ہو سکتیں۔ مشرق وسطیٰ میں جاری عدم استحکام نے صورتحال کو مزید پیچیدہ بنا دیا ہے جس

کے باعث علاقائی توانائی سپلائی متاثر ہوئی ہیں اور درآمدی ایندھن کی لاگت میں اضافہ ہوا ہے۔ متبادل ایندھن، بشمول ہائی سپیڈ ڈیزل اور فرنس آئل بھی بتدریج مہنگے ہو گئے ہیں، جبکہ رسد میں غیر یقینی صورتحال اور درآمدی راستوں میں رکاوٹوں نے ان کی دستیابی کے حوالے سے بھی خدشات پیدا کئے ہیں۔

نتیجتاً گیس کی بڑھتی ہوئی قیمتیں، بجلی کے بلند نرخ اور متبادل ایندھن کی بڑھتی ہوئی لاگت، پیداواری اخراجات پر مزید دباؤ ڈالنے کا باعث بن سکتی ہیں۔

ماحول پر اثرات:-

کمپنی ماحولیاتی استحکام کے لئے پختہ عزم رکھتی ہے اور اپنی تمام کاروباری سرگرمیوں کے دوران ماحولیاتی اثرات کو کم سے کم کرنے کے لئے مسلسل اقدامات کرتی ہے۔ انتظامیہ صحت، تحفظ اور ماحولیاتی ذمہ داری کے اعلیٰ ترین معیارات کو برقرار رکھنے پر بھرپور توجہ دیتی ہے، جبکہ اپنے کام کی جگہ پر اپنے ملازمین اور ان کی فلاح و بہبود کو بھی یقینی بناتی ہے۔

اس عزم کو تقویت دینے کے لیے کمپنی نے (FSCC) اور (HACCP) سرٹیفکیٹس حاصل کئے ہیں، جو خوراک کی حفاظت، معیار اور آپریشنل کنٹرولز کے حوالے سے بین الاقوامی سطح پر تسلیم شدہ معیارات کی پاسداری کا مظہر ہیں۔ کمپنی کے پلانٹ میں جیلاٹین کی پیداوار قابل اطلاق بین الاقوامی معیارات اور مقررہ ماحولیاتی و حفاظتی تقاضوں کے مطابق کی جاتی ہے تا حال کمپنی نے اپنی کاروباری سرگرمیوں کے نتیجے ماحول پر پڑنے والے کسی بھی منفی اثرات کی نشاندہی نہیں کی ہے۔

مستقبل کے امکانات:-

پاکستان مالی سال ۲۰۲۶-۲۷ میں بہتر معاشی استحکام اور معاشی سرگرمیوں میں بتدریج بحالی کے آثار کے ساتھ داخل ہو رہا ہے تاہم اقتصادی منظر نامہ اب بھی خاص طور پر بیرونی اور اندرونی خطرات سے دوچار ہے، بالخصوص مشرق وسطیٰ میں جاری جغرافیائی سیاسی کشیدگی اور بین الاقوامی سطح پر توانائی کی قیمتوں کے باعث ملک کو ایسے عوامل سے بدستور خطرات لاحق ہیں جو اس کی معاشی صورتحال پر دوبارہ دباؤ ڈال سکتے ہیں، جن میں عالمی سطح پر تیل کی قیمتوں میں نمایاں اضافہ جغرافیائی سیاسی غیر یقینی صورتحال میں شدت، ناموافق موسمی حالات اور شرح مبادلہ میں کمی شامل ہیں۔ ایسے عوامل درآمدی لاگت میں اضافے، افراط زر کے دباؤ اور بیرونی مالیاتی توازن پر بڑھتے ہوئے دباؤ کا باعث بن سکتے ہیں، جس کے نتیجے میں معاشی بحالی کی رفتار

متاثر ہونے کا خدشہ ہے۔

عالمی معاشی ماحول اور جاری جغرافیائی سیاسی غیر یقینی صورتحال نے سال کے دوران کاروباری سرگرمیوں کے لئے چیلنجز پیدا کئے ہیں، جس کے باعث فروخت میں اضافے کے امکانات محدود رہے۔ بیرون ملک صارفین نے اپنی انوینٹری کے انتظام اور خریداری سے متعلق فیصلوں میں محتاط رویہ برقرار رکھا، جو بین الاقوامی منڈیوں میں جاری غیر یقینی صورتحال کی عکاسی کرتا ہے۔

ان چیلنجز کے باوجود، کمپنی کی انتظامیہ بیرون ملک ممکنہ صارفین اور مقامی مارکیٹ میں ممکنہ خریداروں کے ساتھ مسلسل فعال رابطے میں رہی۔ کمپنی نے اپنے موجودہ گاہکوں کو برقرار رکھا، جبکہ فروخت مجموعی طور پر گزشتہ سال کے مقابلے میں تقریباً اس سطح پر رہی اور صارفین کے کسی تعداد میں کمی واقع نہ ہوئی ہے۔

انتظامیہ پر امید ہے کہ جغرافیائی سیاسی غیر یقینی صورتحال میں بتدریج کمی اور بین الاقوامی منڈیوں کے حالات میں بہتری کے ساتھ جیلاٹین کی برآمدات میں بحالی کے اقدامات پیدا ہونگے۔ کمپنی کو توقع ہے کہ آئندہ سال مالیاتی کارکردگی میں بہتری آئے گی بشرطیکہ توانائی کی قیمتوں میں زیادہ استحکام برقرار رہے اور حکومت کی جانب سے موزوں مالیاتی اور ساختی و اقتصادی اصلاحات کا تسلسل جاری رہے۔

ڈائریکٹران کا ٹریڈنگ پروگرام:

کمپنی اپنے کارپوریٹ گورننس کے فریم ورک کے ایک اہم اور مسلسل جزو کے طور پر ڈائریکٹرز کی تربیت کو خصوصی اہمیت دیتی ہے۔ اس تربیت کے ذریعے بورڈ کو بدلتے ہوئے قانونی و ضابطہ جاتی تقاضوں، کارپوریٹ گورننس کے طریقہ کار اور ان نئے اصولوں سے باخبر رکھا جاتا ہے جو اپنی ذمہ داریوں کی موثر انجام دہی کے لئے اہمیت رکھتے ہیں۔ انتظامیہ ڈائریکٹرز کے اورینٹیشن پروگرام کی بروقت تکمیل کو یقینی بنانے اور اس کے انعقاد میں حائل نظام الاوقات سے متعلق رکاوٹوں کو دور کرنے کے لئے پرعزم ہے تاکہ قابل اطلاق کارپوریٹ گورننس کے تقاضوں کی تکمیل کو یقینی بنایا جاسکے۔

کمپنی نے ۱۸ جنوری ۲۰۲۵ کو ڈائریکٹرز کے انتخابات منعقد کئے، جن کے نتیجے میں سات ڈائریکٹرز منتخب ہوئے، جن میں دو آزاد ڈائریکٹرز اور ایک خاتون ڈائریکٹر شامل ہیں۔ بورڈ میں شامل سات ڈائریکٹرز میں سے تین ڈائریکٹرز کو ضابطہ، کارپوریٹ گورننس کے تحت مقررہ تربیتی تقاضوں سے استثنیٰ حاصل ہے۔ ایک

ڈائریکٹر جو چیئر مین بھی ہیں، ڈائریکٹر ٹریننگ پروگرام (DTP) کامیابی کے ساتھ پہلے ہی مکمل کر چکے ہیں۔

بورڈ آف ڈائریکٹرز کے انتخاب کے بعد کمپنی نے باقی تین ڈائریکٹرز کے لئے مطلوبہ ڈائریکٹر ٹریننگ پروگرام، قابل اطلاق ضابطہ کار پوریٹ گورننس کے تحت مقررہ مدت کے اندر منعقد کرنے کا منصوبہ بنایا تھا۔ تاہم مقررہ مدت کے اندر پروگرام مکمل کرنے کے کمپنی کے ارادے کے باوجود ڈائریکٹرز کی مصروف پیشہ وارانہ نظام الاوقات اور دیگر پیشہ وارانہ ذمہ داریوں کے باعث پروگرام کے انعقاد میں بنیادی طور پر تاخیر ہوئی، جس کی وجہ سے مقررہ مدت کے اندر ترقی پتی نشستوں کے لئے تمام ڈائریکٹرز کے لیے باہمی طور پر موزوں تاریخوں کا تعین کرنا مشکل رہا۔ چنانچہ پروگرام کو ابتدائی طور پر مقررہ مدت کے اندر مکمل نہیں کیا جاسکا۔ کمپنی قابل اطلاق تقاضوں کی تکمیل کے لیے پُر عزم ہے اور ترقی پتی پروگرام کو جلد از جلد ممکنہ موقع پر منعقد کرنے کے لیے ضروری اقدامات کر رہی ہے۔

کمپنی کے حصص میں خرید و فروخت:

اس سال ڈائریکٹران، ایگزیکٹوز، ان کی بیویوں اور نابالغ بچوں میں سے کسی نے بھی کمپنی کے حصص میں ٹرانسفر / خرید و فروخت نہیں کی گئی ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، ایم۔ الماس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور نے ۳۰ جون ۲۰۲۶ء کو ختم ہونے والے سال سے متعلق اپنا کام مکمل کر لیا ہے اور ۴۳ 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 ۲۰۲۶-۲۷ء کیلئے سٹچوٹری آڈیٹرز کی حیثیت سے تقرری اور معاوضہ کی سفارشات پیش کی ہیں۔

حصہ داران کی تفصیل:

حصہ داران کی تفصیل صفحہ نمبر ۷۷ 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
مینیجنگ ڈائریکٹر
لاہور

۷ اکتوبر ۲۰۲۶ء

**STATEMENT OF VALUE ADDITION & WEALTH DISTRIBUTION
FOR THE YEAR ENDED JUNE 30, 2026**

	2026 (Rs. '000')	%age	2025 (Rs. '000')	%age
Value addition				
Total revenue	1,743,617		1,758,774	
Bought in materials & services	(1,371,987)		(1,355,923)	
	371,630	100%	402,851	100%
Value distribution				
To employees				
Salaries, wages and benefits	175,286	47.17%	165,106	40.98%
To Government				
Income taxes and Sales Tax	121,245	32.63%	133,806	33.21%
To providers of capital/funds				
Interest/Mark up on borrowed funds	52,281	14.07%	67,050	16.64%
Retained for reinvestment and growth				
Depreciation & retained profits	22,818	6.14%	36,889	9.16%
	371,630	100%	402,851	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, 2026

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 Companies Act 2017, (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. The 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. Due to the demanding professional schedules of the directors, the remaining sessions could not be concluded within the envisaged timeframe. The Company remains committed to fulfilling this requirement at the earliest practicable opportunity.	19(1)
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 at least one female director. The Board remains committed to promoting sustainable practices, ensuring responsible use of resources, and integrating sustainability considerations into the Company's strategic planning and decision-making processes. 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
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Khwaja Imtiaz Ahmed
Chief Executive Officer

Ahmed Ali Riaz
Chairman

LAHORE
Dated: October 07, 2026

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** (the Company) for the year ended **June 30, 2026** 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, 2026.

Lahore

Dated: October 07, 2026

UDIN: CR202610785A7zphj2dP

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, 2026**, 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, 2026, 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.

Material Uncertainty relating to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company has negative cash flow from operating activities during the year ended June 30, 2026. As stated in note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Existence and Valuation of stock in trade	
(Refer notes 5.4, 19 and 27 in the financial statements.) Stock in trade as at year ended June 30, 2026 having carrying value of Rs. 874.544 million constitutes 34.51% of total assets. Due to the significance of stock in trade and related estimations involved in valuing these, we considered this as a key audit matter.	Our audit procedures to assess the existence and valuation of stock in trade, amongst others, included the following: - 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; - 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 5.10 and 26 in the financial statements) The Company is engaged in the production and sale of gelatine, di-calcium phosphate and ossein in the local and export market. Revenue is recognized when performance obligation is satisfied by transferring control of promised goods to the customers. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. 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: - 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; - Performing analytical procedures to analyse variation in the price and quantity sold during the year; - Testing journal entries relating to revenue recognized during the year based on identified risk criteria; - 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 - Assessing the adequacy of disclosures made in the financial statements related to revenue.
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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, 2026

M. Almas & Co.
Chartered Accountants

UDIN: AR202610785wZTpsfFuc

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026**

	Note	30 June 2026	30 June 2025
		-----Rupees in thousand-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	75,000	75,000
Revenue Reserve:			
Unappropriated profit		174,315	174,022
Capital Reserve:			
Surplus on revaluation of property, plant and equipment	7	780,709	780,709
Sponsor's Loan – Related Party	8	82,500	82,500
		<u>1,112,524</u>	<u>1,112,231</u>
Non-current liabilities			
Deferred taxation	10	-	3,946
Lease liabilities	9	4,036	2,234
		4,036	6,180
Current liabilities			
Trade and other payables	11	905,233	643,052
Unclaimed dividend		771	771
Mark-up accrued	12	12,226	10,447
Short term borrowings	13	493,539	415,171
Current portion of lease liabilities	9	5,760	4,653
		1,417,529	1,074,094
Contingencies and commitments	14	-	-
		<u>2,534,089</u>	<u>2,192,505</u>
ASSETS			
Non-current assets			
Property, plant and equipment	15	991,795	979,567
Intangible assets	16	-	-
Long term deposits	17	1	1,561
Deferred taxation	10	11,687	-
		<u>1,003,483</u>	<u>981,128</u>
Current assets			
Stores, spare parts and loose tools	18	91,969	24,351
Stock-in-trade	19	874,544	906,470
Trade debts	20	272,781	138,978
Advances	21	179,819	62,395
Trade deposits and short term prepayments	22	3,524	3,245
Other receivables	23	7,346	8,602
Advance tax- net	24	89,103	56,899
Cash and bank balances	25	11,520	10,437
		<u>1,530,606</u>	<u>1,211,377</u>
		<u>2,534,089</u>	<u>2,192,505</u>

The annexed notes 1 to 48 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2026

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

ABRAR AHMED KH.
Director

MUHAMMAD JAVOID
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026**

	Note	30 June 2026	30 June 2025
		-----Rupees in thousand-----	
Sales - net	26	1,626,433	1,628,612
Cost of sales	27	1,431,908	1,355,295
Gross profit		194,525	273,317
Other income	28	20,024	11,616
		214,549	284,933
Distribution cost	29	39,773	50,547
Administrative expenses	30	107,156	102,615
Other operating expenses	31	2,352	20,471
Finance cost	32	56,522	73,428
Profit before minimum tax and income tax		8,744	37,872
Minimum tax	33	15,636	8,199
(Loss)/Profit before income tax		(6,892)	29,673
Income tax	33		
Current - For the year		4,694	12,159
For prior years		3,754	13,485
Deferred		(15,633)	(11,793)
		(7,185)	13,851
Profit after taxation		293	15,822
Earnings per share - basic and diluted (Rupees)	34	0.04	2.11

The annexed notes 1 to 48 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2026

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, 2026**

	30 June 2026	30 June 2025
	-----Rupees in thousand-----	
Profit after taxation	293	15,822
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Surplus on Revaluation of property, plant and equipment	-	215,055
	-	215,055
Total comprehensive income for the year	293	230,877

The annexed notes 1 to 48 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2026

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, 2026

	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, 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
Profit for the year	-	293	-	-	293
Other comprehensive income	-	-	-	-	-
	-	293	-	-	293
Balance as at June 30, 2026	75,000	174,315	780,709	82,500	1,112,524

The annexed notes 1 to 48 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2026

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, 2026**

	Note	30 June 2026 -----Rupees in thousand-----	30 June 2025
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	35	65,438	133,202
Finance cost paid including interest portion of lease liabilities of Rs. 1.44 million		(52,186)	(74,425)
Payments to provident fund		(3,915)	(4,199)
Levies and taxes paid		(56,288)	(48,774)
Workers' Profit Participation Fund paid	11.3	(61)	(3,860)
Net cash (used in)/ generated from operating activities		(47,012)	1,944
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	15.8	(24,000)	(30,168)
Net cash (used in) investing activities		(24,000)	(30,168)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities- principal portion		(6,273)	(6,748)
Short-term borrowings – received - net	35.1	78,368	35,579
Net cash generated from financing activities		72,095	28,831
Net increase in cash and cash equivalents		1,083	607
Cash and cash equivalents at the beginning of the year		10,437	9,830
Cash and cash equivalents at the end of the year	36	11,520	10,437

The annexed notes 1 to 48 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2026

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, 2026**

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, Shahrah-e-Pakistan, Kala Shah Kaku, District Sheikhupura. 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, ossein and di-calcium phosphate etc., produced from animal bones and animal hides.

2 GOING CONCERN BASIS OF ACCOUNTING

The Company has negative cash flows from operating activities during the year ended June 30, 2026. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company continues to maintain a stable business base, with turnover remaining broadly in line with preceding year amid prevailing geo political uncertainties. However, the prices of raw material inputs increased due to the above-mentioned reason resulting into decline in profitability. The management of the Company consider it as temporary condition. The Company has retained its overseas customer base, and continued demand from these customers in the shape of confirmed purchase orders. The approved projections also show steady improvements and profitability along with positive cash flows from operating activities. Furthermore, keeping in view of the following, the management foresees that the Company will continue to be a going concern:

- Sustained demand of Company's products.
- Retention of Company's customers especially overseas customers.
- Continued financial support by the directors/ sponsors. Management continues to closely monitor working capital, cash flows and supply chain requirements and is taking appropriate measures to facilitate cash generation and strengthen liquidity. During the year ended June 30, 2026, the directors / sponsors of the Company have inducted Rupees 27.880 million as interest free short-term loans bringing the aggregate of such loans to Rupees 83.896 million. In addition to the above loans, an interest free sponsors' loan payable at discretion of the Company amounting to Rupees. 82.5 million have also been inducted till June 30, 2026 (June 30, 2025: Rupees 82.5 million). The sponsors have also committed to induct further funds if the need arises to address any liquidity issue(s) for smooth operations.

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

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

- 3.1 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 2025. However, these do not have any significant impact on the Company's financial statements.
- 3.2 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 7	Statement of Cash Flows (Amendments)	January 01, 2026
IAS 21	The effects of changes in foreign exchange rates (Amendments)	January 01, 2027
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 01, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 01, 2026
IFRS 9	Financial Instruments (Amendments)	January 01, 2026
IFRS 10	Consolidated Financial Statements (Amendments)	January 01, 2026
IFRS 17	Insurance Contracts (Amendments)	January 01, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 01, 2027

- 3.3 The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.
- 3.4 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 or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRIC 12 Service Concession Arrangements
IFRS 20 Regulatory Assets and Regulatory Liabilities

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

4 BASIS OF PREPARATION

4.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

4.2 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.

4.3 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 - 37.

4.4 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.

5 MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 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 15.1 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, 2026

5.2 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 16 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.

5.3 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.

5.4 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.

5.5 Financial instruments

5.5.1 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, 2026**

5.5.2 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.

5.5.3 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.

5.6 Right-of-use assets and lease liabilities

5.6.1 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 15.1.

5.6.2 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 remeasured 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.

5.7 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 administrated by the Trustees.

5.8 Trade and other payables

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

5.9 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 5.16.

5.10 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.

5.11 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, 2026

5.12 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.

5.13 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.

5.14 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.

5.15 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.

5.16 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, 2026**

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.

5.17 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.

5.18 Dividend to shareholders

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

5.19 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 40 to these financial statements.

5.20 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.

5.21 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 21/IAS 37.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

6	SHARE CAPITAL		30 June 2026	30 June 2025
			-----Rupees in thousand-----	
	Authorised share capital			
	10,000,000 (June 30, 2025: 10,000,000) ordinary shares of Rupees 10 each		<u>100,000</u>	<u>100,000</u>
	Issued, subscribed and paid-up share capital			
	7,500,000 (June 30, 2025: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash		<u>75,000</u>	<u>75,000</u>
			<u>75,000</u>	<u>75,000</u>
6.1	Ordinary shares of the Company held by associated undertaking as at year end are as follows:		30 June 2026	30 June 2025
			----- (Number of shares) -----	
	INA Securities (Private) Limited		<u>654,566</u>	<u>647,066</u>
			<u>654,566</u>	<u>647,066</u>
6.2	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.			
7	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		30 June 2026	30 June 2025
			-----Rupees in thousand-----	
	Revaluation surplus	-note- 7.1	<u>780,709</u>	<u>780,709</u>
7.1	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		<u>215,055</u>	<u>215,055</u>
			<u>780,709</u>	<u>780,709</u>
7.2	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
			-----Rupees in thousand-----	
	Free hold land		<u>7,826</u>	<u>788,535</u>
			<u>7,826</u>	<u>788,535</u>
7.3	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.			
7.4	The revaluation on freeholdland 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.			
8	SPONSOR'S LOAN – RELATED PARTY		30 June 2026	30 June 2025
			-----Rupees in thousand-----	
			<u>82,500</u>	<u>82,500</u>
	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.			
9	LEASE LIABILITIES		30 June 2026	30 June 2025
			-----Rupees in thousand-----	
	Present value of minimum lease payments		9,796	6,887
	Less: current portion presented under current liabilities	-note- 9.3	<u>5,760</u>	<u>4,653</u>
			<u>4,036</u>	<u>2,234</u>
9.1	Reconciliation of lease liabilities			
	Opening Balance		6,887	13,602
	Add:			
	Addition during the year		10,753	-
	Interest on lease liabilities for the year	-note- 32	<u>1,409</u>	<u>1,434</u>
			<u>12,162</u>	<u>1,434</u>
	Less:			
	payments / adjustments during the year		<u>9,253</u>	<u>8,149</u>
			<u>9,253</u>	<u>8,149</u>
	Closing balance		<u>9,796</u>	<u>6,887</u>
9.2	Where the implicit rate is available in the lease contract, that has been used which is 3 months KIBOR plus 1.75 % per annum (June 30, 2025: 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. 12.89% (June 30, 2025: 18.07%) is used.			

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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

	2026		2025	
	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	6,600	4,340	4,919	2,255
Less : Finance charges	(839)	(304)	(266)	(21)
Present value of minimum lease payments	5,760	4,036	4,653	2,234

10 DEFERRED TAXATION		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
Deferred tax on temporary differences comprises of :			
Taxable temporary differences			
Accelerated tax depreciation		21,244	21,819
Right-of-use assets		2,800	1,905
		<u>24,044</u>	<u>23,724</u>
Deductible temporary differences			
Minimum tax credits		23,835	9,730
Lease liabilities		2,841	1,997
Other		9,055	8,051
		<u>(11,687)</u>	<u>3,946</u>
Opening Balance as at July 1		3,946	15,738
Add: Credited to profit or loss	-note- 33.2	<u>(15,633)</u>	<u>(11,793)</u>
Closing Balance as at June 30		<u>(11,687)</u>	<u>3,946</u>

11 TRADE AND OTHER PAYABLES		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
Creditors		323,478	332,699
Accrued liabilities	-note- 11.1	90,997	74,777
Contract liabilities	-note- 11.2	456,393	204,056
Payable to provident fund	-note- 42.3	768	730
Other payables		464	395
Income tax withheld payable		1,910	2,633
Workers' Profit Participation Fund	-note- 11.3	22,196	19,060
Workers' Welfare Fund		9,027	8,703
		905,233	643,052

11.1 This includes salaries payable to Kh. Imtiaz Ahmed - Chief Executive and Abrar Ahmad Kh.- Executive Director as at June 30, 2026 of Rupees. 6.243 million (June 30, 2025: Rupees. 5.014 million) and Rupees.7.858 million (June 30, 2025: Rupees. 7.70 million) respectively.

11.2 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, 2025 amounting to Rupees. 81.079 million have been recognized as revenue for the year ended June 30, 2026. It also includes advance of Rupees. 122.976 million (June 30, 2025: Rupees.122.976 million) received from Leiner Gelatine SDN. BHD. Malaysia - Related party, for supply of gelatine manufacturing machinery and equipment. Further, an advance of Rupees.150.205 million has been received from Leiner Gelatine SDN. BHD., Malaysia, against the supply of goods.

11.3 Workers' Profit Participation Fund (WPPF)		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
Balance at the beginning of the year		19,060	17,516
Interest on funds utilized in Company's business	-note- 32	2,584	3,198
Allocation/ expense for the year	-note- 31, 35	613	2,206
		22,257	22,920
Less: Paid during the year		61	3,860
Balance at the end of the year		22,196	19,060

Interest is paid at prescribed rate under the Punjab Companies Profits (Workers' Participation) Act, 2021 on funds utilized by the Company till the date of allocation to workers.

12	MARK-UP ACCRUED	30 June 2026	30 June 2025
		-----Rupees in thousand-----	
	<i>On borrowings from banking companies - secured</i>		
	Short term borrowings	12,226	10,447
		12,226	10,447

13 SHORT TERM BORROWINGS

From banking companies - secured

		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
<i>Export Refinance</i>			
Bank Al-Habib Limited	-note- 13.1, 13.5	225,000	224,990
<i>Export Refinance</i>			
Habib Bank Limited	-note- 13.2, 13.6	99,900	99,800
<i>Istisna cum wakala</i>			
Meezan Bank Limited	-note- 13.4, 13.7	49,799	-
Running finance			
Bank Al-Habib Limited	-note- 13.3, 13.5	34,944	34,365
		409,643	359,155

From related parties - unsecured

Loans from director and close relatives thereof	-note- 13.10	83,896	56,016
		493,539	415,171

- 13.1** The Company has finance against packing credit (FAPC) facility having sanctioned limit of Rupees 225 million (June 30, 2025: Rupees 275 million) including one-off FAPC facility of Rupees nil (June 30, 2025: Rupees 50 million) from Bank Al-Habib Limited. The rate of mark-up on this facility is three months KIBOR plus 1.75% (June 30, 2025: 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.
- 13.2** The finance against packing credit (FAPC-Contract) facility having sanctioned limit of Rupees 100 million (June 30, 2025: Rupees 100 million) has been obtained from Habib Bank Limited. The rate of mark-up on this facility is three months KIBOR plus 1.75% (June 30, 2025: 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 is valid till April 30, 2027.
- 13.3** The running finance facility having sanctioned limit of Rupees 35 million (June 30, 2025: Rupees 35 million) has been obtained from Bank Al-Habib Limited for working capital requirements. It carries mark-up at three months Avg. KIBOR plus 1.75% (June 30, 2025: three months Avg. KIBOR plus 1.75%) per annum payable quarterly. The facility is valid till February 07, 2027 with credit review on annual basis.
- 13.4** This represents Istisna facility aggregating to Rupees 100 million obtained during the period repayable with a maximum tenure of 180 days. The amount utilized is to be repaid from the sale proceeds of the istisna goods or through own sources. Rate of profit applicable to istisna cum wakala is 1 month/3 month/6 month KIBOR+1.5% per annum, Kibor may be used as per the tenor of the respective bill.The facility is valid till July 31, 2026.
- 13.5** The facilities mentioned in 13.1 and 13.3 are commonly secured against first parri passu charge of Rupees 365 million (June 30, 2025: Rupees 365 million first charge over current assets) over current assets of the Company registered with SECP. Equitable mortgage supported by first parri passu charge on fixed assets of Rupees 500 million (June 30, 2025: Rupees 450 million first charge on fixed assets) 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, 2025: Rupees 300 million). The running finance facility at note 13.3 in addition to securities aforesaid is also secured against pro note amounting to Rupees 71.750 million (June 30, 2025 : Rupees 71.750 million).
- 13.6** The facility mentioned in 13.2 is commonly secured against parri passu charge of Rupees 134 million (June 30, 2025: Rupees 134 million) over current assets of the Company registered with SECP.Parri passu charge of Rupees 134 million (June 30, 2025: 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.
- 13.7** The facility mentioned in 13.4 is secured against first parri passu charge of Rupees 134 million over Current and fixed assets of the Company with 25% margin registered over present & future fixed assets of the Company.Personal guarantees of Directors/Shareholders. Corporate guarantee of the Company.
- 13.8** As at June 30, 2026, the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/ usance) amounting to Rupees 5 million (June 30, 2025: Rupees 5 million). The Company also has letter of credit (sight) from Meezan Bank Limited amounting to Rupees 30 million. Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2025: Rupees 15 million) from Bank Al-Habib Limited.
- 13.9** The net aggregate short term borrowing facilities unavailed as at June 30, 2026 amounting to Rupees 50.357 million (June 30, 2025: Rupees 50.845 million) and for letters of credit and bank guarantees amounting to Rupees 38.744 million (June 30, 2025: Rupees 8.744 million).
- 13.10** The loans from Chief executive / Director (Khwaja Imtiaz Ahmed) and close relatives (Khwaja Ahmed Hassan) and (Khwaja Qasim Mahmood) amounting to Rupees 18.461 million (June 30, 2025: Rupees 10.168 million) and Rupees 55.434 million (June 30, 2025: Rupees 45.848 million) and Rupees 10 million (June 30, 2025: Rupees nil) respectively, are for working capital requirements. These loans are re-payable on demand and non-interest bearing.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1** 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.

- 14.1.2** Guarantees issued by bank on behalf of the Company as at June 30, 2026 amounting to Rupees 11.256 million (June 30, 2025: Rupees 11.256 million).

14.2 Commitments

The Company has no commitment as at June 30, 2026 (June 30, 2025: Rupees nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

15 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

	30 June 2026	30 June 2025
	Rupees in thousand	
	955,646	957,418
	38,149	12,149
	993,795	979,567

- note - 15.1
- note - 15.8

15.1 Operating fixed assets - for the year ended June 30, 2026

PARTICULARS	COST/REVALUED AMOUNT				DEPRECIATION							Net book value as at 30 June 2026
	As at 30 June 2025	Additions / Revaluation	Disposals	Transfers	As at 30 June 2026	Annual rates	As at 30 June 2025	Disposals	Transfers	For the year	As at 30 June 2026	
Rupees in thousand												
Assets owned by the Company												
Tangible Assets												
Free hold land	788,535	-	-	-	788,535	-	-	-	-	-	-	788,535
Factory buildings- on free hold land	130,630	-	-	-	130,630	10%	90,159	-	-	4,047	94,206	36,424
Office building- on free hold land	817	-	-	-	817	5%	747	-	-	4	751	66
Plant and machinery	351,915	-	-	-	351,915	10%	239,373	-	-	11,254	250,627	101,288
Electric installation and equipment	34,284	-	-	-	34,284	10%	24,236	-	-	1,005	25,241	9,043
Fire fighting equipment	78	-	-	-	78	10%	65	-	-	1	66	12
Service and other equipment	580	-	-	-	580	10%	561	-	-	2	563	17
Office equipment	10,572	-	-	-	10,572	10%	6,247	-	-	433	6,680	3,892
Laboratory equipment	3,958	-	-	-	3,958	10%	3,661	-	-	30	3,691	267
Permanent and special equipment	261	-	-	-	261	10%	254	-	-	1	255	6
Furniture, fixtures and fittings	1,529	-	-	-	1,529	10%	1,306	-	-	22	1,328	201
Vehicles	12,937	-	-	-	12,937	20%	8,700	-	4,871	982	14,553	6,182
Railway siding	417	-	-	-	417	10%	414	-	-	0	414	3
Cycles and scooters	77	-	-	-	77	20%	74	-	-	0	74	3
Arms and ammunition	141	-	-	-	141	10%	100	-	-	4	104	37
Furnace	197	-	-	-	197	10%	182	-	-	1	183	14
30 June 2026	1,336,928	-	-	7,798	1,344,726	-	376,078	-	4,871	17,786	398,736	945,990
Right of use assets												
Vehicles	15,646	-	-	(7,798)	7,848	20%	9,078	-	(4,871)	1,154	5,361	2,487
Office building	8,953	10,753	(8,953)	-	10,753	33 1/3 %*	8,953	8,953	-	3,584	7,169	3,584
As at 30-06-2026	1,351,527	10,753	(8,953)	-	1,353,327	-	394,109	8,953	-	22,524	407,681	955,646

* 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, 2026

15.2 Operating fixed assets - for the year ended June 30, 2025

PARTICULARS	COST/REVALUED AMOUNT				DEPRECIATION				Net book value as at 30 June 2025		
	As at 30 June 2024	Additions / Revaluation	Disposals	Transfers	As at 30 June 2025	Annual rates	As at 30 June 2024	Disposals		Transfers	For the year
-Rupees in thousand-											
Assets owned by the Company											
Tangible Assets											
Free hold land	573,480	215,055	-	-	788,535	-	-	-	-	-	788,535
Factory building- on free hold land	130,630	-	-	-	130,630	10%	85,662	-	-	4,497	90,159
Office building- on free hold land	817	-	-	-	817	5%	743	-	-	4	747
Plant and machinery	320,042	31,873	-	-	351,915	10%	230,160	-	-	9,213	239,373
Electric installation and equipment	34,284	-	-	-	34,284	10%	23,120	-	-	1,116	24,236
Fire fighting equipment	78	-	-	-	78	10%	63	-	-	2	65
Service and other equipment	580	-	-	-	580	10%	559	-	-	2	561
Office equipment	10,572	-	-	-	10,572	10%	5,765	-	-	481	6,246
Laboratory equipment	3,958	-	-	-	3,958	10%	3,628	-	-	33	3,661
Permanent and special equipment	261	-	-	-	261	10%	253	-	-	1	254
Furniture, fixtures and fittings	1,529	-	-	-	1,529	10%	1,281	-	-	25	1,306
Vehicles	12,937	-	-	-	12,937	20%	7,641	-	-	1,059	8,700
Railway siding	417	-	-	-	417	10%	414	-	-	0	414
Cycles and scooters	77	-	-	-	77	20%	73	-	-	1	74
Arms and ammunition	141	-	-	-	141	10%	96	-	-	4	100
Furnace	197	-	-	-	197	10%	180	-	-	2	182
30 June 2025	1,090,000	246,928	-	-	1,336,928		359,638	-	-	16,440	376,078
Right-of use assets											
Vehicles	15,646	-	-	-	15,646	20%	7,436	-	-	1,642	9,078
Office building	8,953	-	-	-	8,953	33.1/3 %*	5,988	-	-	2,985	8,953
As at 30-06-2025	1,114,599	246,928	-	-	1,361,527		373,042	-	-	21,067	394,109
											967,418

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

17 LONG TERM DEPOSITS

	30 June 2026	30 June 2025
	-----Rupees in thousand-----	
Security deposits	1,561	3,105
Less: Current portion shown under current assets	1,560	1,544
	<u>1</u>	<u>1,561</u>

18 STORES, SPARE PARTS AND LOOSE TOOLS

Stores, spare parts and loose tools	87,055	23,846
Packing material	4,914	505
	<u>91,969</u>	<u>24,351</u>

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

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

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

19 STOCK-IN-TRADE

Raw material	438,660	479,381
Work in process	327,173	15,994
Finished goods:		
Gelatine	108,690	411,088
By-product Di-Calcium Phosphate (DCP)	21	7
	<u>108,711</u>	<u>411,095</u>
	<u>874,544</u>	<u>906,470</u>

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

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

20 TRADE DEBTS

Considered good:

Unsecured -Local	20,202	13,277
Unsecured -Foreign	252,579	125,701
	<u>272,781</u>	<u>138,978</u>
Less: Provision for doubtful trade debts	-	-
	<u>272,781</u>	<u>138,978</u>

20.1 These include an amount of Rupees 236,731,770 (June 30, 2025: Rupees 125,701,446) due from an associated Company, Leiner Gelatine SDN. BHD. Malaysia and is not past due and impaired. The maximum aggregate amount due from the associated Company at the end of any month during the year was Rupees 236,731,770 (June 30, 2025: Rupees 125,701,446).

	30 June 2026	30 June 2025
	-----Rupees in thousand-----	

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

Balance as at July 1	-	6,784
Provision during the year	-	-
Less: Doubtful trade debt recovered	-	6,691
Net provision for doubtful debts during the year	-	(6,691)
Less: Doubtful debt written - off	-	93
Balance as at June 30	-	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

21 ADVANCES

Considered good:

To staff - secured -note- 21.1
To suppliers - unsecured

30 June 2026	30 June 2025
-----Rupees in thousand-----	
1,010	1,119
178,809	61,276
<u>179,819</u>	<u>62,395</u>

21.1 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.

22 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Current portion of long term deposits -note- 17
Prepayments

30 June 2026	30 June 2025
-----Rupees in thousand-----	
1,560	1,544
1,964	1,701
<u>3,524</u>	<u>3,245</u>

23 OTHER RECEIVABLES

Sales tax refundable -note- 23.1

7,346	8,602
<u>7,346</u>	<u>8,602</u>

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

24 ADVANCE TAX - NET

Advance tax
Less: Adjustment for provision for taxation
Advance tax at the end of the year -note- 33

110,159	90,742
(21,056)	(33,843)
<u>89,103</u>	<u>56,899</u>

25 CASH AND BANK BALANCES

With banks in local currency:
in current accounts
in deposit account
Cash in hand -note- 25.1

1,461	1,280
1	14
10,058	9,143
<u>11,520</u>	<u>10,437</u>

25.1 Deposit account carried profit rate ranges between 8% to 9.25% (June 30, 2025: 8.4% to 13.75%) during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

26 SALES - NET

		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
Export sales	-note- 26.1	871,646	928,311
Local sales	-note- 26.2	754,787	700,301
		<u>1,626,433</u>	<u>1,628,612</u>
26.1 Export sales			
Gelatine		<u>871,646</u>	<u>928,311</u>
26.2 Local sales			
Gelatine		304,779	269,667
Di-Calcium Phosphate, by-product		520,919	549,181
Ossein		26,250	-
		<u>851,948</u>	<u>818,848</u>
Less: Sales tax		97,161	99,963
Sales return		-	18,584
		<u>97,161</u>	<u>118,547</u>
		<u>754,787</u>	<u>700,301</u>

27 COST OF SALES

Raw material consumed	-note- 27.1	846,499	1,024,115
Stores, spare parts and loose tools consumed		30,564	82,033
Packing material consumed		12,873	14,232
Salaries, wages and benefits	-note- 27.2	111,890	106,624
Fuel and power		366,324	342,144
Factory overheads	-note- 27.3	72,553	78,430
		<u>1,440,703</u>	<u>1,647,578</u>
Add: opening work in process		15,994	15,360
Less: closing work in process		327,173	15,994
		<u>(311,179)</u>	<u>(634)</u>
Cost of goods manufactured		<u>1,129,524</u>	<u>1,646,944</u>
Add: opening stock of finished goods		411,095	119,446
Less: closing stock of finished goods		108,711	411,095
		<u>302,384</u>	<u>(291,649)</u>
		<u>1,431,908</u>	<u>1,355,295</u>

27.1 Raw material consumed

Opening stock		479,381	858,471
Purchases		805,778	645,025
		<u>1,285,159</u>	<u>1,503,496</u>
Less: Closing stock		438,660	479,381
		<u>846,499</u>	<u>1,024,115</u>

27.2 Salaries, wages and benefits include employer's contribution to recognised provident fund amounting to Rupees 2,560,066 (June 30, 2025: Rupees 2,677,788).

27.3 Factory overheads

		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
Indirect labour wages		11,916	8,735
Insurance		2,211	1,690
Repair and maintenance		30,238	36,121
Depreciation	-note- 15.3	16,340	14,864
Loading and unloading		8,338	8,854
Miscellaneous expenses		3,510	8,166
		<u>72,553</u>	<u>78,430</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

28 OTHER INCOME

Income from financial instruments:

Foreign exchange gain - net

Profit on deposit account

Income from non-financial instruments:

Liabilities no longer required written back

Reversal of provision of doubtful trade debt

-note- 20.2

30 June 2026	30 June 2025
-----Rupees in thousand-----	
136	1,584
34	31
19,854	3,310
-	6,691
20,024	11,616

29 DISTRIBUTION COST

Shipping expenses

Commission on exports

Other expenses

22,396	21,109
1,152	920
16,225	28,518
39,773	50,547

30 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits

Insurance

Vehicle running and maintenance

Rent, rates and taxes

Travelling and conveyance

Legal and professional charges

Printing and stationery

Fees and subscription

Telephone and postage

Repair and maintenance

Auditors' remuneration

Entertainment

Utilities

Depreciation

Amortisation

Security expenses

Miscellaneous expenses

-note- 30.1

-note- 30.2

-note- 15.3

-note- 16

51,480	49,748
976	1,105
14,400	13,717
6,236	3,892
4,844	4,498
688	1,492
2,085	1,570
5,163	3,174
1,944	2,192
1,712	1,908
1,930	1,627
1,931	1,854
1,126	1,151
6,185	6,203
-	-
5,630	6,584
826	1,900
107,156	102,615

30.1 Salaries, wages and benefits include employer's contribution to recognised provident fund amounting to Rupees 1,392,676 (June 30, 2025: Rupees 1,351,892).

30.2 Auditors' remuneration

Audit fee

Fee for half yearly limited review of financial information

Review of statement of code of corporate governance, CDC and free-float certifications

Out of pocket expenses

30 June 2026	30 June 2025
-----Rupees in thousand-----	
1,400	1,100
350	350
150	150
30	27
1,930	1,627

31 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund

Workers' Welfare Fund

Sales tax written off

Donations

-note- 11.3

-note- 35

-note- 31.1

613	2,206
324	839
-	16,056
1,415	1,370
2,352	20,471

31.1 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 2026	30 June 2025
-----Rupees in thousand-----		
Shaukat Khanum Memorial Trust	1,130	1,020
Hijaz Hospital	285	350

31.1.1 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, 2026**

32 FINANCE COST

		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
Mark-up/ interest on:			
Short term borrowings		48,288	62,418
Workers' Profit Participation Fund	-note- 11.3	2,584	3,198
Lease liabilities	-note- 9.1	1,409	1,434
Provident fund		-	678
Bank charges and commission		4,241	5,700
		<u>56,522</u>	<u>73,428</u>

33 LEVIES AND TAXATION

		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
33.1 Minimum tax	-note- 33.1.1	<u>15,636</u>	<u>8,199</u>

33.1.1 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 2026	30 June 2025
		-----Rupees in thousand-----	
33.2 Income tax			
Current - for the year		4,694	12,159
-for prior years	-note- 33.7	3,754	13,485
		8,448	25,644
Deferred - current year	-note- 10	(15,633)	(11,793)
- effect of change in tax rate		-	-
		<u>(15,633)</u>	<u>(11,793)</u>
		<u>(7,185)</u>	<u>13,851</u>

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

	30 June 2026	30 June 2025
	-----Rupees in thousand-----	
Current tax liability for the year as per applicable tax laws	20,330	20,358
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(4,694)	(12,159)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(15,636)	(8,199)
Difference	-	-

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

Profit before levies and taxation	<u>8,744</u>	<u>37,872</u>
Tax at the applicable rate of 29% (2025: 29%)	<u>2,536</u>	<u>10,983</u>
Tax effect of:		
-expense not deductible for tax purposes	8,593	13,396
-expenses deductible for tax purposes but not taken to profit or loss account	(6,435)	(12,221)
Adjustment in respect of prior years	3,754	13,485
Adjustment in respect of minimum tax credit	15,636	8,199
Deferred taxation	(15,633)	(11,793)
Levies and income tax	<u>8,451</u>	<u>22,050</u>

33.5 The Income Tax assessments of the Company are complete upto tax year 2025, 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.

33.6 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.

33.7 For tax year 2023, the assessment was finalized under section 122(1)/122(4) of the Income Tax Ordinance, 2001 following a routine tax audit under section 177(1), resulting in a net tax adjustment of Rs. 1,517,894. Additionally, for tax years 2024 and 2025, proceedings under section 161(1) of the Income Tax Ordinance, 2001 regarding withholding tax monitoring were concluded resulting in a tax adjustment of Rs. 1,510,137 and Rs. 725,752. To avoid protracted litigation and ensure smooth operational continuity, the Company chose not to contest these matters and fully discharged all tax obligations as a measure of prudent tax management. The settled liabilities have been duly recognized as prior year tax expense in the statement of profit or loss, with no further tax exposure or pending liabilities remaining in respect of these orders

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

34 EARNINGS PER SHARE - BASIC AND DILUTED

	30 June 2026	30 June 2025
	-----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	293	15,822
Weighted average number of ordinary shares outstanding during the year	(No. of shares) 7,500	7,500
Earnings per share	(Rupees) 0.04	2.11

35 CASH GENERATED FROM OPERATIONS

	30 June 2026	30 June 2025
	-----Rupees in thousand-----	
Profit before minimum tax and income tax	8,744	37,872
Adjustments for:		
Depreciation	-note- 15.3 22,525	21,067
Provision for employee retirement benefits	-note- 30.1,27.2 3,953	4,030
Finance cost	-note- 32 56,522	73,428
Provision for Workers' Profit Participation Fund	-note- 11.3 613	2,206
Provision for Workers' Welfare Fund	-note- 31 324	839
Reversal of provision of doubtful trade debt	-note- 28 -	(6,691)
Liabilities no longer required written back	-note- 28 (19,854)	(3,310)
Operating profit before changes in working capital	64,083	91,569
Changes in working capital	72,827	129,441
(Increase)/Decrease in current assets:		
Stores, spare parts and loose tools	(67,617)	(9,496)
Stock-in-trade	31,926	86,806
Trade debts	(133,803)	(105,465)
Advances	(117,425)	(56,650)
Trade deposits and short term prepayments	(263)	(83)
Other receivables	1,257	10,909
Increase in current liabilities:		
Trade and other payables	278,536	77,740
	65,438	133,202

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

	June 30, 2025	Net Increase due to cash flows	June 30, 2026
	-----Rupees in thousand-----		
Short term finance - secured			
Running Finance Bank-Al-Habib Limited	34,365	579	34,944
Export Refinance Habib Bank Limited	99,800	100	99,900
Export Refinance Bank-Al-Habib Limited	224,990	10	225,000
Istisna cum wakala Meezan Bank Limited	-	49,799	49,799
	359,155	50,488	409,643
From related parties - unsecured			
Loans from director and close relatives thereof	56,016	27,880	83,896
	415,171	78,368	493,539
Sponsor's Loan – Related Party	82,500	-	82,500
	497,671	78,368	576,039

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
36 CASH AND CASH EQUIVALENTS			
Cash and bank balances	-note- 25	<u>11,520</u>	<u>10,437</u>

37 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

37.1 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.

37.2 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.

37.3 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.

37.4 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.

37.5 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.

37.6 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.

37.7 Impairment of financial assets

The management makes judgements for estimating the allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

37.8 Leases

The management uses judgements for recognition of leases under IFRS 16 and the related practical expedients thereunder.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

38 FINANCIAL RISK MANAGEMENT

38.1 Financial instruments

30 June 2026 30 June 2025
-----Rupees in thousand-----

The following are financial instruments by category:

Financial assets at amortized cost

Security deposits	1	1
Trade debts	272,781	138,978
Advances	1,010	1,119
Cash and bank balances	11,520	10,437
	<u>285,312</u>	<u>150,535</u>

Financial liabilities at amortized cost

Lease liabilities	9,796	6,887
Short term borrowings	493,539	415,171
Mark up accrued	12,226	10,447
Trade and other payables	416,848	410,504
Unclaimed dividend	771	771
	<u>933,180</u>	<u>843,780</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.

38.2 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 2026 30 June 2025
-----Rupees in thousand-----

Security deposits	1	1
Trade debts	272,781	138,978
Advances	1,010	1,119
Bank balances	1,462	1,294
	<u>275,254</u>	<u>141,392</u>

The maximum exposure to credit risk for trade debts amounting to Rupees 272.781 million (June 30, 2025: Rupees 138.978 million) at the reporting date by geographic region is as under:

30 June 2026 30 June 2025
-----Rupees in thousand-----

Domestic	20,202	13,277
Export	252,579	125,701
	<u>272,781</u>	<u>138,978</u>

The export debtor of the Company is situated in Malaysia and Germany.

The maximum exposure to credit risk for trade debts amounting to Rupees 272.781 million (June 30, 2025: Rupees 138.978 million) at the reporting date by type of customer is as under:

30 June 2026 30 June 2025
-----Rupees in thousand-----

End user customers	272,781	138,978
	<u>272,781</u>	<u>138,978</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

The aging of trade debts at the reporting date is as under:

	30 June 2026	30 June 2025
	-----Rupees in thousand-----	
Not past due	240,187	51,988
Past due 1-30 days	5,823	73,746
Past due 31-120 days	22,394	13,107
Past due 121-365 days	4,377	137
More than one year	-	-
	<u>272,781</u>	<u>138,978</u>
Less: Provision for doubtful trade debts	-	-
	<u>272,781</u>	<u>138,978</u>

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:

	-----Rating-----			30 June 2026	30 June 2025
	Short term	Long term	Agency	-----Rupees in thousand-----	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	7	4
Bank Alfalah Limited	A1+	AAA	PACRA	198	85
Bank Al-Habib Limited	A1+	AAA	PACRA	1,175	1,151
MCB Bank Limited	A1	A+	PACRA	8	8
Habib Bank Limited	A1+	AAA	JCR - VIS	2	5
Bank Makramah Limited	A-3	BBB-	JCR - VIS	1	1
United Bank Limited	A1+	AAA	JCR - VIS	58	38
Bank Islami Pakistan Limited	A1	AA-	PACRA	2	2
Meezan Bank Limited	A1+	AAA	JCR - VIS	11	-
				<u>1,462</u>	<u>1,294</u>

38.3 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, 2026					
	-----Rupees in thousand-----					
Lease liabilities	9,796	10,940	4,430	2,170	4,340	-
Short term borrowings	493,539	503,024	503,024	-	-	-
Mark up accrued	12,226	12,226	12,226	-	-	-
Trade and other payables	416,848	416,849	416,849	-	-	-
Unclaimed dividend	771	771	771	-	-	-
	<u>933,180</u>	<u>943,810</u>	<u>937,300</u>	<u>2,170</u>	<u>4,340</u>	<u>-</u>
	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	-	-	-
	<u>843,780</u>	<u>852,047</u>	<u>846,713</u>	<u>3,079</u>	<u>2,255</u>	<u>-</u>

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 9.2,13.1,13.2, 13.3 & 13.4 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

38.4 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.

38.4.1 Currency risk

The Company is exposed to a currency risk on trade debts of Rupees 252.579 million as at June 30, 2026 (June 30, 2025: Rupees 125.701 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 252.579 million as at June 30, 2026 (June 30, 2025: Rupees 125.701 million). The currencies in which these transactions primarily denominated is US Dollar and Euro.

2026	2025
Average rates	

2026	2025
Reporting date rate	

Significant exchange rates applied during the year:

US Dollar	280.21	279.90	278.05	283.60
Euro	326.88	-	316.95	-

Sensitivity analysis

A 10 percent strengthening of the Rupee against above mentioned currencies as at 30 June 2026 would have decreased profit by Rupees 25.258 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 2026 would have had the equal but opposite effect on the profit or loss, on the basis that all other variables remains constant.

38.4.2 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, 2026 aggregated to Rupees 410.321 million (June 30, 2025: Rupees 366.042 million) and fixed rate liabilities aggregated to Rupees 7.557 million (June 30, 2025: nil). The Company does not account for fixed rate financial assets at fair value through profit or 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 or loss	
100 bp increase	100 bp decrease
-----Rupees in thousand-----	

As at June 30, 2026

Cash flow sensitivity - variable rate instruments	(484)	484
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As at June 30, 2025

Cash flow sensitivity - variable rate instruments	(405)	405
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38.5 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, 2026

38.6 Fair value measurement – non-financial assets

(i) Fair value hierarchy

Judgements 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, 2026				
Freehold land	-	788,535	-	788,535
As at June 30, 2025				
Freehold land	-	788,535	-	788,535

(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 7.2 of the financial statements.

39 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 2026	30 June 2025
	-----Rupees in thousand-----	
Total borrowing	503,334	422,058
Less: Cash and bank balances	11,520	10,437
Net debt	491,814	411,621
Total equity	1,112,524	1,112,231
Total capital	1,604,338	1,523,852
Gearing ratio	30.66%	27.01%

40 OPERATING SEGMENTS

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

40.2 Sales revenue from Gelatine, Ossein and Di-Calcium Phosphate (by-product) represent 71.85%, 1.37% and 26.78% (June 30, 2025: 71.78%, nil and 28.22%) of the total revenue of the Company respectively.

40.3 All non-current assets of the Company as at June 30, 2026 are located in Pakistan.

40.4 Sales to external customers Martin Dow Marker Limited, Pakistan is around 8.95% (2025: 7.20%) and Leiner Gelatine SDN. BHD., Malaysia is around 52.47% (2025: 38.44%) of the total revenue of the Company during the year ended June 30, 2026.

40.5 The sales percentage by geographic region is as follows:

	30 June 2026	30 June 2025
	%	%
Pakistan	46.41	43.00
Malaysia	52.56	55.32
Sri Lanka	-	1.68
Bangladesh	0.02	-
Germany	1.01	-
	100	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Director		Executives	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	-----Rupees in thousand-----		-----Rupees in thousand-----		-----Rupees in thousand-----	
Managerial remuneration	2,568	2,568	1,860	1,860	29,880	27,814
Medical expense	562	309	223	690	169	273
Contribution to provident fund	121	121	88	88	919	885
	<u>3,251</u>	<u>2,998</u>	<u>2,171</u>	<u>2,638</u>	<u>30,968</u>	<u>28,972</u>
Number of persons	1	1	1	1	14	14

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

41.2 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. 0.100 million (2025: Rs. 0.352 million).

42 TRANSACTIONS 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:

		30 June 2026	30 June 2025
		-----Rupees in thousand-----	
42.1 Nature of relation	Nature of transaction		
Associated Company	Advance from Leiner Gelatine SDN. BHD. for supply of gelatine	150,205	-
	Advance from Leiner Gelatine SDN. BHD. for supply of gelatine machinery and equipments.	-	122,976
	Sale of finished goods - Leiner Gelatine SDN. BHD.	853,428	625,963
Shareholder	Short-term loan obtained from close relative - Khwaja Qasim Mehmood	30,000	-
	Short-term loan repaid to close relative - Khwaja Qasim Mehmood	20,000	-
Key management personnel	Short-term loan obtained from chief executive - Khwaja Imtiaz Ahmed	16,800	18,360
	Short-term loan repaid to chief executive - Khwaja Imtiaz Ahmed	8,507	31,308
	Short-term loan obtained from close relative - Khwaja Ahmed Hassan	44,985	25,530
	Short-term loan repaid to close relative - Khwaja Ahmed Hassan	35,399	4,504
	Managerial remuneration	See note - 41	
42.2 Contribution to provident fund	Contribution to provident fund trust	3,953	4,030

42.3 The outstanding balances with above related parties are included in Equity (note 8) Sponsor's loan as at June 30, 2026 amount to Rs. 82.5 million (June 30, 2025: Rs. 82.5 million), trade and other payables (note 11) 'Payable to Provident fund', 'Contract Liability from Leiner Gelatine SDN.BHD. Malaysia' and 'Accrued liabilities' as at June 30, 2026 Rs. 0.768 million (June 30, 2025: Rs. 0.730 million), Rs.273.181 million (June 30, 2025:Rs. 122.976 million) and Rs. 14.101 million (June 30, 2025: Rs.12.714 million) respectively, short term borrowings (note 13.10 "Short term borrowings from related parties" as at June 30, 2026 Rs. 83.896 million (June 30, 2025: Rs. 56.016 million)) and trade Debts (note 20.1 "Receivable from the associated Company, Leiner Gelatine SDN. BHD" as at June 30, 2026 Rs. 236.732 million (June 30,2025: Rs. 125.701 million))

42.4 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, 2026

43 PROVIDENT FUND

30 June 2026	30 June 2025
-----Rupees in thousand-----	
Size of the fund - total assets	263,685
Percentage of investment made	64.24%
Fair value of investments	169,398
Cost of investments made	45,708
	222,517
	63.50%
	141,299
	37,870

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

	2026		2025	
	Investments Rupees in thousand	Investment as % of size of the fund	Investments Rupees in thousand	Investment as % of size of the fund
Unit Trust Schemes	76,833	29.14%	72,468	32.57%
Mutual Funds	2,528	0.96%	2,293	1.03%
Savings Schemes of Banks	-	0.00%	-	0.00%
Bank Deposits	20,229	7.67%	19,961	8.97%
Listed Securities	69,808	26.47%	46,577	20.93%
	169,398	64.24%	141,299	63.50%

43.2 Based on the audited financial statements of the provident fund ('the Fund') as at June 30, 2026, 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.

44 PLANT CAPACITY AND ACTUAL PRODUCTION

30 June 2026	30 June 2025
-----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)	532	859
Ossein Dried	63.56	-
Di-Calcium Phosphate (DCP)	3,018	3,563

44.1 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.

45 NUMBER OF EMPLOYEES

30 June 2026	30 June 2025
-----Numbers-----	

Number of employees as at June 30

Permanent	138	151
Contractual	53	43
	191	194

Average number of employees during the year

Permanent	144	157
Contractual	48	43
	192	200

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

46 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 2026	30 June 2025
-----Rupees in thousand-----			
Financing as per Islamic mode			
Short term-Istisna cum wakala	13	49,799	-
Financing as per conventional mode			
Export Refinance Bank Al-Habib Limited	13	225,000	224,990
Export Refinance Habib Bank Limited	13	99,900	99,800
Running finance Bank Al-Habib Limited	13	34,944	34,365
Interest accrued on conventional loans			
Finance Cost	12	11,535	10,447
Shariah compliant bank balances			
Bank Balances	25	221	110
Shariah compliant sales			
Net Sales	26	1,626,433	1,628,612
Exchange gain earned from actual currency			
Exchange gain	28	136	1,584
Interest paid on conventional loans			
Short term borrowings		40,796	62,418
Profit paid on Islamic mode of financing			
Profit paid on Istisna cum-wakala		5,023	-
Source and breakup of other income			
<i>Shariah compliant</i> Profit on deposit account	28	34	31
<i>Shariah non-compliant</i> Liabilities no longer required written back	28	19,854	3,310
Reversal of provision of doubtful trade debt		-	6,691
Foreign exchange gain - net	28	136	1,584

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
Meezan Bank Limited	Funded/ non funded facility & bank balance
Atlas Insurance Window Takaful Operations	Takaful operators

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 07, 2026 by the Board of Directors of the Company.

48 GENERAL

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

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

LAHORE
Dated: October 07, 2026

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

ABRAR AHMED KH.
Director

MUHAMMAD JAVOID
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

30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
417	1	100	16,920
432	101	500	112,443
131	501	1,000	110,468
218	1,001	5,000	637,415
24	5,001	10,000	174,223
8	10,001	15,000	96,925
3	15,001	20,000	56,282
1	20,001	25,000	20,800
1	25,001	30,000	28,023
3	30,001	35,000	96,400
2	35,001	40,000	78,300
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	225,001	230,000	225,640
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
1,263			7,500,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,491,815	46.5575%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	654,566	8.7275%
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	3,350,221	44.6696%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	51,676	0.6890%
- 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, 2026

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	INA SECURITIES (PVT) LIMITED. (CDC)	654,566	8.7275%
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. IBRAR 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. IBRAR AHMED (CDC)	271,300	3.6173%
11	QASIM MAHMOOD KHAWAJA	51,000	0.6800%
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	MRS. NAVIDA IMTIAZ	657,900	8.7720%
4	INA SECURITIES (PVT) LIMITED. (CDC)	654,566	8.7275%
5	KH. AHMED HASSAN	749,820	9.9976%

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
		<u>NIL</u>	



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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, 2026 and at any adjournment thereof.

Signed this _____ day of _____ 2026

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.

17-G, Gulberg-2, G/Postmall Box-3529, Lahore-54660
Phones #: 92-42-35756953-54
Works: 19-Kilometer, Shahrah-e-Pakistan, Kala Shah Kaku,
District Sheikhupura.