

LEINER PAK GELATINE LIMITED



CONTENTS

# **LEINER PAK GELATINE LIMITED**

**UN-AUDITED CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE NINE MONTHS PERIOD ENDED  
MARCH 31, 2023.**



# LEINER PAK GELATINE LIMITED

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## COMPANY INFORMATION BOARD OF DIRECTORS

Mr. Ahmed Ali Riaz	Chairman
Khwaja Imtiaz Ahmed	Chief Executive & Managing Director
Ibrar 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)

### COMPANY SECRETARY

Ibrar Ahmed Khwaja

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Javaid

### AUDITORS

M. Almas & Co.  
Chartered Accountants  
207-Sadiq Plaza, 2<sup>nd</sup> Floor, 69-The Mall, Lahore.

### LEGAL ADVISOR

Mr. 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

19<sup>th</sup> Kilometer,  
Shahrah-e-Pakistan, Kala Shah Kaku,  
District Sheikhpura.  
Ph. #: 0092-42-37950018 – 37980179

### BANKERS

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

## DIRECTORS' REVIEW

The Directors are pleased to present the accounts of the Company for the nine months period ended March 31, 2023.

### OPERATIONS

During the nine months period Company's sales are registered at Rs.1,467.068 million as compared to Rs.732.644 million in last corresponding period. This ever highest turnover in the financial history of the company is attributed to change in sales prices of our products as a corollary to the cost push inflation prevailing in the country and realization of exports proceeds at some favorable exchange rates in Pak Rupees.

During this period country's economy is experiencing hyper inflation. Sky rocketed inflation in the country rendering it highly expensive country. Massive increase in energy and fuel prices coupled with up surged prices of raw material depleted the positive impact of rise in sales prices and exports proceeds. Due to all these factors company's profit after tax is arrived at Rs.15.843 million.

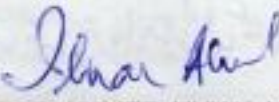
### FUTURE OUT LOOK

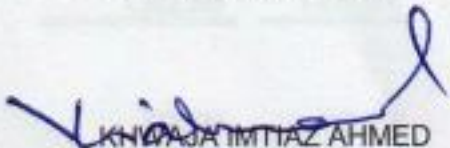
Stability on the economic front is highly needed for steady growth. We expect country will soon attain stability in terms inflation and we can see better financial results in future.

### ACKNOWLEDGMENT

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

On Behalf of the Board

  
IBRAR AHMED KHWAJA  
DIRECTOR

  
KHWAJA IMTIAZ AHMED  
Chief Executive Officer  
& Managing Director

Lahore:  
April 28, 2023.



## ڈائریکٹرز ریویو

ڈائریکٹران کمپنی کے نو ماہی حسابات جو کہ ۳۱ مارچ ۲۰۲۳ء کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

### کاروباری عمل

نو ماہ کے اس عرصہ میں کمپنی کی فروخت پچھلے سال کے اسی عرصہ کی فروخت مبلغ ۶۴۳.۶۳۲ ملین روپے کے مقابلے میں ۶۶۸.۰۶۸ ملین روپے رہی ہے۔ کمپنی ہذا کی مالی تاریخ میں سب سے زیادہ ریکارڈ کی جانے والی فروخت کی وجہ ہماری مصنوعات کی فروخت کی قیمتوں میں ہونے والے تغیر اور برآمدات کی مد میں پاکستانی روپے کی شکل میں ملنے والی رقوم ہیں۔ اس عرصہ کے دوران ملکی معیشت بڑھے ہوئے افراط زر کی زد میں ہے۔ آسمان سے باتیں کرتے ہوئے افراط زر نے اس ملک کو بہت زیادہ مہنگا بنا دیا ہے۔ توانائی اور ایندھن کی قیمتوں میں ہونے والے بے پناہ اضافہ اور اس کے ساتھ خام مال کی بڑھی ہوئی قیمتوں نے مصنوعات کی قیمتوں میں اضافہ اور برآمدات کے موصولات کے مثبت اثرات کو بہت کم کر دیا ہے۔ ان تمام عوامل کی وجہ سے کمپنی کا بعد از ٹیکس منافع مبلغ ۱۵.۸۴۳ ملین روپے رہا ہے۔

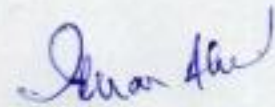
### مستقبل کے امکانات:

معیشت کا استحکام مستحکم ترقی کے لیے بے حد ضروری ہے۔ ہم پر امید ہیں کہ ہمارا ملک جلد افراط زر کو کنٹرول کر لے گا اور ہمیں مستقبل میں بہتر مالی نتائج مل سکیں گے۔

### اعتراف:

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

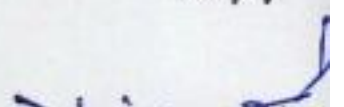
منجانب بورڈ

  
ابرار احمد خواجہ

ڈائریکٹر

لاہور

۲۸ اپریل ۲۰۲۳ء

  
خواجہ امیر خواجہ

چیف ایگزیکٹو ایڈ

میٹنگ ڈائریکٹر

# LEINER PAK GELATINE LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

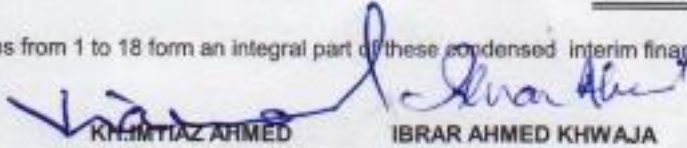
AS AT MARCH 31, 2023

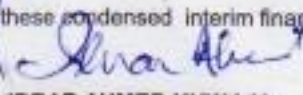
	Note	(Un-audited) March 31, 2023 ..... Rupees in	(Audited) June 30, 2022 thousand.....
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	7	75,000	75,000
Revenue Reserve:			
Unappropriated profit		25,851	10,008
Capital Reserve:			
Surplus on revaluation of property, plant and equipment		565,654	565,654
Sponsor's Loan - Related Party		82,500	82,500
		<u>749,005</u>	<u>733,162</u>
<b>Non-current liabilities</b>			
Deferred taxation		8,041	671
Long term finance	8	-	-
Lease liabilities	9	13,745	11,729
		<u>21,786</u>	<u>12,400</u>
<b>Current liabilities</b>			
Trade and other payables		875,081	577,727
Unclaimed dividend		771	771
Mark-up accrued		9,874	4,865
Short term borrowings	10	288,995	264,072
Current portion of long term finance	8	778	15,611
Current portion of lease liabilities	9	5,990	2,698
		<u>1,181,489</u>	<u>865,744</u>
Contingencies and commitments	11	-	-
		<u>1,952,280</u>	<u>1,611,306</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	778,685	749,758
Intangible assets	13	-	-
Long term deposits		3,359	3,105
Deferred taxation		-	-
		<u>782,044</u>	<u>752,861</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		35,656	106,909
Stock-in-trade		1,013,166	650,226
Trade debts		33,461	22,309
Advances		3,944	2,128
Trade deposits and short term prepayments		1,582	1,408
Other receivables		32,970	28,980
Advance income tax-net		49,351	44,214
Cash and bank balances		106	2,271
		<u>1,170,236</u>	<u>858,445</u>
		<u>1,952,280</u>	<u>1,611,306</u>

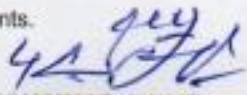
The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

LAHORE

DATE: April 28, 2023

  
KH. IRTIAZ AHMED  
Chief Executive Officer  
& Managing Director

  
IBRAR AHMED KHWAJA  
Director

  
MUHAMMAD JAVAID  
Chief Financial Officer



# LEINER PAK GELATINE LIMITED

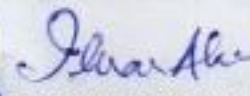
## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

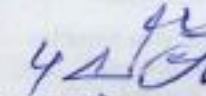
	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note	....Rupees in thousand....		....Rupees in thousand....	
Sales-net	1,467,068	732,644	699,199	258,622
Cost of sales	1,263,447	640,807	610,534	228,132
Gross profit	203,621	91,837	88,665	30,490
Other income/(loss)	487	1,892	-	(17)
	204,108	93,729	88,665	30,473
Distribution cost	52,750	12,365	18,156	4,597
Administrative expenses	56,860	49,240	21,260	16,168
Other operating expenses	17,735	1,071	8,593	103
Finance cost	37,389	19,515	15,899	5,992
Profit before taxation	39,374	11,538	24,757	3,613
Taxation	14 23,531	8,403	12,022	3,058
Profit after taxation	15,843	3,135	12,735	555
Earning per share-basic and diluted (Rupees)	15 2.11	0.42	1.70	0.07

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

LAHORE  
DATE: April 28, 2023

  
KHURAM AHMED  
Chief Executive Officer  
& Managing Director

  
IBRAR AHMED KHWAJA  
Director

  
MUHAMMAD JAVAID  
Chief Financial Officer

# LEINER PAK GELATINE LIMITED

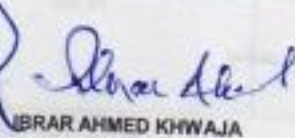
## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

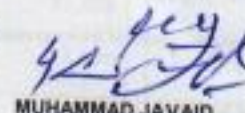
Note	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	...Rupees in thousand...		...Rupees in thousand...	
Profit after taxation	15,843	3,135	12,735	555
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit for the period</b>	<b>15,843</b>	<b>3,135</b>	<b>12,735</b>	<b>555</b>

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

LAHORE  
DATE: April 28, 2023

  
NADEEM RAZ AHMED  
Chief Executive Officer  
& Managing Director

  
IBRAR AHMED KHWAJA  
Director

  
MUHAMMAD JAVAID  
Chief Financial Officer



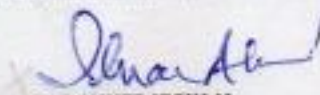
**LEINER PAK GELATINE LIMITED****CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Share capital	Reserves		Sponsor's Loan	Total
		Revenue Reserve	Capital Reserve		
	Issued, subscribed and paid up share capital	Un appropriated profit / (accumulated loss)	Surplus on revaluation of property, plant and equipment		
..... Rupees in thousand .....					
Balance as at 01 July 2021	75,000	1,732	336,262	-	412,994
Total comprehensive profit for the nine months period ended March 31, 2022	-	3,135	-	-	3,135
<b>Balance as at March 31, 2022</b>	<b>75,000</b>	<b>4,867</b>	<b>336,262</b>	<b>-</b>	<b>416,129</b>
Balance as at 01 July 2022	75,000	10,008	565,654	82,500	733,162
Total comprehensive profit for the nine months period ended March 31, 2023	-	15,843	-	-	15,843
<b>Balance as at March 31, 2023</b>	<b>75,000</b>	<b>25,851</b>	<b>565,654</b>	<b>82,500</b>	<b>749,005</b>

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

LAHORE  
DATE: April 28, 2023

  
KH. M. TIAZ AHMED  
Chief Executive Officer  
& Managing Director

  
IBRAR AHMED KHWAJA  
Director

  
MUHAMMAD JAVAID  
Chief Financial Officer

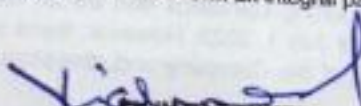
# LEINER PAK GELATINE LIMITED

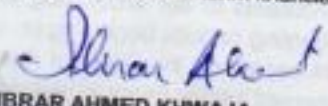
## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months period ended March 31, 2023	Nine months period ended March 31, 2022
	.....Rupees in thousand.....	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	39,374	11,538
<b>Adjustments for:</b>		
Depreciation	16,257	16,036
Provision for employee retirement benefits	2,493	2,545
Finance cost	37,389	19,515
Gain on disposal of operating fixed asset	(431)	(1,419)
Provision for Workers' Profit Participation Fund	2,120	625
Provision for Workers' Welfare Fund	-	-
<b>Operating profit before changes in working capital</b>	<b>57,828</b>	<b>37,302</b>
<b>Changes in working capital</b>	<b>97,202</b>	<b>48,840</b>
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	71,253	51,096
Stock-in-trade	(362,940)	(237,794)
Trade debts	(11,152)	(26,535)
Advances	(1,816)	(5,859)
Trade deposits and short-term prepayments	(174)	(612)
Other receivables	(10)	30
Increase / (decrease) in current liabilities		
Trade and other payables	296,338	207,694
<b>Cash generated from operations</b>	<b>88,701</b>	<b>36,860</b>
Finance cost paid	(32,380)	(18,100)
Payments to provident fund	(2,485)	(2,547)
Taxes paid	(21,298)	(12,697)
Sales tax refund/payments	(3,980)	(4,969)
Workers Profit Participation Fund	(1,112)	(951)
Workers' Welfare Fund paid	-	-
<b>Net cash generated in operating activities</b>	<b>27,446</b>	<b>(2,404)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(36,303)	(15,832)
Right of use of asset	(8,952)	-
Proceeds from disposal of property, plant and equipment	500	1,842
Decrease/(increase) in long term deposits	(254)	(1,560)
<b>Net cash (used in) investing activities</b>	<b>(45,009)</b>	<b>(15,750)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finance	(14,833)	(14,287)
Repayment of lease liabilities	5,308	4,336
Short-term borrowings-obtained/(repaid)-net	24,923	31,259
<b>Net cash (used in) from financing activities</b>	<b>15,398</b>	<b>21,308</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,165)</b>	<b>3,154</b>
Cash and cash equivalents at the beginning of the period	2,271	4,601
Cash and cash equivalents at the end of the period	<b>106</b>	<b>7,755</b>

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

LAHORE  
DATE: April 28, 2023

  
ARSHAD AHMED  
Chief Executive Officer  
& Managing Director

  
IBRAR AHMED KHWAJA  
Director

  
MUHAMMAD JAVAID  
Chief Financial Officer



# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

### 1 The Company and its operations

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

### 2 Basis of preparation

#### 2.1 Statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the condensed interim financial statements for the nine months ended March 31, 2023.
- 2.3 These condensed interim financial statements have been prepared under the historical cost convention except for freehold land at revalued amount. In these financial statements, except for the statement of cash flows, all transactions have been accounted for on accrual basis.
- 2.4 Items included in condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. The condensed interim financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

### 3 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in preparation of the annual published financial statements for the year ended 30 June 2022.

#### 4 Change in accounting Standards, interpretations and amendments to published accounting and reporting standards

##### a Change in accounting standards, interpretations and amendments to published accounting and reporting standards

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements

##### b Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.



# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

### 5 Judgments, estimates and assumptions

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

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, accounting estimates and assumptions made by the management in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2022.

### 6 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements as at and for the year ended 30 June 2022.

### 7 Share capital

#### Authorised share capital

10,000,000 (June 30, 2022: 10,000,000) ordinary shares  
of Rupees 10 each

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	..... Rupees in thousand.....	

	100,000	100,000
--	---------	---------

#### Issued, subscribed and paid up share capital

7,500,000 (June 30, 2022: 7,500,000) ordinary shares  
of Rupees 10 each issued as fully paid in cash

	75,000	75,000
--	--------	--------

	75,000	75,000
--	--------	--------

### 8 Long term finance - secured

Bank Al Habib Limited

Summit bank limited

Current portion shown under current liabilities

	-	5,994
	778	9,561
	(778)	(15,555)

Government Grant

Current portion shown under current liabilities

	-	56
	-	(56)

	-	-
	-	-

- 8.1 The Company obtained approval of term finance facility for Rs. 24.227 million from Bank Al Habib Limited under Refinancing Scheme of the State Bank of Pakistan specifically for paying salaries and wages to Company's employees. These were repayable in 8 equal quarterly installments during the period from January 2021 to December 2022.



# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

This term loan is secured by way of first charge over current assets Rs.180 million and ranking charges on current assets at Rs.170 million (Total charge Rs.350 million on current assets).Equitable mortgage supported by first pari passu charge on fixed assets of Rupees 400 million (June 30, 2022: Rupees 250 million) comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku Equitable mortgage for Rs. 50 million over 24 kanal and 6 marla of Company land situated at 19 K.M G.T Road, Kala Shah Kaku. Personal Guarantee of three directors / shareholders for Rs 250 million each. The rate of markup is fixed at 3% per annum.

Government grant aggregating to Rs. 2.401 million has been recorded up to June 30, 2021. Grant amortized during the period ended March 31, 2023 is Rs.0.056 million (June 30, 2022: Rs. 0.076 million) thereby making the aggregate amortization up to March 31, 2023 Rs. 2.401 million. In accordance with the terms of the grant, the company is prohibited to lay-off the employees atleast for three months from the period of the grant.

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
..... Rupees in thousand.....			
<b>9 Lease liabilities</b>		<b>19,735</b>	<b>14,427</b>
Present value of minimum lease payments		5,990	2,698
Less: Current portion presented under current liabilities		<u>13,745</u>	<u>11,729</u>
<b>10 Short term borrowings</b>			
<i>From banking companies-secured</i>			
Export Refinance	10.1,10.6	199,990	75,000
Bank Al-Habib Limited			
SBP Export Finance	10.2,10.6	-	49,401
Bank Al-Habib Limited			
Short term finance against IBP receivables	10.3,10.6	25,000	25,000
Bank Al-Habib Limited			
Running finance	10.4,10.6	34,981	59,843
Bank Al-Habib Limited			
Running finance	10.5,10.7	-	-
Summit Bank Limited			
		<u>259,971</u>	<u>209,244</u>
<i>From related parties-unsecured</i>			
Loans from director/ex-director and shareholder	10.10	29,024	54,828
		<u>288,995</u>	<u>264,072</u>
<b>10.1</b>	The finance against packing credit OWN (FAPC OWN) facility obtained from Bank Al-Habib Limited having sanctioned limit of Rupees 200 million (June 30, 2022: Rupees 75 million). The rate of mark-up on this facility is three months KIBOR plus 1.75% per annum . The principle is to be repaid upon realization of exports proceeds as per the tenure 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 loan or at the end of each calendar quarter whichever is earlier.The facility is valid till February 07, 2024 with credit review on annual basis.		
<b>10.2</b>	The finance against SBP export finance scheme-EFS facility having sanctioned limit of Rupees 75 million (June 30, 2022: Rupees 50 million ) has been obtained from Bank Al-Habib Limited under SBP IH&SMEFD Circular No. 03 of 2022. The rate of mark-up on this facility is State Bank of Pakistan ("SBP") refinance rate ("RR") under the scheme, SBP Refinance Rate applicable time to time (as per tenor of the bill) plus bank spread, combinedly called the ("Applicable Rate"). The principal is to be repaid upon realization of exports proceeds within maximum 180 days from the draw down date or on demand. The facility is valid till February 07, 2024 with credit review on annual basis.		



## LEINER PAK GELATINE LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

- 10.3 The IBP receivable finance facility having sanctioned limit of Rupees 25 million (June 30, 2022: Rupees 25 million) has been obtained from Bank Al-Habib Limited for financing of receivables. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2022: three months KIBOR plus 1.75%) per annum. The principal amount is to be repaid upon realization of export proceeds as per tenor of respective bill but not later than 90 days from draw down date or on demand while mark-up is to be serviced upon adjustment of each loan or at the end of each calendar quarter whichever is earlier. The facility is valid till February 07, 2024 with credit review on annual basis.
- 10.4 The running finance facility having sanctioned limit of Rupees 35 million (June 30, 2022: Rupees 60 million) has been obtained from Bank Al-Habib Limited for working capital requirements. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2022: three months KIBOR plus 1.75%) per annum payable quarterly. The facility is valid till February 07, 2024 with credit review on annual basis.
- 10.5 The running finance facility having sanctioned limit of Rupees 30 million (June 30, 2022: Rupees 30 million) was obtained from Summit Bank Limited for working capital requirements. The facility was not renewed after September 2018. In terms of settlement with Summit Bank Limited dated March 15, 2021, the outstanding balance on the said date Rs. 29,981,093 was payable as under:
- Repayment of 35%, equal to Rs. 10,500,000 in four equal installment of Rs 2,625,000 each between the period from 15 March 2021 to 30 April 2021.
  - After a 6 months grace period from May 2021 to October 2021 the remaining 65% loan facility is payable in 15 equal monthly installment of Rs 1,300,000 each up to 25 January 2023.
  - The said loan was accordingly classified as long term as per note 9 above.
- 10.6 The facilities mentioned in 10.1, 10.2, 10.3 and 10.4 are commonly secured against first charge over current assets Rs.180 million and ranking charges on current assets at Rs.170 million (Total charge Rs.350 million on current assets). Equitable mortgage supported by first pari passu charge on fixed assets of Rupees 400 million (June 30, 2022: Rupees 250 million) comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Lien over export documents under letter of credit and contract, shipping documents, accepted drafts, counter guarantee of the Company and personal guarantees of three Directors / Shareholders amounting to Rupees 300 million each (June 30, 2022: Rupees 250 million). The running finance facility at note 10.4 in addition to securities aforesaid is also secured against pro note amounting to Rs. 59.5 million (June 2022 : Rupees 59.5 million).
- 10.7 The facility mentioned in 10.5 is commonly secured against ranking charge of Rupees 40 million (June 30, 2022: Rupees 40 million) over all present & future current assets of the Company with 25% margin, duly insured, with Summit Bank Limited and registered with SECP. Pari passu charge on fixed assets, comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Personal guarantees of three Directors along with Personal Net Worth Statement (PNWS). It carries mark-up at three months KIBOR plus 5%.
- 10.8 As at March 31, 2023 the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/usance) amounting to Rupees 5 million (June 30, 2022: Rupees 17.5 million). Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2022: Rupees 15 million) from Bank Al-Habib Limited.
- 10.9 The net aggregate short term borrowing facilities unavailed at end of March 31, 2023 amount to Rupees 0.019 million (June 30, 2022: Rupees .013 million) and for letters of credit and bank guarantees amount to Rupees 8.744 million (June 30, 2022: Rupees 8.744 million).
- 10.10 The loans from Chief Executive / director (Khwaja Imtiaz Ahmed) and his close relative (Khwaja Ahmed Hassan) amounting to Rs. 3.436 million (June 30, 2022: 15.750 million) and Rs. 25.588 million (June 30, 2022: 39.078 million) respectively, are for working capital requirements. These loans are re-payable on demand and non-interest bearing.



# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

#### 11 Contingencies and commitments

There have been no significant changes in contingencies and commitments as disclosed in the notes to the preceding annual published financial statements for the year ended June 30, 2022.

Guarantees issued by bank on behalf of Company in favour of Sui Northern Gas Pipe Lines Limited as at March 31, 2023 amounting to Rupees 11.256 million (June 30, 2022: Rupees 11.256 million).

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
..... Rupees in thousand.....			
<b>12 Property, plant and equipment</b>			
Operating fixed assets	12.1	740,898	744,264
Capital work in progress	12.4	37,787	5,492
		<u>778,685</u>	<u>749,756</u>
<b>12.1 Opening book value</b>		744,264	518,377
Cost of additions during the period / year	12.2	12,959	248,194
Less:			
Deletion during the period / year (book value)	12.3	68	428
Depreciation charged during the period / year		16,257	21,879
		<u>740,898</u>	<u>744,264</u>

#### 12.2 Cost of addition during the period / year

Freehold land	-	229,392
Factory building- on freehold land	-	2,822
Plant and machinery	764	7,049
Electric installation and equipment	1,062	-
Office equipment	381	714
Vehicles	1,800	8,217
Right-of-use-asset	8,952	-
	<u>12,959</u>	<u>248,194</u>

#### 12.3 Deletion during the period / year

Cost	337	6,194
Depreciation	269	5,766
	<u>68</u>	<u>428</u>

#### 12.4 Capital work in progress

Opening balance	5,492	2,398
Additions during the period / year		
Plant and machinery	26,532	6,831
Building and Civil Works	5,763	1,978
	<u>37,787</u>	<u>11,207</u>
Transfer to operating fixed assets	-	(5,715)
Closing balance	<u>37,787</u>	<u>5,492</u>

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

#### 14 Taxation

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

# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

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.

### 15 Earning per share-basic and diluted

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

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	..Rupees in thousand..		..Rupees in thousand..	
Profit after taxation	15,843	3,135	12,735	555
Weighted average number of ordinary shares	7,500	7,500	7,500	7,500
Earning per share-basic and diluted (Rupees)	2.11	0.42	1.70	0.07

### 16 Transactions with related parties

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

Nature of relation	Nature of transaction	Nine months period ended	
		March 31, 2023	March 31, 2022
		.....Rupees in thousand.....	
<b>16.1 Key management personnel</b>			
	Loan obtained from chief executive - Khwaja Imtiaz Ahmed	4,005	11,335
	Loan repaid to chief executive - Khwaja Imtiaz Ahmed	16,319	11,195
	Loan obtained from close relative - Khwaja Ahmed Hassan	910	21,115
	Loan repaid to close relative - Khwaja Ahmed Hassan	14,400	16,321
	Managerial Remuneration	17,763	19,337
<b>16.2 Contribution to Provident Fund</b>			
	Contribution to provident fund Trust	2,493	2,545

**16.3** The outstanding balances with above related parties are included in Trade and other payables "Payable to Provident fund" as at March 31, 2023 Rs.696,144 (June 30, 2022: Rs. 688,172) and Short term borrowings (note 10.10) "Short term borrowings from related parties" as at March 31, 2023 Rs.29.024 million (June 30, 2022: Rs. 54.828 million)

### 17 Date of authorization for issue

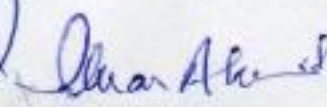
These condensed interim financial statements were authorized for issue by the Board of Directors on April 28, 2023.

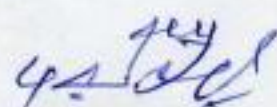
### 18 General

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

LAHORE  
DATE: April 28, 2023

  
NAIM HAZ AHMED  
Chief Executive Officer  
& Managing Director

  
IBRAR AHMED KHWAJA  
Director

  
MUHAMMAD JAVAID  
Chief Financial Officer



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House / Office Closed	گھرا دفتر بند ہے
Incomplete Address	پتہ نامکمل ہے
Retired	ریٹائر
Passed Away	انتقال کر گئے
Need Building Name	بلڈنگ کا نام درکار ہے
Need House / Gali / Plot No.	پلاٹ / گھرا گلی نمبر درکار ہے
Out of City / Country	شہر / ملک سے باہر ہیں
Share Refused to Accept	وصول کرنے سے انکار
Non Service Area	رسائی ممکن نہیں
Any Other Reason, Please Mention Hereunder:	کوئی اور وجہ چاہیے لکھیں:

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