

# LEINER PAK GELATINE LIMITED



**UN-AUDITED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2021.**



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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
Mian Zia-Ud-Din	Independent Director
Ijaz Ahmed Khwaja	Non-Executive Director
Ayesha Ahmed	Non-Executive Director
Rashid Minhas	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 Sheikhupura.

Ph. #: 0092-42-37950018 – 37980179

### **BANKERS**

Bank Al Habib Limited

Summit Bank Limited

United Bank Limited

National Bank of Pakistan

Bank Islami Pakistan Limited

MCB Bank Limited-Islamic Banking

Bank Alfalah Limited-Islamic Banking

## **DIRECTORS' REVIEW**

Directors are pleased to present the Condensed Interim Financial Statements of the Company for three months period ended September 30, 2021.

## **OPERATIONS**

During the period under review company registered sales at Rs.146.443 million as compared to last corresponding period sales of Rs.91.53 million. During this period company started its operations earlier after overhauling (D.C.P) plant. Company also managed to export one of its new product Ossein to China. This export of Ossein coupled with local sales of (D.C.P) Di-calcium phosphate and gelatine translated in to better turnover which helped to post profit before tax at Rs.3.761 million as compared to last corresponding profit before tax at Rs.1.728 million.

## **FUTURE PROSPECTS**

Company has received major export orders pertaining to exports of gelatine and ossein. Management is confident that increase in export volume will bring better financial performance.

## **ACKNOWLEDGMENT**

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

On Behalf of the Board

IBRAR AHMED KHWAJA  
DIRECTOR

KHWAJA IMTIAZ AHMED  
Chief Executive Officer  
& Managing Director

Lahore:  
October 29, 2021.

## ڈائریکٹر زریویو

ڈائریکٹر ان کمپنی کے سبہ ماہی حسابات جو کہ ۳۰ ستمبر ۲۰۲۱ء کو ختم ہوا پیش کرنے پر خوشی محسوس کرتے ہیں۔

### کاروباری عمل

زیر جائزہ دورانیہ میں کمپنی کی فروخت پچھلے سال کی اسی دورانیہ کی فروخت مبلغ ۹۱.۵۳ ملین روپے کے مقابلے میں مبلغ ۱۳۶.۴۴۳ ملین روپے رہی۔ اس دورانیہ میں ڈی۔سی۔ پی پلانٹ کی اوور ہالنگ کے بعد اپنے آپریشن جلد شروع کر دیئے تھے۔ کمپنی نے اپنی نئی پراڈکٹ اوسین کی ایکسپورٹ کو بھی منظم کیا ہے۔ اوسین کی ایکسپورٹ اور ڈی۔سی۔ پی اور جیلاٹین کی مقامی فروخت کی وجہ سے کل فروخت بہتر رہی اور اس کی وجہ سے قبل از ٹیکس منافع پچھلے سال کے اسی دورانیہ کے قبل از ٹیکس منافع مبلغ ۲۸.۷۱ ملین کے مقابلے میں مبلغ ۶۱.۷۳ ملین روپے رہا ہے۔

### مستقبل کے امکانات

کمپنی کو اوسین اور جیلاٹین کی مد میں کافی زیادہ ایکسپورٹ آرڈر ملے ہیں۔ انتظامیہ پُر امید ہے کہ ایکسپورٹ کی مد میں ہونے والی بہتری سے مالی کارکردگی بہتر رہے گی۔

### 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

ابراہیم احمد خواجہ

ڈائریکٹر

لاہور

۲۹ اکتوبر ۲۰۲۱ء

خواجہ امتیاز احمد

چیف ایگزیکٹو ایڈ

منجانب ڈائریکٹر

# LEINER PAK GELATINE LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	..... Rupees in	thousand.....
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	8	75,000	75,000
Revenue Reserve:			
Unappropriated profit/(Accumulated loss)		3,558	1,732
Capital Reserve:			
Surplus on revaluation of property, plant and equipment		336,262	336,262
		414,820	412,994
<b>Non-current liabilities</b>			
Long term finance	9	7,568	16,425
Lease liabilities	10	6,771	6,953
		14,339	23,378
<b>Current liabilities</b>			
Trade and other payables		450,559	409,390
Unclaimed dividend		771	771
Mark-up accrued		3,231	3,411
Short term borrowings	11	266,078	269,827
Current portion of long term finance	9	27,032	21,200
Current portion of lease liabilities	10	3,509	4,240
		751,180	708,839
Contingencies and commitments	12	-	-
		1,180,339	1,145,211
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	518,427	520,775
Intangible assets	14	-	-
Long term deposits		1,799	1,799
Deferred taxation		-	-
		520,226	522,574
<b>Current assets</b>			
Stores, spare parts and loose tools		49,915	108,211
Stock-in-trade		525,801	431,120
Trade debts		2,865	8,622
Advances		4,641	2,331
Trade deposits and short term prepayments		838	686
Other receivables		32,123	26,737
Advance income tax-net		41,843	40,329
Cash and bank balances		2,087	4,601
		660,113	622,637
		1,180,339	1,145,211

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

LAHORE  
DATE: October 29, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

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**LEINER PAK GELATINE LIMITED**

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**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

		<b>September 30, 2021</b>	<b>September 30, 2020</b>
	<b>Note</b>	<b>....Rupees in thousand....</b>	
Sales-net		<b>146,443</b>	91,536
Cost of sales		<b>123,485</b>	69,615
Gross profit		<b>22,958</b>	21,921
Other income		<b>4,834</b>	23
		<b>27,792</b>	21,944
Distribution cost		<b>2,786</b>	2,380
Administrative expenses		<b>15,592</b>	11,306
Other operating expenses		<b>198</b>	91
Finance cost		<b>5,455</b>	6,439
Profit before taxation		<b>3,761</b>	1,728
Taxation	<b>15</b>	<b>1,935</b>	1,216
Profit after taxation		<b>1,826</b>	512
Earning per share-basic and diluted (Rupees)	<b>16</b>	<b>0.24</b>	0.07

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

LAHORE

DATE: October 29, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAJD**  
Chief Financial Officer

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**LEINER PAK GELATINE LIMITED**

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021	September 30, 2020
		....Rupees in thousand....	
Profit after taxation		1,826	512
Other comprehensive income		-	-
<b>Total comprehensive profit for the period</b>		<b>1,826</b>	<b>512</b>

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

LAHORE  
DATE: October 29, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer



**LEINER PAK GELATINE LIMITED****CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	September 30, 2021	September 30, 2020
	.....Rupees in thousand.....	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,761	1,728
<b>Adjustments for:</b>		
Depreciation	5,099	4,177
Provision for employee retirement benefits	859	818
Finance cost	5,455	6,439
Gain on disposal of operating fixed asset	(1,419)	-
Provision for Workers' Profit Participation Fund	198	91
Provision for Workers' Welfare Fund	-	-
	<b>10,192</b>	<b>11,525</b>
<b>Operating profit before changes in working capital</b>	<b>13,953</b>	<b>13,253</b>
<b>Changes in working capital</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	58,296	69,612
Stock-in-trade	(94,681)	(173,351)
Trade debts	5,757	(1,807)
Advances	(2,310)	(954)
Trade deposits and short-term prepayments	(152)	640
Other receivables	69	38
Increase / (decrease) in current liabilities		
Trade and other payables	40,280	78,764
<b>Cash (used in) / generated from operations</b>	<b>21,212</b>	<b>(13,805)</b>
Finance cost paid	(5,635)	(6,879)
Payments to provident fund	(168)	(1,470)
Taxes paid	(3,449)	(1,723)
Sales tax refund/payments	(5,455)	(4,286)
Workers Profit Participation Fund	-	(215)
Workers' Welfare Fund paid	-	-
<b>Net cash used in operating activities</b>	<b>6,505</b>	<b>(28,378)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(2,974)	(3,350)
Right of use of asset	-	(474)
Proceeds from disposal of property, plant and equipment	1,642	-
Decrease/(Increase) in long term deposits	-	-
<b>Net cash used in investing activities</b>	<b>(1,332)</b>	<b>(3,824)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finance	(3,025)	11,152
Repayment of lease liabilities	(913)	(45)
Short-term borrowings-obtained/(repaid)-net	(3,749)	21,060
<b>Net cash generated from financing activities</b>	<b>(7,687)</b>	<b>32,167</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,514)</b>	<b>(35)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,601</b>	<b>465</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,087</b>	<b>430</b>

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

LAHORE  
DATE: October 29, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

**LEINER PAK GELATINE LIMITED****CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Share capital	Reserves		Total
		Revenue Reserve	Capital Reserve	
	Issued, subscribed and paid up share capital	Un appropriated profit / (accumulated loss)	Surplus on revaluation of property, plant and equipment	
.....Rupees in thousand.....				
Balance as at 01 July 2020	75,000	(3,272)	336,262	407,990
Total comprehensive profit for the three months period ended September 30 , 2020	-	512	-	512
<b>Balance as at September 30, 2020</b>	<b>75,000</b>	<b>(2,760)</b>	<b>336,262</b>	<b>408,502</b>
Balance as at 01 July 2021	75,000	1,732	336,262	412,994
Total comprehensive profit for the three months period ended September 30, 2021	-	1,826	-	1,826
<b>Balance as at September 30, 2021</b>	<b>75,000</b>	<b>3,558</b>	<b>336,262</b>	<b>414,820</b>

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

LAHORE  
DATE: October 29, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

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# LEINER PAK GELATINE LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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### 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.

### 1.1 Impact of covid-19

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. The Company continued to carry out its operations during the year after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees and has taken all necessary steps to ensure smooth and adequate continuation of Business. Management believes that there is no significant adverse impact of the effects of COVID-19 on the operations of the Company and on these financial statements. However, pursuant to relaxation announced by the State Bank of Pakistan in view of this pandemic, the Company has availed concessional loan to disburse salaries and wages which is fully explained in note 9 to these financial statements.

### 2 Going concern basis of accounting

As at September 30, 2021 the Company's current liabilities exceeded its current assets by Rupees 91.067 million. The running finance facility amounting to Rupees. 30 million from the Summit Bank Limited was not renewed after September, 2018. In terms of settlement with Summit Bank Limited dated March 15, 2021, Rs. 10.5 million has been paid by April 2021 while the balance Rs. 19.5 is payable in 15 equal monthly installments of Rs 1.3 million each between the period from November 2021 to January 2023. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The effects of measures taken by the management of the Company have positive impact on the performance of the Company whereby turnover has increased by 59.98% resulting into profit after tax amounting to Rs. 1.826 million during three months period ended September 30, 2021. Keeping in view the following factors, the management foresees that the Company will continue to be a going concern.

- There is continued demand for the products of the Company. Demand of "Halal" Gelatine exists in foreign and local markets as "Halal" Gelatine is equally consumed in Muslim and Non-Muslim countries.
- There is continued financial support of the Company's sponsors. The sponsors' of the Company have inducted up to September 30, 2021 Rupees 104.407 million (June 30, 2021: Rupees 111.166 million) interest free loans. They are also committed to induct further funds, if the need arises, to address any liquidity issues for smooth operations; and
- The existence of new sales orders (local as well as exports) along with advance payments received there against.

These financial statements have, therefore, been prepared using going concern basis of accounting and, accordingly, do not include any adjustments 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 Basis of preparation

#### 3.1 Statement of compliance

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

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

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# LEINER PAK GELATINE LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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- 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.

3.2 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2021, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the condensed interim financial statements for the three months ended September 30, 2020.

The figures of the three months ended September 30, 2021 are being submitted to the shareholders, and have been subjected to limited scope review in accordance with Section 237 of the Companies Act, 2017.

- 3.3 These condensed interim financial statements have been prepared under the historical cost convention except for freehold land at revalued amount. In these financial statements, except for the statement of cash flows, all transactions have been accounted for on accrual basis.
- 3.4 Items included in condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. The condensed interim financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

### 4 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in preparation of the annual published financial statements for the year ended 30 June 2021.

### 5 Standards, amendments and interpretations to published approved accounting standards

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2021, except for the adoption of new standards effective as of January 01, 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

### 6 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.

Judgments, accounting estimates and assumptions made by the management in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2021.

### 7 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 2021.

# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	..... Rupees in	thousand.....
<b>8 Share capital</b>		
<b>Authorised share capital</b>		
10,000,000 (June 30, 2021: 10,000,000) ordinary shares of Rupees 10 each	<u>100,000</u>	<u>100,000</u>
<b>Issued, subscribed and paid up share capital</b>		
7,500,000 (June 30, 2021: 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>
<b>9 Long term finance - secured</b>		
Bank Al Habib Limited	<u>14,302</u>	<u>17,327</u>
Summit bank limited	<u>19,475</u>	<u>19,475</u>
Current portion shown under current liabilities	<u>(26,400)</u>	<u>(20,434)</u>
	<u>7,377</u>	<u>16,368</u>
Government Grant	<u>823</u>	<u>823</u>
Current portion shown under current liabilities	<u>(632)</u>	<u>(766)</u>
	<u>191</u>	<u>57</u>
	<u>7,568</u>	<u>16,425</u>

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. The tenor of the financing is two and half year inclusive 6-Months grace period and are repayable in 8 equal quarterly installments commencing from January 2021.

This term loan is secured by way of 1st. Pari Pasu charge of Rs. 180 million over all current assets of the Company already registered with SECP. Equitable mortgage supported by 1st. Pari Pasu charge for Rs. 250 million over land, building and plant & machinery of the Company situated at 19 K.M 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 Guranee of three directors / shareholders for Rs 250 million each. The rate of markup is fixed at 3% per annum.

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	..... Rupees in	thousand.....
<b>10 Lease liabilities</b>		
Present value of minimum lease payments	<u>10,280</u>	<u>11,193</u>
Less: Current portion presented under current liabilities	<u>3,509</u>	<u>4,240</u>
	<u>6,771</u>	<u>6,953</u>
<b>11 Short term borrowings</b>		
<b>From banking companies-secured</b>		
Export refinance (FAFB)		
Bank Al-Habib Limited	11.1, 11.6	1,700
Short term finance against payables		
Bank Al-Habib Limited	11.2, 11.6	25,000
Short term finance against receivables		
Bank Al-Habib Limited	11.3, 11.6	25,000
Finance against packing credit (FAPC)		
Bank Al-Habib Limited	11.5, 11.6	50,000
Running finance		
Bank Al-Habib Limited	11.4, 11.6	59,971
	<u>161,671</u>	<u>158,661</u>
<b>From related parties-unsecured</b>		
Loans from director and close relative thereof	11.9	104,407
	<u>266,078</u>	<u>269,827</u>

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## LEINER PAK GELATINE LIMITED

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### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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- 11.1 The finance against foreign bills (FAFB-OWN) facility having sanctioned limit of Rupees 25 million (June 30, 2021: Rupees 25 million) has been obtained from Bank Al-Habib Limited for working capital requirements. 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 tenor of respective bill but not later than 180 days from the draw down date or on demand while mark-up is to be served upon adjustment of loan or at the end of each calendar quarter whichever is earlier.
- 11.2 The short term finance facility having sanctioned limit of Rupees 25 million (June 30, 2021: Rupees 25 million) has been obtained from Bank Al-Habib Limited to meet working capital requirements. The principle amount is to be repaid within 90 days of each and every single disbursement through business cash flows. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2021: three months KIBOR plus 1.75%) per annum payable along with principal on maturity 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.
- 11.3 The short term finance facility having sanctioned limit of Rupees 25 million (June 30, 2021: Rupees 25 million) has been obtained from Bank Al-Habib Limited to meet working capital requirements. The principle amount is to be repaid within 90 days of each and every single disbursement through business cash flows. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2021: three months KIBOR plus 1.75%) per annum payable along with principal on maturity 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.
- 11.4 The running finance facility having sanctioned limit of Rupees 60 million (June 30, 2021: 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, 2021: three months KIBOR plus 1.75%) per annum payable quarterly. The facility is valid till February 07, 2024 with credit review on annual basis.
- 11.5 The finance against packing credit (FAPC) facility having sanctioned limit of Rupees 50 million (June 30, 2021: Rupees 50 million) including one-off FAPC facility Rupees 25 million (June 30, 2021: Rupees 25 million) has been obtained from Bank Al-Habib Limited. 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 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 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.
- 11.6 The facilities mentioned in 11.1, 11.2, 11.3 11.4 and 11.5 are commonly secured against first pari passu charge of Rupees 180 million (June 2021: Rupees 180 million) over current assets of the Company registered with SECP. Equitable mortgage supported by first pari passu charge on fixed assets of Rupees 250 million (June 30, 2021: Rupees 250 million) comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Lien over export documents under letter of credit and contract, shipping documents, accepted drafts, counter guarantee of the Company and personal guarantees of three Directors / Shareholders amounting to Rupees 250 million each (June 30, 2021: Rupees 250 million). The running finance facility at note 11.4 in addition to securities aforesaid is also secured against pro note amounting to Rs. 144.5 million (June 2021 : Rupees 144.5 million)
- 11.7 As at September 30, 2021 the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/usance) amounting to Rupees 5 million (June 30, 2021: Rupees 5 million). Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2021: Rupees 15 million) from Bank Al-Habib Limited.
- 11.8 The net aggregate short term borrowing facilities unavailed at end of September 30, 2021 amount to Rupees 23.3 million (June 30, 2021: Rupees 26.339 million) and for letters of credit and bank guarantees amount to Rupees 8.744 million (June 30, 2021: Rupees 8.744 million).
- 11.9 The loans from Chief Executive / director (Khwaja Imtiaz Ahmed) and his close relative (Khwaja Ahmed Hassan) amounting to Rs. 75.179 million (June 30, 2021: 79.314 million) and Rs. 29.228 million (June 30, 2021: 31.851 million) respectively, are for working capital requirements. These loans are re-payable on demand and non-interest bearing.
- 12 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, 2021.
- Guarantees issued by bank on behalf of Company in favour of Sui Northern Gas Pipe Lines Limited as at September 30, 2021 amounting to Rupees 11.256 million (June 30, 2021: Rupees 11.256 million).

# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
		..... Rupees in thousand.....	
<b>13 Property, plant and equipment</b>			
Operating fixed assets	13.1	513,206	518,377
Capital work in progress	13.4	5,221	2,398
		<u>518,427</u>	<u>520,775</u>
<b>13.1 Opening book value</b>		518,377	490,558
Cost of additions during the period / year	13.2	151	45,792
Less:			
Deletion during the period / year (book value)	13.3	223	57
Depreciation charged during the period / year		5,099	17,916
		<u>513,206</u>	<u>518,377</u>
<b>13.2 Cost of addition during the period / year</b>			
Factory building- on freehold land		-	23,681
Plant and machinery		-	12,385
Electric installation and equipment		-	1,353
Office equipment		151	525
Vehicles		-	7,848
Right of-use-asset		-	-
		<u>151</u>	<u>45,792</u>
<b>13.3 Deletion during the period / year</b>			
Cost		3,196	193
Depreciation		2,973	136
		<u>223</u>	<u>57</u>
<b>13.4 Capital work in progress</b>			
Opening balance		2,398	11,397
Additions during the period / year			
Plant and machinery		2,449	8,791
Building and Civil Works		374	18,175
		<u>5,221</u>	<u>38,363</u>
Transfer to operating fixed assets		-	(35,965)
Closing balance		<u>5,221</u>	<u>2,398</u>

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

### 15 Taxation

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

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

### 16 Earning per share-basic and diluted

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

	September 30, 2021	September 30, 2020
	..Rupees in thousand..	
Profit after taxation	<u>1,826</u>	512
Weighted average number of ordinary shares	<u>7,500</u>	7,500
Earning per share-basic and diluted (Rupees)	<u>0.24</u>	0.07

## LEINER PAK GELATINE LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

#### 17 Transactions with related parties

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

Nature of relation	Nature of transaction	September 30, 2021	September 30, 2020
		.....Rupees in thousand.....	
<b>17.1 Key management personnel</b>			
	Loan obtained from chief executive - Khwaja Imtiaz Ahmed	1,100	2,110
	Loan repaid to chief executive - Khwaja Imtiaz Ahmed	5,235	1,955
	Loan obtained from close relative - Khwaja Ahmed Hassan	7,025	10,555
	Loan repaid to close relative - Khwaja Ahmed Hassan	9,648	8,460
	Managerial Remuneration	1,107	1,053
<b>17.2 Contribution to Provident Fund</b>			
	Contribution to provident fund Trust	859	818

**17.3** The outstanding balances with above related parties are included in Trade and other payables "Payable to Provident fund" as at September 30, 2021 Rs.731,694 (June 30, 2021: Rs. 811,240) and Short term borrowings (note 11.9 ) "Short term borrowings from related parties" as at September 30, 2021 Rs. 104.407 million (June 30, 2021: Rs. 111.166 million)

#### 18 Date of authorization for issue

These condensed interim financial statements were authorized for issue by the Board of Directors on October 29, 2021.

#### 19 General

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

LAHORE  
DATE: October 29, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer



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Reason for Return Mail (English)	Reason for Return Mail (Urdu)
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House / Office Closed	گھر / دفتر بند ہے
Incomplete Address	پتہ نامکمل ہے
Retired	ریٹائر
Passed Away	انتقال کر گئے
Need Building Name	بلڈنگ کا نام درکار ہے
Need House / Gali / Plot No.	پلاٹ / گھراگلی 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
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