



LEINER PAK GELATINE LIMITED

**UN-AUDITED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2022.**



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, 2nd 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

19th 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, 2022.

OPERATIONS

During the nine months period Company's sales are registered at 732.644 million as compared to 667.128 million in last corresponding period. This turnover is ever highest figure for nine month period in the financial history of the Company. In the period under review our exports contributed 41.57% of the total sales revenue which can be termed as major factor to achieve un-precedented growth in sales.

In this nine months period, company's cost of production of its products has also been exposed to cost pull inflation prevalent in the country. Rapid rising energy prices, higher cost of raw material coupled with up surge prices of other operating inputs squeezed the profit margins and restricted the profit before tax at Rs.11.538 million.

FUTURE PROSPECTS

Management foresees some fresh price negotiations with local and foreign buyers in coming day. Better negotiated prices of our products with high sales volume can improve company's profits.

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 29, 2022.

ڈائریکٹر زیو یو

ڈائریکٹر ان کمپنی کے نو ماہی حسابات جو کہ ۳۱ مارچ ۲۰۲۲ء کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

کاروباری عمل

اس نو ماہ کے عرصہ میں کمپنی کی فروخت پچھلے سال اسی دورانیہ میں فروخت مبلغ ۱۲۸.۱۲۸ ملین روپے کے مقابلے میں مبلغ ۶۴۳.۶۴۳ ملین روپے رہی ہے۔ یہ فروخت کمپنی کی مالیاتی تاریخ میں نو ماہ میں سب سے زیادہ فروخت کے اعداد و شمار ہیں۔ زیر جائزہ دورانیہ میں ہماری ایکسپورٹ نے کل فروخت کی آمدن میں % ۴۱.۵۷ حصہ ڈالا جس کو فروخت کی مد میں ہونے والی بے مثال بڑھوتری کے لیے اہم عنصر قرار دیا جاسکتا ہے۔

نو ماہ کے اس عرصہ میں کمپنی کی پروڈکٹس ملک میں موجود پیداواری لاگت کہ بڑھانے والے ماحول سے دوچار رہی ہیں۔ توانائی کی تیزی سے بڑھتی ہوئی قیمتیں، خام مال کی بڑھی ہوئی لاگت بشمول دوسرے مہنگے پیداواری عوامل کی وجہ سے منافع کی شرح کم ہو گئی اور کمپنی کا قبل از ٹیکس منافع مبلغ ۱۱.۵۳۸ ملین روپے تک محدود ہو گیا ہے۔

مستقبل کے امکانات

انتظامیہ آنے والے دنوں میں مقامی اور غیر ملکی خریداروں سے نئی قیمتوں کے تعین کے لیے بات چیت کا ارادہ رکھتی ہے۔ بہتر قیمتوں پر زیادہ مال کی فروخت کمپنی کے منافع کو مزید بہتر بنا سکتی ہے۔

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۔

مخائب بورڈ

ابراہیم احمد خواجہ

ڈائریکٹر

لاہور

۲۹ اپریل ۲۰۲۲ء

خواجہ امتیاز احمد

چیف ایگزیکٹو آفیسر

مہنگ ڈائریکٹر

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	..... Rupees in	thousand.....
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	8	75,000	75,000
Revenue Reserve:			
Unappropriated profit/(Accumulated loss)		4,867	1,732
Capital Reserve:			
Surplus on revaluation of property, plant and equipment		336,262	336,262
		416,129	412,994
Non-current liabilities			
Long term finance	9	931	16,425
Lease liabilities	10	12,029	6,953
		12,960	23,378
Current liabilities			
Trade and other payables		616,755	409,390
Unclaimed dividend		771	771
Mark-up accrued		4,826	3,411
Short term borrowings	11	301,086	269,827
Current portion of long term finance	9	22,407	21,200
Current portion of lease liabilities	10	3,500	4,240
		949,345	708,839
Contingencies and commitments	12	-	-
		1,378,434	1,145,211
ASSETS			
Non-current assets			
Property, plant and equipment	13	520,347	520,775
Intangible assets	14	-	-
Long term deposits		3,359	1,799
Deferred taxation		-	-
		523,706	522,574
Current assets			
Stores, spare parts and loose tools		57,115	108,211
Stock-in-trade		668,914	431,120
Trade debts		35,157	8,622
Advances		8,190	2,331
Trade deposits and short term prepayments		1,298	686
Other receivables		31,676	26,737
Advance income tax-net		44,623	40,329
Cash and bank balances		7,755	4,601
		854,728	622,637
		1,378,434	1,145,211

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

LAHORE
DATE: April 29, 2022

KH.IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KHWAJA
Director

MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

Note	Nine months period ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	....Rupees in thousand....	....Rupees in thousand....	....Rupees in thousand....	....Rupees in thousand....
Sales-net	732,644	667,128	258,622	302,289
Cost of sales	640,807	584,107	228,132	272,072
Gross profit	91,837	83,021	30,490	30,217
Other income/(loss)	1,892	281	(17)	(1,450)
	93,729	83,302	30,473	28,767
Distribution cost	12,365	6,828	4,597	1,659
Administrative expenses	49,240	40,681	16,168	14,323
Other operating expenses	1,071	1,070	103	410
Finance cost	19,515	18,472	5,992	4,474
Profit before taxation	11,538	16,251	3,613	7,901
Taxation	8,403	8,721	3,058	4,100
Profit after taxation	3,135	7,530	555	3,801
Earning per share-basic and diluted (Rupees)	0.42	1.00	0.07	0.51

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

LAHORE
DATE: April 29, 2022

KH.IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KHWAJA
Director

MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

Note	Nine months period ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	....Rupees in thousand....	....Rupees in thousand....	....Rupees in thousand....	....Rupees in thousand....
Profit after taxation	3,135	7,530	555	3,801
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	<u>3,135</u>	<u>7,530</u>	<u>555</u>	<u>3,801</u>

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

LAHORE
DATE: April 29, 2022

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 NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	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 nine months period ended March 31, 2021	-	7,530	-	7,530
Balance as at March 31, 2021	75,000	4,258	336,262	415,520
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
Balance as at March 31, 2022	75,000	4,867	336,262	416,129

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

LAHORE

DATE: April 29, 2022

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 NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months period ended March 31, 2022	Nine months period ended March 31, 2021
	.....Rupees in thousand.....	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	11,538	16,251
Adjustments for:		
Depreciation	16,036	12,554
Provision for employee retirement benefits	2,545	2,525
Finance cost	19,515	18,472
Gain on disposal of operating fixed asset	(1,419)	(377)
Provision for Workers' Profit Participation Fund	625	981
Provision for Workers' Welfare Fund	-	170
	37,302	34,325
Operating profit before changes in working capital	48,840	50,576
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	51,096	63,831
Stock-in-trade	(237,794)	(159,182)
Trade debts	(26,535)	(28,175)
Advances	(5,859)	(5,758)
Trade deposits and short-term prepayments	(612)	(1,346)
Other receivables	30	46
Increase / (decrease) in current liabilities		
Trade and other payables	207,694	69,945
Cash (used in) / generated from operations	36,860	(10,063)
Finance cost paid	(18,100)	(20,439)
Payments to provident fund	(2,547)	(1,674)
Taxes paid	(12,697)	(12,181)
Sales tax refund/payments	(4,969)	(3,600)
Workers Profit Participation Fund	(951)	(215)
Workers' Welfare Fund paid	-	-
Net cash used in operating activities	(2,404)	(48,172)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(15,832)	(14,455)
Right of use of asset	-	-
Proceeds from disposal of property, plant and equipment	1,642	435
Decrease/(Increase) in long term deposits	(1,560)	-
Net cash used in investing activities	(15,750)	(14,020)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(14,287)	8,127
Repayment of lease liabilities	4,336	(1,686)
Short-term borrowings-obtained/(repaid)-net	31,259	56,936
Net cash generated from financing activities	21,308	63,377
Net increase in cash and cash equivalents	3,154	1,185
Cash and cash equivalents at the beginning of the period	4,601	465
Cash and cash equivalents at the end of the period	7,755	1,650

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

LAHORE
DATE: April 29, 2022

KH.IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KHWAJA
Director

MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

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, Shahr-e-Pakistan, Kala Shah Kaku, District Sheikhupura. 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

The Company has negative cash flow from operating activities during the nine months period ended March 31, 2022 and, as of that date, its current liabilities exceeded its current assets by Rupees 94.617 million. 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 total sales during the nine months period ended March 31, 2022 which have increased by 9.82% over the corresponding previous period. The positive impact on the performance of the Company has further improved resulting into profit after tax amounting to Rs. 3.135 million during the nine months period ended March 31, 2022. The approved financial projections also show continued improvements and profitability. Further, keeping in view the following factors, the management foresees that the Company will continue to be a going concern.

- There is continued demand for the products of the Company. Demand of "Halal" Gelatine exists in foreign and local markets as "Halal" Gelatine is equally consumed in Muslim and Non-Muslim countries.
- There is continued financial support of the Company's sponsors. The sponsors' of the Company have inducted up to March 31, 2022 Rupees 116.099 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.
- The existence of new sales orders (local as well as exports) along with advance payments received there against.

These interim 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

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

- 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 nine months ended March 31, 2021.

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

a Amendments to published accounting and reporting standards which became effective during the period:

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, 2022. 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.

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 NINE MONTHS PERIOD ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		..... Rupees in	thousand.....
8 Share capital			
Authorised share capital			
10,000,000 (June 30, 2021: 10,000,000) ordinary shares of Rupees 10 each		100,000	100,000
Issued, subscribed and paid up share capital			
7,500,000 (June 30, 2021: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash		75,000	75,000
		75,000	75,000
9 Long term finance - secured			
Bank Al Habib Limited		8,743	17,327
Summit bank limited		14,263	19,475
Current portion shown under current liabilities		(22,075)	(20,434)
		931	16,368
Government Grant		332	823
Current portion shown under current liabilities		(332)	(766)
		-	57
		931	16,425
9.1	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 are repayable in 8 equal quarterly installments during the period from January 2021 to December 2022.		
	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 Guarantee of three directors / shareholders for Rs 250 million each. The rate of markup is fixed at 3% per annum.		
		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		..... Rupees in	thousand.....
10 Lease liabilities			
Present value of minimum lease payments		15,529	11,193
Less: Current portion presented under current liabilities		3,500	4,240
		12,029	6,953
11 Short term borrowings			
From banking companies-secured			
Export refinance (FAFB)			
Bank Al-Habib Limited	11.1, 11.6	25,000	-
Short term finance against payables			
Bank Al-Habib Limited	11.2, 11.6	25,000	25,000
Short term finance against receivables			
Bank Al-Habib Limited	11.3, 11.6	25,000	25,000
Finance against packing credit (FAPC)			
Bank Al-Habib Limited	11.5, 11.6	50,000	50,000
Running finance			
Bank Al-Habib Limited	11.4, 11.6	59,987	58,661
		184,987	158,661
From related parties-unsecured			
Loans from director/ex-director/shareholder	11.11	116,099	111,166
		301,086	269,827

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

- 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). Token registered mortgage charge for Rupees 0.5 million and equitable mortgage for Rupees 50 million over Land measuring 24 Kanal 6 marlas situated at Mouza Kala Shah Kaku. The running finance facility at note 11.5 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 March 31, 2022 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 March 31, 2022 amount to Rupees 0.013 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 (Khawaja Imtiaz Ahmed) and his close relative (Khawaja Ahmed Hassan) amounting to Rs. 79.454 million (June 30, 2021: 79.314 million) and Rs. 36.645 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 March 31, 2022 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 NINE MONTHS PERIOD ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		..... Rupees in	thousand.....
13 Property, plant and equipment			
Operating fixed assets	13.1	514,732	518,377
Capital work in progress	13.4	5,615	2,398
		<u>520,347</u>	<u>520,775</u>
13.1 Opening book value		518,377	490,558
Cost of additions during the period / year	13.2	12,615	45,792
Less:			
Deletion during the period / year (book value)	13.3	223	57
Depreciation charged during the period / year		<u>16,037</u>	<u>17,916</u>
		<u>514,732</u>	<u>518,377</u>
13.2 Cost of addition during the period / year			
Factory building- on freehold land		2,822	23,681
Plant and machinery		1,059	12,385
Electric installation and equipment		-	1,353
Office equipment		497	525
Vehicles		8,237	7,848
Right-of-use-asset		-	-
		<u>12,615</u>	<u>45,792</u>
13.3 Deletion during the period / year			
Cost		3,196	193
Depreciation		<u>2,973</u>	<u>136</u>
		<u>223</u>	<u>57</u>
13.4 Capital work in progress			
Opening balance		2,398	11,397
Additions during the period / year			
Plant and machinery		2,449	8,791
Building and Civil Works		<u>768</u>	<u>18,175</u>
		5,615	38,363
Transfer to operating fixed assets		-	(35,965)
Closing balance		<u>5,615</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 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.

16 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	..Rupees in thousand..		..Rupees in thousand..	
Profit after taxation	3,135	7,530	555	3,801
Weighted average number of ordinary shares	7,500	7,500	7,500	7,500
Earning per share-basic and diluted (Rupees)	0.42	1.00	0.07	0.51

LEINER PAK GELATINE LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022****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	Nine months period ended	
		March 31,	March 31,
		2022	2021
		.....Rupees in thousand.....	
17.1	Key management personnel		
	Loan obtained from chief executive - Khwaja Imtiaz Ahmed	11,335	9,982
	Loan repaid to chief executive - Khwaja Imtiaz Ahmed	11,195	8,130
	Loan obtained from close relative - Khwaja Ahmed Hassan	21,115	31,023
	Loan repaid to close relative - Khwaja Ahmed Hassan	16,321	21,177
	Managerial Remuneration	19,337	11,842
17.2	Contribution to Provident Fund		
	Contribution to provident fund Trust	2,545	2,525

These condensed interim financial statements were authorized for issue by the Board of Directors on April 29, 2022.

19 General

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

LAHORE
DATE: April 29, 2022

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	ڈاک کی واپسی کی وجہ
Shareholder Shifted	منتقل ہو گئے
No Such Consignee	اس نام سے کوئی نہیں
House / Office Closed	گھر / دفتر بند ہے
Incomplete Address	پتہ نامکمل ہے
Retired	ریٹائرڈ
Passed Away	انتقال کر گئے
Need Building Name	بلڈنگ کا نام درکار ہے
Need House / Gali / Plot No.	پلاٹ / گھر / گلی نمبر درکار ہے
Out of City / Country	شہر / ملک سے باہر ہیں
Share Refused to Accept	وصول کرنے سے انکار
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