



LEINER PAK GELATINE LIMITED

**UN-AUDITED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED
DECEMBER 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, 2nd Floor, 69-The Mall, Lahore.

LEGAL ADVISOR

Labeeb Zafar Bajwa
Advocate

4-A, Mozang Road, Lahore

REGISTRAR

CORPLINK (PVT) LTD.,
Wings Arcade, 1-K Commercial,
Model Town, Lahore

REGISTERED OFFICE

17-G, Gulberg-2, G/Postmall No. 3529, Lahore-54660
Ph. #: 0092-42-35756953-54

PLANT

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

BANKERS

Bank Al Habib Limited
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 Condensed Interim Financial Statements of the Company for the period ended December 31, 2023.

OPERATIONS

During the period under review Company registered its top line at Rs.1.613 billion as compared to Rs.767.869 million in last corresponding period and recorded a growth of 110% in sales revenue. The Company bagged this hefty growth in top line due to increase in sales volume of both of our products Gelatine and Di-Calcium Phosphate supported by rise in average sale prices of these products.

Present cost push inflation in Pakistan has also tremendously increased the prices of all industrial inputs including raw material prices, wage rate, energy and fuel prices. Due to increase in production cost, some shrinkage in gross profit margins (2.01%) is witnessed as compared to previous corresponding period. During this financial period massive increase in finance cost is also observed due to stringent monetary steps taken by SBP.

However, gross profit margin in terms of monetary value not only managed to absorb high cost of operating expenses but also brought bottom line (profit after tax) at Rs.44.490 million.

FUTURE PROSPECTS

We expect that political and economic stability will be achieved in coming days in Pakistan and it shall bring conducive business environment in future.

ACKNOWLEDGEMENT

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:
February 28, 2024

ڈائریکٹر زریویو

ڈائریکٹر ان کمپنی کے ششماہی مختصر عبوری مالیاتی حسابات جو کہ ۳۱ دسمبر ۲۰۲۳ء کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

کاروباری عمل

زیر جائزہ رپورٹ میں کمپنی کی فروخت پچھلے سال کی فروخت مبلغ ۸۶۹.۷۷۶ ملین روپے کے مقابلے میں مبلغ ۱.۶۱۳ بلین روپے رہی ہے اور فروخت کی مالیت میں ۱۰ فیصد اضافہ ریکارڈ کیا گیا ہے۔ کمپنی نے فروخت کی مد میں ہونے والی زبردست بڑھوتری جیلائٹین اور ڈائریکٹسٹیم فاسفیٹ کی فروخت کے حجم میں اضافہ اور ان پروڈکٹس کے اوسط نرخوں میں اضافہ کی وجہ سے حاصل کی ہے۔

پاکستان کی موجودہ معیشت میں موجود افراط زر کی وجہ سے صنعتی استعمال کی چیزوں کی قیمتوں میں بے پناہ اضافہ ہو گیا ہے جس میں بنیادی خام مال، مزدوروں کی اجرت، توانائی اور ایندھن کی قیمتیں شامل ہیں۔ پیداواری لاگت میں ہونے والے اضافہ کی وجہ سے گراس پرافٹ کے ریٹ میں پچھلے سال کی اسی مدت کے مقابلے میں کچھ کمی (۲.۰۱ فیصد) دیکھی گئی ہے۔ اس مالی دورانیہ میں فنانس کی لاگت میں بھی بہت اضافہ دیکھا گیا ہے اور یہ اضافہ سٹیٹ بینک آف پاکستان کی سخت مالی پالیسیوں کی وجہ سے ہے۔

تاہم گراس پرافٹ کی مالی مقدار نے نہ صرف کاروباری اخراجات کو برداشت کیا بلکہ بعد از ٹیکس منافع مبلغ ۴۹۰.۴۴ بلین روپے بھی حاصل کیا ہے۔

مستقبل کے امکانات

ہمیں اس بات کی توقع ہے کہ آنے والے دنوں میں پاکستان سیاسی اور معاشی استحکام حاصل کر لے گا اور اس کی وجہ سے مستقبل میں کاروباری ماحول بہتر ہوگا۔

اعتراف

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

منجانب بورڈ

ابراہیم خواجہ

ڈائریکٹر

لاہور

۲۸ فروری ۲۰۲۳ء

خواجہ امتیاز احمد

چیف ایگزیکٹو آفیسر

میچنگ ڈائریکٹر

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Leiner Pak Gelatine Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Leiner Pak Gelatine Limited as at December 31, 2023 and the related 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, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Lahore

Date: February 28, 2024

UDIN: RR2023107854TchwR1PI

M. Almas & Co.

Chartered Accountants

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rupees in thousand-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	75,000	75,000
Revenue Reserve:			
Unappropriated profit		121,171	76,681
Capital Reserve:			
Surplus on revaluation of property, plant and equipment		565,654	565,654
Sponsor's Loan – Related Party		82,500	82,500
		<u>844,325</u>	<u>799,835</u>
Non-current liabilities			
Lease liabilities	8	10,448	13,615
Deferred taxation	9	8,638	8,472
		19,086	22,087
Current liabilities			
Trade and other payables		978,516	649,075
Unclaimed dividend		771	771
Mark-up accrued		15,641	10,966
Short term borrowings	10	338,104	351,606
Current portion of lease liabilities	8	5,806	5,010
		1,338,838	1,017,428
Contingencies and commitments	11	-	-
		<u>2,202,249</u>	<u>1,839,350</u>
ASSETS			
Non-current assets			
Property, plant and equipment	12	756,198	761,161
Intangible assets	13	-	-
Long term deposits		3,105	3,105
		<u>759,303</u>	<u>764,266</u>
Current assets			
Stores, spare parts and loose tools		15,066	28,759
Stock-in-trade		1,273,075	815,020
Trade debts		12,995	26,601
Advances		82,165	149,576
Trade deposits and short term prepayments		1,391	1,348
Other receivables		12,317	8,061
Advance income tax-net		43,957	43,896
Cash and bank balances		1,980	1,823
		1,442,946	1,075,084
		<u>2,202,249</u>	<u>1,839,350</u>

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

LAHORE
DATE: February 28, 2024

KH.IMTIAZ AHMED
Chief Executive
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAD
Chief Financial Officer

LEINER PAK GELATINE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Note	Six months period ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees in thousand-----		-----Rupees in thousand-----	
Sales-net	1,613,480	767,869	913,555	467,803
Cost of sales	1,404,482	652,913	787,301	408,920
Gross profit	208,999	114,956	126,254	58,883
Other income	-	487	-	4,229
	208,999	115,443	126,254	63,112
Distribution cost	27,996	34,594	19,917	16,186
Administrative expenses	56,146	35,600	27,404	17,702
Other operating expenses	10,721	9,142	7,718	8,731
Finance cost	47,620	21,490	26,326	11,319
Profit before taxation	66,515	14,617	44,889	9,174
Taxation	14	22,025	11,509	14,440
Profit after taxation	44,490	3,108	30,449	954
Earnings per share-basic and diluted (Rupees)	15	5.93	0.41	4.06
				0.13

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

LAHORE
DATE: February 28, 2024

KH.IMTIAZ AHMED
Chief Executive
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six months period ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees in thousand-----		-----Rupees in thousand-----	
Profit after taxation	44,490	3,108	30,449	954
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	44,490	3,108	30,449	954

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

LAHORE
DATE: February 28, 2024**KH.IMTIAZ AHMED**
Chief Executive
& Managing Director**IBRAR AHMED KH.**
Director**MUHAMMAD JAVAJD**
Chief Financial Officer

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

	Share capital issued, subscribed and paid up share capital	Reserves		Sponsor's Loan	Total
		Revenue Reserve	Capital Reserve		
		Unappropriated profit	Surplus on revaluation of property, plant and equipment		
-----Rupees in thousand-----					
Balance as at 01 July 2022	75,000	10,008	565,654	82,500	733,162
Total comprehensive profit for the six months period ended 31 December 2022	-	3,108	-	-	3,108
Balance as at 31 December 2022	<u>75,000</u>	<u>13,116</u>	<u>565,654</u>	<u>82,500</u>	<u>736,270</u>
Balance as at 01 July 2023	75,000	76,681	565,654	82,500	799,835
Total comprehensive profit for the six months period ended 31 December 2023	-	44,490	-	-	44,490
Balance as at 31 December 2023	<u>75,000</u>	<u>121,171</u>	<u>565,654</u>	<u>82,500</u>	<u>844,325</u>

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

LAHORE
DATE: February 28, 2024

KH.IMTIAZ AHMED
Chief Executive
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six months period ended	Six months period ended
	December 31, 2023	December 31, 2022
	-----Rupees in thousand-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	66,515	14,617
Adjustments for :		
Depreciation	11,291	10,816
Provision for employee retirement benefits	1,836	1,624
Finance cost	47,620	21,490
Provision for Workers' Profit Participation Fund	3,650	817
Government grant income	-	(56)
Provision for Workers' Welfare Fund	1,665	900
Gain on disposal of property, plant and equipment	-	(431)
	<u>66,064</u>	<u>35,160</u>
Operating profit before changes in working capital	<u>132,579</u>	<u>49,777</u>
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	13,693	39,620
Stock-in-trade	(458,055)	(247,606)
Trade debts	13,606	815
Advances	67,411	(1,469)
Trade deposits and short term prepayments	(43)	110
Other receivables	-	(3,920)
Increase in current liabilities		
Trade and other payables	322,861	192,791
Cash generated from operations	<u>92,052</u>	<u>30,118</u>
Finance cost paid	(41,770)	(18,915)
Payments to provident fund	(1,733)	(1,642)
Taxes paid	(21,921)	(13,621)
Workers' Profit Participation Fund paid	(15)	(835)
Sales tax payments	(4,256)	2,641
Net cash generated from / (used in) operating activities	<u>22,357</u>	<u>(2,254)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(6,327)	(15,153)
Proceeds from disposal of property, plant and equipment	-	500
Net cash used in investing activities	<u>(6,327)</u>	<u>(14,653)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Principal paid on lease liabilities	(2,371)	(2,404)
Long-term finance from banking companies – repaid - net	-	(9,939)
Short-term Borrowings – (paid) / obtained - net	(13,501)	28,277
Net cash (used in)/ generated from financing activities	<u>(15,873)</u>	<u>15,934</u>
Net increase/ (decrease) in cash and cash equivalents	157	(973)
Cash and cash equivalents at the beginning of the period	<u>1,823</u>	<u>2,271</u>
Cash and cash equivalents at the end of the period	<u><u>1,980</u></u>	<u><u>1,298</u></u>

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

LAHORE
DATE: February 28, 2024

KH.IMTIAZ AHMED
Chief Executive
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)

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 the manufacturing facility is located at 19 Kilometer, Shahr-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 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, 2023, 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 six months period ended December 31, 2022.

The figures of the six months ended December 31, 2023 are being submitted to the shareholders, and have been subjected to limited scope review in accordance with Section 237 of the Companies Act, 2017.

- 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 these condensed interim financial statements are the same as those applied in preparation of the annual published financial statements for the year ended 30 June 2023.

4 New standards, amendments to approved accounting standards and new interpretations

a Amendments to approved accounting standards which are effective during the year ending June 30, 2024

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Company's financial reporting and therefore, have not been disclosed in these condensed interim financial statements.

b New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2024

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, 2024. 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
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)****5 Judgements, estimates and assumptions**

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

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

Judgements, 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 2023.

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 2023.

7 Share capital**Authorised share capital**

10,000,000 (June 30, 2023: 10,000,000) ordinary shares
of Rupees 10 each

(Un-audited) December 31, 2023	(Audited) June 30, 2023
-----Rupees in thousand-----	

100,000 100,000

Issued, subscribed and paid up share capital

7,500,000 (June 30, 2023: 7,500,000) ordinary shares
of Rupees 10 each issued as fully paid in cash

75,000	75,000
<u>75,000</u>	<u>75,000</u>

8 Lease liabilities

Present value of minimum lease payments
Less: current portion presented under current liabilities

(Un-audited) December 31, 2023	(Audited) June 30, 2023
-----Rupees in thousand-----	

16,254 18,625
5,806 5,010
10,448 13,615

9 Deferred taxation

Deferred tax on temporary differences comprises of:

Taxable temporary differences

Accelerated tax depreciation
Right-of-use assets

8,966	8,793
<u>1,760</u>	<u>2,172</u>
<u>10,726</u>	<u>10,965</u>

Deductible temporary differences

Lease liabilities

<u>2,088</u>	<u>2,493</u>
<u>8,638</u>	<u>8,472</u>

LEINER PAK GELATINE LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)**

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
		-----Rupees in thousand-----	
10 Short term borrowings			
Export Refinance			
Bank Al-Habib Limited	10.1 ,10.4	274,990	249,990
Short Term Finance against IBP receivables			
Bank Al-Habib Limited	10.2 ,10.4	-	25,000
Running finance			
Bank Al-Habib Limited	10.3 ,10.4	31,743	34,977
		<u>306,733</u>	<u>309,967</u>
From related parties-unsecured			
Loans from director / ex-director / shareholder	10.7	<u>31,371</u>	<u>41,639</u>
		<u><u>338,104</u></u>	<u><u>351,606</u></u>

- 10.1** The finance against packing credit (FAPC) facility having sanctioned limit of Rupees 275 million (June 30, 2023: Rupees 250 million) Including one-off FAPC facility Rupees 50 million (June 30, 2023: Rupees 50 million) has been obtained from Bank Al-Habib Limited. The rate of mark-up on this facility is three months KIBOR plus 1.75% (June 30,2023:three months KIBOR plus 1.75%) per annum . The principal 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 each loan or at the end of each calendar quarter whichever is earlier.The facility is valid till February 07, 2027 with credit review on annual basis.
- 10.2** The IBP receivable finance facility having sanctioned limit of Rupees 25 million (June 30, 2023: 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, 2023: three months KIBOR plus 1.75%) per annum. The principal amount is to be repaid on maturity through own sources and on demand but not later than 90 days from draw down date while mark-up is to be serviced upon adjustment of each loan or at the end of each calendar quarter whichever is earlier. The facility is valid till February 07, 2027 with credit review on annual basis.
- 10.3** The running finance facility having sanctioned limit of Rupees 35 million (June 30, 2023: Rupees 35 million) has been obtained from Bank Al-Habib Limited for working capital requirements. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2023: three months KIBOR plus 1.75%) per annum payable quarterly. The facility is valid till February 07, 2027 with credit review on annual basis.
- 10.4** The facilities mentioned in 10.1, 10.2 and 10.3 are commonly secured against first charge of Rupees 350 million (June 30, 2023: Rupees 350 million) over current assets of the Company registered with SECP (charge upto Rs. 180 million to Rs 350 million registered on ranking basis). Equitable mortgage supported by first pari passu charge on fixed assets of Rupees 400 million (June 30, 2023: Rupees 400 million) (charge upto Rs. 250 million registered as pari passu whereas enhancement from Rs. 250 million to Rs. 400 million registered on ranking basis) comprising land measuring 90 Kanals & 8 Marlas, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Lien over export documents under letter of credit and contract, shipping documents, accepted drafts, counter guarantee of the Company and personal guarantees of Directors / Shareholders amounting to Rupees 300 million each (June 30, 2023: Rupees 300 million).The running finance facility at note 10.3 in addition to securities aforesaid is also secured against pro note amounting to Rs. 71.750 million (June 30, 2023: Rupees 59.5 million)
- 10.5** As at December 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, 2023: Rupees 7 million).The Company also has letter of credit facility (one off) amounting to Rupees 19.417 million (June 30, 2023:Rupees 21.417 million) Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2023: Rupees 15 million) from Bank Al-Habib Limited.
- 10.6** The net aggregate short term borrowing facilities unavailed as at December 31, 2023 amount to Rupees 3.27 million (June 30, 2023: Rupees 0.03311 million) and for letters of credit and bank guarantees amount to Rupees 28.16 million (June 30, 2023: Rupees 10.744 million).
- 10.7** The loans from Chief Executive / director (Khwaja Intiaz Ahmed) and his close relative (Khwaja Ahmed Hassan) as at December, 31 2023 amounting to Rs. 9.929 million (June 30, 2023: Rupees 13.162 million) and Rs. 21.442 million (June 30, 2023: Rupees 28.477 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
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)****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, 2023.

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

Commitments

There was no commitment as at December 31, 2023 (June 30, 2023: Rupees 20.945 million).

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
		-----Rupees in thousand-----	
12 Property, plant and equipment			
Operating fixed assets	12.1	750,914	755,877
Capital work in progress		<u>5,284</u>	<u>5,284</u>
		<u>756,198</u>	<u>761,161</u>
12.1 Opening book value		755,877	744,264
Cost of additions during the period / year	12.2	6,328	33,911
Less:			
Deletion during the period / year (book value)		-	69
Depreciation charged during the period / year		<u>11,291</u>	<u>22,229</u>
		<u>750,914</u>	<u>755,877</u>
12.2 Cost of additions during the period / year			
Plant and machinery		-	20,013
Electric installation and equipment		-	2,490
Vehicles		3,200	1,800
Furniture, fixtures and fittings		1,324	-
Office equipment		1,804	655
Right-of-use-asset (Office building)		-	8,953
		<u>6,328</u>	<u>33,911</u>
12.3 Capital work in progress			
Opening balance		5,284	5,492
Additions during the period / year			
Plant and machinery		-	14,170
		<u>5,284</u>	<u>19,662</u>
Transfer to operating fixed assets		-	(14,378)
Closing balance		<u>5,284</u>	<u>5,284</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 taxable income of local sales @29% and under 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.

LEINER PAK GELATINE LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)****15 Earnings per share-basic and diluted**

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

	Six months period ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees in thousand-----			
Profit after taxation	44,490	3,108	30,449	954
Weighted average number of ordinary shares	7,500	7,500	7,500	7,500
Earnings per share-basic and diluted (Rupees)	5.93	0.41	4.06	0.13

16 Transactions with related parties

The related parties comprise of associated companies, directors of the Company and their close relatives, key management personnel and post employment contribution plan. 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	December 31,	December 31,
		2023	2022
		-----Rupees in thousand-----	
16.1 Key management personnel			
	Loan obtained from chief executive - Khwaja Imtiaz Ahmed	14,800	4,005
	Loan repaid to chief executive - Khwaja Imtiaz Ahmed	18,033	14,341
	Loan obtained from close relative - Khwaja Ahmed Hassan	3,720	910
	Loan repaid to close relative - Khwaja Ahmed Hassan	10,755	12,230
	Managerial remuneration	14,819	10,541
16.2 Contribution to Provident Fund			
	Contribution to provident fund Trust	1,836	1,624

16.3 The outstanding balances with above related parties are included in Trade and other payables "Payable to Provident fund" as at December 31, 2023 Rs. 0.7903 and Sponsor's loan Rupees 82.5 million (June 30, 2023: Rs. 0.6873 million, Sponsor's loan Rupees 82.5 million) and Short term borrowings (note 10) "Short term borrowings from related parties" as at December 31, 2023 Rs. 31.371 million (June 30, 2023: Rs. 41.639 million). The Company has also made arrangements with its related party (associated Company due to close relatives) M/S Leiner Gelatine SDN.BHD. incorporated on December 4, 2023 in Malaysia having its registered office at 15A Jalan SG 3/15, Taman Sri Gombak Batu Caves Selangor, Malaysia.

17 Date of authorization for issue

These condensed interim financial statements were authorized for issue by the Board of Directors on February 28, 2024.

18 General

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

LAHORE
DATE: February 28, 2024

KH.IMTIAZ AHMED
Chief Executive
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAD
Chief Financial Officer

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	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 / گھاٹی / نمبر درکار ہے
	Out of City / Country	شہر / ملک سے باہر ہیں
	Share Refused to Accept	وصول کرنے سے انکار
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