

LEINER PAK GELATINE LIMITED



UN-AUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2022.



CONTENTS

Company Information.....	2
Directors' Review.....	3
Condensed Interim Statement of Financial Position.....	5
Condensed Interim Statement of Profit or Loss	6
Condensed Interim Statement Of Comprehensive Income.....	7
Condensed Interim Statement of Cash Flow	8
Condensed Interim Statement of Changes In Equity.....	9
Notes To The Condensed Interim Financial Statements.....	10

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 Javed

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 condensed interim financial statement of the Company for the three months period ended September 30, 2022.

OPERATIONS

During this period under review Company's sales are registered at Rs.300.066 million as compared to sales of last corresponding period of Rs.146.443 million. This increase in terms of percentage stands at 105%. High sales figures of this period is mainly attributed to the upward revision of prices of our products gelatine and di-calcium phosphate due to cost push inflation borne by or entire chain of production process. Up surged prices of raw material, energy bills and other allied production materials restricted the profit after tax at Rs.2.154 million (Rs.1.826 million) in last corresponding period.

FUTURE PROSPECTS

Overall economic stability in the country can play a vital role in bringing stability in raw material and energy prices which is imperative for company's steady growth.

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:
October 27, 2022.

ڈائریکٹرز ریویو

ڈائریکٹران کمپنی کے سہ ماہی حسابات جو کہ ۳۰ ستمبر ۲۰۲۲ء کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

کاروباری عمل

ذیر جائزہ دورانیہ میں کمپنی کی فروخت پچھلے سال کی اسی دورانیہ کی فروخت مبلغ ۴۳۳.۴۶۱ ملین روپے کے مقابلے میں مبلغ ۳۰۰.۰۶۶ ملین روپے رہی ہے۔ فیصد کے لحاظ سے اضافہ ۱۰۵ فیصد پر رہا ہے۔ فروخت میں ہونے والا اضافہ ہماری مصنوعات جیلاٹین اور ڈائی کیلشیم فوسفیٹ کی قیمتوں میں ہونے والے اضافہ کی وجہ سے ہے جس کی بڑی وجہ ہمارے پیداواری عمل کے مکمل سلسلے میں قیمتوں میں ہونے والا اضافہ ہے۔ خام مال، توانائی اور دیگر پیداواری چیزوں کی قیمتوں میں ہونے والے اضافے کی وجہ سے کمپنی کا بعد از ٹیکس منافع مبلغ ۱۵۴.۱۵۴ ملین روپے رہا (مبلغ ۸۲۶.۸۲۶ ملین روپے) پچھلے سال کے اسی دورانیہ کا منافع۔

مستقبل کے امکانات

ملکی مجموعی اقتصادی استحکام خام مال اور توانائی کی قیمتوں میں استحکام لانے کے لیے بہت ضروری ہے جو کہ کمپنی کی مستحکم ترقی کے لیے اشد ضروری 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۔

منجانب بورڈ

ابراہیم احمد خواجہ

ڈائریکٹر

لاہور

۱۲ اکتوبر ۲۰۲۲ء

خواجہ امتیاز احمد

چیف ایگزیکٹو اینڈ

مینجنگ ڈائریکٹر

LEINER PAK GELATINE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	..... Rupees in thousand.....	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	8	75,000	75,000
Revenue Reserve:			
Unappropriated profit		12,162	10,008
Capital Reserve:			
Surplus on revaluation of property, plant and equipment		565,654	565,654
Sponsor's Loan - Related Party		82,500	82,500
		<u>735,316</u>	<u>733,162</u>
Non-current liabilities			
Deferred taxation		671	671
Long term finance	9	-	-
Lease liabilities	10	18,190	11,729
		<u>18,861</u>	<u>12,400</u>
Current liabilities			
Trade and other payables		707,907	577,727
Unclaimed dividend		771	771
Mark-up accrued		6,624	4,865
Short term borrowings	11	287,740	264,072
Current portion of long term finance	9	9,975	15,611
Current portion of lease liabilities	10	6,317	2,698
		<u>1,019,334</u>	<u>865,744</u>
Contingencies and commitments	12	-	-
		<u>1,773,511</u>	<u>1,611,306</u>
ASSETS			
Non-current assets			
Property, plant and equipment	13	757,323	749,756
Intangible assets	14	-	-
Long term deposits		3,359	3,105
Deferred taxation		-	-
		<u>760,682</u>	<u>752,861</u>
Current assets			
Stores, spare parts and loose tools		53,868	106,909
Stock-in-trade		860,754	650,226
Trade debts		5,174	22,309
Advances		7,343	2,128
Trade deposits and short term prepayments		682	1,408
Other receivables		32,311	28,980
Advance income tax-net		51,583	44,214
Cash and bank balances		1,114	2,271
		<u>1,012,829</u>	<u>858,445</u>
		<u>1,773,511</u>	<u>1,611,306</u>

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

LAHORE
DATE: October 27, 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

		September 30, 2022	September 30, 2021
	Note	....Rupees in thousand....	
Sales-net		300,066	146,443
Cost of sales		243,993	123,485
Gross profit		56,073	22,958
Other (loss)/income		(3,742)	4,834
		52,331	27,792
Distribution cost		18,408	2,786
Administrative expenses		17,898	15,592
Other operating expenses		411	198
Finance cost		10,171	5,455
Profit before taxation		5,443	3,761
Taxation	15	3,289	1,935
Profit after taxation		2,154	1,826
Earning per share-basic and diluted (Rupees)	16	0.29	0.24

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

LAHORE
DATE: October 27, 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	September 30, 2022	September 30, 2021
Note	....Rupees in thousand....	....Rupees in thousand....
Profit after taxation	2,154	1,826
Other comprehensive income	-	-
Total comprehensive profit for the period	<u>2,154</u>	<u>1,826</u>

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

LAHORE
DATE: October 27, 2022

KH.IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KHWAJA
Director

MUHAMMAD JAVAJD
Chief Financial Officer

LEINER PAK GELATINE LIMITED**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
	.....Rupees in thousand.....	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,443	3,761
Adjustments for:		
Depreciation	5,631	5,099
Provision for employee retirement benefits	765	859
Finance cost	10,171	5,455
Gain on disposal of operating fixed asset	-	(1,419)
Provision for Workers' Profit Participation Fund	286	198
Provision for Workers' Welfare Fund	-	-
	16,853	10,192
Operating profit before changes in working capital	22,296	13,953
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	53,041	58,296
Stock-in-trade	(210,528)	(94,681)
Trade debts	17,135	5,757
Advances	(5,215)	(2,310)
Trade deposits and short-term prepayments	726	(152)
Other receivables	66	69
Increase / (decrease) in current liabilities		
Trade and other payables	129,122	40,280
Cash generated from operations	6,643	21,212
Finance cost paid	(8,412)	(5,635)
Payments to provident fund	(781)	(168)
Taxes paid	(10,658)	(3,449)
Sales tax refund/payments	(3,398)	(5,455)
Workers Profit Participation Fund	-	-
Workers' Welfare Fund paid	-	-
Net cash generated in operating activities	(16,606)	6,505
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,327)	(2,974)
Proceeds from disposal of property, plant and equipment	-	1,642
Decrease/(Increase) in long term deposits	(254)	-
Net cash (used in) investing activities	(1,581)	(1,332)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(5,636)	(3,025)
Repayment of lease liabilities	(1,002)	(913)
Short-term borrowings-obtained/(repaid)-net	23,668	(3,749)
Net cash (used in) from financing activities	17,030	(7,687)
Net (decrease)/increase in cash and cash equivalents	(1,157)	(2,514)
Cash and cash equivalents at the beginning of the period	2,271	4,601
Cash and cash equivalents at the end of the period	1,114	2,087

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

LAHORE
DATE: October 27, 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Share capital	Reserves		Sponsor's Loan	Total
		Revenue Reserve	Capital Reserve		
	Issued, subscribed and paid up share capital	Un appropriated profit / (accumulated loss)	Surplus on revaluation of property, plant and equipment		
.....Rupees in thousand.....					
Balance as at 01 July 2021	75,000	1,732	336,262	-	412,994
Total comprehensive profit for the three months period ended September 30, 2021	-	1,826	-	-	1,826
Balance as at September 30, 2021	75,000	3,558	336,262	-	414,820
Balance as at 01 July 2022	75,000	10,008	565,654	82,500	733,162
Total comprehensive profit for the three months period ended September 30, 2022	-	2,154	-	-	2,154
Balance as at September 30, 2022	75,000	12,162	565,654	82,500	735,316

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

LAHORE
DATE: October 27, 2022

KH.IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KHWAJA
Director

MUHAMMAD JAVAIID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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, Shahrah-e-Pakistan, Kala Shah Kaku, District Sheikhpura. The Company is listed on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of gelatine and di-calcium phosphate etc. produced from animal bones and animal hides.

2 Going concern basis of accounting

company's current liabilities exceeds its current assets by Rupees 6.505 million. This event or condition indicates 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.

Although current liabilities exceeds its current assets but its turnover during the period increased by Rs.153.623 million (105%) as compared to last corresponding period and profit before tax is also recorded at Rs.5.443 million during this period. 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 sponsor's of the Company have inducted up to September 30, 2022 Rupees 53.587 million (June 30, 2022: Rupees 54.828 million) interest free loan. 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 Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, 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, 2022, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the condensed interim financial statements for the three months ended September 30, 2022.

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.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

- 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 2022.

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

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 2022.

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 2022.

8 Share capital

Authorised share capital

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

Issued, subscribed and paid up share capital

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

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	..... Rupees in thousand.....	
	<u>100,000</u>	<u>100,000</u>
	<u>75,000</u>	<u>75,000</u>
	<u>75,000</u>	<u>75,000</u>

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	..... Rupees in thousand.....	
9 Long term finance - secured		
Bank Al Habib Limited	2,989	5,994
Summit bank limited	6,950	9,561
Current portion shown under current liabilities	(9,939)	(15,555)
	-	-
Government Grant	36	56
Current portion shown under current liabilities	(36)	(56)
	-	-
	-	-

- 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.

Government grant aggregating to Rs. 2.401 million has been recorded up to June 30, 2021. Grant amortized during the year ended September 30, 2022 is Rs. 0.02 million (June 30, 2022: Rs. 0.766 million) thereby making the aggregate amortization up to September 30, 2022 Rs. 2.365 million. In accordance with the terms of the grant, the company is prohibited to lay-off the employees at least for three months from the period of the grant.

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	..... Rupees in thousand.....	
10 Lease liabilities		
Present value of minimum lease payments	24,507	14,427
Less: Current portion presented under current liabilities	6,317	2,698
	<u>18,190</u>	<u>11,729</u>
11 Short term borrowings		
<i>From banking companies-secured</i>		
Export Refinance		
Bank Al-Habib Limited	11.1,11.7	100,000
SBP Export Finance		75,000
Bank Al-Habib Limited	11.2,11.7	49,192
Short term finance against IBP receivables		49,401
Bank Al-Habib Limited	11.4,11.7	25,000
Running finance		25,000
Bank Al-Habib Limited	11.5,11.7	59,961
Running finance		59,843
Summit Bank Limited	11.6,11.8	-
		-
	<u>234,153</u>	<u>209,244</u>
<i>From related parties-unsecured</i>		
Loans from director and close relative thereof	11.11	53,587
		54,828
	<u>287,740</u>	<u>264,072</u>

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

- 11.1** The finance against packing credit (FAPC) facility having sanctioned limit of Rupees 100 million (June 30, 2022: Rupees 75 million) including one-off FAPC facility Rupees 25 million (June 30, 2022: Rupees 25 million) has been obtained from Bank Al-Habib Limited the increase of Rs 25 million in regular sanctioned limit has been made by blocking the utilization of FAFB-OWN limit of Rs. 25 million as mentioned in note 11.3 below. The rate of mark-up on this facility is 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 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.
- 11.2** The finance against SBP export finance scheme-EFS facility having sanctioned limit of Rupees 50 million (June 30, 2022: Rupees 50 million) has been obtained from Bank Al-Habib Limited under SBP IH&SMEFD Circular No. 03 of 2022. The rate of mark-up on this facility is State Bank of Pakistan ("SBP") refinance rate ("RR") under the scheme, SBP Refinance Rate applicable time to time (as per tenor of the bill) plus bank spread, combinedly called the ("Applicable Rate"). The principal is to be repaid upon realization of exports proceeds within maximum 180 days from the draw down date or on demand. The facility is valid till February 07, 2024 with credit review on annual basis.
- 11.3** The finance against foreign bills (FAFB-OWN) facility having sanctioned limit of Rupees 25 million (June 30, 2022: 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 principal 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. The facility has not been utilized upto September 30, 2022 because the sanctioned limit has temporarily been blocked to increase the sanctioned limit as mentioned in 11.1 above.
- 11.4** The IBP receivable finance facility having sanctioned limit of Rupees 25 million (June 30, 2022: Rupees 25 million) has been obtained from Bank Al-Habib Limited for financing of receivables. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2022: three months KIBOR plus 1.75%) per annum. The principal amount is to be repaid upon realization of export proceeds as per tenor of respective bill but not later than 90 days from draw down date or on demand while mark-up is to be serviced upon adjustment of each loan or at the end of each calendar quarter whichever is earlier. The facility is valid till February 07, 2024 with credit review on annual basis.
- 11.5** The running finance facility having sanctioned limit of Rupees 60 million (June 30, 2022: Rupees 60 million) has been obtained from Bank Al-Habib Limited for working capital requirements. It carries mark-up at three months KIBOR plus 1.75% (June 30, 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.
- 11.6** The running finance facility having sanctioned limit of Rupees 30 million (June 30, 2022: Rupees 30 million) was obtained from Summit Bank Limited for working capital requirements. The facility was not renewed after September 2018. In terms of settlement with Summit Bank Limited dated March 15, 2021, the outstanding balance on the said date Rs. 29,981,093 was payable as under:
- Repayment of 35%, equal to Rs. 10,500,000 in four equal installment of Rs 2,625,000 each between the period from 15 March 2021 to 30 April 2021.
 - After a 6 months grace period from May 2021 to October 2021 the remaining 65% loan facility is payable in 15 equal monthly installment of Rs 1,300,000 each up to 25 January 2023.
 - The said loan was accordingly classified as long term as per note 9 above.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

- 11.7** The facilities mentioned in 11.1, 11.2, 11.3, 11.4, 11.5 and 11.6 are commonly secured against first charge of Rupees 280 million (June 2022: 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, 2022: Rupees 250 million) comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Lien over export documents under letter of credit and contract, shipping documents, accepted drafts, counter guarantee of the Company and personal guarantees of three Directors / Shareholders amounting to Rupees 250 million each (June 30, 2022: Rupees 250 million). The running finance facility at note 11.5 in addition to securities aforesaid is also secured against pro note amounting to Rs. 59.5 million (June 2022 : Rupees 59.5 million).
- 11.8** The facility mentioned in 11.6 is commonly secured against ranking charge of Rupees 40 million (June 30, 2022: Rupees 40 million) over all present & future current assets of the Company with 25% margin, duly insured, with Summit Bank Limited and registered with SECP. Pari passu charge on fixed assets, comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Personal guarantees of three Directors along with Personal Net Worth Statement (PNWS). It carries mark-up at three months KIBOR plus 5%.
- 11.9** As at September 30, 2022 the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/usance) amounting to Rupees 17.5 million (June 30, 2022: Rupees 17.5 million). Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2022: Rupees 15 million) from Bank Al-Habib Limited.
- 11.10** The net aggregate short term borrowing facilities unavailed at end of September 30, 2022 amount to Rupees 0.039 million (June 30, 2022: Rupees .013 million) and for letters of credit and bank guarantees amount to Rupees 8.744 million (June 30, 2022: Rupees 8.744 million).
- 11.11** The loans from Chief Executive / director (Khwaja Imtiaz Ahmed) and his close relative (Khwaja Ahmed Hassan) amounting to Rs. 15.658 million (June 30, 2022: 15.750 million) and Rs. 37.928 million (June 30, 2022: 39.078 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, 2022.

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

		(Un-audited)	(Audited)
		September 30,	June 30,
		2022	2022
		..... Rupees in thousand.....	
13 Property, plant and equipment			
Operating fixed assets	13.1	751,109	744,264
Capital work in progress	13.4	6,214	5,492
		<u>757,323</u>	<u>749,756</u>
13.1 Opening book value		744,264	518,377
Cost of additions during the period / year	13.2	12,476	248,194
Less:			
Deletion during the period / year (book value)	13.3	-	428
Depreciation charged during the period / year		5,631	21,879
		<u>751,109</u>	<u>744,264</u>

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	..... Rupees in thousand.....	
13.2 Cost of addition during the period / year		
Freehold land		229,392
Factory building- on freehold land	-	2,822
Plant and machinery	-	7,049
Electric installation and equipment	224	-
Office equipment	381	714
Vehicles	-	8,217
Right of-use-asset	11,871	-
	<u>12,476</u>	<u>248,194</u>
13.3 Deletion during the period / year		
Cost	-	6,194
Depreciation	-	5,766
	<u>-</u>	<u>428</u>
13.4 Capital work in progress		
Opening balance	5,492	2,398
Additions during the period / year		
Plant and machinery	201	6,831
Building and Civil Works	521	1,978
	<u>6,214</u>	<u>11,207</u>
Transfer to operating fixed assets	-	(5,715)
Closing balance	<u>6,214</u>	<u>5,492</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 :

	September 30, 2022	September 30, 2021
	..Rupees in thousand..	
Profit after taxation	<u>2,154</u>	1,826
Weighted average number of ordinary shares	<u>7,500</u>	7,500
Earning per share-basic and diluted (Rupees)	<u>0.29</u>	0.24

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:

LEINER PAK GELATINE LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

Nature of relation	Nature of transaction	September 30,	September 30,
		2022	2021
		.....Rupees in thousand.....	
17.1 Key management personnel			
	Loan obtained from chief executive - Khwaja Imtiaz Ahmed	1,300	1,100
	Loan repaid to chief executive - Khwaja Imtiaz Ahmed	1,391	5,235
	Loan obtained from close relative - Khwaja Ahmed Hassan	550	7,025
	Loan repaid to close relative - Khwaja Ahmed Hassan	1,700	9,648
	Managerial Remuneration	6,666	7,535
17.2 Contribution to Provident Fund			
	Contribution to provident fund Trust	765	859

17.3 The outstanding balances with above related parties are included in Trade and other payables "Payable to Provident fund" as at September 30, 2022 Rs.671,571 (June 30, 2022: Rs. 688,172) and Short term borrowings (note 11.9) "Short term borrowings from related parties" as at September 30, 2022 Rs.53.587 million (June 30, 2022: Rs. 54.828 million)

18 Date of authorization for issue

These condensed interim financial statements were authorized for issue by the Board of Directors on October 27, 2022.

19 General

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

LAHORE
DATE: October 27, 2022

KH.IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KHWAJA
Director

MUHAMMAD JAVAID
Chief Financial Officer

BOOK POST PRINTED MATTER

Reason for Return Mail (English) Reason for Return Mail (Urdu)	
Shareholder Shifted	منقل ہو گئے
No Such Consignee	اس نام سے کوئی نہیں
House / Office Closed	گھرا دفتر بند ہے
Incomplete Address	پتہ نامکمل ہے
Retired	ریٹائر
Passed Away	انتقال کر گئے
Need Building Name	بلڈنگ کا نام درکار ہے
Need House / Gali / Plot No.	پلاٹ / گھرا گلی نمبر درکار ہے
Out of City / Country	شہر / ملک سے باہر ہیں
Share Refused to Accept	وصول کرنے سے انکار
Non Service Area	رسائی ممکن نہیں
Any Other Reason, Please Mention Hereunder:	کوئی اور وجہ / ٹیکھیں:

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