



# **LEINER PAK GELATINE LIMITED**

**UN-AUDITED CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE NINE MONTHS PERIOD ENDED  
MARCH 31, 2021.**



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

### **AUDIT COMMITTEE**

Rashid Minhas (Chairman)  
Ijaz Ahmed Khwaja (Member)  
Ahmed Ali Riaz (Member)

### **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

Rashid Minhas (Chairman)  
Khwaja Imtiaz Ahmed (Member)  
Ayesha Ahmed (Member)

### **COMPANY SECRETARY**

Ibrar Ahmed Khwaja

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Javaid

### **AUDITORS**

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

### **LEGAL ADVISOR**

Khwaja Muhammad Akram  
Advocate  
1-Begum Road, Mozang Adda, Lahore.

### **REGISTRAR**

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

### **REGISTERED OFFICE**

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

### **PLANT**

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

### **BANKERS**

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

## **DIRECTORS' REVIEW**

The Directors are pleased to present the accounts of the Company for the nine months period ended March 31, 2021.

### **OPERATIONS**

During the nine months period Company's sales are registered at 667.128 million as compared to 452.159 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 39% of the total sales revenue which can be termed as major factor to achieve un-precedented growth in sales.

Management has made concerted efforts to control operating expenses. These measures and increased sales (47.54%) contributed towards an improved amount of profit before tax (Rs.16.251 million) as compared to last corresponding period (Rs.9.135 million).

### **FUTURE PROSPECTS**

Management is determined to improve performance during the rest of three months period. However, a lot will depend how quickly the recent surge in COVID-19 spread is controlled and conducive business environment sustained.

### **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 30, 2021.

## ڈائریکٹرز رپورٹ

ڈائریکٹرز ان کمپنی کے نو ماہی حسابات جو کہ ۳۱ مارچ ۲۰۲۱ء کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

### کاروباری عمل

نومہ کے اس عرصہ میں کمپنی کی فروخت پچھلے سال اسی دورانیہ میں فروخت مبلغ ۴۵۲.۱۵۹ ملین روپے کے مقابلے میں مبلغ ۶۶۷.۱۲۸ ملین روپے رہی ہے۔ یہ فروخت کمپنی کی مالیاتی تاریخ میں نومہ میں سب سے زیادہ فروخت کے اعداد و شمار ہیں۔ زیر جائزہ دورانیہ میں ہماری ایکسپورٹ نے کل فروخت کی آمدن میں ۳۹% حصہ ڈالا جس کو فروخت کی مد میں ہونے والی بے مثال بڑھوتری کے لیے اہم عنصر قرار دیا جاسکتا ہے۔

انتظامیہ نے آپریٹنگ اخراجات کو کنٹرول کرنے کے لیے ٹھوس کوشش کی ہے۔ ان اقدامات اور فروخت میں بڑھوتری (۴۷.۵۴%) کی وجہ سے قبل از ٹیکس منافع میں بہتری ہوئی ہے اور یہ پچھلے سال کے اسی دورانیہ (مبلغ ۹.۱۳۵ ملین روپے) کے مقابلے میں (مبلغ ۱۶.۲۵۱ ملین روپے) رہا ہے۔

### مستقبل کے امکانات

انتظامیہ سال کے باقی ماندہ تین مہینوں میں کارکردگی کو بہتر بنانے کے لیے پرعزم ہے۔ تاہم اس بات پر بہت زیادہ منحصر ہے کہ موجودہ COVID-19 میں ہونے والے اضافہ کو کتنی جلدی کنٹرول کیا جاتا ہے اور کاروباری ماحول سازگار ہے۔

### اعتراف

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

منجانب بورڈ

ابرار احمد خواجہ

ڈائریکٹر

لاہور

۳۰ اپریل ۲۰۲۱ء

خواجہ امتیاز احمد

چیف ایگزیکٹو ایڈ

میچنگ ڈائریکٹر

**LEINER PAK GELATINE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	..... Rupees in	thousand.....
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	8	75,000	75,000
Revenue Reserve:			
Unappropriated profit/(accumulated loss)		4,258	(3,272)
Capital Reserve:			
Surplus on revaluation of property, plant and equipment		336,262	336,262
		<b>415,520</b>	<b>407,990</b>
<b>Non-current liabilities</b>			
Long term finance-secured	9	9,076	9,786
Lease liabilities	10	918	3,637
		<b>9,994</b>	<b>13,423</b>
<b>Current liabilities</b>			
Trade and other payables		327,273	255,540
Unclaimed dividend		771	771
Mark-up accrued		3,393	5,360
Short term borrowings	11	363,143	306,207
Current portion of long term finance-secured	9	12,099	3,262
Current portion of lease liabilities	10	3,372	2,339
		<b>710,051</b>	<b>573,479</b>
Contingencies and commitments	12	-	-
		<b>1,135,565</b>	<b>994,892</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	503,799	501,955
Intangible assets	14	-	-
Long term deposits		255	255
Deferred taxation		-	-
		<b>504,054</b>	<b>502,210</b>
<b>Current assets</b>			
Stores, spare parts and loose tools		50,537	114,368
Stock-in-trade		467,738	308,556
Trade debts		35,652	7,477
Advances		7,112	1,354
Trade deposits and short term prepayments		2,885	1,539
Other receivables		24,997	21,443
Advance income tax-net		40,940	37,480
Cash and bank balances		1,650	465
		<b>631,511</b>	<b>492,682</b>
		<b>1,135,565</b>	<b>994,892</b>

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

LAHORE  
DATE: April 30, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

**LEINER PAK GELATINE LIMITED****CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)****FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<b>Nine months period ended</b>		<b>Quarter ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Note</b>	<b>....Rupees in thousand....</b>		<b>....Rupees in thousand....</b>	
Sales-net	<b>667,128</b>	452,159	<b>302,289</b>	220,814
Cost of sales	<b>584,107</b>	370,609	<b>272,072</b>	182,534
Gross profit	<b>83,021</b>	81,550	<b>30,217</b>	38,280
Other income	<b>281</b>	(697)	<b>(1,450)</b>	(697)
	<b>83,302</b>	80,853	<b>28,767</b>	37,583
Distribution cost	<b>6,828</b>	3,015	<b>1,659</b>	1,411
Administrative expenses	<b>40,681</b>	45,358	<b>14,323</b>	21,312
Other operating expenses	<b>1,070</b>	638	<b>410</b>	68
Finance cost	<b>18,472</b>	22,707	<b>4,474</b>	10,440
Profit before taxation	<b>16,251</b>	9,135	<b>7,901</b>	4,352
Taxation	<b>15 8,721</b>	5,439	<b>4,100</b>	1,961
Profit after taxation	<b>7,530</b>	3,696	<b>3,801</b>	2,391
Earning per share-basic and diluted (Rupees)	<b>16 1.00</b>	0.49	<b>0.51</b>	0.32

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

LAHORE  
DATE: April 30, 2021**KH.IMTIAZ AHMED**  
Chief Executive Officer  
& Managing Director**IBRAR AHMED KHWAJA**  
Director**MUHAMMAD JAVAI**  
Chief Financial Officer

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**LEINER PAK GELATINE LIMITED**

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

Note	Nine months period ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	....Rupees in thousand....	....Rupees in thousand....	....Rupees in thousand....	....Rupees in thousand....
Profit after taxation	7,530	3,696	3,801	2,391
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit for the period</b>	<b>7,530</b>	<b>3,696</b>	<b>3,801</b>	<b>2,391</b>

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

LAHORE  
DATE: April 30, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer



**LEINER PAK GELATINE LIMITED****CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Share capital	Reserves		Total
		Revenue Reserve	Capital Reserve	
	Issued, subscribed and paid up share capital	Un appropriated profit / (accumulated loss)	Surplus on revaluation of property, plant and equipment	
.....Rupees in thousand.....				
Balance as at 01 July 2019	75,000	(5,200)	336,262	406,062
Total comprehensive profit for the nine months period ended March 31, 2020	-	3,696	-	3,696
<b>Balance as at March 31, 2020</b>	<b>75,000</b>	<b>(1,504)</b>	<b>336,262</b>	<b>409,758</b>
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
<b>Balance as at March 31, 2021</b>	<b>75,000</b>	<b>4,258</b>	<b>336,262</b>	<b>415,520</b>

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

LAHORE  
DATE: April 30, 2021**KH.IMTIAZ AHMED**  
Chief Executive Officer  
& Managing Director**IBRAR AHMED KHWAJA**  
Director**MUHAMMAD JAVOID**  
Chief Financial Officer

**LEINER PAK GELATINE LIMITED****CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<b>Nine months period ended</b>	<b>Nine months period ended</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>.....Rupees in thousand.....</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	16,251	9,135
<b>Adjustments for:</b>		
Depreciation	12,554	11,677
Provision for employee retirement benefits	2,525	2,440
Finance cost	18,472	22,707
Gain on disposal of operating fixed asset	(377)	-
Provision for Workers' Profit Participation Fund	981	488
Provision for Workers' Welfare Fund	170	150
	<b>34,325</b>	<b>37,462</b>
<b>Operating profit before changes in working capital</b>	<b>50,576</b>	<b>46,597</b>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	63,831	51,689
Stock-in-trade	(159,182)	(173,328)
Trade debts	(28,175)	8,154
Advances	(5,758)	12
Trade deposits and short-term prepayments	(1,346)	(585)
Other receivables	46	44
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	69,945	60,490
<b>Cash (used in) / generated from operations</b>	<b>(10,063)</b>	<b>(6,927)</b>
Finance cost paid	(20,439)	(20,515)
Payments to provident fund	(1,674)	(1,498)
Taxes paid	(12,181)	(8,709)
Sales tax refund/payments	(3,600)	(3,305)
Workers Profit Participation Fund	(215)	(663)
Workers' Welfare Fund paid	-	-
<b>Net cash used in operating activities</b>	<b>(48,172)</b>	<b>(41,617)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(14,455)	(11,336)
Right of use of asset	-	(6,667)
Proceeds from disposal of property, plant and equipment	435	-
Decrease/(Increase) in long term deposits	-	-
<b>Net cash used in investing activities</b>	<b>(14,020)</b>	<b>(18,003)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finance	8,127	7,106
Repayment of lease liabilities	(1,686)	(1,379)
Short-term borrowings-obtained/(repaid)-net	56,936	58,042
<b>Net cash generated from financing activities</b>	<b>63,377</b>	<b>63,769</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,185</b>	<b>4,149</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>465</b>	<b>321</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,650</b>	<b>4,470</b>

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

LAHORE  
DATE: April 30, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

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# LEINER PAK GELATINE LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

### 1 The Company and its operations

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

#### 1.1 Impact of covid-19

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic. The COVID-19 outbreak developed rapidly thereafter with a significant number of COVID-19 cases reported globally. The pandemic has resulted in consequences on health and society and on economy affecting the earnings and cashflows of businesses, after the announcement of lock-downs by the government authorities, resulting in closure of business operations except for specifically exempted industries. The impact of COVID-19 varies from industry to industry in different jurisdictions. Based on management's assesment, due to the pandemic the Company's operations have been impacted only on a temporary basis during lockdown and believes that as normalcy comes about, these impacts have started to reduce. The management has also valued and concluded that there are no material implications of COVID-19 requiring specific disclosures and that there is no significant impact of COVID-19 on the carrying amounts of assets and liabilities or items of income and expenses etc. The pandemic's future impacts, however depend on its future surge(s) and consequent lockdowns, if any, further, the Company availed employee refinance facility for payment of salaries and wages under SBP's infrastructure, Housing & SME Finance Department (IH&SMEFD) Circular No.6 of 2020 dated April 10, 2020.

### 2 Going concern basis of accounting

The company has negative cash flow from operating activities during the nine months period ended March 31, 2021 and, as of that date, its current liabilities exceeded its current assets by Rupees 78.540 million. Further, as mentioned in note 11.6 in these condensed interim financial statements, the running finance facility amounting to Rs.30 million from the Summit Bank Limited has been expired during the year ended June 30, 2019 has not yet been renewed by the bank for the future periods. 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.

Despite the effects of COVID -19, due to the effective measures taken by the management, the total sales during the nine months period ended March 31, 2021 have registered increase of 47.54% over the corresponding previous period. The exports sales included in total sales are Rs. 261.25 million as compared to exports of 92.49 million in the corresponding previous period. The positive impact on the performance of the Company has further improved resulting into profit after tax amounting to Rs. 7.530 million during the nine months period ended March 31, 2021. 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. Favourable foreign currency exchange rates have resulted in sharp increase in exports which is expected to continue in future as well.
- There is continued financial support of the Company's sponsors. The sponsors' of the Company have inducted Rupees 11.70 million during the nine months period ended March 31, 2021 and as of that date their total financing was Rs.91.963 million (June 30, 2020: Rupees 80.263 million) interest free loans. They are also committed to induct further funds, if the need arises, to address any liquidity issues for smooth operations.
- Major financing arrangements with banks as at March 31, 2021 are valid for future periods as well. The Summit Bank running finance account is fully operational and banking transactions are being made therein regularly up to the sanctioned limit. The management of the Company is engaged with the said bank for renewal of the facility.

Apart from the aforementioned factors there are also positive indicators as per these condensed interim financial statements as mentioned below:

- a) The existence of new sales orders along with advance payments received there against; and

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# LEINER PAK GELATINE LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

- b) Existence of profits after taxation during the year ended June 30, 2019 and 2020 and continuous profits before taxation since past six years to date.

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 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
- 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, 2020, 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.

The figures of the nine months ended March 31, 2021 are being submitted to the shareholders, and have been subjected to limited scope review in accordance with Section 237 of the Companies Act, 2017.

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

#### 4 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in preparation of the annual published financial statements for the year ended 30 June 2020.

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

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2020, except for the adoption of new standards effective as of 1 January 2020. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations, as listed below, apply for the first time, but do not have an impact on these condensed interim financial statements of the Company.

- IFRS 3 - Definition of a Business (Amendments)
- IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)
- IAS 1 / IAS 8 - Definition of Material (Amendments)

# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

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

The adoption of the above standards, amendments, interpretations and improvements to the accounting standards did not have any material effect on 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 2020.

### 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 2020.

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	..... Rupees in thousand.....	
<b>8 Share capital</b>		
<b>Authorised share capital</b>		
10,000,000 (June 30, 2020: 10,000,000) ordinary shares of Rupees 10 each	<u>100,000</u>	<u>100,000</u>
<b>Issued, subscribed and paid up share capital</b>		
7,500,000 (June 30, 2020: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash	<u>75,000</u>	<u>75,000</u>
	<u>75,000</u>	<u>75,000</u>
<b>9 Long term finance - secured</b>		
Bank Al Habib Limited	18,906	11,650
Current portion shown under current liabilities	(10,803)	(2,354)
	8,103	9,296
Government Grant	2,269	1,398
Current portion shown under current liabilities	(1,296)	(908)
	973	490
	<u>9,076</u>	<u>9,786</u>

The Company obtained approval of term finance facility for Rs. 24.227 million from Bank Al Habib Limited under Refinancing Scheme of the State Bank of Pakistan specifically for paying salaries and wages to Company's employees. The Company has made third drawdown of Rs.6.824 million in July 2020, and forth drawdown of Rs. 4.328 million in September 2020. The tenor of the financing is two and half year inclusive 6-Months grace period and are repayable in 8 equal quarterly installments commencing from January 2021.

## LEINER PAK GELATINE LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

This term loan is secured by way of 1st. Pari Pasu charge of Rs. 180 million over all current assets of the Company already registered with SECP. Equitable mortgage supported by 1st. Pari Pasu charge for Rs. 250 million over land, building and plant & machinery of the Company situated at 19 K.M G.T Road, Kala Shah Kaku. Equitable mortgage for Rs. 50 million over 24 kanal and 6 marla of Company land situated at 19 K.M G.T Road, Kala Shah Kaku. Personal Gurantee of three directors / shareholders for Rs 250 million each. The rate of markup is fixed at 3% per annum.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
..... Rupees in thousand.....			
<b>10 Lease liabilities</b>			
Present value of minimum lease payments		4,290	5,976
Less: Current portion presented under current liabilities		3,372	2,339
		<u>918</u>	<u>3,637</u>
<b>11 Short term borrowings</b>			
<b><i>From banking companies-secured</i></b>			
Export refinance (FAFB)			
Bank Al-Habib Limited	11.1, 11.7	25,000	-
Short term finance against payables			
Bank Al-Habib Limited	11.2, 11.7	25,000	25,000
Short term finance against receivables			
Bank Al-Habib Limited	11.3, 11.7	25,000	25,000
Finance against packing credit (FAPC)			
Bank Al-Habib Limited	11.5, 11.7	25,000	-
Running finance			
Bank Al-Habib Limited	11.4, 11.7	146,452	145,960
Summit Bank Limited	11.6, 11.8	24,731	29,984
		<u>271,183</u>	<u>225,944</u>
<b><i>From related parties-unsecured</i></b>			
Loans from director/ex-director/share holder	11.11	91,960	80,263
		<u>363,143</u>	<u>306,207</u>

**11.1** The finance against foreign bills (FAFB-OWN) facility having sanctioned limit of Rupees 25 million (June 30, 2020: 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, 2020: 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, 2020: 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, 2020: 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, 2020: 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.

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## LEINER PAK GELATINE LIMITED

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### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

- 11.4 The running finance facility having sanctioned limit of Rupees 85 million (June 30, 2020: Rupees 85 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, 2020: three months KIBOR plus 1.75%) per annum payable quarterly. The sanctioned limit has temporarily been exceeded due to issuance of cheques which will be presented after March 31, 2021. The facility is valid till February 07, 2024 with credit review on annual basis.
- 11.5 The finance against packing credit (FAFC-Own Pre Shipment 120 days One Off Basis) facility having sanctioned limit of Rupees 22 million (June 30, 2020: Rupees nil) has been obtained from Bank Al-Habib Limited to meet export shipment under contracts. 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 each loan or at the end of each calendar quarter whichever is earlier.
- 11.6 The running finance facility having sanctioned limit of Rupees 30 million (June 30, 2020: Rupees 30 million) has been obtained from Summit Bank Limited for working capital requirements. It carries mark-up at three months KIBOR plus 2.50% (June 30, 2020: three months KIBOR plus 2.50%) per annum payable quarterly. The facility was valid till September 30, 2018 and currently the company is in negotiation with the bank for renewal of this facility.
- 11.7 The facilities mentioned in 11.1, 11.2, 11.3 11.4 and 11.5 are commonly secured against first charge of Rupees 180 million (June 2020: 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, 2020: Rupees 250 million) comprising land (90 kanals & 08 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 three Directors / Shareholders amounting to Rupees 250 million each (June 30, 2020: Rupees 250 million). The running finance facility at note 11.4 in addition to securities aforesaid is also secured against pro note amounting to Rs. 144.5 million (June 2020 : Rupees 144.5 million)
- 11.8 The facility mentioned in 11.6 is commonly secured against ranking charge of Rupees 40 million (June 30, 2020: 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).
- 11.9 As at March 31, 2021 the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/usance) amounting to Rupees 5 million (June 30, 2020: Rupees 5 million). Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2020: Rupees 15 million) from Bank Al-Habib Limited.
- 11.10 The net aggregate short term borrowing facilities unavailed at end of March 31, 2021 amount to Rupees 25 million (June 30, 2020: Rupees 25 million) and for letters of credit and bank guarantees amount to Rupees 8.744 million (June 30, 2020: 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. 68.509 million (June 30, 2020: 66.658 million) and Rs. 23.451 million (June 30, 2020: 13.605 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, 2020.

Guarantees issued by bank on behalf of Company in favour of Sui Northern Gas Pipe Lines Limited as at March 31, 2021 amounting to Rupees 11.256 million (June 30, 2020: 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, 2021

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
		..... Rupees in thousand.....	
<b>13 Property, plant and equipment</b>			
Operating fixed assets	13.1	478,980	490,558
Capital work in progress	13.4	24,819	11,397
		<u>503,799</u>	<u>501,955</u>
<b>13.1 Opening book value</b>		490,558	473,992
Cost of additions during the period / year	13.2	1,033	33,024
Less:			
Deletion during the period / year (book value)	13.3	57	7
Depreciation charged during the period / year		12,554	16,451
		<u>478,980</u>	<u>490,558</u>
<b>13.2 Cost of addition during the period / year</b>			
Factory building- on freehold land		-	7,175
Plant and machinery		935	19,018
Electric installation and equipment		-	91
Office equipment		98	73
Right of-use-asset		-	6,667
		<u>1,033</u>	<u>33,024</u>
<b>13.3 Deletion during the period / year</b>			
Cost		193	216
Depreciation		136	209
		<u>57</u>	<u>7</u>
<b>13.4 Capital work in progress</b>			
Opening balance		11,397	13,188
Additions during the period / year			
Plant and machinery		12,971	11,919
Building and Civil Works		451	4,992
		<u>24,819</u>	<u>30,099</u>
Transfer to operating fixed assets		-	18,702
Closing balance		<u>24,819</u>	<u>11,397</u>

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

### 15 Taxation

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

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

### 16 Earning per share-basic and diluted

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

	Nine months period ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	..Rupees in thousand..		..Rupees in thousand..	
Profit after taxation	7,530	3,696	3,801	2,391
Weighted average number of ordinary shares	7,500	7,500	7,500	7,500
Earning per share-basic and diluted (Rupees)	<u>1.00</u>	<u>0.49</u>	<u>0.51</u>	<u>0.32</u>



# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

### 17 Transactions with related parties

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

Nature of relation	Nature of transaction	Nine months period ended	
		March 31, 2021	March 31, 2020
		.....Rupees in thousand.....	
<b>17.1 Key management personnel</b>			
	Loan obtained from chief executive - Khwaja Imtiaz Ahmed	9,982	32,695
	Loan repaid to chief executive - Khwaja Imtiaz Ahmed	8,130	6,925
	Loan obtained from close relative - Khwaja Ahmed Hassan	31,023	17,700
	Loan repaid to close relative - Khwaja Ahmed Hassan	21,177	11,745
	Managerial Remuneration	11,842	10,650
<b>17.2 Contribution to Provident Fund</b>			
	Contribution to provident fund Trust	2,525	2,439

**17.3** The outstanding balances with above related parties are included in Trade and other payables "Payable to Provident fund" as at March 31, 2021 Rs.778,226 (June 30, 2020: Rs. 735,965) and Short term borrowings (note 11.11) "Short term borrowings from related parties" as at March 31, 2021 Rs. 91.960 million (June 30, 2020: Rs. 80.263 million)

### 18 Date of authorization for issue

These condensed interim financial statements were authorized for issue by the Board of Directors on April 30, 2021.

### 19 General

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

LAHORE  
DATE: April 30, 2021

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

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	Incomplete Address	پتہ نامکمل ہے
	Retired	ریٹائر
	Passed Away	انتقال کر گئے
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