

LEINER PAK GELATINE LTD.



ANNUAL REPORT
2024

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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)

SUSTAINABILITY COMMITTEE

Ahmed Ali Riaz (Chairman)
Ijaz Ahmed Khwaja (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

Bank Makramah Limited

United Bank Limited

National Bank of Pakistan

Bank Islami Pakistan Limited

MCB Bank Limited-Islamic Banking

Bank Alfalah Limited-Islamic Banking

**LEINER PAK GELATINE LIMITED****NOTICE OF 41ST ANNUAL GENERAL MEETING**

Notice is hereby given that the 41st Annual General Meeting of LEINER PAK GELATINE LTD., will be held on Monday, the 28th October, 2024 at 10.00 A.M. at the Registered office of the Company, 17/G, Gulberg-2, Lahore-54660 to transact the following business:

1. Recitation from the Holy Quran.
2. To confirm the minutes of the Annual General Meeting held on Friday, 27th October, 2023.
3. To receive and adopt the Annual Accounts of the Company for the Year ended 30th June, 2024 together with Directors' and Auditors' Report thereon.
4. To appoint the Auditors of the Company for the year ending 30th June, 2025 and to fix their remuneration.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP S.R.O. 389(1)/2023 dated March 21, 2023, the financial statements of the company can be accessed through the following weblink and QR enable code:

<http://www.leinerpakgelatine.com/reports.php?type=1>



BY ORDER OF THE BOARD,

**(IBRAR AHMED KHWAJA),
COMPANY SECRETARY.**

LAHORE:

DATED: 07th October, 2024.

NOTES:

1. The Share Transfer Books of the Company will remain closed from 22nd October, 2024 to 28th October, 2024 (both days inclusive). Shares may be lodged for transfer with our Registrar M/s CORPLINK (PVT) LTD., Wings Arcade, 1-K, Commercial, Model Town, Lahore. Phone Nos: 042-35839182, 35887262, 35916719 Fax No: 042-35869037.
2. The Shareholders are advised to notify the Registrar of any change in their address.
3. The shareholders intending to participate in the meeting via video link are hereby requested to share the following information for obtaining video link and login credentials, with the office of the company secretary:

Shareholder's Name, CNIC Number, Folio/CDC Account No., Active Mobile Phone Number and Email address for timely communication.

This information shall be sent not later than 48 hours before the time of AGM at Email: info@leinerpakgelatine.com

4. A member entitled to attend and vote at this meeting may appoint another member as proxy to attend and vote instead of him. The Proxy Form duly signed and stamped must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. Proxy form can be downloaded from Company's website (www.leinerpakgelatine.com).
5. Any individual beneficial owner of the share in the Central Depository Company (CDC) entitled to vote at this meeting with him/her to prove him/her identity together with his/her Account number in CDC and in case of proxy, must enclose an attested copy of his/her CNIC. Representative of Corporate Members should bring the usual documents required for such purpose.
6. Pursuant to the directive of the Securities and Exchange Commission of Pakistan (SECP), CNIC numbers of shareholders are mandatory required on dividend warrants. Shareholders are therefore requested to submit a copy of their CNIC (if not already provided) to the Shares Registrar. In case of non-receipt of the copy of a valid CNIC, the company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 of SECP and therefore will be constrained under SECP order dated July 13, 2015 to withhold the dispatch of dividend warrants of such shareholders.
7. Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/s Corplink (Pvt) Limited to collect / enquire about their unclaimed dividend or pending shares, if any.
8. As per section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. The shareholders having physical shareholding are therefore requested to open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into scrip less form.
9. Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company received consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

"I/We, _____ of _____, being a member of Leiner Pak Gelatine limited, holder of _____ ordinary Share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."

VISION STATEMENT

Continue to lead the domestic industry in Gelatine manufacturing with technology and quality of the product along with persistent recognition in international market in the line of code of conduct and best practices of corporate governance.

MISSION

The mission of the management of the company is to focus on the vision and its accomplishment by:

- Adoption of advanced technologies in Gelatine manufacturing.
- Investment in human resources to create and strengthen professional environment.
- Developing company's code of conduct and pursuance of best practices of corporate governance.
- Exploring new international markets with the satisfaction of existing customers.
- Continuous improvement of quality system, environmental management system from ISO-9001:2000, ISO 14000 (already obtained) to other achievements of quality management.
- Fetching and delivering healthy returns to all stakeholders.
- Contribution towards economic and social uplift of employees and community in general.

CORPORATE STRATEGY

OBJECTIVES

Our corporate strategy is very much in line with vision and mission statement. Strategic objectives are covering the following areas.

- Sustainable growth.
- Promotion for efficient use of energy.
- Innovation in product line.
- Customer satisfaction.
- Adherence to the code of conduct.
- Safeguard the shareholders interest.
- Continuous improvement of human capital.

STRATEGIC PLANNING

It is planned to innovate the product line with scheduled R&D activities. Energy Conservation through calibration, expert advises and induction of efficient machinery and replacing the old production line which shall lead to sustainable growth. Well-equipped quality assurance department is maintained to achieve consistency in quality of the products. Optimal utilization of Company resources to achieve the economy level. Investment in human capital by participating in workshops, conferences, and different technical courses offered by reputed institutions. Formulation of Code of Conduct for better governance and to bring corporate culture in Company.

CHAIRMAN'S REVIEW

On behalf of the Board of Directors, I warmly welcome all participants to the Annual General Meeting of Leiner Pak Gelatine Limited. It is my pleasure to present the 41st Annual Report.

In the fiscal year 2023-24, Pakistan's economy faced significant challenges, including high inflation, political instability, and external debt pressures. Efforts to stabilize the economy included measures to control inflation, which remained a pressing issue for manufacturing concerns due to immense increase in energy cost, prices of raw material and other allied inputs. Un abated inflation also affected food prices. Despite these challenges, there were opportunities for recovery, particularly through initiatives aimed at improving trade relations and harnessing technology for economic development.

This year also exports of our product (Gelatine) played a vital role in bringing increased revenue stream and steady growth to the company's business. Exports contributed Rs.2.295 billion in total company's revenue of Rs.3.345 billion. The cost of production this year also remained highly up surged due to persistent increase in energy prices, cost of raw materials and above all erratic policy rate (more than 20%). To control the affects of relentless inflation, management of the company adopted a strategic approach for procurement of raw material which ensured timely acquisition of good quality materials at competitive prices. As a result company experienced improved production of Gelatine (1,379 M.Ton) as compared to previous year Production of 1,070 M.Ton. Despite facing certain challenges, the company demonstrated resilience and posted a bottom line at Rs. 81.519 million.

Company policies and procedures have been developed and put in place to ensure adherence to relevant laws and best practices including Code of Corporate Governance Regulations, 2019. The Board operates in accordance with the principles of Code of Corporate Governance as do its committees (Audit Committee, Human Resource and Remuneration Committee and Sustainability Committee). Board is having two independent and one female Director in total seven Directors. Board held 6 meetings in a year.

In compliance with the provisions of the Code of Corporate Governance, the company has implemented a system for evaluating Directors. This evaluation is conducted annually. The pending Directors training program for three Directors will be accomplished in coming days. The company has implemented various policies which include anti-harassment policy, diversity, equity & inclusion policy (DE&I) and CSR policy with a focus to create safe work place for everyone, equal opportunities for its staff members and to facilitate community in health and education front.

Board of Directors recognizes the contribution of company employees to the success of your company.

LAHORE
DATED: October 07, 2024

AHMED ALI RIAZ
Chairman

چیرمین کی جائزہ رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے سالانہ جنرل میٹنگ کے تمام شرکاء کو خوش آمدید کہتا ہوں۔ مجھے اکتالیسویں سالانہ رپورٹ کے پیش کرنے پر بہت خوشی ہے۔

مالی سال ۲۰۲۳-۲۴ میں پاکستانی معیشت کو بہت زیادہ مشکلات درپیش رہی ہیں جن میں افراط زر، غیر مستحکم سیاسی نظام اور بیرونی قرضہ جات کا دباؤ شامل ہے۔ معیشت کے استحکام کی کوشش میں یہ بات شامل ہے کہ افراط زر کو کنٹرول کرنے کے لیے اقدامات کئے جائیں جس کی وجہ سے پیداواری عمل کے حامل اداروں کے لیے تشویش رہی ہے کیونکہ اس کی وجہ سے توانائی کی قیمت، بنیادی خام مال کی قیمتیں اور دوسری ضروری متعلقہ اشیاء کی قیمتوں میں بے تحاشہ اضافہ ہوا ہے۔ بے لگام افراط زر کی وجہ سے خوراک کی اشیاء میں بھی اضافہ ہوا ہے۔ ان تمام مشکلات کے باوجود بحالی کے مواقع بھی تھے، خاص طور پر ایسے اقدام جن سے تجارتی تعلقات میں اضافہ ہوا اور ٹیکنالوجی کے استعمال سے معاشی ترقی حاصل کرنا ہے۔

اس سال میں بھی جیلاٹین کی برآمدات نے پیسے کی ترسیل میں اضافہ کرنے اور کمپنی کے کاروبار کی بڑھوتری میں کلیدی کردار ادا کیا ہے۔ برآمدات نے کمپنی آمدن مبلغ ۳۳۴۵.۳۳ ارب روپے میں مبلغ ۲۲۹۵.۲۹ ارب روپے کا حصہ ڈالا ہے۔ توانائی کی مد میں ہونے والے مسلسل اضافے، خام مال کی قیمتوں میں اضافہ اور سب سے بڑھ کر پالیسی ریٹ (۲۰ فیصد سے زائد) ہونے کی وجہ سے پیداواری لاگت میں بھی بہت اضافہ دیکھا گیا ہے۔ بے لگام افراط زر کے اثرات کو کنٹرول کرنے کیلئے انتظامیہ نے بنیادی خام مال کی خریداری میں بہتر حکمت عملی اپنائی جس کی وجہ سے خام مال کا حصول وقت پر اور بہتر قیمت پر ممکن ہوا۔ اس کی وجہ سے پیداوار میں بہتری ہوئی اور کمپنی نے پچھلے سال کی پیداوار ۱,۰۷۰ میٹرک ٹن کے مقابلے میں ۱,۳۷۹ میٹرک ٹن حاصل کی ہے۔ ان تمام مشکلات کا سامنا ہونے کے باوجود کمپنی نے استحکام کا مظاہرہ کیا اور مبلغ ۸۱.۵۱۹ ملین روپے منافع حاصل کیا ہے۔

کمپنی کی پالیسیاں اور طریقہ کار اس طرح وضع کئے گئے ہیں تاکہ متعلقہ قوانین، بہتر طریقہ کار بشمول کوڈ آف کارپوریٹ گورننس ریگولیشن ۲۰۱۹ء پر عمل پیرا ہونے کو یقینی بنایا جاسکے۔ بورڈ بھی کوڈ آف کارپوریٹ گورننس کے حصول کے مطابق کام کرتا ہے جیسا کہ اس کی کمیٹیاں (آڈٹ کمیٹی، ہیومن ریسورسز اینڈ ریٹرنز کمیٹی اور سسٹینیبلیٹی کمیٹی) عمل پیرا ہیں۔ بورڈ میں سات میں سے دو خود مختار اور ایک خاتون ڈائریکٹر شامل ہیں۔ بورڈ نے اس سال چھ میٹنگز منعقد کی ہیں۔

کمپنی ہذا نے ڈائریکٹران کی کارکردگی کا جائزہ لینے کے لیے کوڈ آف کارپوریٹ گورننس کی شقوں کے مطابق نظام وضع کر رکھا ہے۔ کارکردگی کا جائزہ سالانہ بنیادوں پر ہے۔ زیر التواء ڈائریکٹران کی ٹریننگ کا پروگرام آنے والے دنوں میں مکمل کر لیا جائے گا۔ کمپنی نے مختلف پالیسیوں کا نفاذ بھی کر رکھا ہے جس میں اینٹی ہراسمنٹ پالیسی، ڈی۔ای اینڈ آئی اور کارپوریٹ سماجی ذمہ داری کی پالیسی بھی شامل ہیں اور ان میں اس بات کو مد نظر رکھا گیا ہے کہ کمپنی میں سب کے لیے محفوظ کام کی جگہ بنائی جائے، تمام سٹاف کو یکساں مواقع کا حصول ہوں، سماج کو صحت اور تعلیم کے میدان میں مدد کی جائے۔

بورڈ آف ڈائریکٹرز کمپنی کی کامیابی میں اپنے ملازمین کی خدمات کا اعتراف کرتے ہیں۔

احمد علی ریاض

چیرمین

لاہور

۷ اکتوبر ۲۰۲۳ء

DIRECTORS' REPORT

The Directors are pleased to present the 41st Annual Report along with company's financial statements for the year ended 30th June, 2024 together with Auditors' Report thereon.

PRINCIPAL ACTIVITY

Leiner Pak Gelatine Limited is involved in manufacturing "Halal" Gelatine and Di-calcium Phosphate (by product).

OPERATIONS

In the fiscal year 2023-24, Pakistan's economic indicators reflect a complex landscape marked by both challenges and potential recovery. Real GDP growth grew by 2.38% indicating slow recovery influenced by persistent inflation and a struggling industrial sector. Inflation continued to be a pressing concern, driven by rising energy costs and supply chain disruptions which strained production costs and profitability. Political instability is also creating an un predictable landscape for the business.

Amidst a challenging environment marked by hyperinflation and economic instability, the company successfully navigated these obstacles to export its product (Gelatine) leading to commendable increase in revenue and profitability.

This year, the company reported a topline of Rs. 3.345 billion, a notable increase from Rs. 2.335 billion last year, reflecting a sales revenue growth of 43.23%. Export orders of our product (Gelatine) secured at favourable prices, contributed significantly to our total revenue with exports reaching to Rs.2.295 billion and achieving a revenue growth 54.44%. Furthermore, through a strategic focus on raw material procurement, we were able to boost gelatine production by 28.87%.

Undoubtedly, the company has achieved its highest turnover ever in its financial history this year and recorded growth both in terms of revenue and production but at the same time it operated in cost push inflationary environment. This has significantly impacted cost of production by increasing the prices of raw material, energy and wages. Highly elevated policy rates in this financial year, more than 20%, has also stifled profitability of the company and besides achieving robust sales, company's profit after tax is arrived at Rs. 81.519 million.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Company is fully compliant with the Code of Corporate Governance and Corporate and Financial Reporting framework of the Securities & Exchange Commission of Pakistan (SECP). Board is pleased to place following statement on record:

1. The financial statements prepared by the management of the company present fairly its state of the affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements. The accounting estimates wherever required are based on reasonable and prudent judgment.
4. IFRS and International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There has been no material departure from the best practices of corporate governance, as detailed in listing regulations.
7. Outstanding taxes, duties and charges have been disclosed in the financial statements.

KEY OPERATING AND FINANCIAL DATA OF LAST SIX YEARS

Years ending on June:	2023	2022	2021	2020	2019	2018
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Turnover	2,335,021	1,012,393	941,515	660,888	779,659	752,297
Profit/(Loss) after Taxation	66,673	8,276	5,004	1,928	2,537	(3,956)
Assets	1,839,350	1,611,306	1,145,211	994,892	860,191	715,769
Dividend	-	-	-	-	-	-
Non-current Liabilities	22,087	12,400	23,378	13,423	864	1,043

ADEQUACY OF INTERNAL CONTROL

Internal control system of the company is properly designed keeping in view the nature of business and materiality of the transactions involved. Internal control system is periodically reviewed by the audit committee and improvements in the system are made keeping in view recommendations of internal audit department.

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

The “Statement of Value Addition and its Distribution” is annexed to the report.

DIRECTORS’ REMUNERATION

Remuneration of the Board of Directors is approved by the Board. Non-executive Directors and independent Directors are entitled for fee for attending the meetings. Remuneration of Directors and Chief Executive Officer are disclosed in Note No. 41 to the financial statements for the year ended June 30, 2024.

DIRECTORS OF THE COMPANY

During the year following Directors served on the Board of the company.

Sr. No.	Name of Directors	Number of Meetings
1.	Ahmed Ali Riaz	6
2.	Khwaja Imtiaz Ahmed	6
3.	Ijaz Ahmed Khwaja	6
4.	Ibrar Ahmed Khwaja	6
5.	Ayesha Ahmed	6
6.	Rashid Minhas (independent)	6
7.	Syed Rizwan Haider (independent)	6

APPROPRIATIONS

Management of the company has made strategic decision to utilize the funds against profits in research and development and to undertake some major overhauling of the manufacturing facility and it has been decided to omit the dividend for the current year.

EARNING RATIO:

The earning per share after tax works out to Rs.10.87 {last year Rs.8.89 }.

PROVIDENT FUND

The company operates an approved contributory provident fund covering all permanent employees. The value of the fund at the year ended 30th June, 2024 is Rs.192.136 million. The investment values of the respective fund is as follows:

Provident Fund**Last audited statements****June 30, 2024**

Investments at fair value **Rs.(000s)** **118,638**

These funds are invested as given below:

	Rs.(000s)
Unit Trust Schemes	56,952
Mutual Funds	2,012
Savings Schemes of Banks	2,785
Bank Deposits	21,443
Listed Securities	35,446
	<u>118,638</u>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) refers to a Company's Commitment to conduct business ethically and contributing to society. It is a broad concept that can take many forms depending on the company and industry. Leiner Pak is always extending support to social causes through donations to hospital and educational sector.

OUT STANDING STATUTORY PAYMENTS

All outstanding payments are of routine nature.

CODE OF CONDUCT

Company has developed and adopted a comprehensive Code of conduct with respect to ethical practices to be followed by all employees and protection against harassment at work place. This code out lines expected behavior, prohibited conduct, and the procedure for addressing harassment at the work place. Board has also adopted controls for timely identification and redressal of unethical practices performed on the part of employees. Code of conduct is fully disseminated throughout the company.

BOARD COMMITTEES**AUDIT COMMITTEE**

Company has formulated Audit Committee in accordance with code of corporate governance. This committee is headed by an independent Director. Names of Audit Committee members are given below:

Name of Directors

Rashid Minhas (Chairman)

Ijaz Ahmed Khwaja (Member)

Ahmed Ali Riaz (Member)

Audit Committee provides assistance to the Board of Directors in discharging their responsibilities in accordance with provisions of code of corporate governance and financial reporting framework. This committee is also entrusted to implement an effective internal control system and forward recommendations to the Board of Directors for further improve of the systems.

Audit Committee's other responsibilities in the light of code of corporate governance also include the following:

1. Determination of appropriate measures to safeguard the company's assets;
2. Review of annual and interim financial statements of the company, prior to their approval by the board, focusing on;
 - a) major judgmental areas;
 - b) significant adjustments resulting from the audit;
 - c) going concern assumption;
 - d) any changes in accounting policies and practices;
 - e) compliance with applicable accounting standards;
 - f) compliance with the regulations of code of corporate governance and other statutory and regulatory requirements; and
 - g) all related party transactions;
3. Review of the preliminary announcements of results prior to external communication and publication;
4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
5. Review of management letter issued by external auditors and managements' response thereto;
6. Ensuring coordination between the internal and external auditors of the company;
7. Review of the scope and extent of internal audit, audit plan, reporting frame work and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
9. Ascertaining the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
10. Review of the company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
11. Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with Chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
12. Determination of compliance with relevant statutory requirements;
13. Monitoring compliance with these regulations (including code of corporate governance) and identification of significant violation thereof;
14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
15. Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the regulations. The Board shall give due

consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;

16. Consideration of any other issue or matter as may be assigned by the board particularly with respond to risk management done by the internal auditor and considered by the audit committee.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Human resource management is an important faction of management that deals with most valuable assets of an organization which is human resource. Human Resource and Remuneration committee of the company comprises three directors, which include one executive director and one non-executive director being the members and one independent director as chairman of the committee. Following three members are entrusted by the board to form the Human Resource and Remuneration Committee:

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

In accordance with code of corporate governance, the responsibilities of the committee include:

1. Recommendation to the Board for consideration and approval a policy framework for determining remuneration of Directors (both executive and non-executive Directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;
2. undertaking annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' report disclosing therein name and qualification of such consultant and major terms of his/its appointment;
3. recommending human resource management policies to the Board;
4. recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary, and head of internal audit;
5. consideration and approval on recommendation of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
6. where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.

SUSTAINABILITY COMMITTEE

The Board of Directors of the Company is responsible of governance and oversight of sustainability risks and opportunities relevant to the Company and its business, assess their potential financial and operational impacts and formulate strategies for mitigation thereof. The Board has recently formed a dedicated sustainability committee to discharge its sustainability related duties. Following are the members of the Sustainability Committee:

Ahmed Ali Riaz	(Chairman)
Ijaz Ahmed Khwaja	(Member)
Ayesha Ahmed	(Member)

In future sustainability committee will oversee sustainability risks and opportunities of the company ensuring that environmental, social, governance and economic considerations are integrated in to the organization's operations and decision making process. Presently Board of Directors of the company is looking after risk and opportunities associated with company business.

DIVERSITY, EQUITY & INCLUSION (DE&I)

Management is dedicated to create a diverse, equitable and inclusive work place where every employee is valued, respected and empowered. At Leiner Pak, we embrace a wide range of backgrounds, experiences and perspectives to drive innovation and excellence. Board has resolved and adopted (DE&I) policy which will be implemented at all levels in each and every department of the company.

GENDER PAY GAP**Mean Gap**

The mean pay for women is 138.41% higher than that of men

Median Gap

The median pay for women is 174.36% higher than that of men

RISK AND UNCERTAINTIES

The company's potential to generate value for its shareholders is primarily influenced by macroeconomic factors and specific risks related to its business operations. Currently, the company faces several risk areas that could impact its operations and profitability:

1. Raw Material Prices: The cost of crushed bone is a significant concern.
2. Foreign Currency Exchange Rates: Fluctuations can affect purchasing power and costs.
3. Energy Costs: The availability and prices of gas and electricity remain critical issues.

To produce high-quality gelatin, the company relies on animal bones, specifically bovine bone, which are exported from Pakistan to countries like China and Japan. The company must purchase these bones at export parity prices for its own use. A devaluation of the Pakistani Rupee could exacerbate challenges, making it more difficult to procure animal bones at reasonable prices.

Devaluation of the Rupee tends to lead to cost-push inflation, driving up prices for industrial inputs, including raw materials, and potentially reducing capacity utilization rates.

Additionally, Pakistan continues to grapple with an energy crisis, facing high costs for gas, fuel, and electricity in the manufacturing sector. The government's efforts to import LNG to meet industrial demands may not sufficiently alleviate these issues. Rising gas prices, combined with existing tariffs, could further increase manufacturing costs, thereby impacting the profitability of the gelatin production business.

IMPACT ON ENVIRONMENT

The business is mindful of its obligation to protect the environment. We work to minimize our influence on the environment. Management is adamant about upholding the highest standards for health, safety, and the environment to guarantee the welfare of both our employees and the communities in which we operate. The business has obtained FSSC and HACCP certifications in order to meet these criteria. Gelatine is produced strictly in accordance with international standards at the factory, and no harmful environmental effects have yet been discovered.

FUTURE PROSPECTS

The outlook of Pakistan economic growth in 2024-25 is cautiously optimistic contingent on several factors, including political instability, economic reforms, addressing inflation. This year country is expected to focus on stability of its economy by improving its fiscal deficit through enhancement in tax to GDP ratio. International support from monetary institutions like IMF can bolster foreign reserves to bring stability in exchange rate of Pak rupee against dollar and other leading currencies. Overall, inflation, political instability and energy prices can remain pressing issues that could affect the progress.

Company is experiencing slowed down of its exports amidst a backdrop of sluggish global economic activities. It is because of adjustments in inventory levels on the part of our buyers in post covid scenario. We hope that our exports will again pick up in 2nd quarter of next financial year.

TRAINING PROGRAMME OF DIRECTORS

The Company has integrated directors training as a key on going feature. This initiative ensures that leadership remains informed about best practices and effective governance. Management is fully committed to cope-up any delay in schedule of Directors orientation program. Our three Directors out of seven are exempt for training as provided by the Code of Corporate Governance. One Director had completed his Directors Training Program (DTP). The remaining three directors include (i) Rashid Minhas being an independent director is an

electrical engineer and MBA from a recognized university. He has brought vast experience entrepreneurship with him. However, immediately after the forthcoming election in January 2025, he will complete the Directors' Training Program. (ii) Syed Rizwan Haider, being an independent director is a Fellow of the Institute of Chartered Accountants of Pakistan (ICAP) and has been attending CPD activities of ICAP. However, immediately after the forthcoming election in January 2025, he will complete the Directors' Training Program. (iii) Ayesha Ahmed, a non-executive director is abreast with major business laws being part of a business family and carries international experience with her. However, immediately after the forthcoming election in January 2025, she will also complete the Directors' Training Program.

TRADE IN SHARES OF THE COMPANY

During the year following movements has been seen in shareholding of one of Director:

Shares Purchased

Khwaja Imtiaz Ahmed	54,000
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There is no any sale/purchase/transfer of the company shares during this year by Directors, Executives, their spouse and minor children.

AUDITORS

The present auditors, M/s M. Almas & Co. Chartered Accountants, Lahore, has completed their assignment for the year ended June 30, 2024 and shall retire on the conclusion of 41st Annual General Meeting. The retiring auditors M/s M. Almas & Co. Chartered Accountants are eligible for re-appointment.

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the audit committee considered and recommended the re-appointment and remuneration of M/s M. Almas & Co. Chartered Accountants as statutory auditors for the year 2024-2025.

PATTERN OF SHAREHOLDING

It appears on page no:-----71-----

ACKNOWLEDGEMENT

The Board of Directors would like to express their appreciation for the efforts and dedication of all employees which enabled the company management to run the business affairs smoothly.

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

IBRAR AHMED KHAWAJA
Director

Dated: October 07, 2024

ڈائریکٹر رپورٹ

ڈائریکٹر کو ۴۱ ویں سالانہ رپورٹ جو کہ ۳۰ جون ۲۰۲۳ء کو ختم ہونے والے سال کے لیے کمپنی نے مالیاتی نتائج اور آڈیٹران کی رپورٹ پر مشتمل ہے۔ پیش کرنے پر خوشی محسوس ہو رہی ہے۔

بنیادی کاروبار:-

لائنیر پاک جیلائین لمیٹڈ ”حلال“ جیلائین اور ڈائریکٹیم فاسفیٹ (بائی پراڈکٹ) کو تیار کرنے کا کام کرتی

ہے۔

کاروباری عمل:- (Operations)

مالی سال ۲۴-۲۰۲۳ میں پاکستان کے معاشی اشارے پیچیدہ منظر کشی کو ظاہر کر رہے ہیں اور اس میں مشکلات اور ممکنہ بحالی کی نشاندہی کی گئی ہے۔ حقیقی جی ڈی پی ۲.۳۸ فیصد سے بڑھی جس سے افراط زر کے تسلسل، مشکلات کے شکار صنعتی ادارے اور سست بحالی کا اشارہ ملتا ہے۔ افراط زر کا دباؤ تسلسل کے ساتھ جاری رہا جس کی بڑی وجہ توانائی کی بڑھتی ہوئی قیمتیں اور سپلائی چین کی رکاوٹیں شامل ہیں۔ جس کی وجہ سے پیداواری لاگت اور منافع تناؤ کا شکار رہے۔ غیر مستحکم سیاسی صورتحال بھی کاروبار کے لیے غیر یقینی صورتحال پیدا کر رہی ہے۔

بڑھتے ہوئے افراط زر اور غیر مستحکم معاشی صورت حال جیسی مشکلات کے باوجود کمپنی نے جیلائین کی ایکسپورٹ کو ممکن کرنے کے لیے ان مشکلات کا کامیابی کے ساتھ مقابلہ کیا جس کی وجہ سے آمدن اور منافع میں قابل تعریف اضافہ ممکن ہوا۔

اس سال کمپنی کی فروخت مبلغ ۳۳.۳۵ ارب روپے رہی ہے۔ یہ پچھلے سال کی فروخت مبلغ ۳۳.۳۵ ارب روپے کی نسبت قابل غور اضافہ ہے جس کی وجہ سے آمدن میں ۳۳.۲۳ فیصد بڑھوتری دیکھی گئی ہے۔ بہتر نرخوں پر حاصل کئے گئے جیلائین کے ایکسپورٹ آرڈرز نے ایکسپورٹ کی مد میں نمایاں اضافہ کرتے ہوئے اسے ۲.۲۹۵ ارب روپے تک پہنچایا اور ایکسپورٹ کی مد میں ۵۴.۴۴ فیصد آمدن میں اضافہ حاصل کیا۔ علاوہ ازیں بنیادی خام مال کی خریداری کے لیے خاص حکمت عملی کو اپنایا گیا جس کی وجہ سے جیلائین کی پیداوار میں ۲۸.۸۷ فیصد تک اضافہ ہوا۔

بلاشبہ کمپنی نے اس سال اپنی مالی تاریخ میں سب سے زیادہ فروخت کو حاصل کیا اور آمدن اور پیداوار دونوں میں بڑھوتری کو قائم کیا گیا لیکن ایک ہی وقت میں کمپنی نے پیداوار میں اضافہ کرنے والے افراط زر کے ماحول میں کاروباری عمل انجام دیا۔ اس کی وجہ سے پیداواری لاگت پر بہت زیادہ اثر پڑا اور جس کی وجہ سے خام مال، توانائی اور

اجرت میں اضافہ ہوا۔ اس مالی سال میں پالیسی ریٹ میں بے پناہ اضافہ ہوا، جو کہ ۲۰ فیصد سے بھی زائد رہا اور فروخت میں بہت زیادہ اضافہ کے باوجود اس کی بھی وجہ سے منافع میں کمی واقع ہوئی اور کمپنی نے بعد از ٹیکس منافع مبلغ ۸۱.۵۱۹ ملین حاصل کیا۔

کارپوریٹ اور مالیاتی دستاویز کا ضابطہ:-

کمپنی کوڈ آف کارپوریٹ گورننس اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے کارپوریٹ اور مالیاتی رپورٹنگ کے دائرہ کار پر پوری طرح عمل درآمد کر رہی ہے۔ بورڈ درج ذیل بیانات قلمبند کرنے میں خوشی محسوس کرتے ہیں۔

- ۱۔ مالی دستاویز، جو کہ کمپنی انتظامیہ کی جانب سے تیار کی گئی ہے جو منصفانہ امور کی نشاندہی، اپنے آپریشنز، نقدی کا بہاؤ اور ایکوٹی میں تبدیلی کا نتیجہ ہے۔
- ۲۔ کمپنی کے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا گیا ہے۔
- ۳۔ مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ مالی اکاؤنٹ کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ اندازے معقول اور دانش مندانہ فیصلے پر مبنی ہیں۔
- ۴۔ انٹرنیشنل فنانشل رپورٹنگ سٹینڈرز اور انٹرنیشنل اکاؤنٹنگ سٹینڈرز جو پاکستان میں قابل عمل ہیں کی مالی بیانات کی تیاری میں پیروی کی گئی ہے۔
- ۵۔ اندرونی کنٹرول کے نظام کا ڈیزائن صحیح ہے اور اس پر موثر طریقے سے عملدرآمد اور اس کی نگرانی کی گئی ہے۔
- ۶۔ کارپوریٹ گورننس کے بہترین طریقوں پر بغیر کسی انحراف کے عمل کیا گیا ہے جو کہ لسٹنگ کے ضابطے میں موجود ہے۔
- ۷۔ واجب الادا ٹیکس، ڈیوٹیز اور واجبات مالی دستاویزات میں ظاہر کیے گئے ہیں۔

گزشتہ چھ سالوں میں کلیدی آپریننگ اور مالیاتی ڈیٹا کا خلاصہ

ماہ جون پر ختم ہونے والے سال	۲۰۲۳ء	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۰ء	۲۰۱۹ء	۲۰۱۸ء
	روپے (000)	روپے (000)	روپے (000)	روپے (000)	روپے (000)	روپے (000)
فروخت (Turnover)	۲,۳۳۵,۰۲۱	۱,۰۱۲,۳۹۳	۹۴۱,۵۱۵	۶۶۰,۸۸۸	۷۷۹,۶۵۹	۷۵۲,۲۹۷
بعد از ٹیکس خالص منافع (نقصان)	۶۶,۶۷۳	۸,۲۷۶	۵,۰۰۴	۱,۹۲۸	۲,۵۳۷	(۳,۹۵۶)
اثاثہ جات	۱,۸۳۹,۳۵۰	۱,۶۱۱,۳۰۶	۱,۱۴۵,۲۱۱	۹۹۴,۸۹۲	۸۶۰,۱۹۱	۷۱۵,۷۶۹
تقسیم شدہ منافع	---	---	---	---	---	---
قرضہ جات (لبے عرصہ کے لئے)	۲۲,۰۸۷	۱۲,۴۰۰	۲۳,۳۷۸	۱۳,۴۲۳	۸۶۴	۱,۰۴۳

موزوں اندرونی کنٹرول:-

کمپنی کے اندرونی کنٹرول سسٹم کو کاروبار کی نوعیت اور ٹرانزیکشن کی مالیت (materiality) کو مد نظر رکھتے ہوئے پوری طرح ترتیب دیا گیا ہے۔ آڈٹ کمیٹی وقتاً فوقتاً اندرونی کنٹرول سسٹم کا جائزہ لیتی ہے اور انٹرئل آڈٹ شعبہ کی سفارشات کو مد نظر رکھتے ہوئے سسٹم میں بہتری لائی گئی ہے۔

قدر میں اضافہ اور اس کی تقسیم کی دستاویز:-

”قدر میں اضافہ اور اس کی تقسیم کی دستاویز“ رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹران کا معاوضہ:-

ڈائریکٹران کا معاوضہ بورڈ آف ڈائریکٹرز سے منظور کیا گیا ہے۔ نان ایگزیکٹو ڈائریکٹران اور خود مختار ڈائریکٹران میٹنگوں میں شمولیت کی فیس کے اہل ہیں۔ ڈائریکٹران اور چیف ایگزیکٹو آفیسر کا معاوضہ مالیاتی دستاویزات ۳۰ جون ۲۰۲۴ء کے نوٹ نمبر ۴۱ میں دکھایا گیا ہے۔

کمپنی کے ڈائریکٹران:-

دوران سال درج ذیل ڈائریکٹران نے کمپنی کے بورڈ پر اپنی خدمات پیش کیں:-

سیریل نمبر	ڈائریکٹران کے نام	میٹنگز میں شرکت
۱	احمد علی ریاض	۶
۲	خواجہ امتیاز احمد	۶
۳	اعجاز احمد خواجہ	۶
۴	ابرار احمد خواجہ	۶
۵	عائشہ احمد	۶
۶	راشد منہاس	۶ انڈیپینڈنٹ
۷	سید رضوان حیدر	۶ انڈیپینڈنٹ

منافع کی تقسیم: (Appropriations)

انتظامیہ نے منافع کی مد میں حاصل ہونے والی رقوم کو کمپنی کی تحقیق و ترقی اور پیداواری ادارے کی مکمل اور ہالنگ کیلئے استعمال کرنے کی حکمت عملی کا فیصلہ کیا ہے اور اس سال منافع کی تقسیم نہ کرنے کا فیصلہ کیا گیا ہے۔

منافع کا تناسب:

ہر حصے کا بعد از ٹیکس منافع مبلغ ۱۰.۸ روپے ہے۔ (پچھلے سال منافع مبلغ ۸.۸۹ روپے)۔

پراویڈنٹ فنڈ:-

کمپنی اپنے تمام مستقل ملازمین کیلئے ایک منظور شدہ شرکتی پراویڈنٹ فنڈ چلا رہی ہے۔ اس سال ۳۰ جون ۲۰۲۴ء تک فنڈ کی قدر مبلغ ۱۹۲.۱۳۶ ملین روپے ہے اس فنڈ کی سرمایہ کاری کی قدر درج ذیل ہے:-

پراویڈنٹ فنڈ

۳۰ جون ۲۰۲۲ء

۱۱۸،۶۳۸

(000) روپے

۵۶،۹۵۲

۲،۰۱۲

۲،۷۸۵

۲۱،۴۴۳

۳۵،۴۴۶

۱۱۸،۶۳۸

سرمایہ کاری کی منصفانہ قدر (000) روپے

فنڈ کی سرمایہ کاری درج ذیل ہے:-

یونٹ ٹرسٹ سکیمز

میوچل فنڈز

بینکوں کی بچت سکیم

بینکوں میں جمع شدہ رقم

لسٹڈ سکیورٹیز

کارپوریٹ سماجی ذمہ داری:

کمپنی کی سماجی ذمہ داری اس بات کا تقاضا کرتی ہے کہ کمپنی اپنا کاروبار اخلاقی اقدار اور سماجی بھلائی میں شراکت داری کے ساتھ سرانجام دے۔ جس کی کمپنی اور انڈسٹری کے حوالے سے کئی اشکال ہو سکتی ہیں۔ لائینر پاک نے ہمیشہ ہسپتالوں اور تعلیمی شعبوں میں عطیات فراہم کر کے سماجی بھلائی کے کاموں میں مدد فراہم کی ہے۔

سٹیچوٹری بقایا جات کی ادائیگی:

تمام بقایا جات کی ادائیگی معمول کے مطابق ہے۔

ضابطہ اخلاق:

کمپنی نے اپنے تمام ملازمین کی اخلاقی اقدار کی پیروی کرنے اور کام کرنے کی جگہ کو ہر اسگی کے خلاف حفاظت کے لئے ایک مکمل ضابطہ اخلاق تیار کیا اور اس کو اپنایا ہوا ہے۔ اس ضابطہ اخلاق میں ملازمین کے متوقع رویے، ممنوع عمل اور کام کرنے کی جگہ کو ہر اسمنٹ سے نمٹنے کے لیے مواد شامل ہے۔ بورڈ نے ایسے کنٹرولر بھی اپنا رکھے ہیں جن سے ملازمین کی طرف سے غیر اخلاقی کام کی بروقت نشاندہی کی جاسکے۔ ضابطہ اخلاق کی ادارہ کی ہر سطح پر آگاہی کر دی گئی ہے۔

بورڈ کمیٹیاں:

آڈٹ کمیٹی:

کمپنی کے کوڈ آف کارپوریٹ گورننس کے مطابق آڈٹ کمیٹی کی تشکیل کی ہے۔ اس کمیٹی کا سربراہ ایک انڈیپنڈنٹ ڈائریکٹر ہے۔ آڈٹ کمیٹی کے ممبران کے نام درج ذیل ہیں:-

راشد منہاس (چیئرمین)

اعجاز احمد خواجہ (ممبر)

احمد علی ریاض (ممبر)

آڈٹ کمیٹی ڈائریکٹران کو کوڈ آف کارپوریٹ گورننس اور مالیاتی دستاویزات کے ضابطوں کے مطابق ان کی ذمہ داریوں کو پورا کرنے میں ان کی مدد کرتی ہے۔ آڈٹ کمیٹی کو یہ ذمہ داری بھی سونپی گئی ہے کہ وہ ایک موثر اندرونی کنٹرول کو نافذ کرے اور سسٹم کو مزید بہتر بنانے کیلئے سفارشات ڈائریکٹران تک پہنچائے۔ آڈٹ کمیٹی کوڈ آف کارپوریٹ گورننس کی روشنی میں درج ذیل مزید عوامل کی بھی ذمہ دار ہے:-

(۱) کمپنی کے اثاثہ جات کے تحفظ کیلئے مناسب اقدام لینا۔

(۲) بورڈ کی منظوری سے پہلے کمپنی کی عبوری اور سالانہ مالیاتی تفصیلات کا درج ذیل کو مد نظر رکھتے ہوئے جائزہ لینا۔

(i) بڑے Judgemental حصے۔

(ii) آڈٹ کے باعث ہونے والی اہم ایڈجسٹمنٹس۔

(iii) کاروبار کے جاری رہنے کا جائزہ۔

(iv) اکاؤنٹنگ پالیسیوں اور پریکٹس میں ہونے والی کوئی تبدیلی۔

(v) قابل اطلاق اکاؤنٹنگ اسٹینڈرز پر عمل پیرا ہونا۔

(vi) ان ریگولیٹری اور دوسری قانونی ضروریات پر عمل درآمد کرنا؛ اور۔

(vii) تمام ریلیٹیو لوگوں کے ساتھ ہونے والے لین دین۔

(۳) تفصیلات کی بیرونی ترسیل اور نشر ہونے سے پہلے ان کا ابتدائی جائزہ لینا۔

(۴) بیرونی آڈٹ میں سہولت فراہم کرنا اور بیرونی آڈیٹران کے ساتھ عبوری اور مکمل آڈٹ کے دوران اٹھنے

والے بڑے نقاط اور ایسے تمام معاملات جو آڈیٹران اپنی مرضی سے بھی اٹھانا چاہتے ہوں ان کے ساتھ ان پر

بات چیت کرنا۔

- (۵) بیرونی آڈیٹر ان کی طرف سے جاری کردہ انتظامی خط اور انتظامیہ کے ردِ عمل کا جائزہ لینا۔
- (۶) اندرونی آڈٹ اور بیرونی آڈیٹر ان کے درمیان تعاون کو یقینی بنانا۔
- (۷) اندرونی آڈٹ کے دائرہ کار اور حدود، آڈٹ پلان، رپورٹنگ کے طریقہ کار کا جائزہ لینا اور اس بات کو یقینی بنانا کہ اندرونی آڈٹ کے شعبہ کے پاس مناسب ذرائع موجود ہوں اور کمپنی میں ہر جگہ اس پر عمل کیا جاسکے۔
- (۸) فراڈ، کرپشن اور اختیارات سے تجاوز کرنے کے بڑے معاملات کی اندرونی جانچ پڑتال اور انتظامیہ کے ردِ عمل کا جائزہ لینا۔
- (۹) اندرونی کنٹرول کے نظام جس میں مالیاتی اور آپریشنل کنٹرول شامل ہیں، اکاؤنٹنگ نظام، خرید و فروخت، وصولیوں اور ادائیگیوں، اثاثہ جات اور واجبات کے صحیح اندراج اور معلومات پہنچانے کے ڈھانچے کا صحیح اور موثر طریقے سے چلنے کو یقینی بنانا۔
- (۱۰) کمپنی کی طرف سے اندرونی کنٹرول پر جاری کردہ تفصیلات کا اندرونی آڈٹ کی رپورٹ اور بورڈ کی منظوری سے پہلے جائزہ لینا۔
- (۱۱) چیف ایگزیکٹو آفیسر کے مشورہ سے بورڈ کے سفارش کردہ معاملات، نئے منصوبوں کے اجراء، روپے کی قدر کا مطالعہ اور دوسرے معاملات کی جانچ پڑتال کا جائزہ لینا اور کسی اور معاملے کو بیرونی آڈیٹر ان یا بیرونی ادارے کے ساتھ اٹھانا شامل ہے۔
- (۱۲) متعلقہ سٹیمپوٹری ضروریات پر عملدرآمد کو یقینی بنانا۔
- (۱۳) ان قوانین پر عمل پیرا ہونے کا خیال رکھنا (بشمول کوڈ آف کارپوریٹ گورننس) اور بڑی خلاف ورزیوں کی نشاندہی کرنا۔
- (۱۴) آڈٹ کمیٹی کو با اعتماد رپورٹنگ، کسی بھی تشویش، حقیقی اور مالیاتی اور دوسرے معاملات میں ہونے والی غلطیوں اور ان کے حل اور اثرات کو ختم کرنے کی تجاویز کے لیے ملازمین اور انتظامیہ کے انتظامات کا جائزہ لینا۔
- (۱۵) بورڈ کو بیرونی آڈیٹر ان کے مقرر کرنے، ان کا ہٹانا، آڈٹ کی فیس، بیرونی آڈیٹر ان کی جانب سے مالی دستاویزات کے آڈٹ کے علاوہ کسی بھی اور جائز خدمات کو کمپنی کی فراہمی کی تجاویز دینا۔ بورڈ کو آڈٹ کمیٹی کی تجاویز کا بغور جائزہ لینا چاہیے اور خلاف ورزی کی صورت میں وجوہات کا اندراج کرنا۔

(۱۶) بورڈ کی جانب سے تفویض کردہ دوسرے معاملات پر توجہ دینا خاص طور پر انٹرل آڈیٹر کی طرف سے کی گئی رسک مینجمنٹ کے جواب میں آڈٹ کمیٹی کا غور و خوض کرنا۔

انسانی وسائل اور اجرتی کمیٹی:-

انسانی وسائل کا انتظام انتظامیہ کے لیے ایک بہت اہم حصہ ہے جس کا تعلق ادارے کے بہت قیمتی اثاثہ جات سے ہے جو کہ انسانی وسائل ہیں۔ کمپنی کی انسانی وسائل اور اجرتی کمیٹی تین ڈائریکٹران پر مشتمل ہے جو ایک ایگزیکٹو ڈائریکٹر اور ایک نان ایگزیکٹو ڈائریکٹر بحیثیت ممبران اور ایک خود مختار ڈائریکٹر بحیثیت کمیٹی چیئر مین پر مشتمل ہے۔ انسانی وسائل اور اجرتی کمیٹی میں درج ذیل تین ڈائریکٹران شامل ہیں:-

راشد منہاس (چیئر مین)

خواجہ امتیاز احمد (ممبر)

عائشہ احمد (ممبر)

کوڈ آف کارپوریٹ گورننس کے مطابق کمیٹی کی ذمہ داریوں میں شامل ہے:-

- (i) ڈائریکٹران (ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹران اور سینئر انتظامیہ کے ممبران) کی اجرت کو متعین کرنے کے لیے ضابطہ کار بنانے پر غور اور اس کی منظوری دینے کے لیے بورڈ کو سفارشات پیش کرنا۔ سینئر انتظامیہ کی تعریف بورڈ متعین کرے گا جن میں چیف ایگزیکٹو کے بعد کی انتظامیہ کی پہلی تہہ ہوتی ہے۔
- (ii) حسب ضابطہ، مکمل بورڈ اور اس کی کمیٹیوں کا بذات خود یا کسی خود مختار مشیر کے ذریعے ان کی کارکردگی کا جائزہ لینا اور اگر ایسا مشیر مقرر کیا گیا ہو تو اس کے متعلق ڈائریکٹر رپورٹ میں بتایا جائے اور رپورٹ میں اس کا نام، تعلیم اور اسے مقرر کرنے کی بڑی شرائط بھی ہوں۔
- (iii) بورڈ کو انسانی وسائل کے انتظام کی پالیسیوں کے بارے میں سفارشات پیش کرنا۔
- (iv) بورڈ کو چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کے انتخاب، جانچ اور معاوضہ (بشمول ریٹائرمنٹ بینیفٹ) کے بارے میں سفارشات پیش کرنا۔
- (v) ایسے تمام معاملات جن کا تعلق کلیدی عہدوں کی انتظامیہ سے ہو اور وہ چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو ڈائریکٹ جوابدہ ہوں کا جائزہ لینا اور منظوری دینا۔
- (vi) جہاں انسانی وسائل اور اجرتی مشیر مقرر کیے جائیں، ان کے بارے میں کمیٹی کو مکمل تفصیلات معلوم ہونی

چاہئیں اور اس بارے میں بھی بتائیں اگر کمپنی کے ساتھ ان کا کوئی اور تعلق ہے۔
سسٹینبلٹی (Sustainability) کمیٹی:

بورڈ آف ڈائریکٹرز کی ذمہ داری میں گورننس، سسٹینبلٹی (Sustainability) کو لاحق خطرات، کمپنی اور اس کے کاروبار کے متعلق مواقع کا جائزہ لینا، اور ان سب کا مالی اور کاروباری عمل پر ہونے والے اثرات کا جائزہ لینا اور ان سے نمٹنے کیلئے حکمت عملی تیار کرنا شامل ہے۔ بورڈ نے حال ہی میں سسٹینبلٹی (Sustainability) کمیٹی کی تشکیل کی ہے۔ سسٹینبلٹی (Sustainability) کمیٹی کے ممبران درج ذیل ہیں:

احمد علی ریاض (چیئر مین)

اعجاز احمد خواجہ (ممبر)

عائشہ احمد (ممبر)

مستقبل میں سسٹینبلٹی (Sustainability) کمیٹی کمپنی کی سسٹینبلٹی (Sustainability) کے متعلق خطرات اور مواقع کا جائزہ لے گی تاکہ ماحولیاتی، سماجی، گورننس اور معاشی توجہ کو کمپنی کے کاروباری عمل اور فیصلہ سازی میں شمولیت کو یقینی بنایا جاسکے۔ موجودہ وقت میں بورڈ آف ڈائریکٹران کمپنی کے کاروبار کے متعلق خطرات اور مواقع کا جائزہ لے رہا ہے۔

DIVERSITY, EQUITY & INCLUSION (DE&I)

انتظامیہ اس پر منہمک ہے کہ مختلف اقسام، منصفانہ اور شمولیت والی کام کرنے کی جگہ کو ترتیب دیا جائے جہاں پر ہر کوئی ملازم قابل قدر، باعزت اور با اختیار ہو۔ لائبر پک میں ہم مختلف پس منظر تجربوں اور مختلف نقطہ نظر کے لوگوں کو جدت اور غیر معمولی بہتری کیلئے گرمجوشی سے قبول کرتے ہیں۔ بورڈ نے (DE&I) پالیسی کو بنایا اور اپنایا ہے جس کو کمپنی کی ہر ایک سطح پر لاگو کیا جائے گا۔

صنعتی تنخواہ کا فرق:-

درمیانی فرق	اوسط فرق
درمیان (Median) کے لحاظ سے	اوسط (Mean) کے لحاظ سے
عورتوں کی تنخواہ مردوں کی	عورتوں کی تنخواہ مردوں کی
نسبت ۳۶.۳۶٪ فیصد زیادہ ہے۔	نسبت ۱۳۸.۴۱٪ فیصد زیادہ ہے۔

خطرات اور غیر یقینی صورتحال:-

کمپنی کی اپنے حصہ داران کی قدر میں اضافہ کی صلاحیت بنیادی طور پر اس جگہ کی معیشت کے میکرو اکنامک متغیرات اور کچھ اس کے کاروبار سے منسلک خطرات کی وجہ سے متاثر ہوتی ہے۔
موجودہ صورتحال میں کمپنی کو درج ذیل چیزوں میں خطرات کا سامنا ہے جو کہ کاروبار اور کمپنی کے منافع پر اثر انداز ہو سکتے ہیں۔

خام مال کی قیمتیں (کروش بون)
غیر ملکی کرنسی کے ساتھ تبادلے کی شرح
توانائی (بجلی اور گیس کا مہیا ہونا اور ان کی قیمتیں)

بہترین کوالٹی کی جیلاٹین کو تیار کرنے کیلئے بڑے مویشیوں کی ہڈیوں کی دستیابی اولین شرط ہے۔ کمپنی کا خام مال (جانوروں کی ہڈیاں) چین، جاپان اور دوسرے ہمسایہ ممالک کو پاکستان سے برآمد کیا جا رہا ہے۔ کمپنی کو اپنے ضرورت کے لیے جانوروں کی ہڈیاں ایکسپورٹ کی قیمت کے تناسب سے خریدنی پڑتی ہیں۔ روپے کی قدر میں کمی صورت حال کو مزید خراب کر سکتی ہے اور پیداواری لاگت بھی مزید بڑھ سکتی ہے۔

پاکستانی روپے کی قدر میں کمی کرنے سے قیمتوں میں اضافہ ہوتا ہے۔ روپے کی قدر میں کمی سے صنعتوں میں استعمال ہونے والی مصنوعات بشمول خام مال کی قیمتوں میں اضافہ ہو جائے گا اور اس کی وجہ سے پیداواری صلاحیت میں کمی ہو سکتی ہے۔

ملک میں توانائی کا بحران ابھی ختم نہیں ہوا ہے۔ پاکستان اس وقت توانائی کے کثیر جہتی بحران کا شکار ہے۔ پیداواری طبقہ مہنگی گیس، ایندھن اور بجلی کا استعمال کر رہا ہے۔ حکومت صنعتی ضروریات کو پورا کرنے کے لیے (LNG) درآمد کر رہی ہے۔ گیس کی موجودہ قیمتوں میں اضافہ صنعتوں بشمول جیلاٹین بنانے والوں کی پیداواری لاگت میں

اضافہ کرے گا جس سے کمپنی کا منافع متاثر ہو سکتا ہے۔

ماحول پر اثر:-

ہمارے کاروبار میں ماحول کو محفوظ بنانے کی ذمہ داری کا پورا احساس ہے۔ ہم ماحول پر اپنے ہونے والے اثرات کو کم سے کم کرنے پر کام کرتے ہیں۔ انتظامیہ اپنے ملازمین اور دیگر لوگوں، جہاں پر کاروباری عمل کرتے ہیں، کی صحت، حفاظت اور ماحول کے اعلیٰ معیار کو قائم کرنے پر پوری طرح قائم ہے تاکہ ان کی فلاح و بہبود کو یقینی بنایا جاسکے۔ ہم نے اپنے کاروبار میں اس معیار کو قائم رکھنے کے لیے FSSC اور HACCP سرٹیفیکیٹ حاصل کر رکھے ہیں۔ فیکٹری میں جیلاٹین سختی سے بین الاقوامی معیار کے مطابق تیار کی جاتی ہے اور اب تک ماحول پر اس کے منفی اثرات مرتب نہیں ہوئے۔

مستقبل کے امکانات:-

پاکستان میں ۲۵-۲۰۲۲ میں معاشی بڑھوتری کا پس منظر محتاط امید سے وابستہ ہے جو مختلف عوامل سے منسلک ہے جس میں غیر مستحکم سیاست، اصلاحات، افراط زر کو ٹھیک کرنا ہے۔ اس سال امید ہے کہ ٹیکس کی شرح میں جی۔ ڈی۔ پی کے مطابق بڑھانے سے مالیاتی خسارہ میں بہتری ہوگی اور جس سے معاشی استحکام کا حصول متوقع ہے۔ بین الاقوامی مالیاتی اداروں مثلاً آئی۔ ایم۔ ایف کی مدد سے غیر ملکی رقوم میں اضافہ ہو سکتا ہے جس سے پاکستانی روپے کی ڈالر اور دوسری بڑی کرنسی کی شرح تبادلہ میں استحکام آ سکتا ہے۔ مجموعی طور پر افراط زر، غیر مستحکم سیاست اور توانائی کی قیمت کی وجہ سے دباؤ برقرار رہ سکتا ہے جس کی ترقی متاثر ہو سکتی ہے۔

بین الاقوامی معیشت میں سست روی کی وجہ سے کمپنی ہذا کی برآمدات میں کمی واقع ہوئی ہے۔ یہ بعد از کووڈ پس منظر میں خریداروں کی طرف سے انوینٹری کی سطح میں تبدیلی کی وجہ سے ہوا ہے۔ ہم پر امید ہیں کہ آنے والے مالی سال کی دوسری سہ ماہی میں ایکسپورٹ بہتر ہو جائے گی۔

ڈائریکٹران کا ٹریننگ پروگرام:

کمپنی نے ڈائریکٹران کی ٹریننگ کو ایک جاری رہنے والے عمل کے طور پر اپنا رکھا ہے۔ ایسا کرنے سے اس بات کی یقین دہانی ہوتی ہے کہ لیڈرشپ بہترین عوامل اور موثر گورننس کی معلومات رکھتی ہے۔ انتظامیہ ڈائریکٹران کی ٹریننگ کے عمل میں کسی قسم کی تاخیر کو پورا کرنے کے لیے پوری طرح پُر عزم ہے۔ ہمارے سات میں سے تین ڈائریکٹران کوڈ آف کارپوریٹ گورننس کے تحت ٹریننگ سے مستثنیٰ ہیں۔ ایک ڈائریکٹر نے اپنا ٹریننگ پروگرام (DTP) مکمل کر لیا ہے۔ باقی ماندہ تین ڈائریکٹران میں شامل (i) راشد منہاس جو کہ ایک انڈیپنڈنٹ ڈائریکٹر ہے وہ ایک الیکٹرک انجینئر ہے اور انہوں نے ایک تسلیم شدہ یونیورسٹی سے ایم۔ بی۔ اے بھی کیا ہوا ہے۔ وہ اپنے ساتھ وسیع کاروباری تجربہ رکھتے ہیں۔ تاہم جنوری ۲۰۲۵ء میں آنے والے الیکشن کے فوری بعد وہ ڈائریکٹر ٹریننگ پروگرام مکمل کر لیں گے۔ (ii) سید رضوان حیدر جو کہ ایک انڈیپنڈنٹ ڈائریکٹر ہیں انسٹیٹیوٹ آف چارٹرز اکاؤنٹنٹس آف پاکستان (ICAP) کے فیلو ممبر ہیں اور وہ (ICAP) کی CPD سرگرمیوں میں حصہ لیتے رہے ہیں۔ تاہم جنوری ۲۰۲۵ء میں آنے والے الیکشن کے فوری بعد وہ ڈائریکٹر ٹریننگ پروگرام مکمل کر لیں گے (iii) عائشہ احمد ایک

ایگزیکٹو ڈائریکٹر ہیں وہ ایک بزنس فیملی کی رکن ہونے کی وجہ سے کاروباری قوانین کا پورا ادراک رکھتی ہیں اور وہ اپنے ساتھ بین الاقوامی تجربہ رکھتی ہیں۔ تاہم جنوری ۲۰۲۵ء میں آنے والے الیکشن کے فوری بعد وہ ڈائریکٹر ٹریننگ پروگرام مکمل کر لیں گی۔

کمپنی کے حصص میں خرید و فروخت:

امسال ایک ڈائریکٹر کے حصص کی تعداد میں درج ذیل تبدیلی دیکھی گئی ہے:-

حصص کی خرید

۵۴۰۰۰

خواجہ امتیاز احمد

دوسرے ڈائریکٹر ان، ایگزیکٹوز، ان کی بیویوں اور نابالغ بچوں کے حصص میں ماسوائے اوپر والے معاملے

کے کوئی خرید و فروخت نہیں ہے

آڈیٹرز:

موجودہ آڈیٹرز، ایم۔ الماس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور نے ۳۰ جون ۲۰۲۴ء کو ختم ہونے والے سال سے متعلق اپنا کام مکمل کر لیا ہے اور ۴۱ ویں سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ ریٹائر ہونے والے آڈیٹرز، ایم۔ الماس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس دوبارہ منتخب ہونے کے اہل ہیں۔

لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز ۲۰۱۹ء کی رو سے آڈٹ کمیٹی نے ایم۔ الماس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کا جائزہ لیتے ہوئے ان کی سال ۲۵-۲۰۲۴ء کیلئے سٹیچوٹری آڈیٹرز کی حیثیت سے تقرری اور معاوضہ کی سفارشات پیش کی ہیں۔

حصہ داران کی تفصیل:

حصہ داران کی تفصیل صفحہ نمبر ۱۷ پر موجود ہے۔

اعتراف:

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کی کاوشوں اور لگن کی تعریف کرتا ہے جس نے کمپنی کی انتظامیہ کو

کاروباری معاملات احسن طریقے سے چلانے میں مدد کی۔

ابراہیم احمد خواجہ
ڈائریکٹر

خواجہ امتیاز احمد
چیف ایگزیکٹو آفیسر اینڈ
مینجنگ ڈائریکٹر

لاہور

۱۷ اکتوبر ۲۰۲۴ء

**STATEMENT OF VALUE ADDITION & WEALTH DISTRIBUTION
FOR THE YEAR ENDED JUNE 30, 2024**

	2024	%age	2023	%age
	(Rs. '000')		(Rs. '000')	
Value addition				
Total revenue	3,493,394		2,483,552	
Bought in materials & services	(2,931,783)		(2,023,654)	
	561,611	100%	459,898	100%
Value distribution				
To employees				
Salaries, wages and benefits	194,373	34.61%	147,377	32.05%
To Government				
Income taxes and Sales Tax	184,283	32.81%	176,013	38.27%
To providers of capital/funds				
Interest/Mark up on borrowed funds	79,228	14.11%	47,607	10.35%
Retained for reinvestment and growth				
Depreciation & retained profits	103,727	18.47%	88,901	19.33%
	561,611	100%	459,898	100%

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of the Company: Leiner Pak Gelatine Limited

Year ended: June 30, 2024

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are **7** as per the following:

a	Male director	6
b	Female director	1

2. The composition of the Board is as follows:

Categories	Name of Directors
Independent Directors*	Rashid Minhas Syed Rizwan Haider
Non-Executive Directors	Ahmed Ali Riaz Ijaz Ahmed Khwaja Ayesha Ahmed
Executive Directors	Khwaja Imtiaz Ahmed Ibrar Ahmed Khwaja
Female Director	Ayesha Ahmed

* In order to comply with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, two independent directors were elected on the Board of Directors upon maturity of existing term, whereas the code requires to appoint at least two or one-third of the Board members (whichever is higher). The fraction of 0.33 was not rounded up as the Board feels that two appointed independent directors are sufficient to maintain independence at the present Board level and the requisite skill is diverse enough to provide the necessary strategic direction to the Company to accomplish its determined goals.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies alongwith their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:

Sr.	Name of Directors	Remarks
1	Khwaja Imtiaz Ahmed	Exempt under CCG.
2	Ijaz Ahmed Khwaja	Exempt under CCG.
3	Ibrar Ahmed Khwaja	Exempt under CCG.
4	Ahmed Ali Riaz	Completed Directors' Training Program.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

1. Rashid Minhas (Chairman)
2. Ijaz Ahmed Khwaja (Member)
3. Ahmed Ali Riaz (Member)

b) HR and Remuneration Committee

1. Rashid Minhas (Chairman)
2. Khwaja Imtiaz Ahmed (Member)
3. Ayesha Ahmed (Member)

c) Sustainability Committee

1. Ahmed Ali Riaz (Chairman)
2. Ijaz Ahmed Khwaja (Member)
3. Ayesha Ahmed (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following:
 - a) Audit Committee; _____(quarterly)
 - b) HR and Remuneration Committee _____(yearly)
15. The Board has set up an effective internal audit function which comprises of professionals who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Directors' Training Program (DTP) It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria	Four directors of the Company have either acquired Directors' Training Program certification or are exempted under CCG. The remaining three directors include (i) Rashid Minhas being an independent	19(1)

	specified by the Commission and approved by it.	director is an electrical engineer and MBA from a recognized university. He has brought vast experience of entrepreneurship with him. However, immediately after the forthcoming election in January 2025, he will complete the Directors' Training Program. (ii) Syed Rizwan Haider, being an independent director is a Fellow of the Institute of Chartered Accountants of Pakistan (ICAP) and has been attending CPD activities of ICAP. However, immediately after the forthcoming election in January 2025, he will complete the Directors' Training Program. (iii) Ayesha Ahmed, a non-executive director is abreast with major business laws being part of a business family and carries international experience with her. However, immediately after the forthcoming election in January 2025, she will also complete the Directors' Training Program.	
2	Directors' Training Program (DTP) Companies are encouraged to arrange training every year under the Directors' Training Program for: -at least one female executive; and -at least one head of department.	The Company has planned to arrange Directors' Training Program certification for female executives and departmental heads over the next few years.	19(3)
3	Nomination Committee The Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the Nomination Committee are being addressed at Board level, with the help of Human Resource and Remuneration Committee, as and when needed so a separate committee is not considered to be necessary.	29
4	Risk Management Committee The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a Risk Management Committee and senior officers of the Company along with the Audit Committee perform the requisite functions and apprise the Board accordingly.	30

5	<p>Role of the Board and its members to address sustainability risk and opportunities:</p> <p>The board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director.</p>	<p>The board established a dedicated sustainability committee having one female director. The committee is responsible for embedding sustainability principles into the organization's strategies, priorities, targets and oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures to create long term corporate value and apprise Board accordingly. Nevertheless, other requirements introduced recently by SECP through notification dated June 12, 2024 will be complied with in due course</p>	10A
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Khwaja Imtiaz Ahmed
Chief Executive Office

Ahmed Ali Riaz
Chairman

LAHORE
Dated: October 07, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Leiner Pak Gelatine Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Leiner Pak Gelatine Limited** for the year ended **June 30, 2024** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Lahore

Dated: October 07, 2024

UDIN: CR20241078520FABCZzM

M. Almas & Co.

Chartered Accountants

Audit Engagement Partner

Mohammad Almas

INDEPENDENT AUDITOR'S REPORT

To the members of Leiner Pak Gelatine Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Leiner Pak Gelatine Limited** (the Company), which comprise the statement of financial position as at **June 30, 2024**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024, and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
<p>1. Valuation of stock in trade</p> <p>(Refer notes 4.4, 19 and 27 of the financial statements.)</p> <p>Stock in trade as at year ended June 30, 2024 having carrying value of Rs. 993.277 million constitutes 53.06% of total assets.</p> <p>We identified the valuation of stock in trade as key audit matter as it directly affects the profitability of the Company.</p>	<p>Our audit procedures to assess the valuation of stock in trade, amongst others, included the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation, and operating effectiveness; - Comparing on as sample basis specific purchases with underlying supporting documents / agreements, if any; - Comparing calculations of the allocation of directly attributable costs and allocation of factory overhead costs with the underlying supporting documents;

	<ul style="list-style-type: none"> - Physical observation of stock in trade inventory count at the year end; - Test of valuation methods and their appropriateness in accordance with applicable accounting standards; - Obtaining an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work in process and costs necessary to make the sales and their basis; and - Comparing the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stock in trade in accordance with applicable accounting and reporting standards.
<p>2. Revenue recognition</p> <p>(Refer note 4.10 and 26 in the financial statements)</p> <p>The Company generates revenue from sale of goods to domestic as well as export customers. During the year, the revenue of the Company has increased (43.23%) as compared to the last year. Since revenue represents one of the key performance indicators and due to increase in revenue in the current year, we identified recognition of revenue (against the sale of goods) as a key audit matter. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures to assess the recognition of revenue recognized from the sale of products included but were not limited to the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; - Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; - Comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challan and other relevant underlying documents to assess whether the related revenue was recognized in accordance with the Company's revenue recognition accounting policies; - Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and - Assessed the adequacy of disclosures made in the financial statements related to revenue.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Lahore
Date: October 07, 2024

M. Almas & Co.
Chartered Accountants

UDIN: AR202410785QeOzIrgmy

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	30 June 2024	30 June 2023
		-----Rupees In thousand-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	75,000	75,000
Revenue Reserve:			
Unappropriated profit		158,200	76,681
Capital Reserve:			
Surplus on revaluation of property, plant and equipment	7	565,654	565,654
Sponsor's Loan – Related Party	8	82,500	82,500
		<u>881,354</u>	<u>799,835</u>
Non-current liabilities			
Deferred taxation	10	15,738	8,472
Lease liabilities	9	6,955	13,615
		<u>22,693</u>	<u>22,087</u>
Current liabilities			
Trade and other payables	11	566,410	649,075
Unclaimed dividend		771	771
Mark-up accrued	12	14,676	10,966
Short term borrowings	13	379,592	351,606
Current portion of lease liabilities	9	6,647	5,010
		<u>968,096</u>	<u>1,017,428</u>
Contingencies and commitments	14	-	-
		<u>1,872,143</u>	<u>1,839,350</u>
ASSETS			
Non-current assets			
Property, plant and equipment	15	755,411	761,161
Intangible assets	16	-	-
Long term deposits	17	3,105	3,105
		<u>758,516</u>	<u>764,266</u>
Current assets			
Stores, spare parts and loose tools	18	14,856	28,759
Stock-in-trade	19	993,277	815,020
Trade debts	20	26,824	26,601
Advances	21	5,744	149,576
Trade deposits and short term prepayments	22	1,617	1,348
Other receivables	23	19,511	8,061
Advance tax-net	24	41,968	43,896
Cash and bank balances	25	9,830	1,823
		<u>1,113,627</u>	<u>1,075,084</u>
		<u>1,872,143</u>	<u>1,839,350</u>

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2024

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	30 June 2024	(Restated) 30 June 2023
		-----Rupees In thousand-----	
Sales - net	26	3,344,534	2,335,021
Cost of sales	27	2,926,641	1,965,458
Gross profit		417,893	369,563
Other income	28	515	487
		418,408	370,050
Distribution cost	29	64,178	65,503
Administrative expenses	30	116,186	88,971
Other operating expenses	31	22,525	56,095
Finance cost	32	90,796	57,038
Profit before final tax, minimum tax and income tax		124,723	102,443
Final taxes	33	21,173	16,389
Minimum taxes	33	1,531	-
Profit before income tax		102,019	86,054
Income tax	33		
Current - For the year		11,589	10,874
For prior year		1,645	706
Deferred		7,266	7,801
		20,500	19,381
Profit after taxation		81,519	66,673
Earnings per share - basic and diluted (Rupees)	34	10.87	8.89

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2024

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	30 June 2024	30 June 2023
	-----Rupees In thousand-----	
Profit after taxation	81,519	66,673
Other comprehensive income	-	-
Total comprehensive income for the year	<u>81,519</u>	<u>66,673</u>

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2024

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Share Capital	Reserves		Sponsor's Loan	Total
		Revenue Reserve	Capital Reserve		
	Issued, subscribed and paid-up share capital	Unappropriated profit	Surplus on revaluation of property, plant and equipment		
----- Rupees in thousand -----					
Balance as at June 30, 2022	75,000	10,008	565,654	82,500	733,162
Profit for the year	-	66,673	-	-	66,673
Other comprehensive income	-	-	-	-	-
	-	66,673	-	-	66,673
Balance as at June 30, 2023	75,000	76,681	565,654	82,500	799,835
Profit for the year	-	81,519	-	-	81,519
Other comprehensive income	-	-	-	-	-
	-	81,519	-	-	81,519
Balance as at June 30, 2024	75,000	158,200	565,654	82,500	881,354

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2024

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	30 June 2024 -----Rupees In thousand-----	30 June 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	35	123,849	38,951
Finance cost paid		(84,209)	(50,384)
Payments to provident fund		(3,639)	(3,368)
Levies and taxes paid		(34,010)	(27,650)
Workers' Profit Participation Fund paid	11.3	(1,006)	(1,167)
Net cash generated from/ (used in) operating activities		985	(43,618)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(16,633)	(24,751)
Proceeds from disposal of property, plant and equipment	15.7	692	500
Decrease in long term deposits		-	254
Net cash (used in) investing activities		(15,941)	(23,997)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(5,023)	(4,755)
Long-term finance from banking companies – repaid - net		-	(15,611)
Short-term borrowings – received - net	35.1	27,986	87,533
Net cash generated from financing activities		22,963	67,167
Net increase/ (decrease) in cash and cash equivalents		8,007	(448)
Cash and cash equivalents at the beginning of the year		1,823	2,271
Cash and cash equivalents at the end of the year	36	9,830	1,823

The annexed notes 1 to 47 form an integral part of these financial statements.

LAHORE
Dated: October 07, 2024

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAID
Chief Financial Officer

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 THE COMPANY AND ITS OPERATIONS

Leiner Pak Gelatine Limited ("the Company") was incorporated in Pakistan as a public limited Company on 14 February 1983 under the Companies Ordinance, 1984 (Now the Companies Act, 2017) and is listed on the Pakistan Stock Exchange (PSX). 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 Sheikhupura. 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 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

- 2.1** There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 4.21 and 5 to these financial statements.
- 2.2** Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 01, 2024
IFRS 16	Leases (Amendments)	January 01, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 01, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 01, 2026
IFRS 17	Insurance Contracts	January 01, 2026
IFRS 9	Financial Instruments - Classification and Measurement of Financial Instruments (Amendments)	January 01, 2026

- 2.3** The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.
- 2.4** Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2024;

IFRS 1 First-time Adoption of International Financial Reporting Standards
 IFRIC 12 Service Concession Arrangements
 IFRS 18 Presentation and Disclosures in Financial Statements
 IFRS 19 Subsidiaries without Public Accountability: Disclosures

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan 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 Basis of measurement

These 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.

3.3 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 made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the subsequent years are discussed in the note - 37.

3.4 Functional and presentation currency

Items included in financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are tangible items that are held for use in production or supply of goods or services, for rentals to others or for administrative purposes and are expected to be used during more than one year. An item of property, plant and equipment is recognized when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. On initial recognition, items of property, plant and equipment are measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the item.

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses with the exception of freehold land which is measured at revalued amount.

Parts of an item of property, plant and equipment having different useful lives are recognized as separate items.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit or loss, as incurred.

Increase in the carrying amounts arising on revaluation of land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decrease that reverses previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. The revaluation surplus is not available for distribution to the Company's shareholders.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any.

Depreciation

Depreciation is recognized in profit or loss by applying reducing balance method over the useful life of each item of property, plant and equipment using the rates specified in note 15.1 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the date on which the item becomes available for use. Depreciation is discontinued from the date on which the item is disposed or classified as held for disposal.

The depreciation method, useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date.

De-recognition

An item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss on disposal of property, plant and equipment is recognized in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

4.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Cost associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset as specified in note 16 on a systematic basis applying the straight line method.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

4.3 Stores, spare parts and loose tools

These are generally held for internal use and, except for items in transit which are valued at invoice price plus related expenses incurred up to the reporting date, are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average. Provision for obsolete and slow moving items is made based on management's best estimate regarding their future usability.

4.4 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined using the following basis:

Raw material	Weighted average cost
Work-in-process	Average manufacturing cost
Finished goods	Average manufacturing cost
Raw material in transit	Invoice price plus related expenses incurred up to the reporting date.

Average manufacturing cost in relation to work-in-process and finished goods consists of direct material, labor and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

For items which are slow moving, a provision is made for excess of carrying amount over estimated net realizable value.

4.5 Financial instruments

4.5.1 Financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a) Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

4.5.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

4.5.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.6 Right-of-use assets and lease liabilities

4.6.1 Right-of-use assets

Right-of-use-assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset. Depreciation is charged to profit or loss account at rates given in note 15.1.

4.6.2 Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently, these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

Liabilities in respect of short term and low value leases are not recognized and payments against such leases are recognized as expense in profit or loss. At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration and uses hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

4.7 Employee benefits

A defined contribution plan is a post-employment benefit under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to a defined contribution plan is recognized as an employee service benefit expense in the statement of profit or loss when it is due.

The Company operates a recognized provident fund for all its regular employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 8.5% of the basic salary. The fund is administrated by the Trustees.

4.8 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost.

4.9 Trade debts and other receivables

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest method. Impairment of trade debts and other receivables is described in note 4.16.

4.10 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognized on following basis:

Revenue from sale of goods is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and the control transfers at a point in time, i.e. at the time the goods are dispatched / shipped to customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, returns rebates and government levies.

4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale or added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the profit or loss, as incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

4.12 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation, after taking into account tax credits, rebates and exemptions available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalized during the year. The amount of unpaid income tax in respect of current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or the prior periods is recognized as an asset.

Deferred

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for tax purposes.

Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.13 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.14 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise cash and bank balances. Cash and cash equivalents are carried at cost.

4.15 Foreign currency transactions

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated to the functional currency at exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate at the date that fair value was determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to the functional currency at exchange rate at the date of transaction. Any gain or loss arising on transaction is recognized in profit or loss.

4.16 Impairment

Financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Non-financial assets

The carrying amounts of the non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss. An impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.17 Provisions

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the correct best estimate.

4.18 Dividend to shareholders

Dividend paid to shareholders is recognized in the year in which it is declared.

4.19 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment, however, certain information, as required by the approved accounting standards, is presented in note 40 to these financial statements.

4.20 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.21 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37

5 RESTATEMENT

During the year, the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

2024			2023		
Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy

Effect on statement of profit or loss

.....Rupees in thousand.....

Profit before income tax	124,723	22,704	102,019	102,443	16,389	86,054
Levies-final tax	-	21,173	21,173	-	16,389	16,389
Levies-minimum tax	-	1,531	1,531	-	-	-
Income tax expense	43,204	22,704	20,500	35,770	16,389	19,381

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

6	SHARE CAPITAL		30 June 2024	30 June 2023
			-----Rupees in thousand-----	
	Authorised share capital			
	10,000,000 (June 30, 2023: 10,000,000) ordinary shares of Rupees 10 each		100,000	100,000
	Issued, subscribed and paid-up share capital			
	7,500,000 (June 30, 2023: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash		75,000	75,000
			75,000	75,000
6.1	Ordinary shares of the Company held by associated undertaking as at year end are as follows:			
			30 June 2024	30 June 2023
			----- (Number of shares) -----	
	INA Securities (Private) Limited		417,141	405,700
			417,141	405,700
7	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		30 June 2024	30 June 2023
			-----Rupees in thousand-----	
	Revaluation surplus	-note- 7.1	565,654	565,654
7.1	Revaluation surplus			
	Revaluation surplus relating to revaluation carried out at June 30, 1990		8,873	8,873
	Revaluation surplus relating to revaluation carried out at June 09, 2008		69,325	69,325
	Revaluation surplus relating to revaluation carried out at April 05, 2012		85,936	85,936
	Revaluation surplus relating to revaluation carried out at April 26, 2016		114,780	114,780
	Revaluation surplus relating to revaluation carried out at May 15, 2019		57,348	57,348
	Revaluation surplus relating to revaluation carried out at May 12, 2022		229,392	229,392
			565,654	565,654
7.2	The Company had revalued its freehold land on June 30, 1990, June 09, 2008, April 05, 2012, April 26, 2016, May 15, 2019 and May 12, 2022. The revaluation was carried out by independent valuers Mr. Anwar ul Haq in 1990 and M/S Hamid Mukhtar & Co. in 2008, 2012, 2016, 2019 and 2022 respectively to replace the carrying amount of land with local market values. The following aggregated net appraisal surplus arisen on the revaluation on June 30, 1990, June 09, 2008, April 05, 2012, April 26, 2016, May 15, 2019 and May 12, 2022 was credited to surplus on revaluation of property, plant and equipment.			
			Book value	Re-valued amount
			Surplus on revaluation	
			-----Rupees in thousand-----	
	Free hold land		7,826	573,480
			7,826	573,480
7.3	Since the revaluation relate to freehold land which is a non-depreciable asset, no deferred tax liability arises on revaluation. In the absence of depreciable amount, no incremental depreciation net off deferred tax transferred to unappropriated profit nor any disclosure regarding these have been made in the above note.			
			30 June 2024	30 June 2023
			-----Rupees in thousand-----	
8	SPONSOR'S LOAN – RELATED PARTY		82,500	82,500
	This represents a loan received from the Chief Executive of the Company to meet the working capital requirements. This loan is unsecured, interest free and repayable at the discretion of the Company. In the light of guidance provided in the Technical Release – 32 (Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan, this loan has been classified as part of equity.			
9	LEASE LIABILITIES		30 June 2024	30 June 2023
			-----Rupees in thousand-----	
	Present value of minimum lease payments		13,602	18,625
	Less: current portion presented under current liabilities	-note- 9.3	6,647	5,010
			6,955	13,615
9.1	Reconciliation of lease liabilities			
	Opening Balance		18,625	14,427
	Add:			
	Addition during the year		-	8,953
	Interest on lease liabilities for the year	-note- 32	2,940	3,233
			2,940	12,186
	Less:			
	payments / adjustments during the year		7,963	7,988
			7,963	7,988
	Closing balance		13,602	18,625

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

9.2 Where the implicit rate is available in the lease contract, that has been used which is 3 months KIBOR plus 1.75 % per annum in case of vehicle leased from Bank Al-Habib Limited. In case of Right-of-use-asset for the office building, the Company's incremental borrowing rate i.e. 18.07% is used.

9.3 Future minimum payments and their present values are regrouped as under:

	2024		2023	
	Over one year	More than one year but less than five years	Over one year	More than one year but less than five years
	-----Rupees in thousand-----			
Total minimum lease payments	8,348	7,550	7,987	15,971
Less : Finance charges	(1,701)	(595)	(2,977)	(2,356)
Present value of minimum lease payments	6,647	6,955	5,010	13,615

	30 June 2024	30 June 2023
	-----Rupees in thousand-----	
10 DEFERRED TAXATION		
Deferred tax on temporary differences comprises of :		
Taxable temporary differences		
Accelerated tax depreciation	19,935	8,793
Right-of-use assets	3,246	2,172
	23,181	10,965
Deductible temporary differences		
Minimum tax credits	1,531	-
Lease liabilities	3,945	2,493
Provision for impairment of trade debts	1,967	-
	15,738	8,472
Opening Balnce as at July 1	8,472	671
Add: Charged to profit or loss	7,266	7,801
Closing Balnce as at June 30	15,738	8,472

10.1 Deferred tax asset / (liability) is recorded at 100% (2023: 46.14%) of the total deferred tax liability based on the changes in Finance Act 2024, according to which export sales will not be treated under Final Tax Regime, instead the export sales will now fall under Minimum Tax Regime.

	30 June 2024	30 June 2023
	-----Rupees in thousand-----	
11 TRADE AND OTHER PAYABLES		
Creditors	365,818	205,569
Accrued liabilities	106,323	95,918
Contract liabilities	65,851	333,588
Payable to provident fund	900	687
Other payables	317	150
Income tax withheld payable	1,820	26
Workers' Profit Participation Fund	17,516	8,747
Workers' Welfare Fund	7,865	4,390
	566,410	649,075

11.1 This includes salaries payable to Kh. Imtiaz Ahmed- chief Executive and Ibrar Ahmed Kh. executive director as at June 30, 2024 of Rs. 4.1 million (June 30, 2023: Rs. 9 million) and Rs.8.81 million (June 30, 2023: Rs. 8.1 million) respectively.

11.2 Contract liabilities represent unsecured advances from customers for the supply of goods by the Company during the period of one year from the reporting date. Such advances as at June 30, 2023 amounting to Rs. 333.588 million have been recognized as revenue for the year ended June 30, 2024.

	30 June 2024	30 June 2023
	-----Rupees in thousand-----	
11.3 Workers' Profit Participation Fund (WPPF)		
Balance at beginning of the year	8,747	3,853
Interest on funds utilized in Company's business	2,876	497
Allocation/ expense for the year	6,899	5,564
	18,522	9,914
Less: paid to the fund during the year	1,006	1,167
Balance at beginning of the year	17,516	8,747

Interest is paid at prescribed rate under the Companies Profits (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	30 June 2024	30 June 2023
	-----Rupees in thousand-----	
12 MARK-UP ACCRUED		
<i>On borrowings from banking companies - secured</i>		
Lease liabilities	-	237
Short term borrowings	14,676	10,729
	14,676	10,966

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

13 SHORT TERM BORROWINGS

From banking companies - secured

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
Export Refinance			
Bank Al-Habib Limited	-note- 13.1, 13.4	314,990	249,990
Short Term Finance against IBP receivables			
Bank Al-Habib Limited	-note- 13.2, 13.4	-	25,000
Running finance			
Bank Al-Habib Limited	-note- 13.3, 13.4	16,663	34,977
		331,653	309,967

From related parties - unsecured

Loans from director and close relative thereof	-note- 13.7	47,939	41,639
		379,592	351,606

- 13.1** The finance against packing credit (FAPC) facility having sanctioned limit of Rupees 325 million (June 30, 2023: Rupees 250 million) including one-off FAPC facility of Rupees 100 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 and 180 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.
- 13.2** 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 or on demand but not later than 90 days from draw down date while mark-up is payable along with principal on maturity 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.
- 13.3** 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.
- 13.4** The facilities mentioned in 13.1, 13.2 and 13.3 are commonly secured against first charge of Rupees 365 million (June 2023: Rupees 350 million) over current assets of the Company registered with SECP (charge upto Rs. 180 million to 365 million upgraded to first Pari Passu charge). Equitable mortgage supported by first charge on fixed assets of Rupees 450 million (June 30, 2023: Rupees 400 million) (Charge upto Rs. 250 million to 450 million upgraded to first Pari Passu charge) 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 Directors / Shareholders amounting to Rupees 300 million each (June 30, 2023: Rupees 300 million). The running finance facility at note 13.3 in addition to securities aforesaid is also secured against pro note amounting to Rs. 71.750 million (June 2023 : Rupees 59.5 million).
- 13.5** As at June 30, 2024, 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 has also obtained letter of credit facility (one off) amounting to Rupees 19.417 million (June 30, 2023: 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.
- 13.6** The net aggregate short term borrowing facilities unavailed at end of June 30, 2024 amount to Rupees 53.35 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).
- 13.7** The loans from chief executive / director (Khawaja Imtiaz Ahmed) and his close relative (Khawaja Ahmed Hassan) amounting to Rs. 23.117 million (June 30, 2023: 13.162 million) and Rs. 24.822 million (June 30, 2023: 28.477 million) respectively, are for working capital requirements. These loans are re-payable on demand and non-interest bearing.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1** The Pakistan Environmental Protection Agency has filed a complaint against the Company before the Environmental Protection Tribunal on March 25, 2005 on account of Company's failure to properly dispose effluent water discharge during the production. The agency regards this to be a criminal offence. The Company has filed a writ petition against the Agency's claim before the Honourable Lahore High Court ("LHC") on April 8, 2005. The Company has not recognized any liability in this regard since it awaits the decision of LHC which is pending. As per Legal Counsel of the Company, it is anticipated that the Company has a fair chance of success. In this context, therefore, no adverse results can be contemplated.

- 14.1.2** Guarantees issued by bank on behalf of Company as at June 30, 2024 amounting to Rupees 11.256 million (June 30, 2023: Rupees 11.256 million).

14.2 Commitments

Letters of credit outstanding for other than capital expenditure from Bank-Al-Habib Limited as at June 30, 2024 of Rupees nil (June 30, 2023: Rupees 20.945 million)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

- note - 15.1
- note - 15.8

30 June 2024	30 June 2023
Rupees in thousand-----	
741,557	755,877
13,854	5,284
755,411	761,161

15.1 Operating fixed assets - for the year ended June 30, 2024

PARTICULARS	COST/REVALUED AMOUNT					DEPRECIATION					Net book value as at 30 June 2024	
	As at 30 June 2023	Additions / Revaluation	Disposals	Transfers	As at 30 June 2024	Annual rates	As at 30 June 2023	Disposals	Transfers	For the year		As at 30 June 2024
-----Rupees in thousand-----												
Assets owned by the												
Company												
Tangible Assets												
Free hold land	573,480	-	-	-	573,480	-	-	-	-	-	573,480	
Factory building- on free hold land	130,630	-	-	-	130,630	10%	80,665	-	-	4,997	44,968	
Office building- on free hold land	817	-	-	-	817	5%	739	-	-	4	74	
Plant and machinery	320,042	-	-	-	320,042	10%	220,173	-	-	9,987	89,882	
Electric installation and equipment	31,484	2,800	-	-	34,284	10%	22,174	-	-	946	11,164	
Fire fighting equipment	78	-	-	-	78	10%	61	-	-	2	15	
Service and other equipment	580	-	-	-	580	10%	557	-	-	2	21	
Office equipment	8,508	2,064	-	-	10,572	10%	5,364	-	-	401	4,807	
Laboratory equipment	3,958	-	-	-	3,958	10%	3,592	-	-	37	330	
Permanent and special equipment	261	-	-	-	261	10%	252	-	-	1	8	
Furniture, fixtures and fittings	1,529	-	-	-	1,529	10%	1,254	-	-	27	248	
Vehicles	12,159	3,200	2,422	-	12,937	20%	9,127	2,245	-	759	5,296	
Railway siding	417	-	-	-	417	10%	414	-	-	0	3	
Cycles and scooters	77	-	-	-	77	20%	72	-	-	1	4	
Arms and ammunition	141	-	-	-	141	10%	91	-	-	5	45	
Furniture	197	-	-	-	197	10%	178	-	-	2	17	
30 June 2024	1,084,358	8,064	2,422	-	1,090,000		344,713	2,245	-	17,171	359,638	
Right-of use assets											730,382	
Vehicles	15,646	-	-	-	15,646	20%	5,383	-	-	2,053	8,210	
Office building	8,953	-	-	-	8,953	33 1/3 %*	2,984	-	-	2,984	5,968	
As at 30-06-2024	1,108,957	8,064	2,422	-	1,114,999		353,080	2,245	-	22,208	373,042	
											741,557	

* lease term is 3 years and Right-of use asset is depreciated on straight-line method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15.2 Operating fixed assets - for the year ended June 30, 2023

PARTICULARS	COST/REVALUED AMOUNT				DEPRECIATION				Net book value as at 30 June 2023			
	As at 30 June 2022	Additions / Revaluation	Disposals	Transfers	As at 30 June 2023	Annual rates	As at 30 June 2022	Disposals		Transfers	For the year	As at 30 June 2023
	-----Rupees in thousands-----											
Assets owned by the Company												
Tangible Assets												
Free hold land	573,480	-	-	-	-	-	-	-	-	-	-	573,480
Factory building- on free hold land	130,630	-	-	-	130,630	10%	75,113	-	-	5,552	80,665	48,965
Office building- on free hold land	817	-	-	-	817	5%	735	-	-	4	739	78
Plant and machinery	300,029	20,013	-	-	320,042	10%	210,765	-	-	9,408	220,173	99,869
Electric installation and equipment	28,994	2,490	-	-	31,484	10%	21,303	-	-	871	22,174	9,310
Fire fighting equipment	78	-	-	-	78	10%	59	-	-	2	61	17
Service and other equipment	580	-	-	-	580	10%	554	-	-	3	557	23
Office equipment	7,853	655	-	-	8,508	10%	5,047	-	-	317	5,364	3,144
Laboratory equipment	3,958	-	-	-	3,958	10%	3,551	-	-	41	3,592	366
Permanent and special equipment	261	-	-	-	261	10%	251	-	-	1	252	9
Furniture, fixtures and fittings	1,529	-	-	-	1,529	10%	1,224	-	-	30	1,254	275
Vehicles	9,388	1,800	338	1,309	12,159	20%	8,165	269	868	363	9,127	3,032
Railway siding	417	-	-	-	417	10%	414	-	-	0	414	3
Cycles and scooters	77	-	-	-	77	20%	71	-	-	1	72	5
Arms and ammunition	141	-	-	-	141	10%	85	-	-	6	91	50
Furnace	197	-	-	-	197	10%	176	-	-	2	178	19
30 June 2023	1,058,429	24,958	338	1,309	1,084,358		327,513	269	868	16,601	344,713	739,645
Right-of use assets												
Vehicles	16,955	-	-	(1,309)	15,646	20%	3,607	-	(668)	2,644	5,383	10,263
Office building	-	8,953	-	-	8,953	33 1/3 %*	-	-	-	2,984	5,969	2,984
As at 30-06-2023	1,075,384	33,911	338	-	1,108,957		331,120	269	-	22,229	353,080	755,877

* lease term is 3 years and Right-of use asset depreciated on straight-line method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15.3 The depreciation charged for the year has been allocated as follows:

Cost of sales	-note- 27.3
Administrative expenses	-note- 30

15.4 The Company has revalued its freehold land on June 30, 1990, June 9, 2008, April 05, 2012, April 26, 2016, May 15, 2019 and May 12, 2022. The revaluation was carried out by independent valuers Mr. Anwar ul Haq in 1990 and 2008, 2012, 2016, 2019 and 2022 respectively to replace the carrying amount of land with local market values. The following aggregated net appraisal surplus arisen on the revaluation on June 30, 1990, June 09, 2008, April 05, 2012, April 26, 2016, May 15, 2019 and May 12, 2022 was credited to surplus on revaluation of property, plant and equipment. The revaluation has resulted in aggregate increase in value of freehold land by Rupees 565.654 million as at June 30, 2022 which is included in book value of freehold land.

Had there been no revaluation, the cost of freehold land would have been as follows:

	30 June 2024	30 June 2023
	Rupees in thousand	Rupees in thousand
Cost	15,972	15,878
Accumulated depreciation	6,238	6,350
Net book value	22,108	22,228

Freehold land

15.5 Forced sale value of the freehold land based on valuation conducted on May 12, 2022 was Rs. 458.764 million

15.6 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (acres)	Covered Area (sq.ft)
19 Kilometer, Shahrah-e-Pakistan, Kala Shah Kaku, District	Manufacturing facility	14.337	159,391

15.7 Particulars of property, plant and equipment disposed of during the year are as follows:

	30 June 2024				
	Cost	Accumulated depreciation	Net book value	Sale price	Gain
Vehicle	1,000	857	143	200	57
Vehicle	1,422	1,388	34	492	458
Total	2,422	2,245	177	692	515

	30 June 2023				
	Cost	Accumulated depreciation	Net book value	Sale price	Gain
Vehicle	338	269	69	500	431
Total	338	269	69	500	431

15.7.1 The above mentioned purchasers have no relationship with the Company or any of its directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15.8 Capital work in progress

	Plant and Machinery	Building and Civil Works	30 June 2024	30 June 2023
	2,306	2,978	5,284	5,492
	8,570	-	8,570	14,170
	10,876	2,978	13,854	19,662
	-	-	-	(14,378)
	10,876	2,978	13,854	5,284

As at 01 July
Additions
Transfer to operating fixed assets
As at 30 June

16 INTANGIBLE ASSETS

PARTICULARS	COST		AMORTISATION			Net book value as at 30 June 2024	Annual Rate	
	As at 30 June 2023	Additions / (Deletions)	As at 30 June 2024	As at 30 June 2023	For the year			As at 30 June 2024
	Rupees in thousand							
Computer software	70	-	70	-	70	-	20%	
30 June 2024	70	-	70	-	70	-	-	
30 June 2023	70	-	70	-	70	-	-	

16.1 The intangible asset has been fully amortized.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

17	LONG TERM DEPOSITS		30 June 2024	30 June 2023
			-----Rupees in thousand-----	
	Security deposits		3,105	3,105
18	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores, spare parts and loose tools		14,597	26,867
	Packing material		259	1,892
			14,856	28,759
18.1	It is impracticable to distinguish stores, spare parts and loose tools, each from the other.			
18.2	Stores, spare parts and loose tools are generally held for internal use only.			
18.3	No item of stores, spare parts and loose tools is pledged as security as at the reporting date.			
19	STOCK-IN-TRADE			
	Raw material		858,471	654,634
	Raw material-in-transit		-	108
	Work in process		15,360	131,013
	Finished goods:			
	Gelatine		119,446	23,329
	By-product Di-Calcium Phosphate (DCP)	-note- 19.1	-	5,936
			119,446	29,265
			993,277	815,020
19.1	The entire stock of by-product, Di-Calcium Phosphate (DCP) is carried at net realizable value.			
19.2	No item of stock-in-trade is pledged as security as at the reporting date.			
20	TRADE DEBTS			
	Considered good:			
	Unsecured -Local		4,810	26,601
	Unsecured -Foreign	-note- 20.1	22,014	-
			26,824	26,601
	Considered doubtful:			
	Unsecured - Local		6,784	-
			33,608	26,601
	Less: Provision for doubtful trade debts	-note- 20.2	6,784	-
			26,824	26,601
20.1	These include an amount of Rupees 12,245,339 (2023: Rupees nil) due from an associated Company, Leiner Gelatine SDN. BHD. and is not past due and impaired. The maximum aggregate amount due from the associated Company at the end of any month during the year was Rupees 12,245,339 (2023: Rupees nil).			
20.2	Movement of provision for doubtful trade debt is as follows:			
	Balance as at July 1		-	-
	Provision during the year		6,784	-
	Less: Doubtful trade debt recovered		-	-
	Net provision for doubtful debts during the year	-note- 31	6,784	-
	Balance as at June 30		6,784	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

21 ADVANCES

Considered good:

30 June 2024 30 June 2023
-----Rupees in thousand-----

To staff - secured	-note- 21.1	1,155	1,214
To suppliers - unsecured		4,589	148,362
		<u>5,744</u>	<u>149,576</u>

21.1 These are amounts advanced to staff against future salaries and retirement benefits and are in accordance with the Company's policy and are interest-free. None of the advances relate to executives and directors.

22 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

30 June 2024 30 June 2023
-----Rupees in thousand-----

Prepayments		<u>1,617</u>	<u>1,348</u>
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23 OTHER RECEIVABLES

Sales tax refundable	-note- 23.1	19,511	8,061
		<u>19,511</u>	<u>8,061</u>

23.1 This represents excess of input tax on purchases over sales tax payable.

24 ADVANCE TAX - NET

Advance tax		77,113	71,159
Less: Adjustment for provision for taxation	-note- 33	(35,145)	(27,263)
Advance tax at the end of the year		<u>41,968</u>	<u>43,896</u>

25 CASH AND BANK BALANCES

With banks:			
in current accounts:			
Local currency		1,160	1,007
Cash in hand		<u>8,670</u>	<u>816</u>
		<u>9,830</u>	<u>1,823</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

26 SALES - NET

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
Export sales	-note- 26.1	2,294,946	1,485,969
Local sales	-note- 26.2	1,049,588	849,052
		<u>3,344,534</u>	<u>2,335,021</u>
26.1 Export sales			
Gelatine		<u>2,294,946</u>	<u>1,485,969</u>
26.2 Local sales			
Gelatine		478,199	443,830
Di-Calcium Phosphate, by-product		719,734	553,266
		<u>1,197,933</u>	<u>997,096</u>
Less: sales tax		148,345	148,044
trade discounts		-	-
		<u>148,345</u>	<u>148,044</u>
		<u>1,049,588</u>	<u>849,052</u>

27 COST OF SALES

Raw material consumed	-note- 27.1	1,847,562	1,265,681
Stores, spare parts and loose tools consumed		163,221	153,248
Packing material consumed		14,508	12,148
Salaries, wages and benefits	-note- 27.2	134,401	91,520
Fuel and power		646,719	457,746
Factory overheads	-note- 27.3	94,758	79,799
		<u>2,901,169</u>	<u>2,060,142</u>
Add: opening work in process		131,013	51,386
Less: closing work in process		15,360	131,013
		<u>115,653</u>	<u>(79,627)</u>
Cost of goods manufactured		<u>3,016,822</u>	<u>1,980,515</u>
Add: opening stock of finished goods		29,265	14,208
Less: closing stock of finished goods		119,446	29,265
		<u>(90,181)</u>	<u>(15,057)</u>
		<u>2,926,641</u>	<u>1,965,458</u>
27.1 Raw material consumed			
Opening stock		654,634	584,617
Purchases		<u>2,051,399</u>	<u>1,335,698</u>
		<u>2,706,033</u>	<u>1,920,315</u>
Less: closing stock		858,471	654,634
		<u>1,847,562</u>	<u>1,265,681</u>

27.2 Salaries, wages and benefits include employer's contribution to recognised provident fund amounting to Rupees 2,537,592 (June 30, 2023: Rupees 2,237,247).

27.3 Factory overheads

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
Indirect labour wages		12,913	12,075
Insurance		1,137	1,074
Medical expenses		-	25
Repair and maintenance		43,334	40,699
Depreciation	-note- 15.3	15,972	15,878
Loading and unloading		9,462	6,134
Miscellaneous expenses		11,940	3,914
		<u>94,758</u>	<u>79,799</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

28 OTHER INCOME

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
Income from financial instruments:			
Amortisation of government grant		-	56
Income from non-financial assets:			
Gain on disposal of fixed asset	-note- 15.7	515	431
		<u>515</u>	<u>487</u>

29 DISTRIBUTION COST

Shipping expenses		35,800	55,184
Commission on exports		720	1,601
Other expenses		27,658	8,718
		<u>64,178</u>	<u>65,503</u>

30 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	-note- 30.1	47,059	43,782
Insurance		1,234	663
Vehicle running and maintenance		15,890	11,808
Rent, rates and taxes		1,611	1,087
Travelling and conveyance		5,700	3,566
Legal and professional charges		326	443
Printing and stationery		1,499	1,999
Fees and subscription		4,050	2,568
Telephone and postage		1,720	1,287
Repair and maintenance		13,005	1,580
Auditors' remuneration	-note- 30.2	1,477	1,202
Entertainment		7,532	5,916
Utilities		1,621	1,225
Depreciation	-note- 15.3	6,236	6,350
Amortisation	-note- 16	-	-
Security expenses		4,975	3,002
Miscellaneous expenses		2,251	2,493
		<u>116,186</u>	<u>88,971</u>

30.1 Salaries, wages and benefits include employer's contribution to recognised provident fund amounting to Rupees 1,314,029 (June 30, 2023: Rupees 1,129,648).

30.2 Auditors' remuneration

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
Audit fee		1,100	900
Fee for half yearly limited review of financial information		250	200
Review of statement of code of corporate governance, CDC and free-float certifications		100	75
Out of pocket expenses		27	27
		<u>1,477</u>	<u>1,202</u>

31 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	-note- 11.3	6,899	5,564
Workers' Welfare Fund	-note- 35	3,475	2,783
Sales tax written off		1,286	24,893
Provision for doubtful trade debt	-note- 20.2	6,784	-
Donations	-note- 31.1	2,545	1,285
Foreign exchange loss - net		1,536	21,570
		<u>22,525</u>	<u>56,095</u>

31.1 Donations

Details of donations given to a single party exceeding Rs. 1,000,000/- or 10 percent of the Company's total amount of donations, whichever is higher, during the year are as follows:

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
Shaukat Khanum Memorial Trust		2,030	935
Hijaz Hospital		500	300

31.1.1 None of the directors or their spouses had any interest in the donees in respect of donations made by the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

32 FINANCE COST

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
Mark-up/ interest on:			
Short term borrowings		73,412	42,808
Long term finance		-	831
Workers' Profit Participation Fund	-note- 11.3	2,876	497
Lease liabilities	-note- 9.1	2,940	3,470
Bank charges and commission		11,568	9,432
		<u>90,796</u>	<u>57,038</u>

33 LEVIES AND TAXATION

33.1 Final tax	-note- 33.1.1	<u>21,173</u>	<u>16,389</u>
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33.1.1 This represents final tax paid under section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
33.2 Minimum tax	-note- 33.2.1	<u>1,531</u>	-

33.2.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	

33.3 Income tax

Current - for the year		11,589	10,874
-for prior years		1,645	706
		<u>13,234</u>	<u>11,580</u>
Deferred - current year	-note- 10	7,266	7,801
- effect of change in tax rate		-	-
		<u>7,266</u>	<u>7,801</u>
		<u>20,500</u>	<u>19,381</u>

33.4 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
Current tax liability for the year as per applicable tax laws		34,293	27,263
Portion of current tax liability as per tax laws, representing income tax under IAS 12		(11,589)	(10,874)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		(22,704)	(16,389)
Difference		-	-

33.5 Relationship between taxes, levies and accounting profit for the year is as follows:

Profit before levies and taxation		-	102,443
Tax at the applicable rate of 29%		-	29,709
Tax effect of:			
-expense not deductible for tax purposes		-	10,992
-expenses deductible for tax purposes but not taken to profit and loss account		-	(3,185)
-income not subject to tax/ income subject to final tax		-	217
Adjustment in respect of prior years		-	706
Adjustment in respect of minimum tax credits/ tax credit for donation		-	(10,470)
Deferred taxation		-	7,801
Levies and income tax		<u>-</u>	<u>35,770</u>

33.6 The numeric tax reconciliation has not been presented for current year as local sale of the Company attracted minimum tax under section 113 and exports under section 154 of the Income Tax Ordinance, 2001.

33.7 The Income Tax assessments of the Company are complete upto tax year 2023, as deemed assessments in terms of Section 120(1) of the Income Tax Ordinance, 2001 (The Ordinance) as per income tax returns of the Company.

33.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

34 EARNINGS PER SHARE - BASIC AND DILUTED

30 June 2024 30 June 2023
-----Rupees in thousand-----

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

Profit after taxation attributable to ordinary shareholders of the Company	81,519	66,673
Weighted average number of ordinary shares outstanding during the year	(No. of shares) 7,500	7,500
Earnings per share	(Rupees) 10.87	8.89

35 CASH GENERATED FROM OPERATIONS

30 June 2024 30 June 2023
-----Rupees in thousand-----

Profit before final tax, minimum tax and income tax	124,723	102,443
Adjustments for:		
Depreciation	-note- 15.3 22,208	22,228
Provision for employee retirement benefits	-note- 30.1, 27.2 3,852	3,367
Finance cost	-note- 32 90,796	57,038
Provision for Workers' Profit Participation Fund	-note- 11.3 6,899	5,564
Provision for Workers' Welfare Fund	-note- 31 3,475	2,783
Government grant recognised as income	-	(56)
Gain on disposal of property, plant and equipment	-note- 28, 15.7 (515)	(431)
Operating profit before changes in working capital	126,715	90,493
Changes in working capital	251,438	192,936
Decrease/(Increase) in current assets:		
Stores, spare parts and loose tools	13,903	78,150
Stock-in-trade	(178,257)	(164,794)
Trade debts	(223)	(4,292)
Advances	143,831	(147,447)
Trade deposits and short term prepayments	(270)	(193)
Other receivables	(11,451)	20,919
(Decrease)/ increase in current liabilities:		
Trade and other payables	(95,122)	63,672
	123,849	38,951

35.1 Reconciliation of movement of liabilities to cashflows arising from financing activities

	June 30, 2023	Net (decrease) / Increase due to cash flows	June 30, 2024
-----Rupees in thousand-----			
Short term finance - secured			
Running Finance	34,977	(18,314)	16,663
Bank-Al-Habib Limited			
Short Term Finance against IBP receivables	25,000	(25,000)	-
Bank-Al-Habib Limited			
Export Refinance	249,990	65,000	314,990
Bank-Al-Habib Limited			
	309,967	21,686	331,653
From related parties - unsecured			
Loans from director and close relative thereof	41,639	6,300	47,939
	351,606	27,986	379,592
Sponsor's Loan – Related Party	82,500	-	82,500
	434,106	27,986	462,092

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

		30 June 2024	30 June 2023
		-----Rupees in thousand-----	
36 CASH AND CASH EQUIVALENTS			
Cash and bank balances	-note- 25	<u>9,830</u>	<u>1,823</u>
37 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS			
37.1 Depreciation / amortisation methods, rates and useful lives			
The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment and intangible assets annually by considering expected pattern of economic benefits that the Company expects to derive from that item.			
37.2 Recoverable amounts of assets / cash generating units			
The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amounts if there is any such indication.			
37.3 Taxation			
The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.			
37.4 Provisions			
Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.			
37.5 Revaluation of freehold land			
Revaluation of freehold land is carried out by independent professional valuers. Revalued amounts are determined by the reference to local market values.			
37.6 Stock in trade/ Stores, spare parts & loose tools			
Management has made estimates for realizable amount of slow moving and obsolete stocks, stores, spare parts & loose tools items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stocks, stores, spare parts & loose tools with corresponding effect on amounts recognized in statement of profit or loss as provision / reversal.			
37.7 Impairment of financial assets			
The management makes judgments for estimating the allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.			
37.8 Leases			
The management uses judgments for recognition of leases under IFRS 16 and the related practical expedients thereunder.			

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

38 FINANCIAL RISK MANAGEMENT

38.1 Financial instruments

30 June 2024 30 June 2023
-----Rupees in thousand-----

The following are financial instruments by category:

Financial assets at amortized cost

Security deposits	1	1
Trade debts	26,824	26,601
Advances	1,155	1,214
Cash and bank balances	9,830	1,823
	<u>37,810</u>	<u>29,639</u>

Financial liabilities at amortized cost

Lease liabilities	13,602	18,625
Short term borrowings	379,592	351,606
Mark up accrued	14,676	10,966
Trade and other payables	474,278	301,663
Unclaimed dividend	771	771
	<u>882,919</u>	<u>683,631</u>

The Company's activities expose it to a variety of financial risks including effects of changes in foreign exchange rates, market interest rates, credit and liquidity risks associated with various financial assets and liabilities. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

38.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as under:

30 June 2024 30 June 2023
-----Rupees in thousand-----

Security deposits	1	1
Trade debts	26,824	26,601
Advances	1,155	1,214
Bank balances	1,160	1,007
	<u>29,139</u>	<u>28,823</u>

The maximum exposure to credit risk for trade debts amounting to Rupees 26.824 million (June 30, 2023: Rupees 26.601 million) at the reporting date by geographic region is as under:

30 June 2024 30 June 2023
-----Rupees in thousand-----

Domestic	4,810	26,601
Export	22,014	-
	<u>26,824</u>	<u>26,601</u>

The export debtor of the Company is situated in Malaysia.

The maximum exposure to credit risk for trade debts amounting to Rupees 26.824 million (June 30, 2023: Rupees 26.601 million) at the reporting date by type of customer is as under:

30 June 2024 30 June 2023
-----Rupees in thousand-----

End user customers	26,824	26,601
	<u>26,824</u>	<u>26,601</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

The aging of trade debts at the reporting date is as under:

	30 June 2024	30 June 2023
	-----Rupees in thousand-----	
Not past due	9,769	16,410
Past due 1-30 days	16,054	438
Past due 31-120 days	957	1,720
Past due 121-365 days	44	8,033
More than one year	6,784	-
	33,608	26,601
Less: Provision for doubtful trade debts	6,784	-
	26,824	26,601

The Company continuously monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery. The Company manages credit risk by limiting significant exposure to individual customers and obtaining advances against sales. Based on (i) historic record (ii) subsequent recoveries and (iii) confirmation of balance /acceptance of liability by customer, the Company believes that no impairment allowance is necessary in respect of trade debts past due amounts upto one year. Further, bank balances are held only with reputable banks with high quality credit ratings. The short term and long term credit ratings as determined by PACRA and JCR-VIS are as follows:

	-----Rating-----			30 June 2024	30 June 2023
	Short term	Long term	Agency	-----Rupees in thousand-----	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	2	2
Bank Alfalah Limited	A1+	AAA	PACRA	10	5
Bank Al - Habib Limited	A1+	AAA	PACRA	1,071	956
MCB Bank Limited	A1+	AAA	PACRA	8	9
Bank Makramah Limited	A-3	BBB-	JCR - VIS	1	14
United Bank Limited	A-1+	AAA	JCR - VIS	66	19
Bank Islami Pakistan Limited	A1	AA-	PACRA	2	2
				1,160	1,007

38.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company closely monitors its liquidity and cash flow position. This includes maintenance of financial position, liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The following are contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	2 to 5 years	More than 5 years
	June 30, 2024					
	-----Rupees in thousand-----					
Lease liabilities	13,602	15,898	4,174	4,174	7,550	-
Short term borrowings	379,592	391,848	391,848	-	-	-
Mark up accrued	14,676	14,676	14,676	-	-	-
Trade and other payables	474,278	474,278	474,278	-	-	-
Unclaimed dividend	771	771	771	-	-	-
	882,919	897,471	885,747	4,174	7,550	-
	June 30, 2023					
	-----Rupees in thousand-----					
Lease liabilities	18,625	23,958	3,992	3,995	15,971	-
Short term borrowings	351,606	364,424	364,424	-	-	-
Mark up accrued	10,966	10,966	10,966	-	-	-
Trade and other payables	301,663	301,663	301,663	-	-	-
Unclaimed dividend	771	771	771	-	-	-
	683,631	701,782	681,816	3,995	15,971	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at 30 June. The rates of mark up have been disclosed in notes 9.2,13.1,13.2 & 13.3 to these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

38.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and the liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

38.4.1 Currency risk

The Company is exposed to a currency risk on trade debts of Rupees 22.014 million as at June 30, 2024 (June 30, 2023: Rupees nil million) that are denominated in a currency other than the functional currency of the Company. The Aggregate exposure of statement of financial position to currency risk works out to be Rupees 22.014 million as at June 30, 2024 (June 30, 2023: Rupees nil). The currency in which these transactions primarily denominated is US Dollar.

2024	2023
Average rates	

2024	2023
Reporting date rate	

Significant exchange rates applied during the year:

US Dollar	283.23	245.59	278.30	286.60
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Sensitivity analysis

A 10 percent strengthening of the Rupee against above mentioned currency as at 30 June 2024 would have decreased profit by Rupees 2.201 million mainly as a result of net foreign exchange difference on translation of foreign currency net assets. The analysis assumes that all other variables remain constant. A 10 percent weakening of the Rupee against above currencies at 30 June 2024 would have had the equal but opposite effect on the profit or loss, on the basis that all other variables remain constant.

38.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks. At the reporting date, the interest rate profile of the Company's variable interest bearing financial instruments is given below:

The variable rate financial liabilities as at June 30, 2024 aggregated to Rupees 345.255 million (June 30, 2023: 328.592 million) and fixed rate liabilities aggregated to Rupees nil (June 30, 2023: nil). The Company does not account for fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the statement of profit or loss and the equity of the Company. A change of 100 basis points in interest rates at the reporting date would have (decreased) / increased the loss / profit for the year by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit & loss	
	100 bp increase	100 bp decrease
-----Rupees in thousand-----		
As at June 30, 2024		
Cash flow sensitivity - variable rate instruments	(693)	693
As at June 30, 2023		
Cash flow sensitivity - variable rate instruments	(803)	803

38.5 Fair Value of Financial Instruments

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A financial Instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Company classifies fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value. Fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices), or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

38.6 Fair value measurement – non-financial assets

(i) Fair value hierarchy

Judgments and estimates are made for non-financial assets that are measured at fair value in these financial statements. To provide an indication of the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into following three levels:

	Level 1	Level 2	Level 3	Total
	Rupees (000)	Rupees (000)	Rupees (000)	Rupees (000)
As at June 30, 2024				
Freehold land	-	573,480	-	573,480
As at June 30, 2023				
Freehold land	-	573,480	-	573,480

(ii) Valuation techniques used in determining level 2 fair value

The Company obtains independent valuations of its freehold land at revalued amounts every three to five years. The best evidence of fair value of freehold land is current prices in an active market for similar lands.

(iii) Valuation process

The Company engages external, independent and qualified valuers to determine the fair value as detailed in note 7.2 of the financial statements.

39 CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in industry, the Company monitors capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt represents total of long term financing, lease liabilities and short term borrowings less cash and bank balances. Total capital is calculated as equity shown in statement of financial position plus net debt. There were no major changes in the Company's management during the year and the Company is not subject to externally imposed capital requirement.

	30 June 2024	30 June 2023
	-----Rupees in thousand-----	
Total borrowing	393,194	370,231
Less: Cash and bank balances	9,830	1,823
Net debt	383,364	368,408
Total equity	881,355	799,835
Total capital	1,264,719	1,168,243
Gearing ratio	30.31%	31.54%

40 OPERATING SEGMENTS

40.1 These financial statements have been prepared on the basis of a single reportable segment.

40.2 Sales revenue from Gelatine and Di-Calcium Phosphate (by-product) represent 81.76% and 18.24% (June 30, 2023: 79.83% and 20.17%) of the total revenue of the Company respectively.

40.3 All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

40.4 Sales to external customers Martin Dow Marker Limited, Pakistan is around 2.81% (2023: 6.48%), Sri Nona food (formerly known as Cocoaland Industries) Malaysia is around 58.62% (2023: 57.91%) and Nestle Pakistan Limited is around 5.24% (2023: 5.54%) of the total revenue of the Company during the year ended June 30, 2024.

40.5 The sales percentage by geographic region is as follows:

	30 June 2024	30 June 2023
	%	%
Pakistan	31.38	36.36
Malaysia	67.81	63.64
Vietnam	0.81	-
	100	100

NOTES TO THE FINANCIAL STATEMENTS
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41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Director		Executives	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	-----Rupees in thousand -----		-----Rupees in thousand -----		-----Rupees in thousand -----	
Managerial remuneration	2,568	2,568	1,860	1,860	27,596	16,451
Medical expense	574	1,500	261	225	497	-
Contribution to provident fund	121	121	88	88	888	662
	<u>3,263</u>	<u>4,189</u>	<u>2,209</u>	<u>2,173</u>	<u>28,981</u>	<u>17,113</u>
Number of persons	1	1	1	1	14	9

41.1 In addition to above, the chief executive and the executive director are provided with free use of company maintained cars.

41.2 In addition to the above, aggregate amount charged in these financial statements in respect of directors' fee and reimbursement of expenses to non-executive directors amounted to Rs. 0.267 million (2023: Rs. 1.539 million).

42 TRANSACTION 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. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties with whom the Company had entered into transactions or have arrangements / agreements in place are as follows:

42.1 Nature of relation	Nature of transaction	30 June 2024	30 June 2023
		-----Rupees in thousand -----	
		25,707	-
Associated Company	Sale of finished goods	48,300	14,300
Key management personnel	Short-term loan obtained from chief executive - Khwaja Imtiaz Ahmed	38,345	16,888
	Short-term loan repaid to chief executive - Khwaja Imtiaz Ahmed	4,270	6,265
	Short-term loan obtained from close relative - Khwaja Ahmed Hassan	7,925	16,866
	Short-term loan repaid to close relative - Khwaja Ahmed Hassan		
	Managerial remuneration	See note - 41	
42.2 Contribution to provident fund	Contribution to provident fund trust	3,852	3,367
42.3 The outstanding balances with above related parties are included in Equity (note 8) Sponsor's loan as at June 30, 2024 82,500,000 (June 30, 2023: Rs. 82,500,000), trade and other payables (note 11) 'Payable to Provident fund' and 'Accrued liabilities' as at June 30, 2024 Rs. 899,767 (June 30, 2023: Rs. 687,281) and Rs. 12,910,057 (June 30, 2023: Rs.17,166,720) respectively, short term borrowings (note 13.7 'Short term borrowings from related parties" as at June 30, 2024 Rs. 47,939 million (June 30, 2023: Rs. 41,639 million)) and trade Debts (note 20.1 "Receivable from the associated Company, Leiner Gelatine SDN. BHD" as at June 30, 2024 Rs. 12,245 million (June 30,2023: Rs. nil))			

42.4 Following is the related party with whom the Company had entered into transactions or have arrangements/agreements in place.

Company name	Country of incorporation	Basis of relationship	Aggregate % of shareholding in the Company
LEINER GELATINE SDN. BHD.	Malaysia	Associate	N/A
INA SECURITIES (PRIVATE) LIMITED	Pakistan	Associate	N/A

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

43 PROVIDENT FUND

Size of the fund - total assets
Percentage of investment made
Fair value of investments
Cost of investments made

30 June 2024	30 June 2023
Rupees in thousand	
192,136	163,083
61.75%	59.61%
116,658	97,200
31,536	60,253

43.1 Break up of investments in terms of amount and percentage of the size of the provident fund are as follows:

2024		2023	
Investments	Investment as % of size of the fund	Investments	Investment as % of size of the fund
Rupees in thousand		Rupees in thousand	
56,952	29.64%	36,321	22.27%
2,012	1.05%	1,675	1.03%
2,785	1.45%	2,341	1.44%
21,443	11.16%	32,678	20.04%
35,446	18.45%	24,165	14.83%
118,638	61.75%	97,200	59.61%

43.2 Based on the financial statements of the provident fund (the Fund) as at June 30, 2024, investments in collective investment schemes, listed equity and listed debt securities out of the Funds have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

44 PLANT CAPACITY AND ACTUAL PRODUCTION

Estimated plant capacity in metric tons

Gelatine (Blended / Unblended)
Di-Calcium Phosphate (DCP)

30 June 2024	30 June 2023
Metric Tons	
2,000	2,000
9,000	9,000

Actual production in metric tons

Gelatine (Blended / Unblended)
Di-Calcium Phosphate (DCP)

1,379	1,070
4,403	3,864

44.1 The actual production was as per market demand. Under utilization is due to boom and bust of economy, energy crisis, and export of crushed bone out of Pakistan which has created difficulties in procurement of raw materials.

45 NUMBER OF EMPLOYEES

Number of employees as at June 30

Permanent
Contractual

30 June 2024	30 June 2023
Numbers	
156	163
46	28
202	191

Average number of employees during the year

Permanent
Contractual

157	169
43	17
200	186

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 07, 2024 by the Board of Directors of the Company.

47 GENERAL

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

47.2 The Company has not obtained any loans, advances or running finance(s) under the Islamic mode. The Company has Shariah compliant bank balances amounting to Rs. 0.020931 million (June 30, 2023; Rs. 0.029754 million). The finance cost as per note 32 is on conventional loans. Revenue earned from Shariah compliant business is Rs. 3,345 million (June 30, 2023; Rs. 2,355 million).

47.3 Corresponding figures have been re-classified, wherever necessary, for purpose of comparison.

LAHORE
Dated: October 07, 2024

KH. IMTIAZ AHMED
Chief Executive Officer
& Managing Director

IBRAR AHMED KH.
Director

MUHAMMAD JAVAD
Chief Financial Officer

FORM 20

**THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING**

1.1 Name of the Company

LEINER PAK GELATINE LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2024

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
165	1	100	7,343
246	101	500	58,955
48	501	1,000	45,206
140	1,001	5,000	426,669
20	5,001	10,000	153,227
4	10,001	15,000	50,808
2	15,001	20,000	39,295
4	20,001	25,000	93,744
4	25,001	30,000	109,174
4	30,001	35,000	126,449
2	35,001	40,000	75,800
1	40,001	45,000	41,430
2	45,001	50,000	100,000
6	50,001	55,000	312,044
1	55,001	60,000	59,800
1	65,001	70,000	66,000
1	70,001	75,000	74,000
1	105,001	110,000	105,680
3	155,001	160,000	479,500
2	170,001	175,000	340,600
1	200,001	205,000	202,500
2	210,001	215,000	429,200
1	270,001	275,000	270,300
1	300,001	305,000	304,550
1	315,001	320,000	320,000
1	330,001	335,000	330,020
1	335,001	340,000	337,900
2	415,001	420,000	836,941
1	750,001	755,000	751,765
1	950,001	955,000	951,100
669			7,500,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,439,815	45.8642%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	417,141	5.5619%
2.3.3 NIT and ICP	25	0.0003%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	15	0.0002%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	1,756,865	23.4248%
2.3.8 General Public		
a. Local	3,550,606	47.3414%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	89,716	1.1962%
- Pension Funds	2,494	0.0333%
- Other Companies	188	0.0025%

LEINER PAK GELATINE LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

1	INA SECURITIES (PVT) LIMITED. (CDC)	417,141	5.5619%
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Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	KH. IMTIAZ AHMED	805,765	10.7435%
2	MRS. AYESHA QASIM	172,200	2.2960%
3	MR. IJAZ AHMED KHAWAJA	304,550	4.0607%
4	MR. RASHID MINHAS	1,000	0.0133%
5	KH. IBRAR AHMED	951,100	12.6813%
6	MR. AHMED ALI RIAZ	74,000	0.9867%
7	SYED RIZWAN HAIDER	500	0.0067%
8	MRS. NAVIDA IMTIAZ W/O KH. IMTIAZ AHMED	657,900	8.7720%
9	MRS. NEELUM NAZ W/O KH. IJAZ AHMED	202,500	2.7000%
10	MRS. NAUSHEEN IBRAR W/O KH. IBRAR AHMED	270,300	3.6040%

Executives:	657,900	8.7720%
--------------------	---------	---------

Public Sector Companies & Corporations:	-	-
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Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	2,509	0.0335%
---	-------	---------

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	KH. IBRAR AHMED	951,100	12.6813%
2	KH. IMTIAZ AHMED	805,765	10.7435%
3	KH. AHMED HASSAN	749,820	9.9976%
4	INA SECURITIES (PVT) LIMITED. (CDC)	417,141	5.5619%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
1	KH. IMTIAZ AHMED (CDC)	-	54,000

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Form of Proxy

The Company Secretary,
Leiner Pak Gelatine Ltd.
17-G, Gulberg2,
Lahore-54660

ANNUAL GENERAL MEETING

I/ We _____
of _____ being a member of LEINER PAK GELATINE LIMITED,
holder of _____ Ordinary Shares as per Share Register Folio No. _____
(No. of Shares)

_____ and/or CDC Participant I.D. No. _____
and Sub Account No. _____ hereby appoint _____
Of _____
Or failing him _____ of _____
as my/our proxy to vote for me /us and on my / our behalf at the Annual General Meeting of the Company to be
held on 28TH day of October, 2024 and at any adjournment thereof.

Signed this _____ day of _____ 2024

WITNESSES

1. **Signature** _____

Name _____

Address _____

NIC or _____

Passport No. _____

2. **Signature** _____

Name _____

Address _____

NIC or _____

Passport No. _____

Signature on

Rs. 5/-

Revenue stamp

(Signature should agree with the
specimen signature registered with
the Company)

Note:

1. A member entitled to be present and vote at the Meeting may appoint a proxy to attend and vote for him / her. A proxy need be a member of the Company.
2. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
3. **CDC Shareholders and there Proxies** must each attach an attested photocopy of there National Identity Card of Passport with this proxy form.

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