



LEINER PAK GELATINE LIMITED

**UN-AUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2019.**



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COMPANY INFORMATION BOARD OF DIRECTORS

Mr. Ahmed Ali Riaz	Chairman
Khwaja Imtiaz Ahmed	Chief Executive & Managing Director
Ibrar Ahmed Khwaja	Executive Director
Mian Zia-Ud-Din	Independent Director
Ijaz Ahmed Khwaja	Non-Executive Director
Ayesha Ahmed	Non-Executive Director
Rashid Minhas	Independent Director

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Ibrar Ahmed Khwaja

CHIEF FINANCIAL OFFICER

Mr. Muhammad Javard

AUDITORS

M. Almas & Co.

Chartered Accountants

207-Sadiq Plaza, 2nd Floor, 69-The Mall, Lahore.

LEGAL ADVISOR

Khwaja Muhammad Akram

Advocate

1-Begum Road, Mozang Adda, Lahore.

REGISTRAR

CORPLINK (PVT) LTD.,

Wings Arcade, 1-K Commercial,

Model Town, Lahore.

REGISTERED OFFICE

17-G, Gulberg-2, G/Postmall No. 3529, Lahore-54660

Ph. #: 0092-42-35756953-54.

PLANT

19th Kilometer,

Shahrah-e-Pakistan, Kala Shah Kaku,

District Sheikhpura.

Ph. #: 0092-42-37950018 – 37980179

BANKERS

Bank Al Habib Limited

Summit Bank Limited

United Bank Limited

National Bank of Pakistan

Bank Islami Pakistan Limited

MCB Bank Limited-Islamic Banking

Bank Alfalah Limited-Islamic Banking

DIRECTORS'REVIEW

The Directors are pleased to present the accounts of the company for three months period ended September 30, 2019.

OPERATIONS

During the period under review company registered sales Rs. 60.300 million as compared to last corresponding period sales of Rs. 101.808 million. Production process during the period delayed due to overhauling of main plant and boilers. This necessary maintenance work consumed certain time period of the quarter under review.

During this period only by-product (Di-calcium Phosphate) was available for sale from the fresh production. We could hardly serve some of our customers with brought forward stocks of gelatine.

Low turnover along with some delay in production process is translated in to loss before tax of Rs. 15.462 million.

FUTURE PROSPECTS

Management believes that gelatine production will start in first week of October , 2019 which shall bring hefty sales volume and positive results in next interim period.

ACKNOWLEDGEMENT

We really acknowledge the efforts of all our employees and friends who are contributing to strengthen the company.

On Behalf of the Board

Lahore
October 30, 2019


KHWAJA IMTIAZ AHMED
Chief Executive &
Managing Director

ڈائریکٹر زر یو یو

ڈائریکٹر ان کمپنی کے سہ ماہی حسابات جو کہ ۳۰ ستمبر ۲۰۱۹ء کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

کاروباری عمل

زیر جائزہ دورانیہ میں کمپنی کی فروخت پچھلے سال کی فروخت مبلغ ۱۰۱.۸۰۸ ملین روپے کے مقابلے میں مبلغ ۶۰.۳۰۰ ملین روپے رہی۔ مرکزی پلانٹ اور بوائلر کی اور ہالنگ کی وجہ سے پیداواری عمل تاخیر کا شکار رہا۔ اس ضروری کام (بحالی) کی وجہ سے زیر جائزہ سہ ماہی کا کچھ وقت اس میں صرف ہو گیا۔

اس دورانیہ کے دوران تازہ پیداوار میں صرف بائی پراڈکٹ (ڈائری کیٹیم فاسفیٹ) فروخت کے لیے دستیاب تھی۔ ہم جیلائین کے باقی ماندہ اسٹاک کو بشکل اپنے کچھ خریداروں کو دے سکے۔ کم فروخت کے ساتھ ساتھ پیداواری عمل میں کچھ تاخیر سے قبل از ٹیکس نقصان مبلغ ۱۵.۳۶۲ ملین روپے رہا۔

مستقبل کے امکانات

انتظامیہ پر یقین ہے کہ جیلائین کی پیداوار اکتوبر ۲۰۱۹ء کے پہلے ہفتہ میں شروع ہو جائے گی جو کہ فروخت کے حجم میں بھاری اضافہ اور اگلے درمیانی مدت میں مثبت نتائج لائے گی۔

اعتراف

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

منجانب بورڈ

خولجہ امیاز احمد

چیف ایگزیکٹو

منیجنگ ڈائریکٹر

لاہور

۳۰ اکتوبر ۲۰۱۹ء

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019


		(Un-audited) September 30, 2019	(Audited) June 30, 2019
	Note Rupees in thousand.....	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	75,000	75,000
Revenue Reserve:			
Accumulated loss		(21,419)	(5,200)
Capital Reserve:			
Surplus on revaluation of property, plant and equipment		336,262	336,262
		<u>389,843</u>	<u>406,062</u>
Non-current liabilities			
Liabilities against assets subject to finance lease	8	815	864
Current liabilities			
Trade and other payables		229,274	180,097
Unclaimed dividend		771	771
Mark-up accrued		5,709	3,878
Short term borrowings	9	282,004	268,335
Current portion of liabilities against assets subject to finance lease	8	188	184
Contingencies and commitments	10	517,946	453,265
		<u>908,604</u>	<u>860,191</u>
ASSETS			
Non-current assets			
Property, plant and equipment	11	486,009	487,180
Intangible assets	12	-	-
Long term deposits		255	255
Deferred taxation		-	-
		<u>486,264</u>	<u>487,435</u>
Current assets			
Stores, spare parts and loose tools		43,565	93,443
Stock-in-trade		306,809	200,206
Trade debts		8,839	24,392
Advances		7,468	1,991
Trade deposits and short term prepayments		1,395	1,770
Other receivables		20,819	19,268
Advance income tax-net		31,333	31,365
Cash and bank balances		2,112	321
		<u>422,340</u>	<u>372,756</u>
		<u>908,604</u>	<u>860,191</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

LAHORE
DATE: October 30, 2019


RN. IMTIAZ AHMED
Chief Executive
& Managing Director


IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

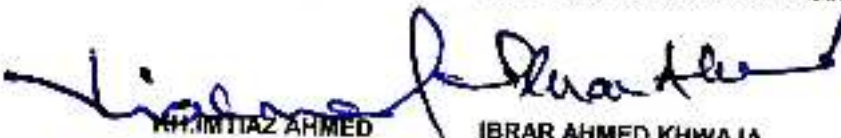
LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

		September 30, 2019	September 30, 2018
	NoteRupees in thousand....	
Sales-net			
Cost of sales		60,300	101,808
Gross profit		51,671	99,355
Other income		8,629	2,453
		<u>-</u>	<u>1</u>
Distribution cost		8,629	2,454
Administrative expenses		1,184	318
Other operating expenses		14,981	13,560
Finance cost		-	30
Loss before taxation		7,926	3,583
Taxation		(15,462)	(15,037)
Loss after taxation	13	757	1,274
		<u>(16,219)</u>	<u>(16,311)</u>
Loss per share-basic and diluted (Rupees)	14	<u>(2.16)</u>	<u>(2.17)</u>

The annexed notes from 1 to 17 form an integral part of this condensed Interim financial information.

LAHORE
DATE: October 30, 2019


M. IMTIAZ AHMED
Chief Executive
& Managing Director


IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019**

	September 30, 2019	September 30, 2018
NoteRupees in thousand....	
Loss after taxation	(16,219)	(16,311)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(16,219)</u>	<u>(16,311)</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

LAHORE
DATE October 30, 2019


IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

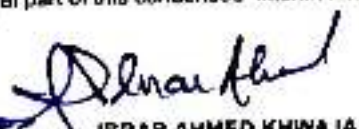
	September 30, 2019	September 30, 2018
Rupees in thousand.....	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(15,462)	(15,037)
Adjustments for:		
Depreciation	3,336	3,045
Provision for employee retirement benefits	741	716
Finance cost	7,926	3,583
Gain on disposal of operating fixed asset	-	-
Provision for Workers' Profit Participation Fund	-	-
Provision for Workers' Welfare Fund	-	-
	12,003	7,344
Operating loss before changes in working capital	(3,459)	(7,693)
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	49,878	27,323
Stock-in-trade	(106,603)	(46,281)
Trade debts	15,553	6,095
Advances	(5,477)	(2,304)
Trade deposits and short-term prepayments	375	294
Other receivables	(37)	90
Increase / (decrease) in current liabilities:		
Trade and other payables	49,117	12,682
Cash (used in) / generated from operations	(653)	(9,794)
Finance cost paid	(6,095)	(4,005)
Payments to provident fund	(681)	(756)
Taxes paid	(725)	(3,091)
Sales tax refund/payments	(1,514)	576
Workers' Profit Participation Fund	-	-
Workers' Welfare Fund paid	-	-
Net cash used in operating activities	(9,668)	(17,070)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,165)	(94)
Proceeds from disposal of property, plant and equipment	-	-
Decrease/(Increase) in long term deposits	-	-
Net cash used in investing activities	(2,165)	(94)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of liabilities against assets subject to finance lease	(45)	(136)
Net increase in short term borrowings	13,669	17,272
Net cash generated from financing activities	13,624	17,136
Net increase in cash and cash equivalents	1,791	(28)
Cash and cash equivalents at the beginning of the period	321	607
Cash and cash equivalents at the end of the period	2,112	579

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

LAHORE

DATE: October 30, 2019


KH. IMTIAZ AHMED
 Chief Executive
 & Managing Director


IBRAR AHMED KHWAJA
 Director


MUHAMMAD JAVAID
 Chief Financial Officer

LEINER PAK GELATINE LIMITED

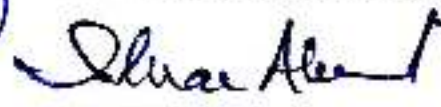
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

Share capital	Reserves		Total	
	Revenue Reserve	Capital Reserve		
Issued, subscribed and paid up share capital	Un appropriated profit / accumulated (loss)	Surplus on revaluation of property, plant and equipment		
.....Rupees in thousand.....				
Balance as at 01 July 2018	75,000	(7,737)	278,914	346,177
Total comprehensive loss for the three months period ended September 30, 2018	-	(16,311)	-	(16,311)
Balance as at September 30, 2018	75,000	(24,048)	278,914	329,866
Balance as at 01 July 2019	75,000	(5,200)	336,262	406,062
Total comprehensive loss for the three months period ended September 30, 2019	-	(16,219)	-	(16,219)
Balance as at September 30, 2019	75,000	(21,419)	336,262	389,843

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

LAHORE
DATE: October 30, 2019


M. IMTIAZ AHMED
Chief Executive
& Managing Director


IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

1 The Company and its operations

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

2 Going concern assumption

During the three months period ended September 30, 2019 the Company incurred a net loss of Rupees 16.219 million and, as of that date, its accumulated loss was Rupees 21.419 million and its current liabilities exceeded its current assets by Rupees 95.606 million. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Keeping in view the following factors, the management foresees that the Company will continue to be a going concern.

- There is continued demand for the products of the Company. Demand of 'Halal' Gelatine exists in foreign and local markets as 'Halal' Gelatine is equally consumed in Muslim and Non-Muslim countries. After devaluation of Pakistan Rupee against US \$, the export sales will further increase in future.
- There is continued financial support of the Company's sponsors. The sponsors of the Company have inducted up to September 30, 2019 Rupees 47.933 million (June 30, 2019: Rupees 47.858 million) interest free loans. They are also committed to induct further funds, if the need arises, to address any liquidity issues for smooth operations.
- Major financing arrangements with banks as at September 30, 2019 are valid and for future periods as well. The Summit Bank running finance account is fully operational and banking transactions are being made therein regularly up to the sanctioned limit. The management of the Company is engaged with the said bank for renewal of the facility as well as working on arranging alternate financing arrangements; if required.
- The existence of new sales orders along with advance payments received against them

These financial statements have, therefore, been prepared using going concern basis of accounting and, accordingly, do not include any adjustment relating to realization of its assets and liquidation of any liabilities and might be necessary should the Company be unable to continue as going concern.

3 Basis of preparation

3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

- 3.2 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2019, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the condensed interim financial statements for the three months ended September 30, 2019.

The figures of the three months ended September 30, 2019 are being submitted to the shareholders, and have been subjected to limited scope review in accordance with Section 237 of the Companies Act, 2017.

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

4 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in preparation of the annual published financial statements for the year ended 30 June 2019.

4.1 New or amendments / interpretations to existing standards, interpretation and forthcoming

The following are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2018 in addition to those disclosed in note 5 to these financial statements. The following are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

		Effective date (annual periods beginning on or after)
IFRS 2	Share-based payments	January 01, 2018
IFRS 4	Insurance contract	January 01, 2018
IFRS 40	Investment property	January 01, 2018

4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRS 16 'Leases' (effective for annual period beginning on or after 01 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The management is in the process of analyzing the potential impacts on adoption of this standard.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

- Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 January 2019).
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 01 January 2019). The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The application of amendments is not likely to have an impact on Company's financial statements.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 „Business Combinations“ and IFRS 11 „Joint Arrangement“.
 - IAS 12 „Income Taxes“ - the amendment clarifies that all income tax consequences of dividends
 - IAS 23 „Borrowing Costs.“

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/disclosures.

5 Judgments, estimates and assumptions

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

Judgments, accounting estimates and assumptions made by the management in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2019.

6 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements as at and for the year ended 30 June 2019.

7 Share capital

Authorised share capital

10,000,000 (June 30, 2019: 10,000,000) ordinary shares
of Rupees 10 each

(Un-audited)	(Audited)
September 30,	June 30,
2019	2019
..... Rupees in thousand.....	
<u>100,000</u>	<u>100,000</u>

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

		(Un-audited) September 30, 2019	(Audited) June 30, 2019
..... Rupees in thousand.....			
Issued, subscribed and paid up share capital			
	7,500,000 (June 30, 2019: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash	75,000	75,000
		<u>75,000</u>	<u>75,000</u>
8	Liabilities against assets subject to finance lease		
	Present value of minimum lease payments	1,003	1,048
	Less: Current portion presented under current liabilities	188	184
		<u>815</u>	<u>864</u>
9	Short term borrowings		
	<i>From banking companies-secured</i>		
	Short term finance against payables		
	Bank Al-Habib Limited	9.1, 9.5	25,000
	Short term finance against IBP receivables		
	Bank Al-Habib Limited	9.2, 9.5	25,000
	Running finance		
	Bank Al-Habib Limited	9.3, 9.5	155,297
	Summit Bank Limited	9.4, 9.6	28,774
		<u>234,071</u>	<u>220,477</u>
	<i>From related parties-unsecured</i>		
	Loans from director and close relatives thereof	9.9	47,933
		<u>282,004</u>	<u>268,335</u>
9.1	The short term finance facility having sanctioned limit of Rupees 25 million (June 30, 2019: Rupees 25 million) has been obtained from Bank Al-Habib Limited for purchase of raw material. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2019: three months KIBOR plus 1.75%) per annum payable quarterly. The principle amount is to be repaid in 60 days through business cash flows. The facility is valid till February 07, 2021 with credit review on annual basis.		
9.2	The IBP receivable finance facility having sanctioned limit of Rupees 25 million (June 30, 2019: 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, 2019: three months KIBOR plus 1.75%) per annum. The principal amount is to be repaid upon realization sales proceeds as per tenure of respective bill but not later than 60 days from draw down date or on demand while mark-up is to be serviced upon adjustment of each loan or at the end of each calendar quarter whichever is earlier. The facility is valid till February 07, 2021 with credit review on annual basis.		

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

- 9.3 The running finance facility having sanctioned limit of Rupees 85 million (June 30, 2019: Rupees 85 million) has been obtained from Bank Al-Habib Limited for working capital requirements. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2019: three months KIBOR plus 1.75%) per annum payable quarterly. The sanctioned limit has temporarily been exceeded due to issuance of cheques which will be presented after September 30, 2019. The facility is valid till February 07, 2021 with credit review on annual basis.
- 9.4 The running finance facility having sanctioned limit of Rupees 30 million (June 30, 2019: Rupees 30 million) has been obtained from Summit Bank Limited for working capital requirements. It carries mark-up at three months KIBOR plus 2.50% (June 30, 2019: three months KIBOR plus 2.50%) per annum payable quarterly. The facility was valid till September 30, 2018 and currently the company is in negotiation to renew this facility.
- 9.5 The facilities mentioned in 9.1, 9.2 and 9.3 are commonly secured against first charge of Rupees 180 million (June 2019: Rupees 180 million) over current assets of the Company registered with SECP. Equitable mortgage supported by first charge on fixed assets of Rupees 250 million (June 30, 2019: Rupees 250 million) comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Lien over export documents under letter of credit and contract, shipping documents, accepted drafts, counter guarantee of the Company and personal guarantees of three Directors amounting to Rupees 155 million each (June 30, 2019: Rupees 155 million). The running finance facility at note 9.4 in addition to securities as aforesaid is also secured against pro note amounting to Rs. 144.5 million (June 2019 : Rupees 144.5 million).
- 9.6 The facility mentioned in 9.4 is commonly secured against ranking charge of Rupees 40 million (June 30, 2019: Rupees 40 million) over all present & future current assets of the Company with 25% margin, duly insured, with Summit Bank Limited and registered with SECP. Pari passu charge on fixed assets, comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Personal guarantees of three Directors along with Personal Net Worth Statement (PNWS).
- 9.7 As at September 30, 2019 the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/usance) amounting to Rupees 5 million (June 30, 2019: Rupees 5 million). Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2019: Rupees 15 million) from Bank Al-Habib Limited.
- 9.8 The net aggregate short term borrowing facilities unavailed at end of September 30, 2019 amount to Rupees 25 million (June 30, 2019: Rupees 25 million) and for letters of credit and bank guarantees amount to Rupees 8.744 million (June 30, 2019: Rupees 8.744 million).
- 9.9 The Loans from Chief Executive/director (Kh. Imtiaz Ahmed and his close relative (Kh. Ahmed Hassan amounting to Rs.39.458 million (June 30, 2019: Rs.39.383 million) and Rs.8.475 million (June 30, 2019: Rs.8.475 million) respectively, are for working capital requirements. These loans are re-payable on demand and non-interest bearing.

10 Contingencies and commitments

There have been no significant changes in contingencies as disclosed in the notes to the preceding annual published financial statements for the year ended June 30, 2019 except for the following:

The operating lease arrangement in respect of registered office has been as follows:

	(Un-audited) September 30, 2019	(Audited) June 30, 2019
 Rupees in thousand.....	
Not later than one year	2,557	2,485
Later than one year but not later than five years	5,386	6,095

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

		(Un-audited) September 30, 2019	(Audited) June 30, 2019
	 Rupees in thousand.....	
11 Property, plant and equipment			
Operating fixed assets	11.1	470,767	473,992
Capital work in progress	11.4	15,242	13,188
		<u>486,009</u>	<u>487,180</u>
11.1 Opening book value		473,992	404,129
Cost of additions during the period / year	11.2	111	84,419
Less:			
Deletion during the period / year (book value)	11.3	-	1,819
Depreciation charged during the period / year		3,336	12,737
		<u>470,767</u>	<u>473,992</u>
11.2 Cost of addition during the period / year			
Freehold land		-	57,348
Factory building- on freehold land		-	6,723
Plant and machinery		-	19,785
Electric installation and equipment		38	167
Office equipment		73	396
		<u>111</u>	<u>84,419</u>
11.3 Deletion during the period / year			
Cost		-	4,177
Depreciation		-	2,358
		<u>-</u>	<u>7,819</u>
11.4 Capital work in progress			
Opening balance		13,188	10,047
Additions during the period / year		2,054	29,450
		<u>15,242</u>	<u>39,497</u>
Transfer to operating fixed assets		-	26,309
Closing balance		<u>15,242</u>	<u>13,188</u>

12 The Intangible assets represents computer software costing Rupees 70,000 which is fully amortized.

13 Taxation

The provision for current taxation has been made on minimum tax under Section 113 and Section 154 of Income Tax Ordinance, 2001.

14 Earning per share-basic and diluted

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

	September 30, 2019	September 30, 2018
	Rupees in thousand.....
Loss after taxation	<u>(16,219)</u>	<u>(16,311)</u>
Weighted average number of ordinary shares	<u>7,500</u>	<u>7,500</u>
Loss per share-basic and diluted (Rupees)	<u>(2.18)</u>	<u>(2.17)</u>

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

15 Transactions with related parties

Related parties include associated Company, directors, the other key management personnel and close family members of directors and other key management personnel. Detail of transactions with related parties with whom the Company had entered into transactions or have arrangements / agreements in place are as follows:

	September 30, 2019	September 30, 2018
Rupees in thousand.....	
Key management personnel		
Remuneration	1,053	999
Loan from Chief Executive - unsecured:		
Loan received	-	2,800
Loan repaid	-	-
Loan from ex-director - unsecured:		
Loan received	-	-
Loan repaid	-	225
Recognised provident fund		
Contribution to provident fund trust	741	716

Included in trade and other payables is payable to provident fund as at September 30, 2019 Rupees 763,035 (Un-audited) and as at June 30, 2019 Rupees 703,591 (Audited).

16 Date of authorization for issue

These condensed interim financial statements were authorized for issue by the Board of Directors on October 30, 2019.

17 General

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

LAHORE
DATE October 30, 2019


KH IMTIAZ AHMED
Chief Executive
& Managing Director


IBRAR AHMED KHWAJA
Director


MUHAMMAD JAVAID
Chief Financial Officer

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