



# **LEINER PAK GELATINE LIMITED**

**UN-AUDITED CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED  
DECEMBER 31, 2017.**



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## **COMPANY INFORMATION BOARD OF DIRECTORS**

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

### **AUDIT COMMITTEE**

Mian Zia-Ud-Din (Chairman)  
Ijaz Ahmed Khwaja (Member)  
Ahmed Ali Riaz (Member)

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

Mian Zia-Ud-Din (Chairman)  
Umer Riaz Khwaja (Member)  
Khwaja Imtiaz Ahmed (Member)

### **COMPANY SECRETARY**

Ibrar Ahmed Khwaja

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Javaid

### **AUDITORS**

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

### **LEGAL ADVISOR**

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

### **REGISTRAR**

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

### **REGISTERED OFFICE**

17-G, Gulberg-2, G/Postmall No. 3529, Lahore-54660  
Ph. #: 0092-42-35756953-54, Fax #: 0092-42-35710604

### **PLANT**

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

### **BANKERS**

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

## **DIRECTORS' REVIEW**

Directors are pleased to present the accounts of the company for the six month period ended December 31, 2017.

### **OPERATIONS**

During the period under review company's turnover is registered at Rs. 291.436 million as compared to Rs. 316.598 million in same period last year. The decrease in turnover (7.94%) is mainly due to low sales volume of our product Gelatine as some of the sales contracts with potential customers, which were expired during this period, has taken some more time in their renewal. This delay caused slight shrinkage in sales volume and value.

Company has also courted new corporate customers during this period which shall contribute in surpassing the company's sales from the last year both in volume and value. Devaluation in Pak Rupees is increasing our competitiveness in export market. Management of the company is in the process of negotiation with foreign buyers to revive exports and we hope that substantial exports will be witnessed in coming days.

The auditors' review report contains emphasis paragraph to draw attention towards the going concern matter. In this regard management's assessment is detailed in note 2 in the annexed half yearly accounts.

### **FUTURE PROSPECTS**

Management has succeeded in increasing operational efficiencies which is off setting rising manufacturing costs. Addition of more corporate customers in company's profile and competitiveness in export market shall yield better financial results this year.

### **ACKNOWLEDGMENT**

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

On Behalf of the Board

Lahore.  
February 28, 2018

KH. IMTIAZ AHMED  
Chief Executive &  
Managing Director

## ڈائریکٹرز ریویو

ڈائریکٹران کمپنی کے ششماہی حسابات جو کہ ۳۱ دسمبر ۲۰۱۷ء کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

### کاروباری عمل

زیر جائزہ دورانیہ میں کمپنی کی فروخت پچھلے سال اسی دورانیہ میں فروخت مبلغ ۳۱۶.۵۹۸ روپے کے مقابلے میں مبلغ ۲۹۱.۴۳۶ روپے رہی ہے۔ فروخت میں کمی (۷.۹۴%) کی بڑی وجہ جلائین کی کم مقدار میں فروخت ہے کیونکہ ہمارے بڑے خریداروں کے ساتھ فروخت کے کچھ معاہدے، جو کہ اس دورانیہ میں ختم ہو گئے تھے، ان کی تجدید نے کچھ زیادہ وقت لیا۔ اس تاخیر کی وجہ سے فروخت کی مقدار اور قدر میں تھوڑی کمی واقع ہوئی۔

کمپنی نے اس دورانیہ میں نئے کارپوریٹ کسٹمر بھی حاصل کر لیے ہیں۔ جو کمپنی کی فروخت کی مقدار اور قدر کو پچھلے سال سے سہولت لے جانے میں مددگار ثابت ہوں گے۔ پاکستانی روپے کی قدر میں کمی نے برآمدی مارکیٹ میں مقابلے کی طاقت کو بڑھا دیا ہے۔ کمپنی کی انتظامیہ ایکسپورٹ کی احیا کیلئے بیرونی خریداروں کے ساتھ مذاکرات کر رہی ہے اور ہم امید کرتے ہیں کہ آنے والے دنوں میں زیادہ ایکسپورٹ کا مشاہدہ کر سکیں گے۔

آڈیٹران کی ریویورپورٹ میں کاروبار کے جاری رہنے کے معاملات کا ذکر توجہ دلانے کیلئے مؤثر انداز میں موجود ہے۔ اس کے جواب میں انتظامیہ کا نقطہ نظر مالیاتی نتائج کے نوٹ نمبر ۲ میں شامل کیا گیا ہے۔

### مستقبل کے امکانات

انتظامیہ آپریشنل استعداد کا رکو بڑھانے میں کامیاب ہوئی ہے جس کی وجہ سے بڑھتی ہوئی پیداواری لاگت کا توازن برقرار رہا۔ کمپنی کے پروفائٹس میں نئے کارپوریٹ کسٹمز کے آجانے اور برآمدی مارکیٹ میں مقابلے کی طاقت سے اس سال بہتر مالی نتائج حاصل ہوں گے۔

### اعتراف

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

منجانب بورڈ

خواجہ امتیاز احمد

چیف ایگزیکٹو ایگزیکٹو

مینیجنگ ڈائریکٹر

لاہور

۲۸ فروری ۲۰۱۸ء

## **Auditors' Report to the Members on Review of Interim Financial Information**

### ***Introduction***

We have reviewed the accompanying condensed interim balance sheet of Leiner Pak Gelatine Limited as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan for the interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures for the quarters ended December 31, 2017 and December 31, 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

### ***Scope of Review***

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

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended December 31, 2017 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

### ***Emphasis of Matter***

Without qualifying our conclusion, we draw attention to note 2 of the interim financial information, which indicates that during the six months period ended December 31, 2017 the Company has negative cash flows from operating activities and incurred a net loss of Rupees 2.770 million and, as of that date, its accumulated loss was Rupees 6.551 million and its current liabilities exceeded its current assets by Rupees 50.690 million. These conditions along with other matters as set forth in note 2 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

LAHORE  
Dated: February 28, 2018

**M. ALMAS & CO.**  
Chartered Accountants  
Engagement Partner  
Mohammad Almas

**LEINER PAK GELATINE LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT DECEMBER 31, 2017**

		(Un-audited) December 31, 2017	(Audited) June 30, 2017
	Note	..... Rupees in	thousand.....
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	7	75,000	75,000
Accumulated loss		(6,551)	(3,781)
		<u>68,449</u>	<u>71,219</u>
Surplus on revaluation of property, plant and equipment		278,914	278,914
<b>Non-current liabilities</b>			
Deferred taxation	8	3,828	-
Liabilities against assets subject to finance lease	9	322	504
		4,150	504
<b>Current liabilities</b>			
Trade and other payables		124,552	97,153
Mark-up accrued		2,369	2,603
Short term borrowings	10	237,849	211,129
Current portion of liabilities against assets subject to finance lease	9	361	352
		365,131	311,237
Contingencies and commitments	11	-	-
		<u>716,644</u>	<u>661,874</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	401,943	401,081
Intangible assets	13	-	-
Long term deposits		260	260
		<u>402,203</u>	<u>401,341</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		26,940	28,730
Stock-in-trade		242,202	179,041
Trade debts		1,824	13,334
Advances		3,892	5,241
Trade deposits and short term prepayments		928	1,646
Other receivables		16,458	13,050
Advance income tax-net		19,252	17,601
Cash and bank balances		2,945	1,890
		314,441	260,533
		<u>716,644</u>	<u>661,874</u>

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

**KH.IMTIAZ AHMED**  
Chief Executive  
& Managing Director  
Lahore: February 28, 2018

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**LEINER PAK GELATINE LIMITED**

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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)****FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

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	Six months period ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Note	....Rupees in thousand....	....Rupees in thousand....	....Rupees in thousand....	....Rupees in thousand....
Sales-net	291,436	316,598	178,795	193,484
Cost of sales	251,045	274,458	160,033	171,862
Gross profit	40,391	42,140	18,762	21,622
Other income	546	552	521	549
	40,937	42,692	19,283	22,171
Distribution cost	2,349	1,721	265	1,170
Administrative expenses	26,671	28,864	13,706	14,119
Other operating expenses	1,263	1,393	1,021	1,238
Finance cost	5,606	5,139	2,708	3,014
Profit before taxation	5,048	5,575	1,583	2,630
Taxation	7,818	3,128	6,409	1,897
(Loss) / Profit after taxation	(2,770)	2,447	(4,826)	733
(Loss) / Earning per share-basic and diluted (Rupees)	15 (0.37)	0.33	(0.64)	0.10

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

**KH.IMTIAZ AHMED**  
Chief Executive  
& Managing Director  
Lahore: February 28, 2018



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**LEINER PAK GELATINE LIMITED**

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Note	....Rupees in thousand....		....Rupees in thousand....	
(Loss) / Profit after taxation	(2,770)	2,447	(4,826)	733
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(2,770)</b>	<b>2,447</b>	<b>(4,826)</b>	<b>733</b>

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

IBRAR AHMED KHWAJA  
DirectorMUHAMMAD JAVAID  
Chief Financial OfficerKH. IMTIAZ AHMED  
Chief Executive  
& Managing Director  
Lahore: February 28, 2018

# LEINER PAK GELATINE LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Six months period ended December 31, 2017	Six months period ended December 31, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,048	5,575
<b>Adjustments for:</b>		
Depreciation	5,737	6,343
Provision for employee retirement benefits	1,320	1,227
Finance cost	5,606	5,139
Gain on disposal of operating fixed asset	(521)	-
Provision for Workers' Profit Participation Fund	289	294
Provision for Workers' Welfare Fund	381	-
Reversal of Workers Welfare Fund payable	-	(494)
	<u>12,812</u>	<u>12,509</u>
<b>Operating profit before changes in working capital</b>	<b>17,860</b>	<b>18,084</b>
<b>Changes in working capital</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	1,790	2,515
Stock-in-trade	(63,161)	(5,981)
Trade debts	11,510	(2,867)
Advances	1,349	(19)
Trade deposits and short-term prepayments	718	1,554
Other receivables	13	(46)
Increase / (decrease) in current liabilities		
Trade and other payables	26,556	(12,180)
<b>Cash (used in) / generated from operations</b>	<b>(3,365)</b>	<b>1,060</b>
Finance cost paid	(5,774)	(5,364)
Payments to provident fund	(932)	(1,378)
Taxes paid	(5,641)	(5,243)
Workers' Welfare Fund paid	(214)	-
Sales tax payments	(3,420)	(3,323)
<b>Net cash used in operating activities</b>	<b>(19,346)</b>	<b>(14,248)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(6,728)	(1,870)
Proceeds from disposal of property, plant and equipment	650	-
<b>Net cash used in investing activities</b>	<b>(6,078)</b>	<b>(1,870)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of liabilities against assets subject to finance lease	(173)	(166)
Proceeds from disposal of property, plant and equipment	(68)	-
Net increase in short term borrowings	26,720	17,461
<b>Net cash generated from financing activities</b>	<b>26,479</b>	<b>17,295</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,055</b>	<b>1,177</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,890</b>	<b>1,175</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,945</b>	<b>2,352</b>

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

IBRAR AHMED KHWAJA  
Director

MUHAMMAD JAVAID  
Chief Financial Officer

KH.IMTIAZ AHMED  
Chief Executive  
& Managing Director  
Lahore: February 28, 2018

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**LEINER PAK GELATINE LIMITED**

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

	<u>Share capital</u>		
	Issued, subscribed and paid up share capital	Un appropriated profit / accumulated (loss)	Total
			.....Rupees in thousand.....
Balance as at 01 July 2016	75,000	(772)	74,228
Total comprehensive income for the six months period ended 31 December 2016	-	2,447	2,447
<b>Balance as at 31 December 2016</b>	<b><u>75,000</u></b>	<b><u>1,675</u></b>	<b><u>76,675</u></b>
Balance as at 01 July 2017	75,000	(3,781)	71,219
Total comprehensive loss for the six months period ended 31 December 2017	-	(2,770)	(2,770)
<b>Balance as at 31 December 2017</b>	<b><u>75,000</u></b>	<b><u>(6,551)</u></b>	<b><u>68,449</u></b>

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAID**  
Chief Financial Officer

**KH.IMTIAZ AHMED**  
Chief Executive  
& Managing Director  
Lahore: February 28, 2018

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# LEINER PAK GELATINE LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

### 1 The Company and its operations

Leiner Pak Gelatine Limited ("the Company") was incorporated in Pakistan on 14 February 1983 as a public limited Company. The registered office of the Company is situated at 17-G, Gulberg II, Lahore. The Company is listed on Pakistan Stock Exchange Limited. The Company is engaged in manufacture and sale of gelatine and di-calcium phosphate etc., produced from animal bones.

### 2 Going concern assumption

During the six months period ended December 31, 2017 the Company has negative cash flows from operating activities and incurred a net loss of Rupees 2.770 million and, as of that date, its accumulated loss was Rupees 6.551 million and its current liabilities exceeded its current assets by Rupees 50.690 million. These conditions raise significant doubts on the Company's ability to continue as a going concern as the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The management of the Company believes that the Company does not have a history of continuous losses and the incidence of losses is a temporary phase which will soon be over. Keeping in view the following factors, the management foresees that the Company will continue as a going concern.

- There is continued demand of 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 renewal of sales contracts with big customers the turnover is expected to increase in future.
- Repayments to banks and financial institutions have been made as per agreed terms and they have renewed the credit facilities for the future period.
- There is continued financial support of the Company's sponsors. The sponsors' of the Company have inducted Rupees 41.293 million interest free loans up to December 31, 2017. They are also committed to induct further funds, if the need arises, to address any liquidity issues for smooth operations.

Apart from the aforementioned factors there are also positive indicators like continuous profits before taxation since July 1, 2014 to date. This interim financial information, therefore, do not include any adjustments relating to realization of its assets and the liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

### 3 Basis of preparation

#### 3.1 Statement of compliance

Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated October 06, 2017 which states that the interim financial information of the companies for the period ended on or before December 31, 2017 shall also prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial Information has been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provision of or directive issued under the repealed Companies Ordinance, 1984 have been followed. The condensed interim financial information should be read in conjunction with the financial statements for the year ended June 30, 2017, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

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# LEINER PAK GELATINE LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

- 3.2 This condensed interim financial information is un-audited and is being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and section 245 of the repealed Companies Ordinance, 1984. The figure for the six months ended December 31, 2017 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.
- 3.3 This condensed interim financial information has been prepared under the historical cost convention except for freehold land at revalued amount. In these financial statements, except for the cash flow statement, all transactions have been accounted for on accrual basis.
- 3.4 Items included in condensed interim financial information are measured using the currency of the primary economic environment in which the Company operates. The condensed interim financial information is 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 information are the same as those applied in preparation of the annual published financial statements for the year ended 30 June 2017.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

#### 5 Judgments, estimates and assumptions

The preparation of the condensed interim financial information 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 this condensed interim financial information are the same as those applied in preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2017.

#### 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 2017.

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
<b>7 Share capital</b>		
<b>Authorised share capital</b>		
10,000,000 (June 30, 2017: 10,000,000) ordinary shares of Rupees 10 each	<u>100,000</u>	<u>100,000</u>
<b>Issued, subscribed and paid up share capital</b>		
7,500,000 (June 30, 2017: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash	<u>75,000</u>	<u>75,000</u>
	<u>75,000</u>	<u>75,000</u>

# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

		(Un-audited) December 31, 2017	(Audited) June 30, 2017
..... Rupees in thousand.....			
<b>8 DEFERRED TAXATION</b>			
Deferred tax on temporary differences comprises of:			
<b>Taxable temporary differences</b>			
Accelerated tax depreciation		15,177	15,252
Assets held under finance lease		<u>244</u>	<u>258</u>
		<u>15,421</u>	<u>15,510</u>
<b>Deductible temporary differences</b>			
Unused tax losses		-	2,420
Tax credits		<u>(11,398)</u>	<u>12,857</u>
Liabilities against assets subject to finance lease		<u>(195)</u>	<u>233</u>
		<u><u>3,828</u></u>	<u><u>-</u></u>
<b>9 Liabilities against assets subject to finance lease</b>			
Present value of minimum lease payments		<u>683</u>	<u>856</u>
Less: Current portion		<u>361</u>	<u>352</u>
		<u><u>322</u></u>	<u><u>504</u></u>
<b>10 Short term borrowings</b>			
<i>From banking companies-secured</i>			
Finance against packing credit (FAPC-1)			
Bank Al-Habib Limited	10.1, 10.6	8,500	21,908
Short term finance (STF)			
Bank Al-Habib Limited	10.1, 10.6	15,833	-
Finance against payables			
Bank Al-Habib Limited	10.2, 10.6	14,518	-
Finance against IBP receivables			
Bank Al-Habib Limited	10.3, 10.6	-	-
Running finance			
Bank Al-Habib Limited	10.4, 10.6	120,606	127,201
Summit Bank Limited	10.5, 10.7	<u>37,099</u>	<u>30,726</u>
		<u>196,556</u>	<u>179,835</u>
<i>From related parties-unsecured</i>			
Loans from directors	10.10	<u>41,293</u>	<u>31,294</u>
		<u><u>237,849</u></u>	<u><u>211,129</u></u>
<b>10.1</b>	The bank has granted a one-off Short Term Finance (STF) facility of Rupees 25 million for the adjustment of outstanding balance of FAPC-1. The said STF is to be repaid in 12 months commencing October 2017 in equal monthly instalments to be reckoned from the respective adjustment/roll over period of 180 days of FAPC-1. STF carries mark-up at three months KIBOR plus 1.75% per annum payable quarterly. (June 30, 2017 Rupees: nil). The outstanding balance of FAPC-1 amounting to Rs. 8.5 million will accordingly be classified under STF after completion of 180 days.		
<b>10.2</b>	The short term finance facility having sanctioned limit of Rupees 25 million (June 30, 2017: Rupees nil) 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, 2017: nil) per annum payable quarterly. The principle amount is to be repaid in 60 days through business cash flows. Till the adjustment of FAPC-I this facility is allowed upto Rupees 15 million only. The facility is valid till February 07, 2021.		
<b>10.3</b>	The IBP receivable finance facility having sanctioned limit of Rupees 25 million (June 30, 2017: Rupees nil) 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, 2017: nil) per annum. The principal amount is to be repaid upon realization of export 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. Till the adjustment of FAPC-I this facility is allowed upto Rupees 10 million only. The facility is valid till February 07, 2021.		

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# LEINER PAK GELATINE LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

- 10.4** The running finance facility having sanctioned limit of Rupees 85 million (June 30, 2017: Rupees 70 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, 2017: three months KIBOR plus 1.75%) per annum payable quarterly. The sanctioned limit has temporarily been exceeded due to issuance of cheques which were presented after December 31, 2017. The facility is valid till February 07, 2021.
- 10.5** The running finance facility having sanctioned limit of Rupees 30 million (June 30, 2017: Rupees 30 million) has been obtained from Summit Bank Limited for working capital requirements. It carries mark-up at three months KIBOR plus 2.5% (June 30, 2017: three months KIBOR plus 2.5%) per annum payable quarterly. The sanctioned limit has temporarily been exceeded due to issuance of cheques which were presented after December 31, 2017. The facility is valid till September 30, 2018.
- 10.6** The facilities mentioned in 10.1, 10.2, 10.3 and 10.4 are commonly secured against first charge of Rupees 180 million (June 2017: Rupees 180 million) over current assets of the Company registered with SECP. Equitable mortgage supported by first charge on fixed assets of Rupees 174 million (June 30, 2017: Rupees 174 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 the Directors namely Kh. Imtiaz Ahmed, Kh. Ahmed Hassan and Ibrar Ahmed Kh. amounting to Rupees 155 million each (June 30, 2017: Rupees 155 million). The running finance facility at note 10.4 in addition to securities aforesaid is also secured against pro note amounting to Rs. 144.5 million (June 2017 : Rupees 84 million).
- 10.7** The facility mentioned in 10.5 is commonly secured against ranking charge of Rupees 40 million (June 30, 2017: 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 the Directors namely Kh. Imtiaz Ahmed, Kh. Ahmed Hassan and Ibrar Ahmed Kh. along with Personal Networth Statement (PNWS).
- 10.8** As at December 31, 2017 the Company has facilities from Bank Al-Habib Limited relating to import letters of credit (sight/usance) amounting to Rupees 5 million (June 30, 2017: Rupees 5 million). Additionally, Company has letter of guarantee facility amounting to Rupees 15 million (June 30, 2017: Rupees 15 million) from Bank Al-Habib Limited.
- 10.9** The net aggregate short term borrowing facilities unavailed at end of December 31, 2017 amount to Rupees 10.482 million (June 30, 2017: Rupees 13.09 million) and for letters of credit and bank guarantees amount to Rupees 8.744 million (June 30, 2017: Rupees 8.744 million).
- 10.10** Loans from Chief Executive and director are re-payable on demand and is non - interest bearing.

### 11 Contingencies and commitments

There have been no significant changes in contingencies and commitments as disclosed in the notes to the preceding annual published financial statements for the year ended June 30, 2017.

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

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	..... Rupees in thousand.....	
Not later than one year	2,003	1,864
Later than one year but not later than five years	1,072	2,143

# LEINER PAK GELATINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

		(Un-audited) December 31, 2017	(Audited) June 30, 2017
		..... Rupees in thousand.....	
<b>12 Property, plant and equipment</b>			
Operating fixed assets	12.1	392,074	397,060
Capital work in progress	12.3	9,869	4,021
		<u>401,943</u>	<u>401,081</u>
<b>12.1 Opening book value</b>		397,060	407,654
Cost of additions during the period / year	12.2	880	2,150
Less:			
Deletion during the period / year (book value)		129	-
Depreciation charged during the period / year		5,737	12,744
		<u>392,074</u>	<u>397,060</u>
<b>12.2 Cost of addition during the period / year</b>			
Plant and machinery		-	1,861
Electric installation and equipment		880	-
Office equipment		-	153
Vehicles		-	136
		<u>880</u>	<u>2,150</u>
<b>12.3 Capital work in progress</b>			
Opening balance		4,021	-
Additions during the period / year		5,848	4,021
		<u>9,869</u>	<u>4,021</u>
Transfer to operating fixed assets		-	-
Closing balance		<u>9,869</u>	<u>4,021</u>

13 The intangible asset represents computer software costing Rupees 70,000 which is fully amortized.

### 14 Taxation

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

### 15 Earning per share-basic and diluted

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

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
	....Rupees in thousand...		....Rupees in thousand...	
(Loss) / Profit after taxation	<u>(2,770)</u>	2,447	<u>(4,826)</u>	733
	<u>in thousand</u>	<u>in thousand</u>	<u>in thousand</u>	<u>in thousand</u>
Weighted average number of ordinary shares	<u>7,500</u>	7,500	<u>7,500</u>	7,500
(Loss) / Earning per share-basic and diluted (Rupees)	<u>(0.37)</u>	0.33	<u>(0.64)</u>	0.10



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**LEINER PAK GELATINE LIMITED**

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)**

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**16 Transactions with related parties**

The related parties comprise of recognised provident fund and key management personnel.

Transactions with related parties other than those which have been specifically disclosed in this condensed interim financial information are as follows:

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
	<u>....Rupees in thousand...</u>	<u>....Rupees in thousand...</u>	<u>....Rupees in thousand...</u>	<u>....Rupees in thousand...</u>
<b>Key management personnel</b>				
Remuneration	2,092	1,960	1,156	1,073
Loan from Chief Executive - unsecured:				
Loan received	20,070	-	20,070	-
Loan repaid	10,070	1,500	10,070	500
Loan from Director - unsecured:				
Loan received	-	500	-	500
<b>Recognised provident fund</b>				
Contribution to provident fund trust	1,320	1,227	706	648

Included in trade and other payables is payable to provident fund as at December 31, 2017 Rupees 970,955 (Un-audited) and as at June 30, 2017 Rupees 582,909 (Audited)

**17 Date of authorization for issue**

This condensed interim financial information was authorized for issue by the Board of Directors on February 28, 2018.

**18 General**

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

**IBRAR AHMED KHWAJA**  
Director

**MUHAMMAD JAVAI**  
Chief Financial Officer

**KH.IMTIAZ AHMED**  
Chief Executive  
& Managing Director  
Lahore: February 28, 2018

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	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 / گھا / گلی نمبر درکار ہے
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