



LEINER PAK GELATINE LIMITED

**UN-AUDITED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2013.**



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COMPANY INFORMATION BOARD OF DIRECTORS

Ijaz Ahmed Khwaja	Chairman
Khwaja Imtiaz Ahmed	Chief Executive & Managing Director
Ibrar Ahmed Khwaja	Executive Director
Khwaja Ahmed Hassan	Executive Director
Mian Zia-Ud-Din	Independent Director
Umer Riaz Khwaja	Non-Executive Director
Mr. Iqbal Dossa	Non-Executive Director

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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.P.O. Box No. 415, Lahore-54660
Ph. #: 0092-42-35756953-54, Fax #: 0092-42-35710604

PLANT

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

BANKERS

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

DIRECTORS' REVIEW

The Directors are pleased to present the accounts of the company for the Three months period ended September 30,2013.

OPERATION

During this period our company was badly hit by devastating flood and non stop heavy rains intensified the impact of flood water. Massive flood water remained stagnant for ten days which caused damages to finished goods (gelatine), stock in process, store & spares, plant and machinery and factory building.

Our production facility including stocks, store & spares are comprehensively insured. Insurance claims are under verification process and hope all matters relating to insurance claims be settled very soon.

Heavy flood had completely halted the production activities since August 15, 2013 due to which very low sales figures are witnessed in financial results. Operating loss is mainly attributed to the fixed cost portion which brought the loss before tax to Rs.(20.8) million.

FUTURE PROSPECTS

Management has started repair/renovation process at factory premises immediately after the recede of water. Production process (partially) has also been started. We hope total production facility will come in to production very soon.

ACKNOWLEDGEMENT

We really acknowledge the efforts of all friends, employees and well wishers who supported us in these time testing moments.

We also appreciate the contribution of Bank Al-Habib Limited, United Bank Limited, MCB Bank Limited-Islamic Banking, Bank Al-Falah Limited-Islamic Banking, Bank Islami Pakistan Limited and National Bank of Pakistan.

On Behalf of the Board

Lahore
October 31, 2013

KH.IMTIAZ AHMED
Chief Executive
& Managing Director

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2013

		(Un-audited) Sept. 30, 2013	(Audited) June 30, 2013
Note	 Rupees in	thousand.....
EQUITY AND LIABILITIES			
Share capital and reserves			
	6	75,000	75,000
Share capital			
Unappropriated profit		<u>42,403</u>	63,838
		117,403	138,838
Surplus on revaluation of property, plant and equipment		164,134	164,134
Non-current liabilities			
Deferred taxation		<u>9,355</u>	9,355
		9,355	9,355
Current liabilities			
Trade and other payables		<u>97,764</u>	113,400
Mark-up accrued		2,025	1,854
Short term borrowings	7	<u>74,020</u>	131,186
		173,809	246,440
Contingencies and commitments	9	-	-
		<u>464,701</u>	558,767
ASSETS			
Non-current assets			
Property, plant and equipment	10	278,334	281,317
Intangible assets		4	8
Long term deposits		<u>1,980</u>	2,643
		280,318	283,968
Current assets			
Stores, spare parts and loose tools		<u>2,460</u>	11,240
Stock-in-trade		107,129	198,011
Trade debts		1,085	34,761
Advances		2,000	1,075
Trade deposits and short term prepayments		1,957	1,530
Other receivables		57,692	14,572
Advance income tax-net		10,455	10,028
Cash and bank balances		<u>1,605</u>	3,582
		184,383	274,799
		<u>464,701</u>	558,767

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: October 31, 2013

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013

	Sept. 30, 2013	Sept. 30, 2012
NoteRupees in thousand....	
Sales-net	60,621	136,369
Cost of sales	68,271	115,641
Gross (Loss)/profit	(7,650)	20,728
Other operating income	2,151	43
	(5,499)	20,771
Distribution cost	983	1,252
Administrative expenses	10,894	11,223
Other operating expenses	46	1,437
Finance cost	3,377	3,339
(Loss)/Profit before taxation	(20,799)	3,520
Taxation	636	1,232
(Loss)/Profit after taxation	(21,435)	2,288
(Loss)/Earning per share-basic and diluted (Rupees)	11 (2.86)	0.31

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: October 31, 2013

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013

	Sept. 30, 2013	Sept. 30, 2012
Rupees in thousand....	
(Loss)/Profit after taxation	(21,435)	2,288
Other comprehensive income	-	-
Total comprehensive (Loss)/income for the period	(21,435)	2,288

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: October 31, 2013

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013

	Sept.30, 2013	Sept.30, 2012
Rupees in thousand.....	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(20,799)	3,520
Adjustments for :		
Depreciation	2,857	2,794
Amortization	4	3
Provision for employee retirement benefits	410	431
Finance cost	3,377	3,339
Provision for Workers' Profit Participation Fund	-	185
Gain on disposal of property, plant and equipment	(188)	(98)
	6,460	6,654
Operating (loss)/profit before changes in working capital	(14,339)	10,174
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	8,780	(371)
Stock-in-trade	90,882	15,615
Trade debts	33,676	28,829
Advances	(925)	(860)
Trade deposits and short term prepayments	372	260
Other receivables	(44,033)	198
Increase / (decrease) in current liabilities		
Trade and other payables	(15,479)	(19,516)
Cash generated from operations	58,934	34,329
Finance cost paid	(3,206)	(3,518)
Payments to provident fund	(567)	(425)
Taxes paid	(1,064)	(1,722)
Sales tax refund / (payments)	914	2,457
Workers' Profit Participation Fund paid	-	(71)
Net cash generated from operating activities	55,011	31,050
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(110)	(266)
Proceeds from disposal of property, plant and equipment	424	370
Decrease/(Increase) in long term deposits	(136)	(365)
Net cash generated in investing activities	178	(261)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long term financing	-	(1,250)
Repayment of liabilities against assets subject to finance lease	-	(251)
(Decrease) / increase in short term borrowings	(57,166)	(30,062)
Dividend paid	-	-
Net cash (used in) / generated from financing activities	(57,166)	(31,563)
Net (decrease) / increase in cash and cash equivalents	(1,977)	(774)
Cash and cash equivalents at the beginning of the period	3,582	2,403
Cash and cash equivalents at the end of the period	1,605	1,629

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: October 31, 2013

LEINER PAK GELATINE LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013**

	<u>Share capital Issued, subscribed and paid up share capital</u>	<u>Un appropriated profit</u>	<u>Total</u>
.....Rupees in thousand.....			
Balance as at 30 June 2012	75,000	64,130	139,130
Total comprehensive income for the three months period ended 30 September 2012	-	2,288	2,288
Cash dividend for the fiscal year 2011-12	-	(3,010)	(3,010)
Balance as at 30 September 2012	<u>75,000</u>	<u>63,408</u>	<u>138,408</u>
Balance as at 30 June 2013	75,000	63,838	138,838
Total comprehensive loss for the three months period ended 30 September 2013	-	(21,435)	(21,435)
Balance as at 30 September 2013	<u>75,000</u>	<u>42,403</u>	<u>117,403</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: October 31, 2013

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013 (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 Karachi and Lahore Stock Exchanges in Pakistan. The Company is engaged in manufacture and sale of gelatine, di-calcium phosphate and glue produced from animal bones.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim financial information of the Company for the three months period ended September 30, 2013 has been prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information is un-audited and is being submitted to the shareholders as required by the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

2.3 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.

3 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 2013.

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.

4 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 2013.

5 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 2013.

6 Share capital

Authorised share capital

10,000,000 (June 30, 2013: 10,000,000) ordinary shares of Rupees 10 each

	(Un-audited) Sept. 30, 2013	(Audited) June 30, 2013
..... Rupees in	thousand.....	
	100,000	100,000

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013 (UN-AUDITED)

		(Un-audited) Sept. 30, 2013	(Audited) June 30, 2013
	 Rupees in	thousand.....
Issued, subscribed and paid up share capital			
7,500,000 (June 30, 2013: 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>
7 Short term borrowings			
<i>From banking companies-secured</i>			
Finance against packing credit Bank Al-Habib Limited	7.1	8,113	23,180
Finance against foreign bills Bank Al-Habib Limited	7.2	15,444	16,571
Running finance Bank Al-Habib Limited	7.3	30,614	71,586
		<u>54,171</u>	<u>111,337</u>
<i>From related parties-unsecured</i>			
Loan from director	7.5	19,849	19,849
		<u>74,020</u>	<u>131,186</u>
7.1	The finance against packing credit (FAPC-1) facility having sanctioned limit of Rupees 25 million (June 30, 2013: Rupees 25 million) has been obtained from Bank Al Habib Limited. The rate of mark- up on this facility is 10.40% (June 30, 2013: 10.40%) per annum payable quarterly or on adjustment of loan. The principal amount is to be adjusted / rolled over within 180 days from the draw down date or on demand while mark up is to be serviced upon adjustment of loan or at the end of each calendar quarter whichever is higher.		
7.2	The finance against foreign bills (FAFB-REF) facility having sanctioned limit of Rupees 40 million (June 30, 2013: Rupees 40 million) has been obtained from Bank Al Habib Limited. The rate of mark- up on this facility is 10.40% (June 30, 2013: 10.40%) per annum payable quarterly or on adjustment of loan. The principal amount is to be adjusted / rolled over within 180 days from the draw down date or on demand while mark up is to be serviced upon adjustment of loan or at the end of each calendar quarter whichever is higher.		
7.3	The running finance facility having sanctioned limit of Rupees 70 million (June 30, 2013: Rupees 70 million) has been obtained from Bank Al-Habib Limited for working capital requirements. It carries mark-up at three months average KIBOR -Ask plus 1.75% (June 30, 2013: three months average KIBOR -Ask plus 1.75%) per annum payable quarterly.		
7.4	The facilities mentioned in 7.1, 7.2 and 7.3 are commonly secured against first hypothecation charge of Rupees 180 million (2013: Rupees 180 million- joint pari passu charge) over current assets of the Company. First charge on fixed assets of Rupees 174 million comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku, Token Registered Mortgage of Rupees 0.5 million supported by equitable mortgage, lien over export documents under letter of credit and contract, shipping documents, accepted drafts and personal guarantees of the Directors amounting to Rupees 155 million.		
7.5	Loan from director (Chief Executive) is re-payable on demand and is non- interest bearing.		
8	A Charge of Rupees 20 million (June 30, 2013: Rupees 20 million) in favour of Bank Alfalah limited - Islamic banking had been created on all present and future fixed assets (plant & machinery) of the Company including but not limited to complete de-humidification plant etc. The said charge has been created in respect of Ijara facility for de-humidification plant etc. to the Company.		

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013 (UN-AUDITED)

9 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, 2013 except for the commitments for Ijara of vehicles & de-humidification plant with Bank Islami Pakistan Limited and Bank Alfalah Limited-Islamic banking.

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

	(Un-audited) Sept. 30, 2013	(Audited) June 30, 2013
..... Rupees in thousand.....		
Not later than one year	1,110	1,056
Later than one year but not later than five years	2,935	2,796

The Company has entered into Ijara arrangements with Bank Islami Pakistan Limited for vehicles and Bank Alfalah Limited-Islamic banking for de-humidification plant. Commitments for Ijara monthly rentals payable under the agreements are as follows:

	(Un-audited) Sept. 30, 2013	(Audited) June 30, 2013
..... Rupees in thousand.....		
Not later than one year	6,396	6,342
Later than one year but not later than five years	4,745	6,216

10 Property, plant and equipment

Operating fixed assets	10.1	278,334	281,317
		278,334	281,317
10.1 Opening book value		281,317	276,685
Cost of additions during the period / year	10.2	110	17,141
Less:			
Deletion during the period / year (book value)	10.3	236	820
Depreciation charged during the period / year		2,857	11,689
		278,334	281,317
10.2 Cost of addition during the period / year			
Factory building-on free hold land		-	8,072
Plant and machinery		-	8,230
Office equipment		110	33
Furniture, fixture and fittings		-	86
Vehicles		-	720
		110	17,141

10.3 Deletion during the period / year

Owned

Vehicles:

Cost	1,039	2,293
Less: accumulated depreciation	803	1,473
	236	820

11 (Loss)/earning per share-basic and diluted

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

LEINER PAK GELATINE LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013 (UN-AUDITED)**

	Three months period ended	
	Sept. 30, 2013	Sept. 30, 2012
Rupees in thousand...	
(Loss)/profit after taxation	(21,435)	2,288
	in thousand	in thousand
Weighted average number of ordinary shares	7,500	7,500
(Loss)/earning per share-basic and diluted- Rupees	(2.86)	0.31

12 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:

	Three months period ended	
	Sept. 30, 2013	Sept. 30, 2012
Rupees in thousand...	
Key management personnel		
Remuneration	1,015	1,022
Loan from Chief Executive- unsecured:		
Loan received	-	3,000
Loan repaid	-	3,000
Recognised provident fund		
Contribution to provident fund trust	410	431

13 Date of authorization for issue

This condensed interim financial information was authorized for issue by the Board of Directors on October 31, 2013.

14 General

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

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: October 31, 2013

BOOK POST PRINTED MATTER

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 / گھراگلی نمبر درکار ہے
Out of City / Country	شہر / ملک سے باہر ہیں
Share Refused to Accept	وصول کرنے سے انکار
Non Service Area	رسائی ممکن نہیں
Any Other Reason, Please Mention Hereunder:	کوئی اور وجہ درج فرمائیے لکھیں:

If undelivered please return to P.O. Box 415, Lahore-54660