



LEINER PAK GELATINE LIMITED

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



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COMPANY INFORMATION BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Khawaja 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

Khawaja 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

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 the nine months period ended March 31, 2017.

OPERATIONS

During the period under review Company's turnover is registered at 486.42 million as compared to 545.17 million in last corresponding period. This decrease in turnover is due to sluggish business activity witnessed in poultry sector which affected the sale of one of our product Di-Calcium Phosphate (by product).

Despite of the some low turnover Company's overall profitability both in terms of gross profit margin and net profit (after tax) reflected some positive growth. Company managed to post profit after tax at Rs.4.34 million as compared to 3.40 million in last corresponding period.

FUTURE PROSPECTS

Company has started export of its product "Halal" Gelatine to Malaysia and other Muslim countries after a long span of time. Exports of Gelatine will lead to fetch premium prices for our products resulting in better financial performance.

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
April 27, 2017

KH. IMTIAZ AHMED
Chief Executive &
Managing Director

ڈائریکٹرز ریویو

ڈائریکٹران کمپنی کے نو ماہی حسابات جو کہ ۳۱ مارچ ۲۰۱۷ کو ختم ہوا ہے پیش کرنے پر خوشی محسوس کرتے ہیں۔

کاروباری عمل

زیر جائزہ دورانیہ میں کمپنی کی فروخت ۲۸۶.۴۲ ملین روپے رہی جبکہ پچھلے سال اسی دورانیے میں کمپنی کی فروخت ۵۴۵.۱۷ ملین روپے تھی۔ فروخت میں اس کمی کی وجہ پولٹری کے کاروبار میں مندرے کی وجہ سے ہے۔ اس مندرے کی وجہ سے ہماری ایک پراڈکٹ (ہائی پراڈکٹ) ڈائری کیلشیم فاسفیٹ کی فروخت متاثر ہوئی۔

فروخت میں کچھ کمی کے باوجود کمپنی کے مجموعی منافع اپنی دونوں اشکال (گراس پرافٹ) اور (بعد از ٹیکس منافع) میں کچھ بہتری پیدا ہوئی ہے۔ کمپنی نے بعد از ٹیکس منافع مبلغ ۳۴.۳۴ ملین روپے کمایا ہے جبکہ پچھلے سال اسی دورانیے کا منافع مبلغ ۴۰.۳۴ ملین روپے تھا۔

مستقبل کے امکانات

کمپنی نے طویل عرصے کے بعد اپنی مصنوعات حلال جیلائین کی ایکسپورٹ ملائیشیا، اور دوسرے اسلامی ممالک کو شروع کر دی ہے۔ جیلائین کی ایکسپورٹ مصنوعات کے لیے بہتر دام وصول کر سکے گی جس کی وجہ سے بہتر مالیاتی نتائج حاصل ہوں گے۔

اعتراف

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

منجانب بورڈ

خواجہ امتیاز احمد

چیف ایگزیکٹو ایڈ

مینیجنگ ڈائریکٹر

لاہور

۲۰۱۷ اپریل ۷

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

		(Un-audited) March 31, 2017	(Audited) June 30, 2016
	Note	..... Rupees in	thousand.....
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	75,000	75,000
Unappropriated profit/accumulated (loss)		3,572	(772)
		<u>78,572</u>	<u>74,228</u>
Surplus on revaluation of property, plant and equipment		278,914	278,914
Non-current liabilities			
Liabilities against assets subject to finance lease	8	594	856
Current liabilities			
Trade and other payables		100,479	132,280
Mark-up accrued		2,476	2,206
Short term borrowings	9	210,897	164,032
Current portion of liabilities against assets subject to finance lease	8	347	334
		<u>314,199</u>	<u>298,852</u>
Contingencies and commitments	10	-	-
		<u>672,279</u>	<u>652,850</u>
ASSETS			
Non-current assets			
Property, plant and equipment	11	400,109	407,654
Long term deposits		260	260
Deferred taxation	12	-	-
		<u>400,369</u>	<u>407,914</u>
Current assets			
Stores, spare parts and loose tools		14,208	19,234
Stock-in-trade		215,165	194,638
Trade debts		5,978	3,784
Advances		2,709	1,980
Trade deposits and short term prepayments		2,471	2,290
Other receivables		12,961	8,965
Advance income tax-net		17,577	12,870
Cash and bank balances		841	1,175
		<u>271,910</u>	<u>244,936</u>
		<u>672,279</u>	<u>652,850</u>

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

IBRAR AHMED KHWAJA.
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: April 27, 2017

LEINER PAK GELATINE LIMITED

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

	Nine months period ended		Three months period ended	
	March. 31	March. 31	March. 31	March. 31
	2017	2016	2017	2016
Note	....Rupees in thousand....		....Rupees in thousand....	
Sales-net	486,426	545,176	169,828	221,361
Cost of sales	423,828	483,586	149,370	200,643
Gross profit	62,598	61,590	20,458	20,718
Other income	552	168	-	17
	63,150	61,758	20,458	20,735
Distribution cost	2,811	2,676	1,090	769
Administrative expenses	41,313	42,097	12,449	14,384
Other operating expenses	1,584	608	191	164
Finance cost	8,231	7,524	3,092	2,426
Profit before taxation	9,211	8,853	3,636	2,992
Taxation	4,867	5,452	1,739	2,123
Profit after taxation	4,344	3,401	1,897	869
Earning per share-basic and diluted (Rupees)	14 0.58	0.45	0.25	0.12

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

IBRAR AHMED KHWAJA.
Director**KH.IMTIAZ AHMED**
Chief Executive
& Managing Director
Lahore: April 27, 2017

LEINER PAK GELATINE LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017**

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>March. 31</u> <u>2017</u>	<u>March. 31</u> <u>2016</u>	<u>March. 31</u> <u>2017</u>	<u>March. 31</u> <u>2016</u>
	<u>....Rupees in thousand....</u>		<u>....Rupees in thousand....</u>	
Profit after taxation	4,344	3,401	1,897	869
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>4,344</u>	<u>3,401</u>	<u>1,897</u>	<u>869</u>

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

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: April 27, 2017

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Nine months period ended March. 31 2017	Nine months period ended March. 31 2016
.....Rupees in thousand.....		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	9,211	8,853
Adjustments for :		
Depreciation	9,542	7,923
Provision for employee retirement benefits	1,871	1,684
Finance cost	8,231	7,524
Provision for Workers' Profit Participation Fund	531	472
Provision for Workers' Welfare Fund	-	120
	20,175	17,723
Operating profit before changes in working capital	29,386	26,576
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	5,026	15,983
Stock-in-trade	(20,527)	(70,692)
Trade debts	(2,194)	8,631
Advances	(729)	(2,153)
Trade deposits and short term prepayments	(157)	(713)
Other receivables	102	(129)
Increase / (decrease) in current liabilities		
Trade and other payables	(32,191)	19,335
Cash (used in) /generated from operations	(21,284)	(3,162)
Finance cost paid	(7,961)	(7,244)
Payments to provident fund	(2,012)	(439)
Taxes paid	(9,574)	(6,296)
Sales tax refund / (payments)	(4,098)	1,275
Net cash (used in) / generated from operating activities	(44,929)	(15,866)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,997)	(13,337)
Decrease / (increase) in long term deposits	(24)	1,885
Net cash generated / (used in) investing activities	(2,021)	(11,452)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of liabilities against assets subject to finance lease	(249)	1,270
Net increase / (decrease) in short term borrowings	46,865	28,803
Net cash generated / (used in) financing activities	46,616	30,073
Net increase / (decrease) in cash and cash equivalents	(334)	2,755
Cash and cash equivalents at the beginning of the period	1,175	1,214
Cash and cash equivalents at the end of the period	841	3,969

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

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: April 27, 2017

LEINER PAK GELATINE LIMITED

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

	<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 01 July 2015	75,000	(3,520)	71,480
Total comprehensive income for the nine months period ended 31 March, 2016	-	3,401	3,401
Balance as at 31 March 2016	<u>75,000</u>	<u>(119)</u>	<u>74,881</u>
Balance as at 01 July 2016	75,000	(772)	74,228
Total comprehensive income for the nine months period ended 31 March, 2017	-	4,344	4,344
Balance as at 31 March 2017	<u>75,000</u>	<u>3,572</u>	<u>78,572</u>

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

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
& Managing Director
Lahore: April 27, 2017

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

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

As described in note 2 of the annual financial statements of the Company for the year ended June 30, 2016 the Company had incurred losses during years ended June 30, 2014 and 2015. The Company has negative cash flows from operating activities during the nine months period ended March 31, 2017 and, as of that date, its current liabilities exceeded its current assets by Rupees 42.28 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 has a history of profits and the incidence of losses was a temporary phase which is now over. Keeping in view the following factors, the management foresees that the company will continue as 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.
- 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 29.42 million interest free loans up to March 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 after taxation since July 1, 2015 to date, together with the existence of new sales orders along with advance payments received there against. These financial statements, 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

This condensed interim financial information of the Company for the nine months period ended March 31, 2017 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. The condensed interim financial information should be read in conjunction with the financial statements for the year ended June 30, 2016, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

- 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 Companies Ordinance, 1984.
- 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.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

- 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 2016.

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 2016.

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 2016.

	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	..... Rupees in thousand.....	
7 Share capital		
Authorised share capital		
10,000,000 (June 30, 2016: 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, 2016: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash	75,000	75,000
	75,000	75,000
8 Liabilities against assets subject to finance lease		
Present value of minimum lease payments	941	1,190
Less: Current portion	347	334
	594	856

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

		(Un-audited) March 31, 2017	(Audited) June 30, 2016
		..... Rupees in thousand.....	
9 Short term borrowings			
<i>From banking companies-secured</i>			
Finance against packing credit			
Bank Al-Habib Limited	9.1, 9.5	25,000	25,000
Finance against foreign bills			
Bank Al-Habib Limited	9.2, 9.5	-	-
Running finance			
Bank Al-Habib Limited	9.3, 9.5	120,347	81,243
Running finance			
Summit Bank Limited	9.4, 9.6	36,131	28,346
		<u>181,478</u>	<u>134,589</u>
<i>From related parties-unsecured</i>			
Loans from directors	9.7	29,419	29,443
		<u>210,897</u>	<u>164,032</u>

9.1 The finance against packing credit (FAPC-I town-sub limit of FAPC-I SBP-180 days) facility having sanctioned limit of Rupees 25 million (June 30, 2016: Rupees 25 million) has been obtained from Bank Al Habib Limited. The rate of mark- up on this facility is 1.75%+ 03months KIBOR (June 30, 2016: 1% above State Bank base rate for FAPC-I-SBP, 180 days) per annum. The principal amount is to be adjusted / rolled over within 60 days from the draw down date or through own sources or through realization of export proceeds or on demand while mark up is to be serviced upon adjustment of loan or at the end of each calendar quarter whichever is earlier. The facility is valid till August 07, 2017.

9.2 The finance against foreign bills (FAFB-OWN) facility having sanctioned limit of Rupees 40 million (June 30, 2016 Rupees 40 million) has been obtained from Bank Al Habib Limited. Presently this facility is blocked by Rs.30.0 million and in place of this blocked facility an additional temporary facility of Running Finance for Rs. 30.0 million is sanctioned till June 30, 2017. The rate of mark- up on this facility is 1.75% above State Bank base rate (June 30, 2016: 1.75% above State Bank base rate) per annum. The principal is to be repaid upon realization of export proceeds as per tenor of respective bill but not later than 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 earlier. The facility is valid till August 07, 2017.

9.3 The running finance facility having sanctioned limit of Rupees 100 million (Rs. 70 million+ Rs. 30 million) (June 30, 2016: Rupees 70 million) has been obtained from Bank Al-Habib Limited for working capital requirements. Facility of Rs. 30 million is temporarily extended by the bank in place of blocked facility of FAFB-own. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2016: 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 March 31, 2017. The facility of Rs. 30 million is valid till June 30, 2017 and facility of Rs. 70 million is valid till August 07, 2017.

9.4 The running finance facility having sanctioned limit of Rupees 30 million (June 30, 2016: 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, 2016: three months KIBOR plus 2.25%) per annum payable quarterly. The sanctioned limit has temporarily been exceeded due to issuance of cheques which were presented after March 31, 2017. The facility is valid till September 30, 2017.

9.5 The facilities mentioned in 9.1, 9.2 and 9.3 are commonly secured against first charge of Rupees 180 million (June 2016: Rupees 180 million) over current assets of the Company registered with SECP. First charge on fixed assets of Rupees 174 million (June 30, 2016: 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, 2016: Rupees 155 million). The running finance facility at note 9.3 in addition to securities aforesaid is also secured against pro note amounting to Rs. 84 million (June 2016 : Rupees 84 million).

9.6 The facility mentioned in 9.4 is commonly secured against ranking charge of Rupees 40 million (June 30, 2016: 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).

9.7 Loans from Chief Executive and director are re-payable on demand and is non- interest bearing.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

10 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, 2016.

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

	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	..... Rupees in	thousand.....
Not later than one year	1,802	1,620
Later than one year but not later than five years	2,609	4,007

The Company has entered into Ijara arrangements with Bank Islami Pakistan Limited for vehicles. Commitments for Ijara monthly rentals payable under the agreements are as follows:

	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	..... Rupees in	thousand.....
Not later than one year	-	73
Later than one year but not later than five years	-	-

11 Property, plant and equipment

Operating fixed assets	11.1	400,109	407,654
Capital work in progress		-	-
		400,109	407,654
11.1 Opening book value		407,654	268,303
Cost of additions during the period / year	11.2	1,997	150,273
Less:			
Deletion during the period / year (book value)		-	-
Depreciation charged during the period / year		9,542	10,922
		400,109	407,654
11.2 Cost of addition during the period / year			
Land		-	114,780
Factory building		-	24,498
Plant and machinery		1,861	1,730
Electric installation and equipment		-	6,283
Furniture, fixtures and fittings		-	-
Vehicles		136	1,263
Arms and ammunition		-	-
Laboratory equipment		-	410
Office equipment		-	12
		1,997	148,976
Asset subject to finance lease		-	1,297
		1,997	150,273

12 Deferred Taxation

Deferred tax asset due to minimum tax credits have not been recognized as at March 31, 2017 as sufficient future taxable profits may not be available against which the said tax credits can be utilized.

13 Taxation

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

Assessments upto tax year 2016, except for tax year 2014, are deemed assessments in terms of Section 120(1) of Income Tax Ordinance 2001, as per Income tax returns of the Company. The tax return for year 2014 has been selected for total audit under section 214C of the Income Tax Ordinance, 2001. The Company has filed a writ petition in the Honourable Lahore High Court against the alleged selection of total audit of the Company. The petition of the Company has been partially allowed by the Honorable Single Bench of Lahore High Court through its consolidated judgment in WP No. 32597/2015 on January 9, 2017. The Company has filed an Intra-Court Appeal (ICA) against the decision of Lahore High Court Single Bench order which is pending for hearing.

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

10 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, 2016.

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

	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	..... Rupees in	thousand.....
Not later than one year	1,802	1,620
Later than one year but not later than five years	2,609	4,007

The Company has entered into Ijara arrangements with Bank Islami Pakistan Limited for vehicles. Commitments for Ijara monthly rentals payable under the agreements are as follows:

	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	..... Rupees in	thousand.....
Not later than one year	-	73
Later than one year but not later than five years	-	-

11 Property, plant and equipment

Operating fixed assets	11.1	400,109	407,654
Capital work in progress		-	-
		400,109	407,654
11.1 Opening book value		407,654	268,303
Cost of additions during the period / year	11.2	1,997	150,273
Less:			
Deletion during the period / year (book value)		-	-
Depreciation charged during the period / year		9,542	10,922
		400,109	407,654
11.2 Cost of addition during the period / year			
Land		-	114,780
Factory building		-	24,498
Plant and machinery		1,861	1,730
Electric installation and equipment		-	6,283
Furniture, fixtures and fittings		-	-
Vehicles		136	1,263
Arms and ammunition		-	-
Laboratory equipment		-	410
Office equipment		-	12
		1,997	148,976
Asset subject to finance lease		-	1,297
		1,997	150,273

12 Deferred Taxation

Deferred tax asset due to minimum tax credits have not been recognized as at March 31, 2017 as sufficient future taxable profits may not be available against which the said tax credits can be utilized.

13 Taxation

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

Assessments upto tax year 2016, except for tax year 2014, are deemed assessments in terms of Section 120(1) of Income Tax Ordinance 2001, as per Income tax returns of the Company. The tax return for year 2014 has been selected for total audit under section 214C of the Income Tax Ordinance, 2001. The Company has filed a writ petition in the Honourable Lahore High Court against the alleged selection of total audit of the Company. The petition of the Company has been partially allowed by the Honorable Single Bench of Lahore High Court through its consolidated judgment in WP No. 32597/2015 on January 9, 2017. The Company has filed an Intra-Court Appeal (ICA) against the decision of Lahore High Court Single Bench order which is pending for hearing.

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	Shareholder Shifted	منتقل ہو گئے
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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 / گھرا / گلی 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 / نیچے لکھیں:

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