

ACCOUNTS FOR
THE HALF YEAR ENDED
DECEMBER 31, 2023
(UNAUDITED)



Pak Leather Crafts Limited



Pak Leather Crafts Limited

CORPORATE PROFILE

BOARD OF DIRECTORS

Mrs. Rubina Saleem	Chairperson
Muhammad Saleem Ahmed	Director / CEO
Qaiser Jamal	Director
Nayyer Ahmed	Director
Azeem Ahmed	Director
Umer Ahmed	Director
Ahmed Jalali	Director

AUDIT COMMITTEE

Qaiser Jamal	Chairman
Nayyer Ahmed	Member
Azeem Ahmed	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ahmed Jalali	Chairman
Nayyer Ahmed	Member
Azeem Ahmed	Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Naseer Ahmed

BANKERS

Albaraka Bank Pakistan Ltd
MCB Limited
Habib Metropolitan Bank Ltd
Habib Bank Limited
Industrial Development Bank Ltd
Faysal Bank Limited
Soneri Bank Ltd
Bank Alfalah Ltd
Bank of Khyber
Meezan Bank Ltd
Askari Bank Ltd

EXTERNAL AUDITORS

RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Lahore

LEGAL ADVISOR

Hassan Arif
Advocate, Sindh High Court

REGISTERED OFFICE

Plot 18, Sector 7 - A
Korangi Industrial Area, Karachi
Website: www.pakleather.com

SHARE REGISTRAR

JWAFFS Registrar Services (Pvt) Ltd
407-408, Al Ameera Centre,
Shahrah-e-Iraq, Karachi.
Tel: 021-35662023-24



Pak Leather Crafts Limited

DIRECTORS' REVIEW

The directors of your Company are pleased to present the condensed interim financial statements of the Company for the six month period ended December 31, 2023 duly reviewed by the auditors of the Company.

Financial Results:

	December 31, 2023	December 31, 2022
 Rupees	
Profit/ (Loss) before taxation	6,949,256	1,309,157
Taxation	(1,487,397)	(709,362)
Profit/ (loss) after tax	<u>5,461,859</u>	<u>599,795</u>
Accumulated loss B/F	<u>(370,503,517)</u>	<u>(359,296,681)</u>
Accumulated loss C/F	<u><u>(365,041,658)</u></u>	<u><u>(358,696,886)</u></u>
Profit/ (loss) per share after tax(Rupees)	<u>1.61</u>	<u>0.18</u>

Company Performance:

During the period ended December 31, 2023, the gross exports of the company reached Rs.10.584 million as compared to Rs. 55.416 million for the same period last year. Due to high cost of production the Company was not able to effectively compete in the international market and could not get export orders of required volume. The other reason of decline in export sales volume is the recession in the international market.

One important segment of direct cost of production is electricity and gas consumption which has doubled in the period under review, over previous year.

Management decided to utilize the surplus production capacity for local sales and was therefore successful to improve the domestic revenue.

In line with the balance sheet restructuring plan, your directors made out of court settlement with the Al Baraka Bank Limited and succeeded to get waiver of Rs. 13.985 million on account of loan and markup.

Period under review ended at after tax profit of Rs.5.462 million comparing with Rs.0.600 million for the same period last year.



Pak Leather Crafts Limited

Comments on Auditor's Review Report:

Auditors in their review report have given emphasis of matters. The attention of the reader is drawn to Note # 1.2 and # 7 to the financial statements where in the management has give its view point on these matters.

Future Outlook:

The management is aware of the challenges ahead and is continuously evolving strategies and adopting measures to meet future challenges and maintain business growth. Potential direct challenges include increase in the cost of production caused by high inflation, increasing prices, like in electricity and gas rates. Indirect challenges are uncertain political and economic conditions prevailing in the Country.

Acknowledgement:

The management is pleased to put on record its appreciation of cooperation from employees, customers, suppliers and the banks.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Muhammad Saleem Ahmed', is written over a thin, curved line that serves as a signature guide.

Muhammad Saleem Ahmed
Chief Executive Officer

Karachi: February 26, 2024



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Avais Chambers, 1/ C- 5
Sikander Malhi Road, Canal Park
Gulberg II, Lahore, Pakistan

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAK LEATHER CRAFTS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pak Leather Crafts Limited (the Company) as at December 31, 2023 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows, and selected explanatory notes to the condensed interim financial statements for the six month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

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 statements 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.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period then ended.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matters

Without qualifying our conclusion, we draw attention towards the following matters;

- a) Note 1.2 to the condensed interim financial statements states that the Company incurred losses in prior periods. As at the reporting date, its equity is negative by Rs. 331.04 million (June 30, 2023: Rs. 336.50 million) and its current liabilities exceed its current assets by Rs. 337.10 million (June 30, 2023: Rs. 354.72 million). These events and conditions, along with other matters as set forth in Note 1.2, indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.
- b) Note 7 to the condensed interim financial statements indicates that no provision is made in respect of any cost of funds since initiation of cases, as the same depends on the ultimate decision by the relevant forums. The quantum of cost of funds cannot be determined at this stage.

The engagement partner on the review resulting in this independent auditor's review report is Inam ul Haque.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place : Lahore

Date : 15-02-2024

UDIN: RR202310226LRGIMvyNj



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT DECEMBER 31, 2023

	Note	Unaudited Dec. 31, 2023	Audited June 30, 2023
..... Rupees			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	34,029,908	34,183,594
Long term deposits		1,409,612	1,409,612
		<u>35,439,520</u>	<u>35,593,206</u>
Current assets			
Loose tools		442,387	362,387
Stock in trade		56,872,425	48,403,105
Trade debts		2,121,109	10,132,311
Advances and other receivable		2,591,844	2,233,356
Tax refunds due from government		991,417	1,571,264
Cash and bank balances		1,753,374	8,650,856
		<u>64,772,556</u>	<u>71,353,279</u>
TOTAL ASSETS		<u>100,212,076</u>	<u>106,946,485</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
5,000,000 Ordinary shares of Rs. 10/- each.		<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up capital			
3,400,000 Ordinary shares of Rs. 10/- each fully paid in cash		34,000,000	34,000,000
Accumulated loss		<u>(365,041,658)</u>	<u>(370,503,519)</u>
		<u>(331,041,658)</u>	<u>(336,503,519)</u>
Non-current liabilities			
Long term loans	5	23,551,252	10,875,350
Deferred interest income		5,825,638	6,501,540
		29,376,890	17,376,891
Current liabilities			
Short term borrowings		232,449,917	247,515,014
Current portion of long term financing		46,903,419	46,903,419
Interest / mark up payable		81,965,162	89,200,158
Trade and other payables		38,928,701	41,272,216
Provision for taxation - income tax	6	1,487,397	1,040,055
Unclaimed dividend		142,248	142,248
		<u>401,876,844</u>	<u>426,073,111</u>
CONTINGENCIES	7	-	-
		<u>100,212,076</u>	<u>106,946,485</u>

The annexed notes form an integral part of these condensed interim financial statements.

MUHAMMAD SALEEM AHMED
Chief Executive Officer

UMER AHMED
Director

NASEER AHMED
Chief Financial Officer



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

Note	(Un-audited)			
	Half Year Ended		Quarter Ended	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
	Rupees			
Sales	8 37,185,311	67,978,260	20,197,974	45,134,807
Cost of sales	9 37,021,519	55,443,633	16,844,580	33,002,358
Gross profit	163,792	12,534,627	3,353,394	12,132,449
Waiver of loan and mark up	5.1 13,985,813	-	13,985,813	-
	14,149,605	12,534,627	17,339,207	12,132,449
Administrative expenses	6,378,004	6,457,190	3,272,703	3,391,848
Selling and distribution expenses	505,223	4,024,268	50,609	2,493,313
Finance cost	317,122	744,012	200,394	383,226
	7,200,349	11,225,470	3,523,706	6,268,387
Profit for the period before taxation	6,949,256	1,309,157	13,815,501	5,864,062
Provision for taxation	10 1,487,397	709,362	1,275,397	484,362
Profit for the year	5,461,859	599,795	12,540,104	5,379,700
Earnings per share - basic and diluted (Rupees per share)	1.61	0.18	3.69	1.58

The annexed notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter Ended	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
	Rupees			
Profit for the period	5,461,859	599,795	12,540,104	5,379,700
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	5,461,859	599,795	12,540,104	5,379,700

The annexed notes form an integral part of these condensed interim financial statements.

MUHAMMAD SALEEM AHMED
Chief Executive Officer

UMER AHMED
Director

NASEER AHMED
Chief Financial Officer



Pak Leather Crafts Limited


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Issued subscribed and paid up capital	Loan from Director	Accumulated loss	Total
..... Rupees				
Balance as at July 1, 2022 - Audited	34,000,000	123,020,039	(359,296,681)	(202,276,642)
Total comprehensive income for the period				
Profit for the period	-	-	599,795	599,795
Other comprehensive income	-	-	-	-
Transaction with owners			599,795	599,795
Loan obtained from directors	-	5,100,200	-	5,100,200
Balance as at December 31, 2022 - unaudited	<u>34,000,000</u>	<u>128,120,239</u>	<u>(358,696,886)</u>	<u>(196,576,647)</u>
Balance as at July 01, 2023 - Audited	34,000,000	-	(370,503,517)	(336,503,519)
Total comprehensive income for the period				
Profit for the period	-	-	5,461,859	5,461,859
Other comprehensive income	-	-	-	-
	-	-	5,461,859	5,461,859
Balance as at December 31, 2023 - unaudited	<u>34,000,000</u>	<u>-</u>	<u>(365,041,658)</u>	<u>(331,041,660)</u>

The annexed notes form an integral part of these condensed interim financial statements.


MUHAMMAD SALEEM AHMED
Chief Executive Officer


UMER AHMED
Director


NASEER AHMED
Chief Financial Officer



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Un-audited Half Year Ended	
	Dec. 31, 2023	Dec. 31, 2022
 Rupees	
A) Cash generated from operating activities		
Profit for the period before taxation	6,949,256	1,309,157
Adjustment of non-cash items		
Waiver of loan and mark up	(13,985,813)	-
Depreciation on property, plant and equipment	1,458,265	1,453,737
Operating cash flows before working capital changes	(5,578,292)	2,762,894
Changes in working capital		
(Increase)/decrease in current assets		
Loose tools	(80,000)	(29,501)
Stock in trade	(8,469,320)	(823,514)
Trade debts	8,011,202	803,222
Tax refunds due from Government	579,847	(593,171)
Advances and other receivables	(358,488)	629,139
Decrease in current liabilities		
Trade and other payables	(2,343,515)	(5,485,779)
Cash flow from operations	(2,660,274)	(5,499,604)
Income tax paid	(8,238,566)	(2,736,710)
Net cash flow from operating activities	(1,040,057)	(1,444,317)
	(9,278,623)	(4,181,027)
B) Cash flows from investing activities		
Additions in property, plant and equipment	(1,304,579)	(1,928,392)
Net cash flow from investing activities	(1,304,579)	(1,928,392)
C) Cash flows from financing activities		
Decrease in short term borrowings - net	3,685,720	5,100,200
Net cash flow from financing activities	3,685,720	5,100,200
Net (decrease) in cash and cash equivalents (A + B + C)	(6,897,482)	(1,009,219)
Cash and cash equivalents at the beginning of the period	8,650,856	2,530,744
Cash and cash equivalents at the end of the period	1,753,374	1,521,525

The annexed notes form an integral part of these condensed interim financial statements.


MUHAMMAD SALEEM AHMED
Chief Executive Officer


UMER AHMED
Director


NASEER AHMED
Chief Financial Officer



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

1 Legal status and nature of business

1.1 Pak Leather Crafts Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 (repealed by Companies Act, 2017) and is quoted on Pakistan Stock Exchange and is placed on defaulter counter since 2017. The principal activity of the Company is leather tanning and export of leather and leather garments. The registered office and mill of the Company are situated at Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi, in the province of Sindh.

1.2 The Company incurred loss in prior periods. As at the reporting date, its equity is negative by Rs. 331.04 million (June 30, 2023: Rs. 336.50 million) and its current liabilities exceed its current assets by Rs. 337.10 million (June 30, 2023: Rs. 354.72 million). The Company is facing operational and financial problems and has been unable to pay off its liabilities on due dates. The bankers / financial institutions of the Company have filed suits for recovery of outstanding finances and related mark up along with cost of funds. These factors indicate material uncertainty related to events and conditions which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

The management prepared a plan and is implementing the same to address all these issues. As a result of its efforts, financial performance was improving, however, owing to adverse economic condition world wide and especially in Pakistan, the economic activity remained low in recent periods.

The Company is taking measures to increase its revenue and profitability. The management is negotiating with its bankers / financial institutions for rescheduling / out of court settlements and an out of court settlement is reached with a bank during the period as disclosed in Note 5.1. Directors of the Company have injected further funds to meet the operational needs of the Company as and when required and have undertaken to continue to support the Company. The management is committed and believes that it will be able to improve the financial position and financial performance of the Company and the Company will be able to continue as a going concern.

2 Statement of compliance

2.1 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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

Where the provision of and directives issues 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.

- 2.2 These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023.

3 MATERIAL ACCOUNTING POLICY INFORMATION

- 3.1 The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2023.

- 3.2 There are certain amendments to standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2023 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these condensed interim financial statements.

- 3.3 These condensed interim financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

3.4 Significant accounting estimates and Judgements

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2023.

3.5 Financial risk management

Risk management policies and procedures are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2023.



Dak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Note	Un-audited Dec 31, 23	Audited Jun 30, 23
	 Rupees	
4			
PROPERTY, PLANT AND EQUIPMENT			
Opening balance		34,183,594	33,943,901
Additions during the period/ year	4.1	1,304,579	1,928,392
Depreciation for the period / year		<u>1,458,265</u>	<u>1,453,737</u>
Closing balance		<u>34,029,908</u>	<u>34,418,556</u>
		Half Year ended	
		Dec 31, 2023	Dec 31, 2022
	 Rupees	
4.1			
Additions in property, plant and equipment - at cost			
Building on leasehold land		408,700	150,000
Plant and machinery		895,879	1,512,670
Motor vehicles		-	111,072
Office equipment		-	154,650
		<u>1,304,579</u>	<u>1,928,392</u>
5			
LONG TERM LOANS			
Secured			
from banking Company			
Export refinance	5.1	20,000,000	-
Unsecured			
from directors associates		<u>11,551,252</u>	<u>10,875,250</u>
		<u>31,551,252</u>	<u>10,875,250</u>
Less: current portion			
Export refinance	5.1	<u>8,000,000</u>	-
		<u>23,551,252</u>	<u>10,875,250</u>
5.1			
The Company has executed an out of court settlement agreement with a banking Company during the period. As per the terms of the settlement agreement, decreased amount of loan and related mark up is settled at a lump sum amount of Rs. 28 million with waiver of principal and mark up. Down payment of Rs. 8 million has been paid and balance amount is repayable in 10 equal quarterly installments commencing from March 25, 2024 and ending on June 25, 2026.			



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Note	Un-audited Dec 31, 23	Audited Jun 30, 23
..... Rupees			
6 TRADE AND OTHER PAYABLES			
Creditors		27,783,987	32,750,723
Accrued liabilities	6.1	7,709,471	5,318,532
Advance from customers		3,142,450	3,142,450
Withholding Income tax payable		292,793	60,511
		<u>38,928,701</u>	<u>41,272,216</u>

6.1 These include remuneration payable to chief executive officer and directors amounting to Rs. 4.74 million (June 30, 2023: Rs. 3.06 million).

7 CONTINGENCIES

Bankers / financial institutions of the Company have filed suits in banking courts against the Company under the provisions of Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of overdue finances along with related mark up and cost of funds which the Company is defending. The amount of overdue loans and related overdue mark up are disclosed in the statement of financial position. The Company has fully provided for mark up till the date of filing of suits by the banks / financial institutions. No provision is made in respect of any cost of funds as the same depends on the ultimate decision by the banking courts. The quantum of cost of funds is not determinable at this stage.

Note	Un-audited			
	Half Year Ended		Quarter Ended	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
..... Rupees				
8 SALES				
Export - Leather	10,584,315	55,415,659	10,334,845	35,571,310
Local sale - Leather processing	31,173,467	14,603,727	14,437,471	10,566,724
	<u>41,757,782</u>	<u>70,019,386</u>	<u>24,772,316</u>	<u>46,138,034</u>
Less : Commission	-	(993,984)	-	(124,667)
Less : Sales tax	(4,755,275)	(2,105,375)	(4,755,275)	(1,518,801)
Add : Rebate / duty draw back	182,804	1,058,233	180,933	640,241
	<u>37,185,311</u>	<u>67,978,260</u>	<u>20,197,974</u>	<u>45,134,807</u>



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

Note	Un-audited				
	Half Year Ended		Quarter Ended		
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	
..... Rupees					
9	COST OF SALES				
	Opening balance - finished goods	37,475,419	25,057,264	38,551,226	25,057,264
	Cost of goods manufactured	34,866,556	67,226,228	13,613,810	44,784,953
		<u>72,341,975</u>	<u>92,283,492</u>	<u>52,165,036</u>	<u>69,842,217</u>
	Less: Closing balance - finished goods	(35,320,456)	(36,839,859)	(35,320,456)	(36,839,859)
		<u>37,021,519</u>	<u>55,443,633</u>	<u>16,844,580</u>	<u>33,002,358</u>
9.1	Cost of goods manufactured				
	Raw material consumed 9.1.1	3,518,486	34,763,388	1,186,538	22,164,382
	Salaries, wages and benefits	14,853,020	12,802,775	4,646,660	6,970,146
	Power, fuel and water	10,042,498	5,786,588	4,438,580	3,311,055
	Repairs and maintenance	3,250,138	2,766,238	1,110,195	2,050,513
	Carriage and cartage	279,074	136,207	(16,378)	49,705
	Depreciation	1,370,770	1,368,072	695,645	698,532
	Others	-	62,990	-	650
		<u>33,313,986</u>	<u>57,686,258</u>	<u>12,061,240</u>	<u>35,244,983</u>
	Work in process:				
	Opening balance	1,552,570	16,237,521	1,552,570	16,237,521
	Closing balance	-	(6,697,551)	-	(6,697,551)
		<u>1,552,570</u>	<u>9,539,970</u>	<u>1,552,570</u>	<u>9,539,970</u>
		<u>34,866,556</u>	<u>67,226,228</u>	<u>13,613,810</u>	<u>44,784,953</u>
9.1.1	Raw material consumed				
	Opening balance	9,375,116	12,008,654	22,525,507	15,570,830
	Purchase and purchase expenses	15,695,339	33,344,277	213,000	17,183,095
		<u>15,695,339</u>	<u>33,344,277</u>	<u>213,000</u>	<u>17,183,095</u>
	Available for consumption	25,070,455	45,352,931	22,738,507	32,753,925
	Closing balance	(21,551,969)	(10,589,543)	(21,551,969)	(10,589,543)
		<u>3,518,486</u>	<u>34,763,388</u>	<u>1,186,538</u>	<u>22,164,382</u>



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

Note	Un-audited				
	Half Year Ended		Quarter Ended		
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	
 Rupees				
10	PROVISION FOR TAXATION				
	Current for the year	1,487,397	709,362	1,275,397	484,362
	Deferred	-	-	-	-
10.1		<u>1,487,397</u>	<u>709,362</u>	<u>1,275,397</u>	<u>484,362</u>

10.1 Deferred tax asset works out to Rs. 1.87 million (December 31, 2022: Rs. 7.91 million) which is not recognized in these condensed interim financial statements in view of un-certain future results.

11 TRANSACTIONS WITH RELATED PARTIES

The Company carries out transactions with related parties in the normal course of business. Related parties comprise of directors and key management personnel. Significant related party transactions carried out during the period are as under:

Name	Relationship	Nature of Transaction	Half Year Ended December 31	
			2023	2022
		 Rupees	
Mr. Saleem Ahmed	CEO	Loan received - net	12,185,000	5,650,200
		Remuneration	1,800,000	1,800,000
Mr. Umer Ahmed	Director	Loan received	150,000	4,000,000
		Loan repaid	649,280	4,550,000
		Remuneration	900,000	900,000



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on February 26, 2024.

13 GENERAL

13.1 There is no unusual item included in these condensed interim financial statements which are affecting assets, liabilities, profit, total comprehensive profit, equity or cash flows of the Company except waiver of partial loan and related mark up as disclosed in Note 5.1.

13.2 The provision for taxation made in these condensed interim financial statements is subject to adjustment in annual financial statements.

13.3 The figures have been rounded off to the nearest Rupees unless otherwise stated.



MUHAMMAD SALEEM AHMED
Chief Executive Officer



UMER AHMED
Director



NASEER AHMED
Chief Financial Officer

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