

**ACCOUNTS FOR  
THE 3RD QUARTER ENDED  
MARCH 31, 2024  
(UNAUDITED)**



*Pak Leather Crafts Limited*



## Pak Leather Crafts Limited

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### CORPORATE PROFILE

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#### 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  
Habib Metropolitan Bank Ltd  
Habib Bank Limited  
Faysal Bank Limited  
Soneri Bank Ltd  
Bank Alfalah Ltd  
Bank of Khyber  
Meezan Bank Ltd  
Askari Bank Ltd  
Bank AL Habib 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](http://www.pakleather.com)

#### SHARE REGISTRAR

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



## Dak Leather Crafts Limited

### DIRECTORS' REVIEW

The directors of your Company are pleased to present the condensed unaudited interim financial statements of the Company for the nine month period ended March 31,2024.

#### Financial Results:

	March 31 2024	March 31 2023
	..... Rupees .....	
Profit/ (Loss) before taxation	8,969,855	(3,554,552)
Taxation	(1,745,397)	(829,362)
Profit/ (loss) after tax	7,224,458	(4,383,914)
Accumulated loss B/F	(370,503,519)	(359,296,681)
Accumulated loss C/F	(363,279,061)	(363,680,595)
Profit/ (loss) per share after tax (Rupees)	2.12	(1.29)

#### Company Performance:

During the nine months period ended March 31,2024, the gross exports of the company reduced to Rs. 32 million as compared to Rs. 63 million for the same period last year, resulting 50% decline in exports. 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. Recession in the international market is also a major reason of decline in export orders.

One important segment of direct cost of production is electricity and gas consumption which increased by 50% over previous year, despite drastic fall in production and sales.

Management decided to utilize the surplus production capacity for local sales and was therefore successful to improve the domestic revenue up to Rs. 30 million comparing with Rs.16 million over same period last year.

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. This heavily contributed to reach at green bottom line.

Resultantly, nine months' period under review ended at after tax profit of Rs.7.22 million comparing with after tax loss of Rs. 4.38 million for the same period last year.



## *Pak Leather Crafts Limited*

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### **Future Outlook:**

Issues like unprecedented challenges and uncertainties, continuing political instability despite the elected government is in place, exchange rate volatility and high rate of inflation are still prevalent. Your directors may continue to face an unpredictable future.

### **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**

**Muhammad Saleem Ahmed**  
Chief Executive Officer

Karachi: April 29, 2024



# Pak Leather Crafts Limited

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT MARCH 31, 2024

	Note	Un-audited 31-Mar- 2024	Audited 30-Jun- 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	33,327,810	34,183,594
Long term deposits		<u>1,409,612</u>	<u>1,409,612</u>
		34,737,422	35,593,206
<b>Current assets</b>			
Loose tools		442,387	362,387
Stock in trade		49,691,985	48,403,105
Trade debts		15,946,325	10,132,311
Advances and other receivable		3,352,015	2,233,356
Tax refunds due from government		1,607,240	1,571,264
Cash and bank balances		248,203	8,650,856
		<u>71,288,155</u>	<u>71,353,279</u>
<b>TOTAL ASSETS</b>		<u>106,025,577</u>	<u>106,946,485</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		<u>34,000,000</u>	<u>34,000,000</u>
Accumulated loss		<u>(363,279,061)</u>	<u>(370,503,519)</u>
		(329,279,061)	(336,503,519)
<b>Non-current liabilities</b>			
Long term loans		<u>23,551,252</u>	<u>10,875,350</u>
Deferred interest income		<u>5,825,638</u>	<u>6,501,540</u>
		29,376,890	17,376,890
<b>Current liabilities</b>			
Short term borrowings		<u>233,484,917</u>	<u>247,515,014</u>
Current portion of long term financing		<u>46,903,419</u>	<u>46,903,419</u>
Interest / mark up payable		<u>81,965,162</u>	<u>89,200,158</u>
Trade and other payables	5	<u>41,686,603</u>	<u>41,272,218</u>
Provision for taxation - income tax		<u>1,745,397</u>	<u>1,040,055</u>
Unclaimed dividend		<u>142,248</u>	<u>142,248</u>
		405,927,746	426,073,112
<b>CONTINGENCIES</b>			
		<u>106,025,577</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 NINE MONTH PERIOD ENDED MARCH 31, 2024

	Note	Nine Months ended		Quarter Ended	
		March.31 2024	March.31 2023	March.31 2024	March.31 2023
..... Rupees .....					
Sales	6	62,746,960	80,343,983	25,561,649	12,365,723
Cost of sales	7	57,154,770	68,368,848	20,133,251	12,925,215
<b>Gross profit/(loss)</b>		<b>5,592,190</b>	<b>11,975,135</b>	<b>5,428,398</b>	<b>(559,492)</b>
Other Income		-	113,795	-	113,795
Waiver of loan and mark up		13,985,813	-	-	-
		<b>19,578,003</b>	<b>12,088,930</b>	<b>5,428,398</b>	<b>(445,697)</b>
Administrative expenses		9,160,178	9,325,423	2,782,174	2,868,233
Selling and distribution expenses		1,006,455	5,418,039	501,232	1,393,771
Finance cost		441,515	900,020	124,393	156,008
		<b>10,608,148</b>	<b>15,643,482</b>	<b>3,407,800</b>	<b>4,418,012</b>
<b>Profit/(loss) for the period before taxation</b>		<b>8,969,855</b>	<b>(3,554,552)</b>	<b>2,020,599</b>	<b>(4,863,709)</b>
Provision for taxation	8	1,745,397	829,362	258,000	120,000
<b>Profit/(loss) for the period</b>		<b>7,224,458</b>	<b>(4,383,914)</b>	<b>1,762,599</b>	<b>(4,983,709)</b>
Profit/(loss) per share - basic and diluted (Rupees per share)		<b>2.12</b>	<b>(1.29)</b>	<b>0.52</b>	<b>(1.47)</b>

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



## Dak Leather Crafts Limited

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2024

	Nine Months ended		Quarter Ended	
	March.31 2024	March.31 2023	March.31 2024	March.31 2023
	..... Rupees .....			
Profit/(loss) for the period	7,224,458	(4,383,914)	1,762,599	(4,983,709)
Other comprehensive income	-	-	-	-
Total comprehensive income/ (loss) for the period	<u>7,224,458</u>	<u>(4,383,914)</u>	<u>1,762,599</u>	<u>(4,983,709)</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 CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2024

	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/(loss) for the period	-	-	(4,383,914)	(4,383,914)
Other comprehensive income	-	-	-	-
			(4,383,914)	(4,383,914)
Transaction with owners				
Loan obtained from directors	-	2,650,070	-	2,650,070
<b>Balance as at March 31, 2023 - unaudited</b>	<b><u>34,000,000</u></b>	<b><u>125,670,109</u></b>	<b><u>(363,680,595)</u></b>	<b><u>(204,010,486)</u></b>
Balance as at July 01, 2023 - Audited	34,000,000	-	(370,503,519)	(336,503,519)
Total comprehensive income for the period				
Profit for the period	-	-	7,224,458	7,224,458
Other comprehensive income	-	-	-	-
	-	-	7,224,458	7,224,458
<b>Balance as at March 31, 2024 - unaudited</b>	<b><u>34,000,000</u></b>	<b><u>-</u></b>	<b><u>(363,279,061)</u></b>	<b><u>(329,279,061)</u></b>

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 NINE MONTH PERIOD ENDED MARCH 31, 2024

	31, Mar. 2024	31, Mar. 2023
	..... Rupees .....	
<b>A) Cash generated from operating activities</b>		
Profit/(loss) for the period before taxation	8,969,855	(3,554,552)
<b>Adjustment of non-cash items</b>		
Waiver of loan and mark up	(13,985,813)	-
Depreciation on property, plant and equipment	2,207,364	2,227,579
Operating cash flows before working capital changes	(2,808,594)	(1,326,973)
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Loose tools	(80,000)	(35,501)
Stock in trade	(1,288,880)	2,700,212
Trade debts	(5,814,014)	11,271,165
Tax refunds due from Government	(35,976)	(554,857)
Advances and other receivables	(1,118,659)	188,483
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	414,385	(11,216,395)
	(7,923,144)	2,353,107
<b>Cash flow from operations</b>	(10,731,738)	1,026,134
Income tax paid	(1,040,055)	(1,444,317)
<b>Net cash flow from operating activities</b>	(11,771,793)	(418,183)
<b>B) Cash flows from investing activities</b>		
Additions in property, plant and equipment	(1,351,580)	(2,593,492)
<b>Net cash flow from investing activities</b>	(1,351,580)	(2,593,492)
<b>C) Cash flows from financing activities</b>		
Decrease in short term borrowings - net	4,720,720	2,650,070
<b>Net cash flow from financing activities</b>	4,720,720	2,650,070
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	(8,402,653)	(361,605)
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	248,203	2,169,139

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*

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### SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2024

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#### **1 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.

#### **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.

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.

#### **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 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.



## Pak Leather Crafts Limited

### SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2024

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.

	Note	Un-audited 31-Mar- 2024	Audited 30-Jun- 2023
		..... Rupees .....	
<b>4</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Opening balance	34,183,594	33,943,901
	Additions during the period/ year	4.1 1,351,580	3,253,142
	Depreciation for the period / year	<u>2,207,364</u>	<u>3,013,449</u>
	Closing balance	<u>33,327,810</u>	<u>34,183,594</u>
<b>4.1</b>	<b>Additions in property, plant and equipment - at cost</b>		
	Building on leasehold land	408,700	150,000
	Plant and machinery	895,880	2,796,770
	Motor vehicles	-	111,072
	Office equipment	-	165,300
	Furniture & Fixture	47,000	30,000
		<u>1,351,580</u>	<u>3,253,142</u>
<b>5</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Creditors	30,072,957	32,750,723
	Accrued liabilities	8,039,591	5,318,534
	Advance from customers	3,142,450	3,142,450
	Withholding Income tax payable	431,605	60,511
		<u>41,686,603</u>	<u>41,272,218</u>
		Un-audited 31, Mar. 2024	Un-audited 31, Mar. 2023
<b>6</b>	<b>SALES</b>	..... Rupees .....	
	Export - Leather	32,051,496	63,487,182
	Local sale - Leather processing	29,867,446	15,643,594
	Add: Rebate / duty draw back	828,018	1,213,207
		<u>62,746,960</u>	<u>80,343,983</u>



## Pak Leather Crafts Limited

### SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2024

	Note	Un-audited 31-Mar- 2024	Un-audited 31, Mar. 2023
		..... Rupees .....	
<b>7 COST OF SALES</b>			
Opening balance - finished goods		37,475,419	25,057,264
Cost of goods manufactured	7.1	50,049,457	81,414,108
		87,524,876	106,471,372
Less: Closing balance - finished goods		(30,370,106)	(38,102,524)
		<u>57,154,770</u>	<u>68,368,848</u>
<b>7.1 Cost of goods manufactured</b>			
Raw material consumed	7.1.1	11,926,856	36,434,721
Salaries, wages and benefits		17,626,320	16,372,070
Power, fuel and water		12,723,087	8,171,342
Repairs and maintenance		3,804,456	4,198,302
Carriage and cartage		308,246	156,026
Depreciation		2,074,922	2,093,924
Others		33,000	62,990
		<u>48,496,887</u>	<u>67,489,375</u>
Work in process:			
Opening balance		1,552,570	16,237,521
Closing balance		-	(2,312,788)
		<u>1,552,570</u>	<u>13,924,733</u>
		<u>50,049,457</u>	<u>81,414,108</u>
<b>7.1.1</b>			
Opening balance		9,375,116	12,008,654
Purchase and purchase expenses		21,873,619	34,613,982
Available for consumption		31,248,735	46,622,636
Closing balance		(19,321,879)	(10,187,915)
		<u>11,926,856</u>	<u>36,434,721</u>
<b>8 PROVISION FOR TAXATION</b>			
Current for the period		1,745,397	829,362
		<u>1,745,397</u>	<u>829,362</u>





## *Pak Leather Crafts Limited*

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**SELECTED EXPLANATORY NOTES TO THE CONDENSED  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2024**

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**9 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on April 29, 2024

**10** 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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