

**ACCOUNTS FOR
THE QUARTER ENDED
MARCH 31, 2025
(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
Habib Metropolitan Bank Ltd
Habib Bank Limited
Faysal Bank Limited
Soneri Bank Ltd
Bank Alfalah Ltd
Bank of Khyber
MCB Ltd
Meezan Bank Ltd
Askari Bank Ltd
Bank AL Habib Ltd

EXTERNAL AUDITORS
RSM Avals Hyder Liaquat Nauman
Chartered Accountants
Lahore

LEGAL ADVISOR
Barrister Imran Ali Mithani

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

SHARE REGISTRAR
JWAFFS Registrar Services (Pvt) Ltd
Office # 20, 5th Floor, Arkay Square Extension,
New Chali, Shahrah-e-Liaquat, Karachi.
Tel: (+92-21) 32440974-75



Pak 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, 2025.

Financial Results:

	March 31 2025	March 31 2024
 Rupees	
Profit/ (Loss) before taxation	(529,878)	8,969,855
Taxation	(714,092)	(1,745,397)
Profit/ (loss) after tax	184,214	7,224,458
Accumulated loss B/F	(362,376,799)	(370,503,519)
Accumulated loss C/F	(362,192,585)	(363,279,061)
Earnings per share after tax (Rupees)	0.05	2.12

Company Performance:

During the nine months period ended March 31, 2025, the gross exports of the company reached to Rs. 35.014 million as compared to Rs. 32.051 million for the same period last year. Leather processing income from local market has reduced substantially as the contract for third party leather processing was not renewed. Resultantly, local sales for the period is Rs.7.426 million comparing with Rs.29.867 million for the same period, last year.

Resultantly, nine months' period under review ended at after tax profit of Rs.0.184 million comparing with after tax profit of Rs.7.224 million for the same period last year which included a non-recurring income of Rs.13.985 million on account of waiver of bank loan and markup.

GENDER PAY GAP

With reference to SECP Circular No. 10 of 2024, we would like to inform you that we do not have any female employees. Compliance will be made in accordance to circular if needed in the annual accounts of 2025.

Material Information and Future Outlook:

In the last annual general meeting held on October 28, 2024, members had passed a special resolutions for taking some strategic steps for the revival of the Company. Accordingly, the management has started to implement such decisions. First step is to dispose of the plant and machinery which is under use since the beginning of the Company's operations. The operating cost is too high and maintenance cost has increased, thus it has become unviable to use in operations. Negotiation are at advance stage and in the coming month these plant and machinery will be disposed of



Pak Leather Crafts Limited

Next important step is to keep the operations uninterrupted and therefore a toll manufacturing agreement is being signed with another production facility of the area and normal production from there will continue from May 02, 2025.

Your directors are optimistic to expect these steps will start fruiting in near future.

Acknowledgement:

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

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'Muhammad Saleem Ahmed', is positioned above the printed name.

Muhammad Saleem Ahmed
Chief Executive Officer

Karachi: April 28, 2025



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT MARCH 31, 2025

	Note	Unaudited March 31, 2025	Audited June 30, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	33,813,238	32,692,954
Long term deposits		1,409,612	1,409,612
		<u>35,222,850</u>	<u>34,102,566</u>
Current assets			
Loose tools		476,387	476,387
Stock in trade		36,559,798	44,034,867
Trade debts		7,038,638	13,623,360
Advances and other receivable		3,767,036	3,379,140
Tax refunds due from government		2,121,019	2,999,720
Cash and bank balances		2,109,732	942,422
		<u>52,072,610</u>	<u>65,455,896</u>
TOTAL ASSETS		<u>87,295,460</u>	<u>99,558,462</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		<u>34,000,000</u>	<u>34,000,000</u>
Accumulated loss		<u>(362,192,585)</u>	<u>(362,376,799)</u>
		<u>(328,192,585)</u>	<u>(328,376,799)</u>
Non-current liabilities			
Long term loans		13,196,939	18,254,742
Deferred interest income		6,179,951	7,122,148
		<u>19,376,890</u>	<u>25,376,890</u>
Current liabilities			
Short term borrowings		216,105,337	219,989,717
Current portion of long term financing		54,903,419	54,903,419
Interest / mark up payable		81,965,162	81,965,162
Trade and other payables		42,085,301	42,816,612
Provision for taxation - income tax	5	909,687	2,741,213
Unclaimed dividend		142,248	142,248
		<u>396,111,155</u>	<u>402,558,371</u>
CONTINGENCIES		<u>87,295,460</u>	<u>99,558,462</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 MONTHS PERIOD ENDED MARCH 31, 2025

Note	(Un-audited)			
	Nine Months Ended		Quarter Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	Rupees			
Sales	6 43,083,117	62,746,960	14,124,685	25,561,649
Cost of sales	7 34,089,425	57,154,770	10,626,851	20,133,251
Gross profit	8,993,692	5,592,190	3,497,834	5,428,398
Other Income	67,487	-	67,487	-
Waiver of loan and mark up	-	13,985,813	-	-
	9,061,179	19,578,003	3,565,321	5,428,398
Administrative expenses	7,867,586	9,160,178	2,299,878	2,782,174
Selling and distribution expenses	1,097,572	1,006,455	331,339	501,232
Finance cost	625,899	441,515	207,664	124,393
	9,591,057	10,608,148	2,838,881	3,407,799
Profit for the period before taxation	(529,878)	8,969,855	726,440	2,020,599
Provision for taxation	8 (714,092)	1,745,397	292,000	258,000
Profit for the period	184,214	7,224,458	434,440	1,762,599
Earnings per share - basic and diluted (Rupees per share)	0.05	2.12	0.13	0.52

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

	Nine Months Ended		Quarter Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	Rupees			
Profit for the period	184,214	7,224,458	434,440	1,762,599
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	184,214	7,224,458	434,440	1,762,599

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 MONTHS PERIOD ENDED MARCH 31, 2025

	Issued subscribed and paid up capital	Accumulated loss	Total
	Rupees		
Balance as at July 1, 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
Balance as at March 31, 2024 - unaudited	34,000,000	(363,279,061)	(329,279,061)
Balance as at July 01, 2024 - Audited	34,000,000	(362,376,799)	(328,376,799)
Total comprehensive income for the period			
Profit for the period	-	184,214	184,214
Other comprehensive income	-	-	-
	-	184,214	184,214
Balance as at March 31, 2025 - unaudited	34,000,000	(362,192,585)	(328,192,585)

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 MONTHS PERIOD ENDED MARCH 31, 2025

	Note	March 31, 2025	March 31, 2024
		Rupees	
A) Cash generated from operating activities			
Profit / (loss) for the period before taxation	(529,878)		8,969,855
Adjustment of non-cash items			
Waiver of loan and mark up	-		(13,985,813)
Depreciation on property, plant and equipment	2,107,096		2,207,364
Cash flows before working capital changes	1,577,218		(2,808,594)
Changes in working capital			
(Increase)/decrease in current assets			
Loose tools	-		(80,000)
Stock in trade	7,475,069		(1,288,880)
Trade debts	6,584,722		(5,814,014)
Tax refunds due from Government	878,701		(35,976)
Advances and other receivables	(387,896)		(1,118,659)
Increase/(decrease) in current liabilities			
Trade and other payables	(731,311)		414,385
Cash flow from operations	13,819,285		(7,923,144)
Income tax paid	15,396,504		(10,731,738)
Net cash flow from operating activities	(1,117,434)		(1,040,055)
	14,279,070		(11,771,793)
B) Cash flows from investing activities			
Additions in property, plant and equipment	(3,227,380)		(1,351,580)
Net cash flow from investing activities	(3,227,380)		(1,351,580)
C) Cash flows from financing activities			
Decrease in short term borrowings - net	(3,884,380)		4,720,720
Repayment of long term loans	(6,000,000)		-
Net cash flow from financing activities	(9,884,380)		4,720,720
Net Increase/(decrease) in cash and cash equivalents	(A + B + C)	1,167,310	(8,402,653)
Cash and cash equivalents at the beginning of the period	942,422		8,650,856
Cash and cash equivalents at the end of the period	2,109,732		248,203

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 PERIOD ENDED MARCH 31, 2025

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 repealed Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchange. 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, 2024.

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.

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, 2024.



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2025

	Note	Un-audited March 31, 2025	Audited Jun 30, 2024
	 Rupees	
4 PROPERTY, PLANT AND EQUIPMENT			
Opening balance		32,692,954	34,183,594
Additions during the period/ year	4.1	3,227,380	1,466,605
Depreciation for the period / year		2,107,096	2,957,245
Closing balance		<u>33,813,238</u>	<u>32,692,954</u>
4.1 Additions in property, plant and equipment - at cost			
Building on leasehold land		2,521,580	408,700
Plant and machinery		583,800	1,010,905
Office equipment		122,000	-
Furniture & Fixture		-	47,000
		<u>3,227,380</u>	<u>1,466,605</u>
5 TRADE AND OTHER PAYABLES			
Creditors		26,408,483	28,889,966
Accrued liabilities		11,507,743	9,421,828
Advance from customers		3,142,450	3,142,450
Withholding Income tax payable		215,820	551,563
Payable against other operating expenses		810,805	810,805
		<u>42,085,301</u>	<u>42,816,612</u>
	Note	March 31, 2025	March 31, 2024
	 Rupees	
6 SALES			
Export - Leather		35,014,897	32,051,496
Local sale - Leather processing		7,426,254	29,867,446
Add: Rebate / duty draw back		641,966	828,018
		<u>43,083,117</u>	<u>62,746,960</u>
7 COST OF SALES			
Opening balance - finished goods		27,679,038	37,475,419
Cost of goods manufactured	7.1	<u>30,775,842</u>	<u>50,049,457</u>
		58,454,880	87,524,876
Less: Closing balance - finished goods		<u>(24,365,455)</u>	<u>(30,370,106)</u>
		<u>34,089,425</u>	<u>57,154,770</u>



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2025

	Note	March 31, 2025	March 31, 2024
	 Rupees	
7.1 Cost of goods manufactured			
Raw material consumed	7.1.1	16,341,711	11,926,856
Salaries, wages and benefits		7,263,195	17,626,320
Power, fuel and water		3,706,711	12,723,087
Repairs and maintenance		1,415,157	3,804,456
Carriage and cartage		44,400	308,246
Depreciation		1,980,668	2,074,922
Others		24,000	33,000
		<u>30,775,842</u>	<u>48,496,887</u>
Work in process:			
Opening balance		-	1,552,570
Closing balance		-	-
		<u>-</u>	<u>1,552,570</u>
		<u>30,775,842</u>	<u>50,049,457</u>
7.1.1			
Opening balance		16,355,829	9,375,116
Purchase during the period		12,180,225	21,873,619
Available for consumption		28,536,054	31,248,735
Closing balance		(12,194,343)	(19,321,879)
		<u>16,341,711</u>	<u>11,926,856</u>
8 PROVISION FOR TAXATION			
Current			
for the year		909,687	1,745,397
for Prior year		(1,623,779)	-
		<u>(714,092)</u>	<u>1,745,397</u>
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 28, 2025

- 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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