

**ACCOUNTS FOR
THE QUARTER ENDED
MARCH 31, 2026
(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
Bank AL Habib Ltd

EXTERNAL AUDITORS

RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Lahore

REGISTERED OFFICE

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

TOLL MANUFACTURING FACILITY

Shamois Leather
Plot No. 92, Sector 7-A,
Korangi Industrial Area, Karachi

LEGAL ADVISOR

Talat Aftab
Advocate, Karachi

SHARE REGISTRAR

JWAFFS Registrar Services (pvt) Ltd
Office # 20, 5th Floor, Arkay Square Extension,
New Chali Shahrah-e-Liaquat, Karachi.
Tele: (+92-91) 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, 2026.

Financial Results:

	March 31 2026 [*] Rupees	March 31 2025
(Loss)/profit before taxation	(10,983,155)	(529,878)
Taxation	<u>(33,437)</u>	<u>(714,092)</u>
(Loss)/profit after tax	(10,949,718)	184,214
Accumulated loss B/F	<u>(353,354,194)</u>	<u>(362,376,799)</u>
Accumulated loss C/F	<u>(364,303,917)</u>	<u>(362,192,585)</u>
(Loss)/profit per share after tax (Rupees)	<u>(3.22)</u>	<u>0.05</u>

Company Performance:

During the nine months period ended March 31, 2026, the total net sales of the company Rs. 6.548 million as compared to Rs. 43.083 million for the same period last year. There was no export order during the period under review and the leather processing income from local market has reduced substantially as the contract for third party leather processing was not renewed. Accordingly, there was no processing income in the second and third quarter. However, income includes a rental income of Rs.1.000 million.

Resultantly, nine months' period under review ended at after tax loss of Rs.(10.950) million comparing with after tax profit of Rs.0.184 million for the same period last year.

Gender pay gap in compliance of SECP Circular No. 10 of 2024:

The Company does not have any female employee .

Future Outlook:

The management is not optimistic in the estimates because of uncertain international geo-political conditions. Particularly, ongoing US-Iran war and divesting aggression by Israel in Gaza strip, Lebanon and other areas of Middle East.

On the other hand, certification by LWG may provide opportunity to get export orders from other regions of the world.



Pak Leather Crafts Limited

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

Muhammad Saleem Ahmed
Chief Executive Officer

Karachi: April 28, 2026



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT MARCH 31, 2026

	Note	Unaudited March 31, 2026	Audited June 30, 2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	18,173,945	17,563,112
Long term deposits		<u>1,409,612</u>	<u>1,409,612</u>
		<u>19,583,557</u>	<u>18,972,724</u>
Current assets			
Stock in trade		<u>41,268,032</u>	<u>35,803,506</u>
Trade debts		<u>1,841,981</u>	<u>5,526,970</u>
Advances and other receivable		<u>3,988,515</u>	<u>13,636,015</u>
Tax refunds due from government		<u>3,567,739</u>	<u>3,092,974</u>
Cash and bank balances		<u>1,166,134</u>	<u>521,660</u>
		<u>51,832,401</u>	<u>58,581,125</u>
		<u>71,415,958</u>	<u>77,553,849</u>
TOTAL ASSETS			
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>(364,303,917)</u>	<u>(353,354,194)</u>
		<u>(330,303,917)</u>	<u>(319,354,194)</u>
Non-current liabilities			
Long term loans		<u>14,796,901</u>	<u>14,025,026</u>
Deferred interest income		<u>2,579,989</u>	<u>3,351,864</u>
		<u>17,376,890</u>	<u>17,376,890</u>
Current liabilities			
Short term bank borrowings		<u>215,286,837</u>	<u>207,041,337</u>
Current portion of long term financing		<u>48,903,419</u>	<u>54,903,419</u>
Interest / mark up payable		<u>81,965,162</u>	<u>81,965,162</u>
Trade and other payables	5	<u>37,982,318</u>	<u>33,917,894</u>
Provision for taxation - income tax		<u>63,000</u>	<u>1,561,093</u>
Unclaimed dividend		<u>142,248</u>	<u>142,248</u>
		<u>384,342,985</u>	<u>379,531,153</u>
CONTINGENCIES			
		<u>71,415,958</u>	<u>77,553,849</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 COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026

	Note	(Un-audited)			
		Nine Months Ended		Quarter Ended	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Rupees			
Sales	6	6,548,143	43,083,117	-	14,124,685
Cost of sales	7	9,044,186	34,089,425	1,762,546	10,626,851
Gross (loss)/profit		(2,496,043)	8,993,692	(1,762,546)	3,497,834
Rental Income		1,000,000	-	1,000,000	-
Other Income		-	67,487	-	67,487
		(1,496,043)	9,061,179	(762,546)	3,565,321
Administrative expenses		8,832,226	7,867,586	3,383,617	2,299,878
Selling and distribution expenses		541,569	1,097,572	141,646	331,339
Finance cost		113,317	625,899	1,178	207,664
		9,487,112	9,591,057	3,526,442	2,838,881
(Loss)/Profit for the period before taxation		(10,983,155)	(529,878)	(4,288,987)	726,440
Provision for taxation	8	(33,437)	(714,092)	-	292,000
(Loss)/Profit for the period		(10,949,718)	184,214	(4,288,987)	434,440
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/profit		(10,949,718)	184,214	(4,288,987)	434,440
(Loss)/Earnings per share - basic and diluted (Rupees per share)		(3.22)	0.05	(1.26)	0.13

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, 2026

	Issued subscribed and paid up capital	Accumulated loss	Total
	Rupees		
Balance as at July 1, 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	<u>34,000,000</u>	<u>(362,192,585)</u>	<u>(328,192,585)</u>
Balance as at July 01, 2025 - Audited	34,000,000	(353,354,194)	(319,354,194)
Total comprehensive income for the period			
Loss for the period	-	(10,949,718)	(10,949,718)
Other comprehensive income	-	-	-
		(10,949,718)	(10,949,718)
Balance as at March 31, 2026 - unaudited	<u>34,000,000</u>	<u>(364,303,917)</u>	<u>(330,303,917)</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 NINE MONTHS PERIOD ENDED MARCH 31, 2026

	Note	March 31, 2026	March 31, 2025
	 Rupees	
A) Cash flows from operating activities			
Loss for the period before taxation		(10,983,155)	(529,878)
Adjustment of non-cash changes and other items:			
Depreciation on property, plant and equipment		943,284	2,107,096
Cash flows before working capital changes		(10,039,871)	1,577,218
Changes in working capital (Increase)/decrease in current assets			
Stock in trade		(5,464,526)	7,475,069
Trade debts		3,684,989	6,584,722
Tax refunds due from Government		(474,765)	878,701
Advances and other receivables		8,418,197	(387,896)
Increase/(decrease) in current liabilities Trade and other payables		4,064,423	(731,311)
Cash flow from operations		10,228,318	13,819,285
Income tax paid		188,447	15,396,503
Net cash flow from operating activities		(235,353)	(1,117,434)
		(46,906)	14,279,069
B) Cash flows from investing activities			
Additions in property, plant and equipment		(1,554,120)	(3,227,380)
Net cash flow from investing activities		(1,554,120)	(3,227,380)
C) Cash flows from financing activities			
Increase/(decrease) in short term borrowings - net		8,245,500	(3,884,380)
Repayment of long term loans		(6,000,000)	(6,000,000)
Net cash flow from financing activities		2,245,500	(9,884,380)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		644,474	1,167,310
Cash and cash equivalents at the beginning of the period		521,660	942,422
Cash and cash equivalents at the end of the period		1,166,134	2,109,732

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, 2026

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.

Historically, the principal activity of Company was leather tanning and the export of leather and leather garments from its own production facilities. During the year ended June 30, 2025, the Company disposed of its plant and machinery and had significantly scaled down its in-house production operations.

The Company will continue to carry out its business primarily through toll manufacturing and job-work arrangements. The registered office of the Company is situated at Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi, Sindh and production operations were carried out in the same vicinity at plot No. 92.

Additionally, the Company earns rental income from the vacant factory.

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, 2025.

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, 2025.



Pak Leather Crafts Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2026

	Note	March 31, 2026*	March 31, 2025
	 Rupees	
7.1 Cost of goods manufactured			
Raw material consumed	7.1.1	1,198,456	16,341,711
Salaries, wages and benefits		2,229,114	7,263,195
Power, fuel and water		1,746,942	3,706,711
Repairs and maintenance		368,323	1,415,157
Carriage and cartage		25,350	44,400
Depreciation		886,687	1,980,668
Others		103,780	24,000
		<u>6,558,652</u>	<u>30,775,842</u>
7.1.1			
Opening balance		11,780,941	16,355,829
Purchase during the period		9,148,516	12,180,225
Available for consumption		20,929,457	28,536,054
Closing balance		(19,731,001)	(12,194,343)
		<u>1,198,456</u>	<u>16,341,711</u>
8 PROVISION FOR TAXATION			
Current		63,000	909,687
for the year		(96,437)	(1,623,779)
for Prior year		<u>(33,437)</u>	<u>(714,092)</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, 2026			
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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