

ANNUAL REPORT

2024 - 2025



Pak Leather Crafts Limited

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CORPORATE PROFILE

BOARD OF DIRECTORS

Mrs. Rubina Saleem
Muhammad Saleem Ahmed
Qaiser Jamal
Nayyer Ahmed
Azeem Ahmed
Umer Ahmed
Ahmed Jalali

Chairperson
Director / CEO
Director
Director
Director
Director
Director

AUDIT COMMITTEE

Qaiser Jamal
Nayyer Ahmed
Azeem Ahmed

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ahmed Jalali
Nayyer Ahmed
Azeem Ahmed

Chairman
Member
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

LEGAL ADVISOR

Talat Aftab
Advocate, Karachi

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.
Tele: (+92-91) 32440974-75

TOLL MANUFACTURING FACILITY

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

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that 38th Annual General Meeting of Pak Leather Crafts Limited will be held on October 28, 2025 at 6.00 PM at Plot No. 9, Sector 59, Malir Development Authority, Taiser Town, Karachi to transact the following business:

Ordinary Business:

1. To confirm minutes of the 37th Annual General Meeting held on October 28, 2024.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2025 together with the Chairperson's Review, Directors' and Auditors' Reports thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

Weblink:
www.pakleather.com



3. To appoint auditors and fix their remuneration for the year ending June 30, 2026.
4. To elect seven directors of the Company as fixed by the Board in accordance with the provisions of section 159 (1) of the Companies Act 2017 for the term of three years. The retiring directors are. Mrs.Rubina Saleem, Mr.M.Saleem Ahmed, Mr.Qaiser Jamal, Mr.Nayyer Ahmed, Mr.Azeem Ahmed, Mr.Umer Ahmed, Mr.Ahmed Jalali. Retiring directors are eligible for re-election.
5. To transact any other business with the permission of the Chair.

By order of the Board

Naseer Ahmed
Company Secretary

Karachi: October 06, 2025

NOTES:

- A. The share transfer books of the Company will remain closed from 20-10-2025 to 28-10-2025 (both days inclusive) and no transfer will be accepted during this period.
- B. Transfers received, complete in all respect by the Shares Registrar, M/s.JWAFFS Registrar Services (Pvt) Ltd, **Office # 20, 5th Floor, Arkay Square Extension, New Chali Shahrah-e-Liaquat, Karachi**, by the close of business on 19-10-2025 will be considered in time for the purpose of attending and voting at the meeting.



NOTICE OF ANNUAL GENERAL MEETING

- C. Participation in the AGM proceeding via video conferencing facility shall be made available by the Company. All Shareholders/Members interested in attending the AGM, either physically or through video-conferencing facility are requested to register their Name, Folio Number, Cell Number, CNIC / Passport number at export1@pakleather.com. Video link and login credentials will be shared with only those shareholders whose registration are received at least 48 hours before the time of AGM.
- D. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.
- E. Shareholders of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original CNIC along with account number in CDS and participant's ID number for verification. In case of appointment of proxy by such account holders and sub-account holders the guidelines laid down in Circular No. 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan shall be followed.

F. Consent for Video Conference Facility:

As per Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the Annual General Meeting (AGM) through video conference at least seven days prior to the date of AGM, the Company will arrange a video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding the video conference facility venue at least 5 days before the date of the AGM along with the complete information needed to access the facility.

G. Transmission of Annual Financial Statements through email:

The financial statements of the Company for the year ended June 30, 2024 along with reports and notice of meeting have been placed at the website of the Company.

The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditors' and directors' reports along with notice of annual general meeting to its members through e-mail. Members who wish to avail this facility can give their consent.

- H. Members are requested to provide their International Banking Account Number (IBAN) together with a copy of the Computerized National Identity Card (CNIC) to update our records. In case of non-submission all future dividend payments may be withheld.
- I. As per section 72 of the Companies Act, 2017, every company is required to replace its physical shares with book entry form within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 30, 2017.
- J. The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed Companies to pursue their such members who still hold shares in physical form, to convert their shares into book-entry form.

NOTICE OF ANNUAL GENERAL MEETING



The shareholder having physical shareholding are accordingly encouraged to open their account with Investor Accounts Services of CDC or sub-account with any of the brokers and convert their physical shares into scrip less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulation of the Pakistan Stock Exchange Limited.

- K. Shareholders who have not yet collected their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three (3) years from the date due and payable shall be deposited to the credit of the Federal Government and in case of Shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

L. Election of Directors:

Any member who seeks to contest the election of director shall file with the Company at its Registered Office, not later than fourteen days before the date of meeting, the following:

- a) A notice of his/her intention to offer himself/herself for election as a Director together with consent as prescribed by the Act;
- b) A declaration (copy may be obtained from Registered Office) on the matters required by the Code of Corporate Governance 2019.
- c) Detailed profile along with office address for placement of Company's website.
- d) An attested valid copy of Computerized National Identity Card.
- e) A member who seeks to contest for election may select any one category in which he / she intends to contest election. For the purpose of election of directors of the Company the voting shall be held separately in the following three categories for the specified number of seats:

The member in their discretion may cast vote to any candidate contesting election in each of the following categories:

Sr. Category Number of Seats Voting Proportion

- 1 Female Director 01 1/7
- 2 Independent Directors 02 2/7
- 3 Other Directors 04 4/7

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NOTICE OF ANNUAL GENERAL MEETING

N. E-voting

Pursuant to SECP S.R.O No. 254(I)/2018 dated February 22, 2018, members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and email addresses on or before October 19, 2023.

O. Transmission of Annual Financial Statements through email:

The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditors' and directors' reports along with notice of annual general meeting to its members through e-mail.

Members who wish to avail this facility can give their consent.

The financial statements of the Company for the year ended June 30, 2025 along with reports have been placed at the website of the Company.

STATEMENT U/S 134(3) OF THE COMPANIES ACT, 2017

Selection of independent directors:

In compliance of Section 166(3) of the Companies Act, 2017 for an independent director, consent paper will be accepted from those persons who are compliant of Section 166(2) of Companies Act, 2017.

DIRECTORS' REPORT



The Directors of the Company are pleased to present the annual report together with the audited financial statements of the Company for the year ended June 30, 2025.

COMPANY OVERVIEW

The financial results of the Company for the year under report are shown below.

	2025 Rupees	2024 Rupees
Profit / Loss before taxation	9,182,898	10,939,990
Taxation	(160,293)	(2,813,270)
Profit / Loss after tax	9,022,605	8,126,720
Accumulated (Loss) Brought Forward	(362,376,799)	(370,503,519)
Accumulate (Loss) Carried Forward	(353,354,194)	(362,376,799)

During the year under review, the company made a sale of Rs.60.094 (M) comparing to 89.395 (M) last year.

Export sales squeezed to Rs.51.780 (M) comparing with Rs.56.036 (M) for the same period last year, hence decreased by more than 7%. This is the outcome of the world over economic recession in general and decline in demand of our product. Inflation in the country, high rate of interest, hike in energy cost resulted the increased cost of production, thus it was difficult to compete in the international market. Same factors affected the local orders of leather processing job work. Resultantly, local sales dropped to Rs. 8.688 (M) against Rs. 37.884 (M) for the same period of last year.

IMPLIMENTATION OF STRATEGIC SPECIAL RESOLUTION FOR REVIVAL OF THE COMPANY

In accordance of the special resolution passed by the shareholders in the meeting held on 28 October 2024, the decisions were implemented during the year. The plant and machinery were disposed of at a price higher than the values assessed by the evaluator and the written down value thus earned a gain of Rs. 4.166 (M) on sale of assets.

Sales proceeds were utilized for payment of creditors, purchase of raw material and other working capital and renovation of factory building.

Company operation were not stopped even for a single day as parallel arrangement on toll manufacturing basis were arranged. Currently, production on toll manufacturing in a nearby factory is being done on a more economical scale.

COMMENTS ON AUDITORS' REPORT

We have assessed the ability of the Company to continue as a going concern for a period of at least twelve months from 30 June 2025.

As of the reporting date, the Company has accumulated losses of Rs. 353.35 million, negative equity of Rs. 319.35 million, and current liabilities of Rs. 379.53 million which substantially exceed its current assets of Rs. 320.95 million, resulting in negative working capital of Rs. 319.35 million. The Company continues to face litigation from certain banks and financial institutions for recovery of overdue finances and related mark-up.



DIRECTORS' REPORT

However, the Company had previously entered into a settlement agreement with one of its lenders under which a portion of the outstanding liability was waived and the remaining balance rescheduled. The Company has remained compliant with the agreed repayment schedule, and all instalments due under this settlement have been paid on their due dates, including those falling after the reporting date. This demonstrates the Company's continuing operational cash generation and the lender's willingness to cooperate in out-of-court restructuring arrangements.

While there are no new settlement agreements currently in place with the other lenders and litigation continues, the directors are exploring the possibility of further negotiated settlements. Moreover operational revival strategies, including toll manufacturing/job-work arrangements have started to give positive results. The directors have also undertaken to provide financial support as and when required to enable the Company to meet its obligations.

Based on these considerations, we believe that the going concern basis of preparation of the financial statements remains appropriate.

We confirm that we have no plans or intention to liquidate the Company, cease trading, or seek voluntary delisting.

CORPORATE AND FINANCIAL REPORTING

In compliance with the applicable listing regulations of Pakistan Stock Exchange, the directors of the company do hereby declare the following:

- a) The financial statements prepared in conformity with the requirements of companies Act. 2017 by the management of the company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of account of the listed company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) The management is of the opinion that the company has sound system of internal control.
- f) The Company's ability to continue as a going concern is effective as discussed in Note 1.2 to the financial statements.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulation.

KEY OPERATING & FINANCIAL DATA:

The key operating & financial data is mentioned on Page No. 21

EARNINGS PER SHARE (EPS)

The earnings / (loss) per Share is Rs.2.65 : 2024: (Rs. 2.39)

DIRECTORS' REPORT



BOARD AUDIT COMMITTEE

The Board Audit Committee is comprised of one Independent Non-Executive Director as Chairman and two Non-Executive Directors as member of audit committee. The terms of reference include reviews of annual and quarterly financial statements, internal audit report, information before dissemination to Stock Exchange and proposal for appointment of external auditors for approval of the shareholders, apart from other matters of significant nature. Four meeting were held during the period under review.

Additionally, functions of Risk Management Committee are also entrusted to audit committee.

NUMBER OF BOARD MEETING

During the year, four board meetings were held, which were attended by the Directors as under:

S. No.	Names	No. of Meetings Attended / held
1.	Mrs. Rubina Saleem	4/4
2.	Mr. M. Saleem Ahmed	4/4
3.	Mr. Nayyer Ahmed	4/4
4.	Mr. Azeem Ahmed	4/4
5.	Mr. Umer Ahmed	4/4
6.	Mr. Ahmed Jalali	4/4
7.	Mr. Qaiser Jamal	4/4

PURCHASE / SALE OF SHARES

The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not purchase or sale any shares of the Company during the period under review, except purchase of 392,500 shares by the chief executive as reported on PUCARS.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2025 is annexed with this report.

AUDITORS

Present auditors RSM Avais Hyder Liaquat Nauman retire and being eligible offer themselves for re-appointment for the year 2025-26. The audit committee has also recommended their reappointment in the forthcoming AGM.

MAIN TRENDS AND OUTGOING TRENDS

The leather industry in current year has seen a marginal growth as per Pakistan Bureau of Statistics. This is mainly due to increase in sales of ready to wear gloves. Sales of garment leather dropped and finished leather has stayed stagnant with only few select members performing well. The market seems saturated and overall, the market is extremely volatile. The cost of production can increase with no prior notice which includes cost of raw material due to various import levies, cost of utilities due to ongoing IMF program and subsequent unexpected reforms, lack of skilled labor, and amongst others the unexpected changes in sales tax regime.

The company needs capital to invest to foreign leather and textile exhibitions to increase business. The All-China Leather Exhibition and Asia Pacific Leather Fair in 2024, and 2025 have yielded good results for our competitors. For this endeavor your company requires an investment of \$50,000 to \$75,000. This includes cost of exhibition stand, freight, accommodation, and cost of leather samples.



DIRECTORS' REPORT

The country, even though with abundant local resources in raw skins, especially on the occasion of Eid ul Adha, becomes a lackluster when the skin market is commercialized and politicized. The market has become an oligopoly.

You will notice that PAKL is the only actual Tannery on the stock exchange, no other competitor is an actual tannery operator. In terms of key market players, there are only 15 exporters of finished leather from Pakistan of which, major players are in Punjab and select few are in Karachi.

The Leather Working Group certification has become important to manage any future growth in business. This is discussed in CSR commentary.

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

Being a conscientious member of the corporate community, the Company contributes generously to various social and charitable causes including towards health and education sectors. In this regard, it has worked with many reputable organizations and associations. Currently our organization pays monthly contribution to Pakistan Tanner's Association Southern Zone Environmental Society.

The Company is fully committed for acting in an environmentally responsible manner. To achieve this result, we:

1. Ensure our product and operations comply with relevant environmental legislation and regulations. All our chemicals are (Registration, Evaluation, Authorization and Restriction of Chemicals) REACH certified and our leathers are tested at random in various countries where we pass with exceptional results. We certify our leathers do not contain chrome 6 or AZO Dyes or any other banned substance or hazardous substance.
2. Maintain and continually improve our environmental management systems to conform to the stringent requirements as dictated by specific markets or local regulations. As such we are fully cooperative with Effluent Treatment Plant requirements.
1. Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development, and promotion of environmental responsibility amongst our employees.
2. Leather Working Group has become an important part of being sustainable in leather industry. LWG is becoming popular in India and Bangladesh. Its purpose is to provide a clean and efficient working environment for workers. As such, The Company has shown interest in this initiative and will most likely be gold certified by June 2026. The cost of this project is estimated at Rs. 2.5 Million. The management may decide to take on this cost to increase its footprint in foreign markets.
3. The local government body, KATI and PTA are working towards finalizing a road rehabilitation work on Main Korangi Road and sub streets leading to our unit which will enhance mobility and make Sector 7A more accessible to local market, and improve outgoing shipment to Ports.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The statement of compliance with the Code of Corporate Governance is annexed with this report.

FUTURE OUTLOOK

The business environment in the Country remains challenging. The Country is passing through a critical phase due to political, economic and geo-political uncertainties.

DIRECTORS' REPORT



GENDER PAY GAP

Presently, no female staff is employed, hence there is no gender pay gap.

REMUNERATION POLICY FOR DIRECTORS

All compensations paid to directors are in compliance of the Companies Act, 2017 and the Code of Corporate Governance. Non-executive directors and the independent directors are not paid any remuneration.


ELECTION OF DIRECTORS

Election of Directors of the Company is scheduled in the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record its appreciation to all our Patrons, Suppliers and Employees for their valuable help, uncompromising support to the Company.

On behalf of the Board


Muhammad Saleem Ahmed
Chief Executive Officer


Umer Ahmed
Director

Karachi: October 06, 2025



ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوش ہیں۔

کمپنی کا جائزہ

کمپنی کے سال کے لیے مالیاتی نتائج ذیل میں دکھائے گئے ہیں۔

2024	2025	
روپے	روپے	
10,939,990	9,182,898	ٹیکس سے پہلے نفع / نقصان
(2,813,270)	(160,293)	ٹیکس لگانا
8,126,720	9,022,605	ٹیکس کے بعد منافع / نقصان
(370,503,519)	(362,376,799)	جمع شدہ (نقصان) آگے لایا گیا۔
(362,376,799)	(353,354,194)	جمع کرنا (نقصان) آگے بڑھایا

زیر نظر سال کے دوران، کمپنی نے گزشتہ سال 89.395 (M) کے مقابلے میں 60.094 (M) روپے کی فروخت کی۔

برآمدی فروخت گزشتہ سال کی اسی مدت کے (M) 56.036 Rs. کے مقابلے میں (M) 51.780 Rs. تک نچوڑ گئی، اس لیے اس میں 7% سے زیادہ کمی واقع ہوئی۔ یہ دنیا میں عمومی طور پر معاشی کساد بازاری اور ہماری مصنوعات کی مانگ میں کمی کا نتیجہ ہے۔ ملک میں مہنگائی، شرح سود میں اضافہ، توانائی کی قیمت میں اضافے کے نتیجے میں پیداواری لاگت میں اضافہ ہوا، اس طرح بین الاقوامی منڈی میں مقابلہ کرنا مشکل تھا۔ انہی عوامل نے چمڑے کی پرسیدنگ کے کام کے مقامی آرڈرز کو متاثر کیا۔ نتیجے کے طور پر، مقامی فروخت روپے تک گر گئی۔ 8.688 (M) روپے کے مقابلے میں گزشتہ سال کی اسی مدت کے لیے 37.884 (M)۔

کمپنی کی بحالی کے لیے اسٹریٹجک خصوصی قرارداد کا نفاذ

28 اکتوبر 2024 کو ہونے والے اجلاس میں شیئرز ہولڈرز کی طرف سے منظور کی گئی خصوصی قرارداد کے مطابق، سال کے دوران فیصلوں پر عمل درآمد کیا گیا۔ پلانٹ اور مشینری کو ایویلیویشن کے ذریعہ طے شدہ قیمتوں سے زیادہ قیمت پر ٹھکانے لگایا گیا اور لکھی گئی قیمت نے اس طرح روپے کا فائدہ حاصل کیا۔ اثاثوں کی فروخت پر 4.166 (M)۔

فروخت سے حاصل ہونے والی رقم قرض دہندگان کی ادائیگی، خام مال اور دیگر کنگ سرمائے کی خریداری اور فیکٹری کی عمارت کی تزئین و آرائش کے لیے استعمال کی گئی۔

ٹول مینوفیکچرنگ کی بنیاد پر متوازی انتظامات کیے جانے کی وجہ سے کمپنی کا آپریشن ایک دن کے لیے بھی نہیں روکا گیا۔ فی الحال، قریبی فیکٹری میں ٹول مینوفیکچرنگ پر پیداوار زیادہ اقتصادی پیمانے پر کی جا رہی ہے۔

آڈیٹرز کی رپورٹ پر تبصرے

ہم نے 30 جون 2025 سے کم از کم بارہ ماہ کی مدت کے لیے جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت کا اندازہ لگایا ہے۔

رپورٹنگ کی تاریخ تک، کمپنی نے روپے کا نقصان جمع کیا ہے۔ 353.35 ملین، روپے کی منفی ایکویٹی۔ 319.35 ملین، اور موجودہ واجبات روپے۔ 379.53 ملین جو کہ اس کے موجودہ اثاثوں روپے سے کافی زیادہ ہے۔ 320.95 ملین، منفی ورکنگ کیسٹبل کے نتیجے میں Rs. 319.35 ملین کمپنی کو کچھ بینکوں اور مالیاتی اداروں سے زائد المعاد مالیات اور متعلقہ مارک اپ کی وصولی کے لیے قانونی چارہ جوئی کا سامنا کرنا پڑتا ہے۔

تاہم، کمپنی نے پہلے اپنے قرض دہندگان میں سے ایک کے ساتھ تصفیہ کا معاہدہ کیا تھا جس کے تحت بقایا ذمہ داری کا ایک حصہ معاف کر دیا گیا تھا اور بقیہ بقایا کو دوبارہ ترتیب دیا گیا تھا۔ کمپنی کے پاس ہے۔ ادائیگی کے طے شدہ شیڈول کے مطابق رہے۔، اور اس تصفیہ کے تحت تمام واجب الادا اقساط ان کی مقررہ تاریخوں پر ادا کر دی گئی ہیں، بشمول رپورٹنگ کی تاریخ کے بعد آنے والی قسطیں۔ یہ کمپنی کی جاری آپریشنل کیش جزیں اور قرض دہندہ کی عدالت سے باہر تنظیم نو کے انتظامات میں تعاون کرنے کی آمادگی کو ظاہر کرتا ہے۔

جبکہ دیگر قرض دہندگان کے ساتھ فی الحال کوئی نئے تصفیہ کے معاہدے موجود نہیں ہیں اور قانونی چارہ جوئی جاری ہے، ڈائریکٹر مزید گفت و شنید کے تصفیہ کے امکان کو تلاش کر رہے ہیں۔ مزید برآں آپریشنل بحالی کی حکمت عملیوں بشمول ٹول مینوفیکچرنگ / ملازمت کے کام کے انتظامات نے مثبت نتائج دینا شروع کر دیے ہیں۔ ڈائریکٹرز نے کمپنی کو اپنی ذمہ داریوں کو پورا کرنے کے قابل بنانے کے لیے ضرورت پڑنے پر مالی مدد فراہم کرنے کا بھی عہد کیا ہے۔

ان تحفظات کی بنیاد پر، ہم سمجھتے ہیں کہ مالیاتی گوشواروں کی تیاری کی تشویش کی بنیاد مناسب ہے۔

ہم تصدیق کرتے ہیں کہ ہمارے پاس ہے۔ کمپنی کو ختم کرنے، تجارت بند کرنے یا رضاکارانہ طور پر ڈی لسٹ کرنے کا کوئی منصوبہ یا راہ نہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ

پاکستان اسٹاک ایکسچینج کے قابل اطلاق لسٹنگ کے ضوابط کی تعمیل میں، کمپنی کے ڈائریکٹر مندرجہ ذیل اعلان کرتے ہیں:

(الف) کمپنیز ایکٹ کی ضروریات کے مطابق مالی بیانات تیار کیے گئے ہیں۔ کمپنی کی انتظامیہ کی طرف سے 2017، اس کے معاملات کی حالت، اس کے کاموں کا نتیجہ، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتا ہے۔



ڈائریکٹرز رپورٹ

- (ب) لسٹڈ کمپنی کے اکاؤنٹس کی مناسب کتابیں رکھی گئی ہیں۔
- (ج) مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔ اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔
- (د) بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی رواںگی کا مناسب طور پر انکشاف کیا گیا ہے۔
- (ه) انتظامیہ کی رائے ہے کہ کمپنی کے پاس اندرونی کنٹرول کا سائنڈ سسٹم ہے۔
- (ی) جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی قابلیت موثر ہے جیسا کہ نوٹ 1.2 میں مالیاتی بیانات میں بحث کی گئی ہے۔
- (ے) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضابطے میں تفصیل سے بتایا گیا ہے۔

کلیدی آپریٹنگ اور مالیاتی ڈیٹا:

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار صفحہ نمبر 21 پر درج ہیں

آمدنی فی شیئر (EPS)

فی شیئر آمدنی / (نقصان) روپے 2.65:2024 (2.39 روپے)

بورڈ آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی میں ایک آزاد غیر ایگزیکٹو ڈائریکٹر بطور چیئر مین اور دو نان ایگزیکٹو ڈائریکٹرز آڈٹ کمیٹی کے ممبر کے طور پر شامل ہیں۔ حوالہ کی شرائط میں سالانہ اور سہ ماہی مالیاتی گوشواروں کے جائزے، اندرونی آڈٹ رپورٹ، اسٹاک ایکسچینج کو بھیجنے سے پہلے کی معلومات اور اہم نوعیت کے دیگر معاملات کے علاوہ شیئر ہولڈرز کی منظوری کے لیے بیرونی آڈیٹرز کی تقرری کی تجویز شامل ہے۔ زیر جائزہ مدت کے دوران چار اجلاس ہوئے۔ مزید برآں، رسک مینجمنٹ کمیٹی کے کام بھی آڈٹ کمیٹی کو سونپے جاتے ہیں۔

بورڈ میٹنگ کی تعداد

سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے جن میں ڈائریکٹرز نے شرکت کی:

سیریل نمبر	نام	میٹنگز کی تعداد شرکت / منعقد
1.	مسز روبینہ سلیم	4/4
2.	جناب ایم سلیم احمد	4/4
3.	جناب نیز احمد	4/4
4.	جناب عظیم احمد	4/4
5.	جناب عمر احمد	4/4
6.	جناب احمد جلالی	4/4
7.	جناب قیصر جمال	4/4

حصص کی خرید / فروخت

ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں نے زیر جائزہ مدت کے دوران کمپنی کے کسی بھی حصص کی خرید و فروخت نہیں کی، سوائے PUCARS پر رپورٹ کے مطابق چیف ایگزیکٹو کے ذریعے 392,500 شیئرز کی خریداری کے۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2025 تک شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز

موجودہ آڈیٹرز RSM اولیس حیدر لیاقت نعمان ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے وہ سال 2025-26 کے لیے دوبارہ تقرری کے لیے پیش کر رہے ہیں۔ آڈٹ کمیٹی نے آئندہ AGM میں ان کی دوبارہ تقرری کی بھی سفارش کی ہے۔

اہم رجحانات اور باہر جانے والے رجحانات

پاکستان بیورو آف شاریات کے مطابق رواں سال چمڑے کی صنعت میں معمولی نمو دیکھنے میں آئی ہے۔ اس کی بنیادی وجہ دستانے پہننے کے لیے تیار کی فروخت میں اضافہ ہے۔ گارمنٹس لیڈر کی فروخت میں کمی آئی اور تیار چمڑے کی فروخت جمود کا شکار رہی کیونکہ صرف چند منتخب ممبران ہی اچھی کارکردگی کا مظاہرہ کر رہے ہیں۔ مارکیٹ سیر شدہ لگتی ہے اور مجموعی طور پر، مارکیٹ انتہائی اتار چڑھاؤ کا شکار ہے۔ بغیر پیشگی اطلاع کے پیداواری لاگت بڑھ سکتی ہے جس میں مختلف درآمدی محصولات کی وجہ سے خام مال کی قیمت، آئی ایم ایف کے جاری پروگرام کی وجہ سے یوٹیلٹیز کی لاگت اور اس کے نتیجے میں غیر متوقع اصلاحات، ہنر مند لیبر کی کمی اور سیلز ٹیکس کے نظام میں غیر متوقع تبدیلیاں شامل ہیں۔

کمپنی کو کاروبار بڑھانے کے لیے غیر ملکی چمڑے اور ٹیکسٹائل کی نمائشوں میں سرمایہ کاری کے لیے سرمائے کی ضرورت ہے۔ 2024 اور 2025 میں آل چائنہ لیڈر ایگزیکٹیشن اور ایشیا پیسیفک لیڈر فینز نے ہمارے حریفوں کے لیے اچھے نتائج برآمد کیے ہیں۔ اس کوشش کے لیے آپ کی کمپنی کو \$50,000 سے \$75,000 کی سرمایہ کاری درکار ہے۔ اس میں نمائش کے اسٹینڈ کی قیمت، مال برداری، رہائش، اور چمڑے کے نمونوں کی قیمت شامل ہے۔

ملک، کچی کھالوں کے وافر مقامی وسائل کے باوجود، خاص طور پر عید الاضحیٰ کے موقع پر، جب جلد کی مارکیٹ کو تجارتی اور سیاسی بنایا جاتا ہے، تب بھی اس کی حالت کمزور ہو جاتی ہے۔ مارکیٹ ایک اولیگوپولی بن چکی ہے۔

آپ دیکھیں گے کہ PAKL اسٹاک ایکسچینج میں واحد حقیقی ٹیزی ہے، کوئی دوسرا حریف حقیقی ٹیزی آپریٹر نہیں ہے۔ مارکیٹ کے کلیدی کھلاڑیوں کے لحاظ سے، پاکستان سے تیار چمڑے کے صرف 15 برآمد کنندگان ہیں جن میں سے بڑے کھلاڑی پنجاب میں ہیں اور چند ایک کراچی میں ہیں۔

لیڈر ورکنگ گروپ سرٹیفیکیشن کاروبار میں مستقبل میں کسی بھی ترقی کو منظم کرنے کے لیے اہم ہو گیا ہے۔ CSR کی تفسیر میں اس پر بحث کی گئی ہے۔

کارپوریٹ سماجی اور ماحولیاتی ذمہ داری کی پالیسی

کارپوریٹ کمیونٹی کا ایک مخلص رکن ہونے کے ناطے، کمپنی صحت اور تعلیم کے شعبوں سمیت مختلف سماجی اور خیراتی کاموں میں دل کھول کر حصہ ڈالتی ہے۔ اس سلسلے میں اس نے بہت سی معروف تنظیموں اور انجمنوں کے ساتھ کام کیا ہے۔ فی الحال ہماری تنظیم پاکستان ٹیز ایسوسی ایشن سدرن زون انوائزمنٹل سوسائٹی کو ماہانہ حصہ ادا کرتی ہے۔

کمپنی ماحولیاتی طور پر ذمہ دارانہ انداز میں کام کرنے کے لیے پوری طرح پرعزم ہے۔ اس نتیجہ کو حاصل کرنے کے لیے، ہم:

1. یقینی بنائیں کہ ہماری مصنوعات اور کام متعلقہ ماحولیاتی قانون سازی اور ضوابط کی تعمیل کرتے ہیں۔ ہمارے تمام کیمیکلز (رجسٹریشن، ایپلیکیشن، اجازت اور کیمیکلز کی پابندی) ریجسٹرڈ سرٹیفائیڈ ہیں اور ہمارے لیڈرز کو مختلف ممالک میں بے ترتیب ٹیسٹ کیا جاتا ہے جہاں ہم غیر معمولی نتائج کے ساتھ پاس ہوتے ہیں۔ ہم تصدیق کرتے ہیں کہ ہمارے چمڑے میں کروم 6 یا AZO ڈائی یا کوئی اور ممنوعہ مادہ یا خطرناک مادہ نہیں ہے۔

2. مخصوص مارکیٹوں یا مقامی ضوابط کے مطابق سخت تقاضوں کو پورا کرنے کے لیے ہمارے ماحولیاتی انتظامی نظام کو برقرار رکھیں اور مسلسل بہتر بنائیں۔ اس طرح ہم انٹرنیشنل ٹریڈنگ پلانٹ کی ضروریات کے ساتھ مکمل تعاون کرتے ہیں۔

1. اس طریقے سے کام کریں جو ری سائیکلنگ، وسائل کے تحفظ، آلودگی کی روک تھام، مصنوعات کی ترقی، اور ہمارے ملازمین کے درمیان ماحولیاتی ذمہ داری کو فروغ دینے کے ذریعے ماحولیاتی پائیداری میں مسلسل بہتری کے لیے پرعزم ہو۔

2. لیڈر ورکنگ گروپ چمڑے کی صنعت میں پائیدار ہونے کا ایک اہم حصہ بن گیا ہے۔ بھارت اور بنگلہ دیش میں LWG مقبول ہو رہا ہے۔ اس کا مقصد کارکنوں کے لیے ایک صاف ستھرا اور کارآمد ماحول فراہم کرنا ہے۔ اس طرح، کمپنی نے اس اقدام میں دلچسپی ظاہر کی ہے اور زیادہ تر امکان ہے کہ وہ جون 2026 تک گولڈ سرٹیفائیڈ ہو جائے۔ 2.5 ملین انتظامیہ غیر ملکی منڈیوں میں اپنا اثر بڑھانے کے لیے اس لاگت کو اٹھانے کا فیصلہ کر سکتی ہے۔

3. لوکل گورنمنٹ باڈی، کاٹی اور پی ٹی اے مین کورنگی روڈ اور ہمارے یونٹ کی طرف جانے والی ذیلی گلیوں پر سڑکوں کی بحالی کے کام کو حتمی شکل دینے کے لیے کام کر رہے ہیں جس سے نقل و حرکت میں اضافہ ہو گا اور سیکٹر 7A کو مقامی مارکیٹ تک مزید قابل رسائی بنایا جائے گا، اور بندر گاہوں تک جانے والی تریل کو بہتر بنایا جائے گا۔

کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کا بیان
کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

مستقبل کا آؤٹ لک
ملک میں کاروباری ماحول بدستور چیلنجنگ ہے۔ ملک سیاسی، اقتصادی اور جغرافیائی سیاسی غیر یقینی صورتحال کے باعث نازک دور سے گزر رہا ہے۔

GENDER PAY GAP
فی الحال، کوئی خاتون عملہ ملازم نہیں ہے، اس لیے تنخواہ میں صنفی فرق نہیں ہے۔

ڈائریکٹرز کے لیے معاوضے کی پالیسی
ڈائریکٹرز کو ادائیگے جانے والے تمام معاوضے کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کے مطابق ہیں۔ نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو کوئی معاوضہ نہیں دیا جاتا۔

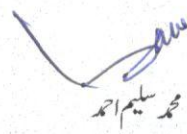
ڈائریکٹرز کا انتخاب
کمپنی کے ڈائریکٹرز کا انتخاب آئندہ سالانہ جنرل میٹنگ میں شیڈول ہے۔

اعتراف
بورڈ آف ڈائریکٹرز ہمارے تمام سرپرستوں، سپلائرز اور ملازمین کو ان کی قیمتی مدد، کمپنی کے لیے غیر سمجھوتہ نہ کرنے والے تعاون کے لیے اپنی تعریف ریکارڈ پر رکھنا چاہیں گے۔

بورڈ کی جانب سے



عمر احمد
ڈائریکٹر



محمد سلیم احمد
چیف ایگزیکٹو آفیسر



Chairperson's Review

I am pleased to welcome you all in the 38th annual general meeting of the Company and present you a review of the Company for the year ended June 30, 2025.

Performance of the Board of Directors:

As the chairperson of the board, it's my responsibility to monitor and strength the Company's governance. For the year under review, the overall performance and effectiveness of the Board has remained satisfactory.

STRATEGIC REVIVAL PLAN OF THE COMPANY:

The shareholders in the annual general meeting held on 28 October 2024 passed a special resolution making strategic decisions for the revival of the Company. Accordingly, the plant and machinery were disposed of and sales proceeds were utilized for payment of creditors, purchase of raw material and other working capital and renovation of factory building.

Parallel arrangement on toll manufacturing basis were arranged and currently, production on toll manufacturing in a nearby factory is being done on a more economical scale.

General Review:

Year under review was challenging like the previous year. Political uncertainty, financial crises and high rate of inflation has slowed down the overall economic activity.

Company Performance:

Company sales during the year under review reduced to Rs.60.094 Million from Rs.89.395 Million during the corresponding last year.

Audited financial statements and the audit report and the directors' report are enclosed for members' information.

Rubina Saleem
Chairperson of the Board

Karachi: October 06, 2025

چیئر پرسن کا جائزہ



مجھے کمپنی کی 38 ویں سالانہ جنرل میٹنگ میں آپ سب کا خیر مقدم کرتے ہوئے خوشی ہو رہی ہے اور آپ کو 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کا جائزہ پیش کر رہا ہوں۔

بورڈ آف ڈائریکٹرز کی کارکردگی:

بورڈ کے چیئر پرسن کے طور پر، یہ میری ذمہ داری ہے کہ میں کمپنی کی گورننس کی نگرانی اور اسے مضبوط بناؤں۔ زیر نظر سال کے لیے، بورڈ کی مجموعی کارکردگی اور تاثیر تسلی بخش رہی ہے۔

کمپنی کا اسٹریٹجک بحالی کا منصوبہ:

28 اکتوبر 2024 کو منعقدہ سالانہ جنرل میٹنگ میں شیئرز ہولڈرز نے کمپنی کی بحالی کے لیے حکمت عملی کے فیصلے کرتے ہوئے ایک خصوصی قرارداد منظور کی۔ اس کے مطابق، پلانٹ اور مشینری کو نمٹا دیا گیا اور فروخت سے حاصل ہونے والی رقم قرض دہندگان کی ادائیگی، خام مال کی خریداری اور دیگر ورکنگ سرمائے اور فیکٹری کی عمارت کی تزئین و آرائش کے لیے استعمال کی گئی۔

ٹول مینوفیکچرنگ کی بنیاد پر متوازی انتظامات کیے گئے تھے اور فی الحال، قریبی فیکٹری میں ٹول مینوفیکچرنگ پر پیداوار زیادہ کفایتی بنانے پر کی جا رہی ہے۔

عمومی جائزہ:

زیر نظر سال پچھلے سال کی طرح چیلنجنگ تھا۔ سیاسی غیر یقینی صورتحال، مالیاتی بحران اور مہنگائی کی بلند شرح نے مجموعی اقتصادی سرگرمیوں کو سست کر دیا ہے۔

کمپنی کی کارکردگی:

زیر جائزہ سال کے دوران کمپنی کی فروخت گزشتہ سال کے اسی دوران 89.395 ملین روپے سے کم ہو کر 60.094 ملین روپے رہ گئی۔

آڈٹ شدہ مالیاتی بیانات اور آڈٹ رپورٹ اور ڈائریکٹرز کی رپورٹ ممبران کی معلومات کے لیے منسلک ہیں۔

Handwritten Signature

روبینہ سلیم

بورڈ کی چیئر پرسن

کراچی: 06 اکتوبر 2025



STATEMENT OF VALUE ADDED

	2025 (Rupees)	%	2024 (Rupees)
WEALTH GENERATED			
TOTAL REVENUE	60,093,955		89,394,744
BROUGHT IN MATERIAL & SERVICES	(35,129,522)		(62,903,115)
	<u>24,964,433</u>		<u>26,491,629</u>
WEALTH DISTRIBUTED			
TO EMPLOYEES			
SALARIES, BENEFITS & RELATED COST	16,825,001	67.40	18,063,382
TO GOVERNMENT			
INCOME TAX, SALES TAX, IMPORT DUTY AND WORKERS' FUND	5,728,987	22.95	5,471,002
RETAINED FOR REINVESTMENT & FUTURE GROWTH			
DEPRECIATION / AMORTISATION	2,410,445	9.66	2,957,245
	<u>24,964,433</u>	100.00	<u>26,491,629</u>

SIX YEARS AT A GLANCE



(Rs in '000)

PARTICULARS	2025	2024	2023	2022	2021	2020
Net Sales	60,094	89,395	90,691	132,935	108,363	216,633
Gross Profit/(loss)	13,961	12,954	9,600	13,407	3,773	21,095
Net Profit/(loss) before tax	9,183	10,940	(10,205)	(1,321)	(7,940)	51,084
Gross Profit/(loss) (%)	23.23	14.49	10.58	10.08	3.48	9.74
Net Profit/(loss) (%)	15.28	12.24	(11.25)	(0.99)	(7.33)	23.58
Earning/(loss) per share (after tax)	2.65	2.39	(3.30)	(0.85)	(2.56)	14.35
Current ratio	(0.15)	(0.16)	(0.17)	(0.28)	(0.28)	(0.26)



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS)

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (07) as per following:
 - a. Male: 06
 - b. Female: 01
2. The composition of Board, on the date of this report is as follows:

Category	Number	Names
Independent Directors*	02	Mr. Qaiser Jamal Mr. Ahmed Jalali
Non-executive Directors	02	Mr. Azeem Ahmed Mr. Nayyer Ahmed
Executive Directors	02	Mr. Saleem Ahmed Mr. Umer Ahmed
Female Director (Non-executive)	01	Ms. Rubina Saleem

** The fraction of one third is not rounded up as the total no of directors are limited, hence two independent directors are significant and, in our view, serve the purposes of the regulation.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5.
 - (i) The Board has developed a vision/mission statement, overall corporate strategy and has updated significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved, amended and updated has been maintained.
 - (ii) During the year, Ant-Harassment Policy, Environmental, Social, and Governance (ESG) Policy and Diversity, Equity and Inclusion (DE&I) Policy have been approved by the board on 29 April, 2025.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.
7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019



8. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All directors of the Company are well conversant of their duties and responsibilities. Six out of seven directors are exempt from the training requirement.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. Chief financial officer and chief executive officer duly endorse the financial statements before approval of the Board
12. The Board has formed following committees comprising of members given below:

a) Audit Committee:

Qaiser Jamal	Chairman
Nayyer Ahmed	Member
Azeem Ahmed	Member

b) HR & Remuneration Committee:

Ahmed Jalali	Chairman
Nayyer Ahmed	Member
Azeem Ahmed	Member

13. (i) The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- (ii) TORs of Audit Committee also include functions of Risk Management Committee as required by Regulation 30.
14. The frequency of meetings of the committee is as follow:
 - a) Audit Committee: Quarterly
 - b) HR and Remuneration Committee: Yearly
15. The Board has set up an effective internal audit function and the staff is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

18. We confirm that mandatory requirements of the Regulations 3,6,7,8,27,32,33 and 36 have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7,8,27,32,33 and 36 are given below;
- CFO and the Company Secretary is one and the same person due to small size of the Company;
 - Six directors are exempt from training requirement as they have minimum of 14 years of education and 15 years of experience on the Board of listed Company. Remaining one director will complete his training in due course; and
 - In view of the size of the Company and size of its operation, the management believes that internal audit function is being effectively performed by a single person being the head of internal audit.
 - Board do not consider formation of separate Nomination Committee as per regulation 29 necessary and its role is being performed by the Board itself.
 - Board do not consider formation of separate Risk Management Committee as per regulation 30 necessary and assigned additional responsibility to the Audit Committee as explained in para 13 (ii).

RUBINA SALEEM
CHAIRPERSON

Karachi: October 06, 2025



RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PAK LEATHER CRAFTS LIMITED**

**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED
IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS,
2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pak Leather Crafts Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance.

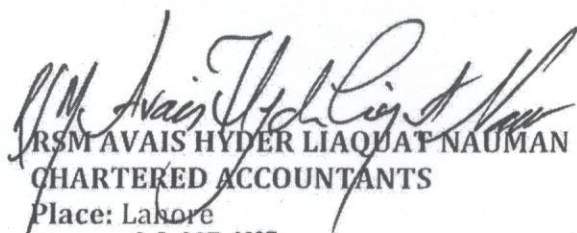
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in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Further, we highlight below instances of non-compliance with certain requirements of the Regulations, other than Regulations 3,6,7,8,27,32,33 and 36 as reflected in the paragraph references mentioned below where these are stated in the Statement of Compliance.

Sr. No.	Paragraph reference	Description
9, 19, 31	19	Non Compliances with certain Regulations other than Regulation 3,6,7,8,27,32,33 and 36 as detailed in the said paragraph.

B&B


RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
Place: Lahore
Date: 06 OCT 2025
UDIN: CR202510193plAjMxB9n


RSM

RSM Awaiz Hyder Liaquat Nauman
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PAK LEATHER CRAFTS LIMITED

Report on the Audit of the Financial Statements


Opinion

We have audited the annexed financial statements of Pak Leather Crafts Limited (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the total comprehensive income, the changes in equity and its cash flows for the year then ended.

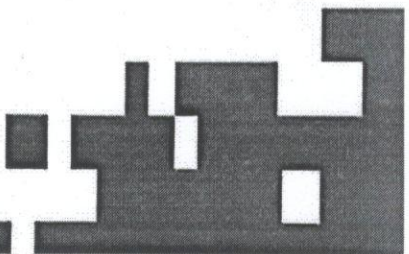
Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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RSM Awaiz Hyder Liaquat Nauman Chartered Accountants is a Member Firm of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.



Material Uncertainty relating to Going Concern

Without qualifying our opinion, we draw attention to Note 1.2 to the financial statements which indicates that the Company has been facing financial and operational challenges for several years. As at 30 June 2025, the Company has accumulated losses of Rs. 353.35 million (2024: Rs. 362.38 million) and negative equity of Rs. 319.35 million (2024: Rs. 328.38 million). The Company's current liabilities exceed its current assets by Rs. 320.95 million (2024: Rs. 337.1 million). The Company has been unable to discharge its obligations as they became due, and certain banks and financial institutions have filed suits for recovery of outstanding finances and related mark up along with cost of funds. These conditions, along with other matters set forth in Note 1.2, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Emphasis of Matter

Without qualifying our opinion, we draw attention towards note 17 to the financial statements which indicates that no provision is made in respect of any cost of funds since initiation of recovery cases against the Company, as the same depends on the ultimate decision by the relevant forums and the quantum of cost of funds cannot be determined at this stage.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report except those discussed in material uncertainty related to going concern section of the report.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements of the company and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

RSM

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

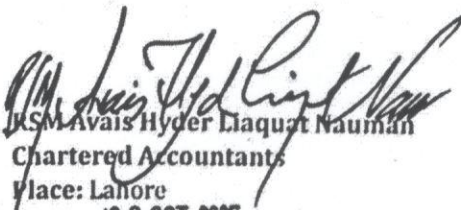
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

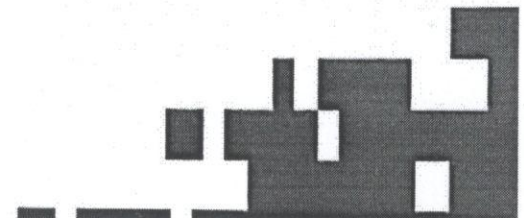
Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Syed Ali Adnan Tirmizey.


RSM Avals Hyder Liaquat Nauman
Chartered Accountants
Place: Lahore
Date: 10 OCT 2025
UDIN: AR202510193CKGOsHQJI





STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	17,563,112	32,692,954
Long term deposits	6	1,409,612	1,409,612
		<u>18,972,724</u>	<u>34,102,566</u>
CURRENT ASSETS			
Loose tools		-	476,387
Stock in trade	7	35,803,506	44,034,867
Trade debts	8	5,526,970	13,623,360
Advances and other receivable	9	13,636,015	3,379,140
Tax refunds due from Government	10	3,092,974	2,999,720
Cash and bank balances	11	521,660	942,422
		<u>58,581,125</u>	<u>65,455,896</u>
TOTAL ASSETS		<u><u>77,553,849</u></u>	<u><u>99,558,462</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
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 losses		<u>(353,354,194)</u>	<u>(362,376,799)</u>
		<u>(319,354,194)</u>	<u>(328,376,799)</u>
NON-CURRENT LIABILITIES			
Long term loans	12	14,025,026	18,254,742
Deferred interest income	13	3,351,864	7,122,148
		<u>17,376,890</u>	<u>25,376,890</u>
CURRENT LIABILITIES			
Short term bank borrowings	14	207,041,337	219,989,717
Current portion of long term financing	15	54,903,419	54,903,419
Interest / mark up payable		81,965,162	81,965,162
Trade and other payables	16	33,917,894	42,816,612
Provision for taxation - income tax		1,561,093	2,741,213
Unclaimed dividend		142,248	142,248
		<u>379,531,153</u>	<u>402,558,371</u>
CONTINGENCIES	17	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>77,553,849</u></u>	<u><u>99,558,462</u></u>

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

MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER

NASEER AHMED
CHIEF FINANCIAL OFFICER


UMER AHMED
DIRECTOR


**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**




	NOTE	2025 RUPEES	2024 RUPEES
Sales	18	60,093,955	89,394,744
Cost of sales	19	<u>46,132,955</u>	<u>76,440,759</u>
Gross profit		13,961,000	12,953,985
Other income	20	<u>9,347,676</u>	<u>13,985,813</u>
		23,308,676	26,939,798
Administrative expenses	21	<u>10,727,693</u>	<u>12,314,683</u>
Selling and distribution expenses	22	<u>1,599,124</u>	<u>2,088,720</u>
Finance cost	23	<u>850,637</u>	<u>785,600</u>
		<u>(13,177,454)</u>	<u>(15,189,003)</u>
Operating profit		10,131,222	11,750,795
Other operating expenses	24	<u>(948,324)</u>	<u>(810,805)</u>
Profit before taxation		9,182,898	10,939,990
Provision for taxation	25	<u>(160,293)</u>	<u>(2,813,270)</u>
Profit for the year		9,022,605	8,126,720
Other comprehensive income		-	-
Total comprehensive income		<u>9,022,605</u>	<u>8,126,720</u>
Earning per share - basic and diluted (Rupees per share)	26	<u>2.65</u>	<u>2.39</u>

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


MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER


NASEER AHMED
CHIEF FINANCIAL OFFICER



UMER AHMED
DIRECTOR



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

	Issued Subscribed and paid up Capital	Accumulated losses	Total
	----- (Rupees) -----		
Balance as at July 01, 2023	34,000,000	(370,503,519)	(336,503,519)
Total comprehensive income for the year			
Profit for the year	-	8,126,720	8,126,720
Other comprehensive income	-	-	-
	-	8,126,720	8,126,720
Balance as at June 30, 2024	34,000,000	(362,376,799)	(328,376,799)
Total comprehensive income for the year			
Profit for the year	-	9,022,605	9,022,605
Other comprehensive income	-	-	-
	-	9,022,605	9,022,605
Balance as at June 30, 2025	<u>34,000,000</u>	<u>(353,354,194)</u>	<u>(319,354,194)</u>

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


MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER


NASEER AHMED
CHIEF FINANCIAL OFFICER


UMER AHMED
DIRECTOR

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025



	NOTE	2025 RUPEES	2024 RUPEES
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		9,182,898	10,939,990
Adjustment for non-cash changes and other items:			
Depreciation	5	2,410,445	2,957,245
Waiver of loan liability on settlement	20	-	(6,750,817)
Waiver of markup on loan on settlement	20	-	(7,234,996)
Balances written back	20	(5,181,254)	-
Gain on disposal of fixed assets	20	(4,166,422)	-
Balances written off	24	273,819	-
		(6,663,412)	(11,028,568)
Cash flows before working capital changes		2,519,486	(88,578)
Changes in working capital			
(Increase) / decrease in current assets			
Loose tools		476,387	(114,004)
Stock in trade		8,231,361	4,368,238
Trade debts		8,096,390	(3,491,049)
Advances and other receivable		(10,380,585)	(917,198)
Tax refunds due from government		(119,066)	(1,180,734)
Increase / (decrease) in current liabilities			
Trade and other payables		17,782,536	1,544,396
		24,087,023	209,649
Cash flow from operations		26,606,509	121,071
Income tax paid		(1,464,710)	(1,588,420)
Net cash generated from / (used in) operating activities	A	25,141,799	(1,467,349)
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(4,614,181)	(1,466,605)
Net cash used in investing activities	B	(4,614,181)	(1,466,605)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from director obtained - net		(12,948,380)	7,225,520
Repayment of borrowings from financial institutions		(8,000,000)	(12,000,000)
Net cash flows used in financing activities	C	(20,948,380)	(4,774,480)
Net decrease in cash and cash equivalents	(A+B+C)	(420,762)	(7,708,434)
Cash and cash equivalents at the beginning of the year		942,422	8,650,856
Cash and cash equivalents at the end of the year		521,660	942,422

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

MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER

NASEER AHMED
CHIEF FINANCIAL OFFICER

UMER AHMED
DIRECTOR



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL ENTITY & 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 the Pakistan Stock Exchange.

Historically, the principal activity of the Company was leather tanning and the export of leather and leather garments from its own production facilities. During the year ended 30 June 2025, the Company disposed of its plant and machinery and has 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 are carried out in the same vicinity at plot No. 92.

- 1.2 The Company has been facing financial and operational challenges for several years. As at 30 June 2025, the Company has accumulated losses of Rs. 353.35 million (2024: Rs. 362.38 million) and negative equity of Rs. 319.35 million (2024: Rs. 328.38 million). The Company's current liabilities exceed its current assets by Rs. 320.95 million (2024: Rs. 337.1 million). The Company has been unable to discharge its obligations as they became due, and certain banks and financial institutions have filed suits for recovery of outstanding finances and related mark up along with cost of funds. These condition and events indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In line with its strategic revival plan and in compliance with a resolution of the shareholders, the Company disposed of its entire plant and machinery, which significantly reduced production capacity. To address this situation, the Company has shifted to toll manufacturing, as disclosed above. This arrangement has begun to yield positive results, primarily by reducing unabsorbed fixed and variable overhead costs.

Notwithstanding the above, the Company had previously entered into a settlement agreement with one of its lenders under which a portion of the outstanding liability was waived and the remaining balance rescheduled. The Company has remained compliant with the agreed repayment schedule, and all instalments due under this settlement have been paid on their due dates, including those falling after the reporting date. The Company's management is also pursuing operational revival strategies, including a shift to subcontracting and job-work arrangements as its primary mode of production from the next financial year, and the directors have undertaken to provide further financial support as and when required.

Based on these measures, management believes that the plan will improve the Company's financial position and results, enabling it to continue as a going concern.



2 BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for valuation of foreign currencies which are measured at fair value.

2.3 Presentation and functional currency

These financial statements have been presented in Pakistani Rupees which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Key judgements and estimates

The preparation of financial statements in conformity with approved accounting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies, other than those specifically discussed in the accounting policies, are as follows:

- Residual values and useful lives of depreciable assets
- Provision for slow moving and obsolete stock in trade
- Provision for taxation
- Provision for doubtful receivables



Notes to the Financial Statements for the year ended June 30, 2025

3 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been published and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2024 and therefore, have been applied in preparing these financial statements.

i. IAS 1 – Presentation of Financial Statements

The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The IASB has further modified the requirements introduced by 'Classification of Liabilities as Current or Non-current' on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

These amendments are to be applied retrospectively in accordance with IAS 8. Application of these amendments have no significant impact on the Company's financial statements.

ii. IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

The IASB has published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments in Supplier Finance Arrangements;



- do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements;
- add two disclosure objectives. Entities are required to disclose in the notes information that enables users of financial statements;
 - to assess how supplier finance arrangements affect an entity's liabilities and cash flows; and
 - to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.
- complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about;
 - the terms and conditions of the supplier finance arrangements;
 - for the arrangements, as at the beginning and end of the reporting period;
 - a) the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;
 - b) the carrying amount of financial liabilities for which suppliers have already received payment from the finance providers;
 - c) the range of payment due dates (for example, 30 to 40 days after the invoice date);
 - d) comparable trade payables that are not part of a supplier finance arrangement; and
 - the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement.

The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.

- add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.

Application of these amendments have no significant impact on the Company's financial statements.

iii. IFRS 16 Leases

The IASB has issued amendments for 'Lease Liability in Sale and Leaseback' that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as sale.



Notes to the Financial Statements for the year ended June 30, 2025

'Lease Liability in a Sale and Leaseback Amendments' require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments also include one amended and one new illustrative example.

Application of these amendments have no significant impact on the Company's financial statements.

3.2 Standards, amendments to standards and interpretations becoming effective in the current year but not relevant

There are certain new standards, amendments to standards and interpretations that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2024 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

3.3 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after the effective dates specified therein.

i. IAS 21 — The Effects Of Changes In Foreign Exchange Rates

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency;
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing;
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.



Application of these amendments have no significant impact on the Company's financial statements.

ii. IFRS 7 — Financial Instruments: Disclosures and IFRS 9 — Financial Instruments

- A** The IASB has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The amendments are as under:

Derecognition of a financial liability settled through electronic transfer

- The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets:

Contractual terms that are consistent with a basic lending arrangement

- The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets with non-recourse features

- The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

Contractually linked instruments

- The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.



Notes to the Financial Statements for the year ended June 30, 2025

- Disclosures:

Investments in equity instruments designated at fair value through other comprehensive income

- The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

Contractual terms that could change the timing or amount of contractual cash flows

- The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

B The International Accounting Standards Board (IASB) has issued 'Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)'. The amendments are:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - to measure the hedged item using the same volume assumptions as those used for the hedging instrument.
- The IASB amends IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

Application of these amendments have no significant impact on the Company's financial statements.



iii. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

The ISSB has published IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is deferred by SECP and will become effective for different categories of companies in three phases starting from July 01, 2025.

The application of this standard will result in additional disclosures in the Company's financial statements in respect of sustainability related information.

iv. IFRS S2 Climate-related Disclosures

The International Sustainability Standards Board (ISSB) has published IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is deferred by SECP and will be effective to companies in three phases starting from July 01, 2025.

The application of this standard will result in additional disclosures in the Company's financial statements in respect of climate related information.

3.4 Standards, amendments to standards and interpretations becoming effective in future periods but not relevant

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

3.5 Standards issued by IASB but not applicable in Pakistan

Following new standards have been issued by IASB which are not yet notified by the SECP for the purpose of applicability in Pakistan:

IFRS 1 - First-time adoption of International Financial Reporting Standards
IFRS 18 - Presentation and Disclosures in Financial Statements
IFRS 19 - Subsidiaries without Public Accountability: Disclosures

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

4.1 Property, plant and equipment

Property, plant and equipment except leasehold land and capital work in progress are stated at cost/valuation less accumulated depreciation and impairment in value, if any. Leasehold land is stated at cost less accumulated amortization and impairment in value, if any.



Notes to the Financial Statements for the year ended June 30, 2025

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in property, plant and equipment note.

Depreciation on additions during the year is charged from the month in which asset is acquired or capitalised, while no depreciation is charged for the month in which asset is disposed off. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Repairs and maintenance costs are charged to statement of profit or loss during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of assets, if any, are recognised as and when incurred.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

4.2 Impairment

The company assesses at each balance sheet date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether these are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss account.

4.3 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.4 Loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.



4.5 Stock in trade

Stock in trade except wastes is valued at lower of cost and net realisable value. Cost is determined as follows:

Raw material	Weighted average cost.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.
Wastes are valued at net realisable value.	

Net realisable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales. Average manufacturing cost includes cost of direct material, labour and appropriate manufacturing overheads.

4.6 Financial Instruments

4.6.1 Measurement of financial asset

Initial measurement

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition, except FVTPL which is measured at fair value.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, as follows:

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income and are never reclassified to the statement of profit or loss. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest markup or dividend income, are recognized in the statement of profit or loss.



Notes to the Financial Statements for the year ended June 30, 2025

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalents.

Derecognition

The Company derecognizes the financial assets when the contractual rights to the cash flows from the assets expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred assets.

4.6.2 Financial liabilities

Initial recognition

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as follows:

Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost using the effective interest rate method. Gain and losses are recognized in statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.



Derecognition

The Company derecognizes financial liabilities when and only when the Company's obligations are discharged, cancelled or expire.

4.6.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

4.6.4 Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



Notes to the Financial Statements for the year ended June 30, 2025

4.7 Trade debts, loans, advances and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.8 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed to the Company or not.

Contract liability represents advances received from customer for subsequent sales of the Company's products.

4.9 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

4.10 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.11 Provision for taxation

4.11.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions, if any. Minimum taxes in excess over the amount designated as income tax is then recognized as levy falling under the scope of IAS 37.

4.11.2 Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirements of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognized for all deductible temporary differences, carry forward tax losses and unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is charged or credited in the statement of profit or loss, except in case of items credited or charged to equity in which case it is included in equity.

4.12 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For this purpose, the company:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
- allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.

Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company is engaged in leather tanning, export and sale of leather garments, which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is upon the delivery of goods. Delivery occurs when the products have been shipped to the specific location and the risks of loss have been transferred to the customers. The transfer can be either in the form of acceptance by the customer of products as per the sales contract or lapse of acceptance provision or the Company has objective evidence that all criteria for acceptance have been satisfied.

Invoices are generated at the point in time when control of the asset is transferred and revenue is recognised at that point in time. Receivable is also recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, books overdrawn and highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.



Notes to the Financial Statements for the year ended June 30, 2025

4.14 Foreign currencies

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

4.15 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

Notes to the Financial Statements for the year ended June 30, 2025



5. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Right to use asset- Leasehold land	Owned						Total
		Building on leasehold land	Plant and machinery	Furniture and fixture	Office equipment	Books	Motor vehicles	

(Rupees)

As at July 01, 2023

Cost	6,382,167	23,674,364	97,792,904	5,193,087	7,761,412	75,000	10,148,476	151,027,410
Accumulated depreciation	-	(17,008,294)	(78,693,492)	(4,947,914)	(6,827,070)	(60,846)	(9,306,200)	(116,843,816)
Net book value	6,382,167	6,666,070	19,099,412	245,173	934,342	14,154	842,276	34,183,594

Year ended June 30, 2024

Opening net book value	6,382,167	6,666,070	19,099,412	245,173	934,342	14,154	842,276	34,183,594
Additions	-	408,700	1,010,905	47,000	-	-	-	1,466,605
Depreciation charged	-	(697,260)	(1,970,597)	(26,084)	(93,434)	(1,415)	(168,455)	(2,957,245)
Closing net book value	6,382,167	6,377,510	18,139,720	266,089	840,908	12,739	673,821	32,692,954

As at June 30, 2024

Cost	6,382,167	24,083,064	98,803,809	5,240,087	7,761,412	75,000	10,148,476	152,494,015
Accumulated depreciation	-	(17,705,554)	(80,664,089)	(4,973,998)	(6,920,504)	(62,261)	(9,474,655)	(119,801,061)
Net book value	6,382,167	6,377,510	18,139,720	266,089	840,908	12,739	673,821	32,692,954

Year ended June 30, 2025

Opening net book value	6,382,167	6,377,510	18,139,720	266,089	840,908	12,739	673,821	32,692,954
Additions	-	3,908,380	583,800	-	122,001	-	-	4,614,181
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	(99,387,609)	-	-	-	-	(99,387,609)
Accumulated Depreciation	-	-	82,054,031	-	-	-	-	82,054,031
	-	-	(17,333,578)	-	-	-	-	(17,333,578)
Depreciation charged	-	(764,616)	(1,389,942)	(26,609)	(93,240)	(1,274)	(134,764)	(2,410,445)
Closing net book value	6,382,167	9,521,274	-	239,480	869,669	11,465	539,057	17,563,112

As at June 30, 2025

Cost	6,382,167	27,991,444	-	5,240,087	7,883,413	75,000	10,148,476	57,720,587
Accumulated depreciation	-	(18,470,170)	-	(5,000,607)	(7,013,744)	(63,535)	(9,609,419)	(40,157,475)
Net book value	6,382,167	9,521,274	-	239,480	869,669	11,465	539,057	17,563,112

Annual rate of depreciation

10% 10% 10% 10% 10% 20%



Notes to the Financial Statements for the year ended June 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
5.1 Allocation of depreciation for the year is as under ;			
Cost of sales	19.1	2,265,818	2,779,810
Administrative expenses	21	<u>144,627</u>	<u>177,435</u>
		<u>2,410,445</u>	<u>2,957,245</u>
5.2 Following are the details of plant and machinery disposed off during the year:			
Cost		99,387,609	
Book Value		17,333,578	
Sale Proceeds		21,500,000	
Gain / (Loss)		4,166,422	
Mode of Purchase		Negotiation	
Particulars of party		Six Star Warehouse	
6 LONG TERM DEPOSITS			
Against utilities		843,112	843,112
Others		<u>566,500</u>	<u>566,500</u>
		<u>1,409,612</u>	<u>1,409,612</u>
7 STOCK IN TRADE			
Raw material		11,780,941	16,355,829
Finished goods	7.1	<u>24,022,565</u>	<u>27,679,038</u>
		<u>35,803,506</u>	<u>44,034,867</u>
7.1	Stock in trade includes old stock carried at net realisable value of Rs. 10.73 million (2024: Rs. 14.98 million) since prior periods		
8 TRADE DEBTS			
Unsecured			
Considered good			
Local		4,789,311	4,403,052
Foreign		<u>737,659</u>	<u>9,220,308</u>
		<u>5,526,970</u>	<u>13,623,360</u>
Considered doubtful			
Local		<u>9,375,890</u>	<u>9,375,890</u>
Less: provision for doubtful balances		<u>(9,375,890)</u>	<u>(9,375,890)</u>
		<u>5,526,970</u>	<u>13,623,360</u>
9 ADVANCES AND OTHER RECEIVABLE			
Considered good			
Advances			
Employees		148,555	167,160
Suppliers		11,526,751	219,650
Income tax		1,464,710	1,588,420
Other receivable			
Duty drawback		<u>495,999</u>	<u>1,403,910</u>
		<u>13,636,015</u>	<u>3,379,140</u>

Notes to the Financial Statements for the year ended June 30, 2025



	NOTE	2025 RUPEES	2024 RUPEES
10 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax		2,094,803	2,249,556
Income tax		998,171	750,164
		<u>3,092,974</u>	<u>2,999,720</u>
11 CASH AND BANK BALANCES			
Cash in hand		41,042	28,497
Cash at bank :- In current accounts		480,618	913,925
		<u>521,660</u>	<u>942,422</u>
12 LONG TERM LOANS			
From director's associates			
From director's associate		10,254,742	10,875,350
Adjustment for change in incremental borrowing rate		2,345,227	(1,972,414)
Interest accrued on long term loan	23.1	1,425,057	1,351,806
		<u>14,025,026</u>	<u>10,254,742</u>
From banking companies			
Export refinance - rescheduled	12.2	8,000,000	16,000,000
Less: current portion		(8,000,000)	(8,000,000)
		-	8,000,000
		<u>14,025,026</u>	<u>18,254,742</u>
12.1	This is unsecured and interest free. Terms of repayment have not been decided so far. However, It is confirmed by the lender that repayment will not be demanded within next 2 (2024: 3) years. The loan is carried at amortized cost, with estimated repayment term of 5 years at an effective interest rate of 11.31% (2024: 19.22%) per annum. The unearned interest income is recorded as deferred interest income (Refer Note 13).		
12.2	The Company entered into a loan settlement agreement with a financial institution, approved by the banking court, for an original outstanding liability of Rs. 41.9 million. Under the terms of the agreement, Rs. 28 million was rescheduled for repayment over a period of 2.5 years through quarterly installments of Rs. 2 million each, while the remaining Rs. 13.9 million was waived off, this waiver has been recognized in the prior period financial statements as other income in Note 20. Loan is secured by post date cheques of outstanding amount.		
13 DEFERRED INTEREST INCOME			
Deferred Interest Income		7,122,148	6,501,540
Adjustment for change in incremental borrowing rate		(2,345,227)	1,972,414
Unwinding of deferred interest income	23.1	(1,425,057)	(1,351,806)
		<u>3,351,864</u>	<u>7,122,148</u>



Notes to the Financial Statements for the year ended June 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
14 SHORT TERM BANK BORROWINGS			
From Directors	14.1	129,262,249	142,210,629
From banking companies			
Export refinance		62,850,000	62,850,000
Cash finance		10,250,000	10,250,000
Running finance		4,679,088	4,679,088
	14.2	77,779,088	77,779,088
		<u>207,041,337</u>	<u>219,989,717</u>

14.1 These are unsecured, interest free and repayable on demand.

14.2 The facilities are expired. These are secured against first charge over current assets and first charge over fixed assets ranking pari passu with the charge created in respect of long term financing (Refer Note 15.1), lien over import and export documents and personal guarantee of directors of the Company. Cash finance is secured against pledge of old stock in trade with carrying value of Rs. 22.17 million (2024: Rs. 22.17 million). All these borrowings and related mark up are overdue and the banks / financial institutions have filed suits for recovery of these finances along with related mark up and cost of funds (Refer Note 17).

15 CURRENT PORTION OF LONG TERM FINANCING Note

Secured

Export finance	12.2	8,000,000	8,000,000
Demand finance	15.1	46,903,419	46,903,419
		<u>54,903,419</u>	<u>54,903,419</u>

15.1 This is secured against first charge over fixed assets of the Company ranking pari passu with the charge created in respect of short term bank borrowings (Refer Note 14.2) and personal guarantee of directors of the Company. The principal and related mark up are overdue and the bank has filed suit for recovery of the finance alongwith related mark up and cost of funds (Refer Note 17).

16 TRADE AND OTHER PAYABLES

Creditors		18,542,696	28,129,141
Accrued liabilities	16.1	12,649,250	10,182,653
Advance from customers		-	3,142,450
Withholding Income tax payable		1,240,638	551,563
Payable against other operating expenses	24	1,485,310	810,805
		<u>33,917,894</u>	<u>42,816,612</u>

16.1 These include remuneration payable to chief executive officer and directors amounting to Rs. 10.79 million (2024: Rs. 6.75 million).



17 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 short term and long term finances along with related mark up and cost of funds which the Company is defending. The Company has fully provided for mark up till the date of filing of suits by the banks / financial institutions. The amount of related overdue loans is Rs.124.68 million (2024: Rs. 124.68 million) and related overdue mark up is Rs. 81.97 million (2024: Rs. 81.97 million). 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 and the quantum of cost of funds cannot be determined at this stage.

	NOTE	2025 RUPEES	2024 RUPEES
18 SALES			
Export - Leather	18.1	51,779,860	56,036,308
Local sale - Job work income - Leather Processing		8,688,836	37,884,448
		<u>60,468,696</u>	<u>93,920,756</u>
Less : Sales Tax		(1,325,416)	(5,891,502)
Add : Rebate / duty draw back		950,675	1,365,490
		<u>60,093,955</u>	<u>89,394,744</u>

18.1 It includes exchange gain of Rs. 183,935/- (2024: Rs 220,166/-).

19 COST OF SALES

Opening stock of finished goods		27,679,038	37,475,419
Cost of goods manufactured	19.1	42,476,482	66,644,378
		<u>70,155,520</u>	<u>104,119,797</u>
Less: Closing stock of finished goods		(24,022,565)	(27,679,038)
		<u>46,132,955</u>	<u>76,440,759</u>

19.1 Cost of goods manufactured

Raw material consumed	19.1.1	24,225,603	22,523,772
Job work charges		2,017,934	2,963,984
Salaries, wages, and benefits		7,175,352	17,524,791
Power, fuel and water		4,042,697	14,530,442
Repairs and maintenance		2,660,377	4,369,383
Carriage and freight		49,200	354,626
Depreciation	5.1	2,265,818	2,779,810
Others		39,501	45,000
		<u>42,476,482</u>	<u>65,091,808</u>

Work in process:

Opening	-	1,552,570
Closing	-	-
	<u>-</u>	<u>1,552,570</u>
	<u>42,476,482</u>	<u>66,644,378</u>



Notes to the Financial Statements for the year ended June 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
19.1.1 Raw material consumed			
Opening balance		16,355,829	9,375,116
Purchases during the year		19,650,715	29,504,485
Available for consumption		36,006,544	38,879,601
Closing balance		(11,780,941)	(16,355,829)
		<u>24,225,603</u>	<u>22,523,772</u>
20 OTHER INCOME			
Waiver of loan liability on settlement		-	6,750,817
Waiver of markup on loan on settlement		-	7,234,996
Balances written back		5,181,254	-
Gain on sale of fixed asset		4,166,422	-
		<u>9,347,676</u>	<u>13,985,813</u>
21 ADMINISTRATIVE EXPENSES			
Directors' remuneration	27	5,400,000	5,400,000
Salaries and benefits		2,231,715	2,031,445
Telephone, fax and postage		228,045	371,367
Fees and subscription		605,528	1,441,755
Printing and stationary		143,578	203,105
Repairs and maintenance		411,390	567,560
Vehicles running and maintenance		139,325	250,090
Legal and professional		451,250	894,951
Auditors' remuneration	21.1	855,425	760,825
Advertisement		34,600	50,400
Depreciation	5.1	144,627	177,435
Others		82,210	165,750
		<u>10,727,693</u>	<u>12,314,683</u>
21.1 Auditors' remuneration			
Audit fee		504,000	420,000
Half year review		115,500	115,500
Other professional services		172,325	172,325
Out of pocket expenses		63,600	53,000
		<u>855,425</u>	<u>760,825</u>
22 SELLING AND DISTRIBUTION EXPENSES			
Freight and forwarding charges		836,202	1,286,007
Travelling and conveyance		-	65,000
Others		762,922	737,713
		<u>1,599,124</u>	<u>2,088,720</u>

Notes to the Financial Statements for the year ended June 30, 2025



	NOTE	2025 RUPEES	2024 RUPEES
23 FINANCE COST			
Bank Charges and Commission		850,637	785,600
Interest markup on long term loan - net	23.1	-	-
		<u>850,637</u>	<u>785,600</u>
23.1 Interest markup on loan	12	1,425,057	1,351,806
Unwinding of related deferred income	13	(1,425,057)	(1,351,806)
		<u>-</u>	<u>-</u>
24 OTHER OPERATING EXPENSES			
Worker's Welfare Fund		212,669	235,016
Worker's Profit Participation Fund		461,836	575,789
Balances written off		273,819	-
		<u>948,324</u>	<u>810,805</u>
25 PROVISION FOR TAXATION			
Current			
for the year		1,561,093	2,741,213
for prior years		(1,400,800)	72,057
		<u>160,293</u>	<u>2,813,270</u>
Deferred	25.2	-	-
		<u>160,293</u>	<u>2,813,270</u>
25.1 Relationship between accounting loss and tax expense			
The relationship between accounting loss and tax expense has not been presented in these financial statements as the income of the Company was subject to minimum/alternate corporate tax.			
25.2 Deferred tax asset works out to Rs. 03.96 million (2024: Rs. 0.85 million) which is not recognized in these financial statements in view of un-certain future results. It comprises of the following;			
		2025 RUPEES	2024 RUPEES
Difference between accounting and tax basis of assets		(1,786,510)	1,500,226
Tax losses carried forward		(614,859)	(452,956)
Minimum tax credits under section 113 & 113C		(1,561,093)	(1,897,459)
		<u>(3,962,462)</u>	<u>(850,189)</u>
26 EARNING PER SHARE - BASIC AND DILUTED (RUPEES PER SHARE)			
Profit for the year – Rupees		9,022,605	8,126,720
Weighted average number of ordinary shares (number)		3,400,000	3,400,000
Earning per share - basic and diluted (Rupees per share)		2.65	2.39

26.1 There is no dilutive effect on the basic earning per share of the Company.



Notes to the Financial Statements for the year ended June 30, 2025

	2025 RUPEES	2024 RUPEES
27. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS		
Chief Executive Officer		
Remuneration	2,304,000	2,304,000
Housing rent allowance	1,036,800	1,036,800
Utilities	259,200	259,200
	<u>3,600,000</u>	<u>3,600,000</u>
Number of person(s)	<u>1</u>	<u>1</u>
Director		
Remuneration	1,152,000	1,152,000
Housing rent allowance	522,000	522,000
Utilities	126,000	126,000
	<u>1,800,000</u>	<u>1,800,000</u>
Number of person(s)	<u>1</u>	<u>1</u>
Executive		
Remuneration	1,260,000	-
Number of person(s)	<u>1</u>	<u>1</u>

27.1 The Company has also provided mobile and the Company maintained vehicle to a director. The monetary value of these benefits is Rs. 243,974 /- (2024: Rs. 304,967/-)

28 Financial risk management objectives and policies

The Company's objectives in managing risks is the creation and protection of shareholders' value. Risk is inherent in the company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the company's continuation. The company is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds.

The company finances its operations through equity, borrowing and management of working capital with a view to maintain an appropriate mix among various sources of finances to minimize risk.



	2025 RUPEES	2024 RUPEES
28.1 Financial instruments by category		
Financial assets at amortized cost:		
Long term deposits	1,409,612	1,409,612
Trade debts	5,526,970	13,623,360
Cash and bank balances	521,660	942,422
	<u>7,458,242</u>	<u>15,975,394</u>
Financial liabilities at amortized cost:		
Long term loan	14,025,026	18,254,742
Short term bank borrowings	207,041,337	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	31,191,946	38,311,794
	<u>389,126,890</u>	<u>413,424,833</u>

28.1.1 Credit risk exposure and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligations and cause the other party to incur a financial loss. The company attempts to control credit risk and concentration of credit risk by monitoring credit exposure, limiting transaction with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The maximum exposure to credit risk at the reporting date is as follows:

	2025 RUPEES	2024 RUPEES
Financial assets at amortized cost		
Long term deposits	1,409,612	1,409,612
Trade debts	5,526,970	13,623,360
Bank balances	480,618	913,925
	<u>7,417,200</u>	<u>15,946,897</u>



Notes to the Financial Statements for the year ended June 30, 2025

Due to Company's long standing relations with counter parties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Company.

For trade debts, credit quality of customers is assessed taking into consideration their financial position and previous dealings and on that basis, individual credit limits are set. Moreover, the management regularly monitors and reviews customers' credit exposure. The credit risk exposure is limited in respect of bank balances as these are placed with the banks having good credit rating from international and local credit rating agencies. Trade debts considered good are not past due.

28.1.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions without incurring unacceptable losses of risking damage to the company's reputation. But due to nature of business, unavailability of proper export orders and bad economic conditions, the management of the company is making their effort for recoveries from parties and assure that they provide financial support to Company in meeting its obligations.

All financial liabilities of the Company are due to mature within one year from the reporting date, except for 'Long term loans'. Contractual maturities of these liabilities are discussed in their respective notes.

28.1.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The Company is not significantly exposed to market risk as at reporting date.

28.1.4 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign currency rates. The Company is exposed to currency risk in respect of net amount of foreign trade debts amounting to Rs. 0.74 million (2024: 9.22 million). Change of 100 basis points in exchange rate will not have any significant impact on the results of the Company.

28.1.5 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Majority of interest rate risk from bank arises from long term and short term borrowings from banks. The Company is not exposed to any significant interest rate risk as markup on these borrowings is not being made for (Refer Note 17).



28.2 Fair value of financial instruments

The carrying value of all the financial assets and financial liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

28.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Debt is calculated as total external borrowings ('long term financing' and 'short term borrowings' as shown in the statement of financial position) including related mark up payable. Equity comprises of share capital, loan from director and accumulated loss as shown in the statement of financial position under 'share capital and reserves'. The Company is exposed to capital risk and has formulated a plan to address the same as disclosed in Note 1.2.

29 TRANSACTIONS WITH RELATED PARTIES

The Company carries out transactions with related parties in the normal course of business which comprise of directors and key management personnel. Detail of transactions with related parties, which are not specifically disclosed elsewhere in these financial statements, are as follows:

Name of related party	Basis of Relationship	Transactions carried out during the year	2025 RUPEES	2024 RUPEES
Mr. Muhammad Saleem Ahmed	CEO (15.26 % shareholding)	Long term loan		
		Obtained	14,345,000	23,295,000
		Repaid	27,718,380	16,043,790
Mr. Umer Ahmed	Director (0.09 % shareholding)	Long term loan		
		Obtained	1,367,000	-
		Repaid	942,000	25,690



Notes to the Financial Statements for the year ended June 30, 2025

30 PLANT CAPACITY AND ACTUAL PRODUCTION

The Company had historically been engaged in the manufacturing of leather and leather garments at its own production facilities. During the year ended 30 June 2025, the Company disposed of its plant and machinery and has ceased in-house production operations. Consequently, no installed production capacity exists as at 30 June 2025.

	2025	2024
31 NUMBER OF PERSONS EMPLOYED BY THE COMPANY		
Number of employees at the year end	<u>11</u>	<u>22</u>
Average number of employees during the year	<u>19</u>	<u>29</u>

32 DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been authorised for issue by the Board of Directors of the Company on 06 October, 2025.

33 GENERAL

33.1 Rearrangements

Prior year figures have been re-arranged / re-grouped wherever considered necessary for the purpose of better presentation and comparison. There were no significant re-arrangements / regroupings, other than the following:

The previously separate 'Statement of Profit or Loss' and 'Statement of Comprehensive Income' have been combined into a single 'Statement of Comprehensive Income.' This change affects presentation only and has no impact on reported amounts of profit or loss or total comprehensive income.


MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER


NASEER AHMED
CHIEF FINANCIAL OFFICER


UMER AHMED
DIRECTOR

PATTERN OF SHARE HOLDING AS AT JUNE 30, 2025



NUMBER OF SHAREHOLDERS	SHARE HOLDINGS FROM	TO	SHARES HELD OF RS. 10/- EACH
268	1	100	13,554
177	101	500	67,251
67	501	1,000	60,663
57	1,001	5,000	133,362
11	5,001	10,000	92,100
1	10,001	15,000	11,984
2	15,001	20,000	34,000
2	25,001	30,000	51,305
1	70,001	75,000	71,500
1	75,001	80,000	78,000
1	80,001	85,000	80,281
5	85,001	90,000	450,000
1	235,001	240,000	238,900
1	310,001	315,000	311,300
1	325,001	330,000	330,000
1	330,001	335,000	334,800
1	335,001	340,000	368,500
1	670,001	675,000	672,500
599			3,400,000

BREAK-DOWN OF PATTERN OF SHARE HOLDINGS

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	HOLDING PERCENTAGE
Individuals	593	2,942,900	86.56
Investment Companies	1	1,800	0.05
Joint Stock Companies	3	8,800	0.26
Financial Institutions	1	78,000	2.29
Others	1	368,500	10.84
	599	3,400,000	100.00



DETAILS OF PATTERN OF SHAREHOLDING

AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

		NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
Investment Corp. of Pakistan		1	1,800	0.05
Financial institutions & Joint stock companies		4	86,800	2.55
Directors, their spouses & Minor children:				
Mr. M. Saleem Ahmed	Chief Executive	1	911,400	26.81
Mrs. Rubina Ahmed	W/O M. Saleem Ahmed	1	311,300	9.16
Mr. Azeem Ahmed	Director S/O M. Saleem Ahmed	1	1,000	0.03
Mr. Umer Ahmed	Director S/O M. Saleem Ahmed	1	3,000	0.09
Mr. Nayyer Ahmed	Director	1	1,000	0.03
Mr. Ahmed Jalali	Director	1	1,000	0.03
Mr. Qaiser Jamal	Director	1	1,000	0.03
Sponsors' associates & friends:		8	1,464,800	43.08
Other Individuals:		579	616,900	18.14
		599	3,400,000	100.00

PROXY FORM



I/We _____
_____ of _____
being member (s) of Pak Leather Crafts Limited and a holder of ordinary shares, hereby
appoint _____ of _____
_____ who is also a member of the company vide Folio No.
_____ as my/our proxy to attend and vote for me/us and on
my/our behalf at the 38th Annual General Meeting of the Company to be held on Tuesday 28th
October 2025 at 06:00 p.m. or at any adjournment thereof.

Signed this _____ day of _____ 2025

Signature of Witness

Please affix
Revenue Stamp
& Signature

Shareholder's Folio No. _____ Number of Shares held _____

IMPORTANT :

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person shall act as a proxy, who is not a member of the company except that a company may appoint a person who is not a member.
2. An instrument of proxy duly stamped, and witnessed and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the Company at least 48 hours before the time of the meeting.
3. Signature should agree with the specimen signature registered with the Company.
4. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the company, all such instrument of proxy shall be rendered invalid

FOR CDC ACCOUNT HOLDERS/CORPORATE ENTITIES:

In addition to the above the following requirements have to be met:

The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

The proxy shall produce his original CNIC or original passport at the time of the meeting.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form of the Company.



پراکسی فارم

سالانہ اجلاس عام

میں/ہم

بجائیت رکن پاک لیڈر کرافٹس لمیٹڈ و حامل
عام حصص بمطابق شیئرز رجسٹر فو لیو نمبر اور/یا سی ڈی سی کے شراکتی آئی ڈی نمبر
اور ذیلی کھاتہ نمبر محترم/محترمہ ساکن
یا بصورت دیگر ساکن

کو اپنی/ہماری جگہ بروز منگل، مورخہ 28 اکتوبر، 2025، بوقت 6:00 بجے میں منعقد یا ملتوی ہونے والے 38 واں سالانہ اجلاس عام میں شرکت،
رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا/کرتی/کرتے ہوں/ہیں۔

دستخط مورخہ برائے ماہ و سال ثبت ہیں۔

گواہ:

(نکٹ یہاں چسپاں کریں)

اور دستخط کریں

دستخط

نام

پتہ

شناختی کارڈ نمبر:

شیئرز ہولڈر کا فو لیو نمبر حامل شیئرز کی تعداد

نوٹ:

- اگر کوئی ممبر عام اجلاس میں شرکت کرنے سے قاصر ہو تو وہ کسی دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ جو شخص کمپنی کا ممبر نہ ہو وہ بطور پراکسی کام نہیں کر سکتا سوائے اس کے کہ کمپنی کسی ایسے شخص کا تقرر کرے جو ممبر نہ ہو۔
- پراکسی دستاویز تصدیق شدہ ہونے چاہئیں اور اس کے ساتھ پاور آف اٹارنی یا دیگر اتھارٹی (اگر کوئی ہو) کی مصدقہ کاپی کمپنی کی میٹنگ کے وقت سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس میں جمع کرانا ضروری ہے۔
- دستخط کمپنی کے پاس رجسٹرڈ شدہ نمونہ کے مطابق ہونے چاہئیں۔
- اگر کوئی ممبر ایک سے زیادہ پراکسی کا تقرر کرتا ہے ساور پراکسی کے اک سے زیادہ انسٹرومنٹ کمپنی کے پاس جمع کرائے جاتے ہیں تو پراکسی کے ایسے تمام انسٹرومنٹ کو غلط قرار دیا جائے گا۔

سی ڈی سی اکاؤنٹ ہولڈرز کا رپورٹ اداروں کیلئے:

مندرجہ بالا کے علاوہ درج ذیل ضروریات کو پورا کرنا ضروری ہے:-

پراکسی فارم پر دو گواہان کے نام، پتے اور شناختی کارڈ نمبر درج ہوں گے۔

پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ جمع کرائی جائیں گی۔

اجلاس کے وقت پراکسی اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔

کارپوریت ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کا ریزولوشن/پاور آف اٹارنی نمونہ دستخط کے ساتھ کمپنی کے پراکسی فارم کے ساتھ جمع کرایا جائے گا (اگر یہ پہلے فراہم نہ کیا گیا ہو)۔