



PAK LEATHER CRAFTS LIMITED

PROFILE OF THE COMPANY

Pak Leather Crafts Limited is a public limited company incorporated in Pakistan in 1987 under the repealed Companies Ordinance, 1984 and now the Companies Act, 2017.

Company's shares are listed on Pakistan Stock Exchange Limited. Being a responsible corporate citizen, the Company ensures full compliance with all applicable statutory requirements.

Registered Office:

Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi.

Manufacturing Facility:

Plot # 92, Sector 7-A, Korangi Industrial Area, Karachi.

Email address:

export1@pakleather.com

Website address:

<https://www.pakleather.com>

**Principal Activity:**

The Company is one of the leading manufacturers and exporters of finished leather of Pakistan. The finished leather is produced in several different articles and colors in Lamb, Goat, Cow and Buffalo skins. Our leather is suitable for garments, shoes, gloves and bags.

VISION & MISSION STATEMENT**Vision:**

We are striving to become a reliable source of high-quality dyed leathers for international and local markets.

Mission:

Tanning and manufacturing leather for glove, garments, bags and shoes. We manufacture leather for users who are looking quality and timely delivery. Our tannery is a valuable resource for manufacturers who wish to develop articles for future trends. We believe delivering high quality products has an intrinsic value and we wish to benefit from it the most possible.



BOARD OF DIRECTORS

Mrs. Rubina Saleem Ahmed

Mr. Saleem Ahmed

Mr. Umer Ahmed

Mr. Azeem Ahmed

Mr. Nayyar Ahmed

Mr. Qaiser Jamal

Mr. Ahmed Jalali

Chairperson

Chief Executive Officer

Executive Director

Non-Executive Director

Non-Executive Director

Independent Director

Independent Director



STRATEGIC DEVELOPMENTS AND FUTURE OUTLOOK

- In line with the special resolutions passed in the annual general meeting held on 28th October 2024, the board of directors of the Company has executed the decision and sold of 30 to 40 years old production machinery, not remained viable for operations.
- In order to keep the operation of the Company uninterrupted, a toll manufacturing agreement has been signed with another production facility of the area and the normal production is being done according to requirement on order-to-order basis.
- The management is busy in doing its all-out efforts to increase the volume of sales, both for export and in the local market. However, the estimates are not optimistic due to international economic recession.
- Uncertain international geo-political and economic conditions.
- Ongoing Russia-Ukraine war and the invasion of Israel in Gaza strip of Middle East has further fueled for economic recession, not only in this region but the world over.
- War-like tension on the eastern and western borders of the Country.
- Demand for Leather and leather products is suffering due to prediction of a worldwide recession.
- High electricity and gas tariff and uncertainty on availability of latter.
- However, the government is trying to implement sustainable and long-term measures to bring confidence for economic restoration.
- Subsequent to the balance sheet date, the management has entered into an agreement with a third party to let out the factory building on monthly rental basis. This will generate further income in addition from the existing line of business.



DETAILS OF FINANCIAL INFORMATION

Financial results of the company for the past six years are given to see at the 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
Earnings / (loss) per share (aftertax)	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)



OPERATING PERFORMANCE

	Year Ended June 30, 2025	Year Ended June 30, 2024
	Rupees	Rupees
Sales	60,093,955	89,394,744
Cost of Sales	46,132,955	76,440,759
Gross Profit	13,961,000	12,953,985
Other Income	9,347,676	13,985,813
	23,308,676	26,939,798
Administrative Expenses	10,727,693	12,314,683
Selling and Distribution Expenses	1,599,124	2,088,720
Finance Cost	850,637	785,600
	(13,177,454)	(15,189,003)
Operating Profit	10,131,222	11,750,795
Other Operating Expenses	(948,324)	(810,805)
Profit Before Taxation	9,182,898	10,939,990
Provision for Taxation	(160,293)	(2,813,270)
Profit for the Year	9,022,605	8,126,720
Other Comprehensive Income	-	-
Total comprehensive income	9,022,605	8,126,720
<u>Earnings Per Share</u>		
Basic and diluted (Rupees per share)	2.65	2.39



- Export sales squeezed to Rs.51.780m comparing with Rs.56.036m for the same period last year, hence decreased by more than 7%.
 - Local sales dropped to Rs. 8.688m against Rs. 37.884m for the same period of last year, hence decreased by 77%.
 - Reduction in sales 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 and hike in energy cost resulted the increased cost of production.
 - It was difficult to compete in the international and local market.
 - Other income of Rs. 9.347m supported the bottom line to remain in green zone.
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QUESTION & ANSWER SESSION