



Leather [↑]Up Limited

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2022**



COMPANY PROFILE

Board of Directors

| | | | |
|-------------------|---------------------------|----------------|----------|
| Khalid H. Shah | Chief Executive/ Director | Mahmooda Shah | Director |
| Jazim Shah | Director / Chairman | S. Faisal Shah | Director |
| Mohsin Khursheed | Director | Farooq Raza | Director |
| Shaikh Abdus Sami | Director | | |

Board Audit Committee

| | |
|------------------|----------|
| Mohsin Khursheed | Chairman |
| Jazim Shah | Member |
| Mahmooda Shah | Member |

Human Resource Committee

| | |
|------------------|----------|
| Mohsin Khursheed | Chairman |
| S. Faisal Shah | Member |
| Mahmooda Shah | Member |

Chief Financial Officer / Company Secretary

Ali Ahmar

Auditors

UHY Hassan Naeem & Co.

Legal Advisor

Maqsood Ahmad Bullo & Company
Advocate

Bankers

| | | |
|-------------------|-------------------|-----------------|
| MCB Bank Ltd | United Bank Ltd | Faysal Bank Ltd |
| Summit Bank Ltd | Askari Bank Ltd | Meezan Bank Ltd |
| Bank Al-falah Ltd | Bank Al Habib Ltd | |

Registered Office/Factory

Plot # 23/C, 15th Commercial Street Phase II Extension, Defence Housing Authority, Karachi.
Phone: (021) 35880771-2 Fax: (021) 35880773
E-mail: Inquiry@leatherupltd.com
Website: www.leatherupltd.com

Share Registrar Office

M/s C&K Management Associates (Pvt) Limited
404, Trade Tower, Abdullah Haroon Road, Near Hotel Metroplote, Karachi-75530
Phone: (021) 35687839- (021) 35685930

DIRECTORS' REPORT

The Directors of your Company have pleasure in submitting the report on **Financial Statements for the Half Year Ended December 31, 2022 (UNAUDITED)**.

Company Performance:

Company's net revenue for the half year ended July'22 to Dec'22 stood at Rs. 14.488 million as compared to net revenue of Rs. 11.996 million of the corresponding period of last year and the net loss has decreased from 0.9M to 0.6M in the half year ended December 31, 2022.

Future Outlook:

In spite of various challenges, the company for its part remains focused on improving its operational efficiencies, exploring new markets, effectively minimizing the production costs and focusing on the right performance levers. Despite uncertainty all over the world in general and leather industry in particular, the management of your company is very keen to safeguard the interest of shareholders of the company. We are trying our level best to remain stable in the current situation, and are making best efforts to have export orders of considerable value from its existing buyers/customers as well as exploring new markets in order to maintain its exports on upward trends. We do hope that the company would be able to make reasonable exports in the upcoming future.

Workers Management Relation:

The management will like to put on the record valued contribution of all members of the staff, workers towards achieving results in general and we wish to place on record our gratitude to the shareholders for their continued support in difficult times and hope to continue the same in the coming years. The worker management relation remained excellent throughout the year, which resulted in the smooth operation of your company. This is team work and we hope it shall continue in the same spirit during the coming years.

Thanks and Appreciation Thanks to our shareholders for their trust and support now as well as in difficult times

Karachi: 27 FEB, 2023



Khalid H. Shah
(Chief Executive)



Jazim Shah
(Chairman / Director)

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز خوشی سے آپ کو غیر مصدقہ دسمبر ۳۱، ۲۰۲۲ تک کے مالی اظہارات کی رپورٹ پیش کرتے ہیں۔

کمپنی کی کارکردگی

جولائی ۲۲ سے دسمبر ۲۲ تک کمپنی کا صاف آمدنی ۱۴.۴۸۸ ملین روپے تھا جبکہ متاثرہ دور کے مقابلہ کرنے والے دور کے ۱۱.۹۹۶ ملین روپے کے صاف آمدنی کے مقابلہ میں اضافہ ہوا۔ اسی طرح، صاف نقصان بھی کم ہوا جس کی مقدار دسمبر ۳۱، ۲۰۲۲ تک کے نصف سال کے لئے ۰.۹ ملین سے ۰.۶ ملین کے حدود تک کم ہوگئی۔

مستقبل کی توقعات

مختلف کشیدگیوں کے باوجود، کمپنی اپنی آپریشنل کارکردگی میں بہتری لائے، نئے مارکیٹس کی تلاش کرنے، پیداوار کی لاگتوں کو کم کرنے اور درست کارکردگی کے سمتہلے حوالوں پر توجہ مرکوز رہتی ہے۔ دنیا بھر میں ابتدائی طور پر اور خاص طور پر چمڑے کی صنعت میں اندھیرے کے باوجود، آپ کمپنی کے انتظامیہ کو اس بات کے لئے بہت دلچسپی ہے کہ کمپنی کے حاملین کے مفاد کی حفاظت کرے۔ ہم موجودہ صورتحال میں مستحکم رہنے کی کوشش کر رہے ہیں، اور اپنے موجودہ خریداروں گاہکوں سے کافی قدرتی قیمتوں کے ہی۔

کارکنان کی مینجمنٹ سے تعلقات

مینجمنٹ مقدرت کی تمام ارکان کے قیمتی کردار کو دستاویز کرنا چاہتا ہے جنہوں نے عام طور پر نتائج حاصل کرنے میں مدد کی اور ہم اپنی شکرگزاری کے اظہار کرنا چاہتے ہیں کہ شینر بولڈرز کا شدید وقتوں میں جاری رہنے والا حمایت، جس کے بغیر مشکلات کا سامنا کرنا مشکل تھا، ابھی تک جاری ہے اور آنے والے سالوں میں بھی اسی طرح رہے گا۔ کارکنان اور مینجمنٹ کے درمیان تعلقات سال بھر عمدہ رہے جس کی وجہ سے آپ کی کمپنی کا سلسلہ وار کارروائی ممکن ہو سکا۔ یہ ٹیم کا کام ہے اور ہم امید کرتے ہیں کہ آنے والے سالوں میں بھی اسی روح سے جاری رہے گا۔

شکریہ اور تعریف: ہمارے شینر بولڈرز کو ان کے اعتماد اور حمایت کے لئے شکریہ کہتے ہیں جو مشکل وقتوں میں ابھی تک جاری ہے۔



Khalid H. Shah
(Chief Executive)

کراچی: 27 فروری، 2023



Jazim Shah
(Chairman / Director)



402 Progressive Center
Sharah-e-Faisal,
Karachi, Pakistan.

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Independent Auditors' Review Report to the Members of Leather Up Limited

Report on review of condensed interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **LEATHER UP LIMITED** as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of condensed interim statements of profit and loss and condensed statement of comprehensive income and the notes forming part thereof for the three months period ended 31st December 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended 31st December 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial statements as of is not prepared, in all material respects in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is **Imran Iqbal**

UHY Hassan Naeem & Co.

KARACHI

DATE : February 27, 2023

UDIN : RR202210215y0lnsHrT3

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2022

| ASSETS | <i>Note</i> | (Unaudited) December 31, 2022 | (Audited) June 30, 2022 |
|--|-------------|-------------------------------------|-------------------------------|
| | | ————— Rupees ————— | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 2,832,987 | 2,925,345 |
| Current assets | | | |
| Stock-in-trade | 5 | 14,826,821 | 20,678,494 |
| Trade debts | | 270,816 | 7,754,644 |
| Advances, deposits and other receivables | | 2,995,671 | 3,339,207 |
| Tax refunds due from government | | 4,306,018 | 4,235,262 |
| Cash and bank balances | | 3,387,089 | 4,104,144 |
| | | 25,786,415 | 40,111,751 |
| Total assets | | 28,619,402 | 43,037,096 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| <i>Authorized capital</i> | | | |
| 6,000,000 (2020: 6,000,000) ordinary shares of Rs. 10/- each | | 60,000,000 | 60,000,000 |
| Issued, subscribed and paid up capital | 6 | 60,000,000 | 60,000,000 |
| <i>Revenue reserves</i> | | | |
| General reserve | | 1,369,610 | 1,369,610 |
| Accumulated (losses) / profit | | (39,276,348) | (38,616,908) |
| | | (37,906,738) | (37,247,298) |
| | | 22,093,262 | 22,752,702 |
| Non-current liability | | | |
| Staff retirement benefits - gratuity | 7 | 852,533 | 1,890,572 |
| Current liabilities | | | |
| Loan from directors | | - | 3,232,084 |
| Trade and other payables | 8 | 4,043,256 | 12,547,747 |
| Unclaimed dividend | | 1,630,351 | 2,613,991 |
| | | 5,673,607 | 18,393,822 |
| Contingency and commitments | 9 | | |
| Total equity and liabilities | | 28,619,402 | 43,037,096 |



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

| | <i>Note</i> | HALF YEAR ENDED | | QUARTER ENDED | |
|---|-------------|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2022 | December 31, 2021 | December 31, 2022 | December 31, 2021 |
| | | Rupees | | | |
| Sales revenue | 10 | 14,488,581 | 11,996,654 | 3,812,285 | 4,106,750 |
| Cost of sales | 11 | (10,873,754) | (9,410,266) | (1,723,985) | (2,722,149) |
| Gross (Loss) / Profit | | 3,614,827 | 2,586,388 | 2,088,300 | 1,384,601 |
| | | - | | | |
| Administrative expenses | | (3,846,076) | (2,698,959) | (1,842,678) | (1,706,617) |
| Distribution expenses | | (1,024,335) | (686,461) | (442,087) | (676,028) |
| | | (4,870,411) | (3,385,420) | (2,284,765) | (2,382,645) |
| Operating loss | | (1,255,584) | (799,032) | (196,465) | (998,044) |
| | | - | | | |
| Other (expense) / income | | 762,514 | 7,518 | 99,034 | 6,826 |
| | | - | | | |
| Profit/Loss before taxation | | (493,070) | (791,514) | (97,432) | (991,218) |
| | | - | | | |
| Taxation | 12 | (166,370) | (142,954) | (35,823) | (124,967) |
| | | - | | | |
| Loss after taxation | | (659,440) | (934,468) | (133,255) | (1,116,185) |
| | | - | | | |
| Loss per share - basic and diluted | 13 | (0.11) | (0.16) | (0.02) | (0.19) |



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

| | HALF YEAR ENDED | | QUARTER ENDED | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2022 | December 31, 2021 | December 31, 2022 | December 31, 2021 |
| | Rupees | | | |
| (Loss) after taxation | (659,440) | (934,468) | (133,255) | (1,116,185) |
| Other comprehensive income | | | | |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive loss for the period | (659,440) | (934,468) | (133,255) | (1,116,185) |



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

| | December 31, 2022 | December 31, 2021 |
|---|----------------------|----------------------|
| | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | <i>Note</i> | |
| Loss before taxation | (493,070) | (791,514) |
| <i>Adjustments for non-cash and other items:</i> | | |
| - Provision for staff gratuity | 302,020 | 207,750 |
| - Depreciation on property, plant and equipment | 92,358 | 102,923 |
| | 394,378 | 310,673 |
| Cash flow before working capital changes | (98,692) | (480,841) |
| Working capital changes | | |
| <i>(Increase) / decrease in current assets</i> | | |
| - Stock-in-trade | 5,851,674 | (4,773,686) |
| - Trade debts | 7,483,828 | (29,730) |
| - Advances, deposits, prepayments and other receivables | 343,536 | (755,481) |
| - Sales tax refundable | (48,394) | (53,541) |
| <i>Increase / (decrease) in current liabilities</i> | | |
| - Trade and other payables excluding gratuity payable | (8,430,815) | 8,354,210 |
| | 5,199,829 | 2,741,772 |
| Cash generated from operations | 5,101,137 | 2,260,931 |
| Gratuity paid | (1,413,737) | - |
| Taxes paid | (188,732) | (167,550) |
| | (1,602,469) | (167,550) |
| Net cash (used in) / generated from operating activities | 3,498,668 | 2,093,381 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net cash (used in) / generated from investing activities | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net loan obtained from / (repaid to) directors | (3,232,084) | 129,629 |
| Dividend paid | (983,640) | - |
| Net cash generated from / (used in) financing activities | (4,215,724) | 129,629 |
| Net increase / (decrease) in cash and cash equivalents | (717,055) | 2,223,010 |
| Cash and cash equivalents at the beginning of the year | 4,104,144 | 1,825,288 |
| Cash and cash equivalents at the end of the year | 3,387,089 | 4,048,298 |

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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

| Issued, subscribed and paid up capital | Revenue reserves | | Total |
|--|--------------------|--------------------------------|-------|
| | General reserve | Accumulated (loss) / profit | |

Rupees

Balance as at June 30, 2021 60,000,000 1,369,610 (23,480,402) 37,889,208

*Total comprehensive loss for the
period ended December 31, 2021*

| | | | | |
|------------------------------|---|---|-----------|-----------|
| - Profit after taxation | - | - | (934,468) | (934,468) |
| - Other comprehensive income | - | - | - | - |
| | - | - | (934,468) | (934,468) |

Balance as at December 31, 2021 60,000,000 1,369,610 (24,414,871) 36,954,738

Balance as at June 30, 2022 60,000,000 1,369,610 (38,616,908) 22,752,702

*Total comprehensive loss for the
period ended December 31, 2022*

| | | | | |
|------------------------------|---|---|-----------|-----------|
| - Loss after taxation | - | - | (659,440) | (659,440) |
| - Other comprehensive income | - | - | - | - |
| | - | - | (659,440) | (659,440) |

Balance as at December 31, 2022 60,000,000 1,369,610 (39,276,348) 22,093,262



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UN-AUDITED)

1. STATUS AND NATURE OF BUSINESS

Leather Up Limited ('the Company') was incorporated in Pakistan as a private limited company on December 2, 1990 vide registration no. K-02440 of 1990-91. Subsequently, the Company was converted into a public limited company on May 15, 1993. The Company is listed on Pakistan Stock Exchange since 1994.

The Company is engaged in the manufacture and export of leather garment products. The Head Office and the manufacturing facility of the Company are located at Plot # 23/C, 15th Commercial Street, Phase II Extension, Defence Housing Authority, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

2.2 These condensed interim financial statements are unaudited and subject to limited scope review by the auditors. These are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act).

2.3 These condensed interim financial statements do not include all the information and disclosures required in annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies and method of computations followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual published financial statements of the company for the year ended June 30, 2022.

3.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2022, except as disclosed otherwise.

| | December 31, | | June 30, | |
|--|---------------------------|---|---------------------------|---------------------------|
| | 2022 | | 2022 | |
| | (Unaudited) | | (Audited) | |
| <i>Note</i> | ————— Rupees ————— | | | |
| 4 PROPERTY, PLANT AND EQUIPMENT | | | | |
| Operating fixed assets - at net book value | | 2,832,987 | | 2,925,345 |
| Additions - operating fixed assets (at cost) | | - | | - |
| Disposals - operating fixed assets (at net book value) | | - | | - |
| | | 2,832,987 | | 2,925,345 |
| | | | | |
| | | December 31, | | December 31, |
| | | 2022 | | 2021 |
| | | ————— Rupees ————— | | ————— Rupees ————— |
| 4.1 Depreciation charge for the period | | 92,358 | | 102,923 |
| | | | | |
| | | December 31, | | June 30, |
| | | 2022 | | 2022 |
| | | (Unaudited) | | (Audited) |
| | | ————— Rupees ————— | | ————— Rupees ————— |
| 5 STOCK IN TRADE | | | | |
| Raw material and accessories | | 7,656,985 | | 7,353,279 |
| Work in process | | - | | 2,907,762 |
| Finished goods | | 10,642,320 | | 13,889,937 |
| Less: Provision for obsolete stock | | (3,472,484) | | (3,472,484) |
| | | 14,826,821 | | 20,678,494 |
| | | | | |
| 6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | | | |
| | December 31, | June 30, | December 31, | June 30, |
| | 2022 | 2022 | 2022 | 2022 |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | Number of Shares | | ————— Rupees ————— | |
| | 5,759,100 | 5,759,100 | 57,591,000 | 57,591,000 |
| | | Ordinary shares of Rs. 10/- each fully paid in cash. | | |
| | 125,000 | 125,000 | 1,250,000 | 1,250,000 |
| | | Ordinary shares of Rs. 10/- each issued for consideration other | | |
| | 115,900 | 115,900 | 1,159,000 | 1,159,000 |
| | | Ordinary shares of Rs. 10/- each issued as fully paid bonus shares. | | |
| | 6,000,000 | 6,000,000 | 60,000,000 | 60,000,000 |
| | | | | |
| 7 DEFERRED LIABILITIES - Gratuity | | | | |
| Staff retirement benefit | | | 852,533 | 1,890,572 |
| | | | 852,533 | 1,890,572 |

| | December 31, 2022 (Unaudited) | June 30, 2022 (Audited) |
|-------------------------------------|-------------------------------------|-------------------------------|
| 8 TRADE AND OTHER PAYABLES | Rupees | |
| Creditors | 1,858,877 | 4,727,793 |
| Accrued liabilities | 648,557 | 1,299,992 |
| Advance from customers | 1,486,277 | 6,396,740 |
| Gratuity payable | - | 73,677 |
| Provision for Workers' Welfare Fund | 49,545 | 49,545 |
| | 4,043,256 | 12,547,747 |

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no material change in the status of contingencies disclosed in note 15 to the Company's financial statements for the year ended June 30, 2022.

9.2 Commitments

Commitments for export sales as at December 31, 2022 were Rs. 13 million (June 30, 2022: Rs. 4.1 million).

| | December 31, 2022 (Unaudited) | December 31, 2021 (Audited) |
|-------------------------|-------------------------------------|-----------------------------------|
| 10 SALES REVENUE | Rupees | |
| Export Sales | 13,301,165 | 11,054,080 |
| Export Rebates | 1,187,416 | 942,574 |
| | 14,488,581 | 11,996,654 |

11 COST OF SALES

| | | | |
|------------------------------------|------------------------|-----------|-----------|
| Raw and packing materials consumed | <i>11.1 & 11.2</i> | 7,823,022 | 5,296,415 |
|------------------------------------|------------------------|-----------|-----------|

Manufacturing Expenses

| | | | |
|---|-------------|-------------------|-------------------|
| Salaries, wages and benefits | | 1,270,808 | 1,393,764 |
| Cutting and stitching charges | <i>11.2</i> | 2,226,570 | 2,138,166 |
| Fuel and power | | 291,945 | 296,632 |
| Repairs and maintenance | | 75,140 | 70,480 |
| Depreciation on property, plant and equipment | <i>11.3</i> | 55,415 | 61,754 |
| Entertainment | | 136,470 | 153,055 |
| Telephone, fax and postage | | 9,904 | - |
| Printing and stationery | | 5,630 | - |
| | | 4,071,882 | 4,113,851 |
| Cost of goods manufactured | | 11,894,904 | 9,410,266 |
| Finished goods - opening stock | | 13,889,937 | 13,889,937 |
| Cost of goods available for sale | | 25,784,841 | 23,300,203 |

| | | | |
|-----------------------------------|--|-------------|---|
| Less: Stock sold at cost as scrap | | (4,268,767) | - |
|-----------------------------------|--|-------------|---|

| | | |
|--------------------------------|--------------------------|---------------------|
| Finished goods - closing stock | <u>(10,642,320)</u> | <u>(13,889,937)</u> |
| | <u>10,873,754</u> | <u>9,410,266</u> |

December 31, December 31,

2022 2021
(Unaudited) (Audited)

Note Rupees Rupees

11.1 Raw and packing materials consumed

| | | |
|--------------------------------|--------------------------|---------------------|
| Opening stock | 7,353,279 | 21,078,016 |
| Add: Purchases during the year | <u>8,126,728</u> | <u>10,070,100</u> |
| | <u>15,480,007</u> | <u>31,148,116</u> |
| Less : Closing stock | <u>(7,656,985)</u> | <u>(25,851,702)</u> |
| Raw materials consumed | <u>7,823,022</u> | <u>5,296,415</u> |

11.2 This includes an amount of Rs. 790,400 and Rs. 230,750 in raw material consumed and cutting and stitching charges respectively, that were transferred to finished goods.

11.3 Depreciation expense is allocated to cost of sales and administrative expenses in ratio of 60:40 respectively.

12 TAXATION

| | | |
|------------------------|-----------------------|----------------|
| Current - for the year | <u>166,370</u> | <u>142,954</u> |
| | <u>166,370</u> | <u>142,954</u> |

| | For the half year ended | | For the quarter ended | |
|--|--|--------------|-----------------------|--------------|
| | December 31, | December 31, | December 31, | December 31, |
| | 2022 | 2021 | 2022 | 2021 |
| | <u> Rupees</u> | | | |

13 LOSS PER SHARE

| | | | | |
|---|--|------------------|------------------|--------------------|
| Profit after Taxation | <u>(659,440)</u> | <u>(934,468)</u> | <u>(133,255)</u> | <u>(1,116,185)</u> |
| | <u> Number</u> | | | |
| Weighted average number of ordinary shares | <u>6,000,000</u> | <u>6,000,000</u> | <u>6,000,000</u> | <u>6,000,000</u> |
| | <u> Rupees</u> | | | |
| Earnings per share - basic and diluted - Rupees | <u>(0.11)</u> | <u>(0.16)</u> | <u>(0.02)</u> | <u>(0.19)</u> |

14 CASH AND CASH EQUIVALENTS

| | | |
|-----------------------|-----------|-----------|
| Cash and bank balance | 3,387,089 | 4,048,298 |
| Short term borrowing | - | - |

| | |
|------------------|------------------|
| 3,387,089 | 4,048,298 |
|------------------|------------------|

15 RELATED PARTIES

Related parties comprise of group companies, directors and their close family members, major shareholders of the Company, key management personnel and staff provident fund. Related parties balances and transaction during the period is as follows:

| | | |
|--|-----------|-----------|
| Loan from directors (Mr Khalid Shah) - Balance | - | 3,232,084 |
| Directors Loan Movement - Net (Repaid to Mr Khalid Shah) | 3,232,084 | - |

16 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on February 27,2023 by the Board of Directors of the Company.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR