

**ACCOUNTS FOR
THE 3RD QUARTER ENDED
MARCH 31, 2023
(UNAUDITED)**



Pak Leather Crafts Limited



Pak Leather Crafts Limited

CORPORATE PROFILE

BOARD OF DIRECTORS

Mrs. Rubina Saleem
Chairperson
Muhammad Saleem Ahmed
Director / CEO
Dr. Muhammad Shoaib Ahmed
Director
Nayyer Ahmed
Director
Azeem Ahmed
Director
Umer Ahmed
Director
Ahmed Jalali
Director

AUDIT COMMITTEE

Ahmed Jalali
Chairman
Dr. Muhammad Shoaib Ahmed
Member
Azeem Ahmed
Member

HUMAN RESORCE & REMUNIRATION COMMITTEE

Umer Ahmed
Chairman
Nayyer Ahmed
Member
Azeem Ahmed
Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Naseer Ahmed

BOOK POST
PRINTED MATTER

BANKERS

Al baraka Bank Pakistan Ltd
Habib Bank Limited
Industrial Development Bank Ltd
MCB Limited
Habib Metropolitan Bank Ltd
Soneri Bank Ltd
Faysal Bank Limited
Bank Alfalah Ltd
Bank of Khyber
Meezan Bank Ltd
BankIslami Pakistan Ltd
Askari Bank Ltd

EXTERNAL AUDITORS

RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Lahore

LEGAL ADVISOR

Hassan Arif
Advocate, Sindh High Court

REGISTERED OFFICE

Plot 18, Sector 7 - A,
Korangi Industrial Area,
Karachi.
Email: export1@pakleather.com
Website: www.pakleather.com,

SHARE REGISTRAR

JWAFFS Registrar Services (pvt) Ltd
407-408, Al Ameera Centre,
Shahrah-e-Iraq, Karachi.
Tel: 021- 35662023
021- 35662024

If undelivered please return to:

PAK LEATHER CRAFTS LIMITED

Plot 18, Sector 7 - A, Korangi Industrial Area,
Karachi. (Pakistan)

Ph: (92-21) 35064100 - 02, Fax: 35060109

e-mail: export1@pakleather.com Website: www.pakleather.com



Pak Leather Crafts Limited

DIRECTORS' REVIEW

The directors of your Company are pleased to present the condensed unaudited interim financial statements of the Company for the nine month period ended March 31, 2023.

Financial Results:	March 31 2023	March 31 2022
(Rs. In '000').....	
Profit/ (Loss) before taxation	(3,554)	5,655
Taxation	(830)	(1,187)
Profit/ (loss) after tax	<u>(4,384)</u>	<u>4,468</u>
Accumulated loss B/F	(359,297)	(356,397)
Accumulated loss C/F	<u>(363,681)</u>	<u>(351,929)</u>
Profit/ (loss) per share after tax (Rupees)	(1.29)	1.31

Company Performance:

The period under review faced great inflationary pressure and the cost of doing business in the industrial sector increased tremendously. Similarly, your company also faced the same hike and resultantly we could not maintain the momentum which was gained after putting a lot of rigorous efforts. During the period under review average price of wet blue increased by Rs.25 per sq feet that translates into 25% increase in average price. Chemical average price increased by 50% which is an increase of Rs.25 per sq. feet. Shortage of gas supply is another turmoil for the company. Only 50% gas requirement was met by pipe line gas and for remaining 50%, the company was constrained to purchase LPG which is three time costlier than pipe line gas. Electricity power price revised by K- Electric for more than once.

During the period under review the total sales was Rs.80.344 million comparing with Rs. 104.990 million for the same period, last year. Sales included export of Rs. 63.487 million whereas in the comparative same period the exports was Rs. 73.948 million. Loss after tax is Rs.(4.384) million for the nine months ended March 31, 2023 comparing with the profit after tax of Rs.4.468 million for the same period last year.

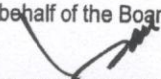
Future Outlook:

In the presence of the issues like unprecedented challenges and uncertainties with continuing political instability, exchange rate volatility and high rate of inflation, your directors continue to face an unpredictable future.

Acknowledgement:

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

On behalf of the Board


MUHAMMAD SALEEM AHMED
Chief Executive Officer

Karachi: April 28, 2023




Pak Leather Crafts Limited

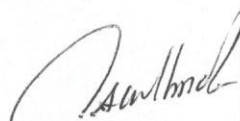
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	<u>Unaudited</u> March 31, 2023(Rs. In '000')..... (Rs. In '000')	<u>Audited</u> June 30, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	34,310	33,944
Long term deposits	<u>1,410</u>	<u>1,410</u>
	35,720	35,354
CURRENT ASSETS		
Loose tools	361	325
Stock in trade	50,603	53,303
Trade debts	11,207	22,479
Advances and other receivable	3,217	3,405
Tax refunds due from Government	3,954	3,399
Cash and bank balances	<u>2,169</u>	<u>2,531</u>
	71,511	85,442
Total Assets	<u><u>107,231</u></u>	<u><u>120,796</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid up capital	34,000	34,000
Loan from Director	125,670	123,020
Accumulated loss	<u>(363,681)</u>	<u>(359,297)</u>
	(204,011)	(202,277)
NON-CURRENT LIABILITIES		
Long term loans	12,987	9,673
Deferred interest income	<u>4,390</u>	<u>7,704</u>
	17,377	17,377
CURRENT LIABILITIES		
Short term bank borrowings	112,530	112,530
Current portion of long term financing	46,903	46,903
Interest / mark up payable	89,200	89,200
Trade and other payables	44,259	55,476
Provision for taxation - income tax	830	1,444
Unclaimed dividend	<u>143</u>	<u>143</u>
	293,865	305,696
CONTINGENCIES	<u>-</u>	<u>-</u>
	<u><u>107,231</u></u>	<u><u>120,796</u></u>

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


MUHAMMAD SALEEM AHMED
Chief Executive Officer


UMER AHMED
Director


NASEER AHMED
Chief Financial Officer



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023

Note	For the Nine Months ended		For the Quarter ended	
	March.31 2023	March.31 2022	March.31 2023	March.31 2022
(Rs. In '000')				
Sales	80,344	104,990	12,366	49,258
Cost of sales	68,369	89,139	12,925	37,366
Gross profit/(loss)	11,975	15,851	(559)	11,892
Other income	114	3,158	114	163
	12,089	19,009	(445)	12,055
Administrative expenses	9,325	8,953	2,868	3,198
Selling and distribution expenses	5,418	3,775	1,394	2,537
Financial cost	900	626	156	452
	15,643	13,354	4,418	6,187
Profit/(loss) for the period before taxation	(3,554)	5,655	(4,863)	5,868
Provision for taxation	830	1,187	120	550
Profit/(loss) for the period	(4,384)	4,468	(4,983)	5,318
Earning per share - basic and diluted (Rupees per share)	(1.29)	1.31	(1.47)	1.56

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023

Note	For the Nine Months ended		For the Quarter ended	
	March.31 2023	March.31 2022	March.31 2023	March.31 2022
(Rs. In '000')				
(Loss)/Profit for the period	(4,384)	4,468	(4,983)	5,318
Other comprehensive income	-	-	-	-
Total comprehensive (Loss)/Profit for the period	(4,384)	4,468	(4,983)	5,318

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


MUHAMMAD SALEEM AHMED
Chief Executive Officer


UMER AHMED
Director


NASEER AHMED
Chief Financial Officer




Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023

	31, Mar. 2023	31, Mar. 2022
(Rs. In '000').....	
CASH GENERATED FROM OPERATIONS		
Profit for the period before taxation	(3,554)	5,655
Adjustment for non-cash items:		
Depreciation	2,227	2,130
Operating cash flows before working capital changes	(1,327)	7,785
Changes in Working Capital		
(Increase)/decrease in current assets		
Loose tools	(36)	51
Stock in trade	2,700	(1,991)
Trade debts	11,272	(14,646)
Advances and other receivables	188	474
Tax refunds due from government	(555)	1,298
Increase/(Decrease) in current liabilities		
Trade and other payables	(11,217)	4,624
Cash flow from operations	1,025	(2,405)
Income tax paid	(1,444)	(1,264)
Net Cash Flows From Operating Activities (A)	(419)	(3,669)
Cash flows from investing activities		
Addition in property, plant and equipment	(2,593)	(3,010)
Net cash flow from investing activities (B)	(2,593)	(3,010)
Cash flows from financing activities		
Loan from Directors obtained / (repaid)	2,650	6,677
Short term borrowings repaid - net	-	-
Net cash flow from financing activities (C)	2,650	6,677
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(362)	(2)
Cash and cash equivalent at the beginning of the period	2,531	4,335
Cash and cash equivalent at the end of the period	2,169	4,333

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


MUHAMMAD SALEEM AHMED
Chief Executive Officer


UMER AHMED
Director


NASEER AHMED
Chief Financial Officer



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023

Particulars	Issued subscribed and paid up capital	Loan from Director	Accumulated Loss	Total
(Rs. In '000').....			
Balance as at July 01, 2021	34,000	116,364	(356,397)	(206,033)
Total comprehensive income for the period				
Profit for the period	-	-	4,468	4,468
Other comprehensive income	-	-	-	-
Transaction with owners	-	-	4,468	4,468
Loan obtained from directors	-	6,677	-	6,677
Balance as at March 31, 2022	34,000	123,041	(351,929)	(194,888)
Balance as at July 01, 2022	34,000	123,020	(359,297)	(202,277)
Total comprehensive (loss) for the period				
Profit for the period	-	-	(4,384)	(4,384)
Other comprehensive income	-	-	-	-
Transaction with owners	-	-	(4,384)	(4,384)
Loan obtained from directors	-	2,650	-	2,650
Balance as at March 31, 2023	34,000	125,670	(363,681)	(204,011)


MUHAMMAD SALEEM AHMED
Chief Executive Officer


UMER AHMED
Director


NASEER AHMED
Chief Financial Officer



Pak Leather Crafts Limited

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

1. Pak Leather Crafts Ltd, is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and quoted on the Pakistan stock Exchange. The principal activity of the company is Leather tanning, Manufacturing of Leather garments and export of Leather and Leather Garments.
2. These financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act 2017.
3. The accounting policies adopted for the preparation of these accounts are the same as those applied in preparing the accounts for the preceding period.
4. Figures have been re-arranged and re-classified, wherever necessary, to facilitate comparison.
5. These financial statements were authorized for issue on April 28, 2023 by the Board of Directors of the Company.

MUHAMMAD SALEEM AHMED
Chief Executive Officer

UMER AHMED
Director

NASEER AHMED
Chief Financial Officer