

**ACCOUNTS FOR
THE 3RD QUARTER ENDED
MARCH 31, 2010
(UNAUDITED)**



Pak Leather Crafts Limited



Pak Leather Crafts Limited

DIRECTORS' REVIEW

The Directors of your company are pleased to present hereunder to you the unaudited accounts of the company for the 3rd quarter ended March 31st, 2010.

The financial results for the nine months ended March 31st 2010 are as below.

	March 31, 2010	March, 31 2009
	(Rs. in '000')	
Loss before taxation	(78,095)	(36,371)
Taxation	(1,435)	(3,350)
Profit / (Loss) after tax	(79,530)	(39,721)
Accumulated Profit / (Loss) B/F	(31,018)	38,594
Accumulated Losses C/F	(110,548)	(1,127)
Loss per share after tax (Rupees)	(23.39)	(11.68)

Although the management made its all out efforts to boost exports of the Company, but unfortunately due to continued recessionary conditions in the International market, the export sales of the Company could not increase and decreased drastically by 56.79% as compared to corresponding period of last year 2009. Due to low volume of export sales, high cost of production and heavy financial expenses, the Company has been suffering with heavy losses as mentioned above. The improvement in the financial results is totally linked with the heavy increase in export sales of the Company for which strong efforts are still continued by the management.

On behalf of the Board

MUHAMMAD SALEEM AHMED
Chief Executive

Karachi: April 28, 2010



Pak Leather Crafts Limited

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT MARCH 31, 2010

	<u>Unaudited</u> March 31, 2010	<u>Audited</u> June 30, 2009
(Rs. In '000')		
ASSETS		
Non-current assets		
Property, plant and equipment	42,930	45,649
Long - term deposits and loans	1,411	1,696
	<u>44,341</u>	<u>47,345</u>
Current assets		
Stores, spares and loose tools	3,669	1,797
Stock - in - trade	267,574	344,982
Trade debts	51,212	26,426
Loans, advances, deposits and other receivables	11,707	32,118
Cash and bank balances	2,869	2,515
	<u>337,031</u>	<u>407,838</u>
TOTAL ASSETS	<u>381,372</u>	<u>455,183</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Issued, subscribed and paid up capital	34,000	34,000
Accumulated loss	(110,548)	(31,018)
	<u>(76,548)</u>	<u>2,982</u>
Non-current liabilities		
Long term loans	70,802	83,037
Deferred liabilities-Provision for gratuity	2,189	2,141
Current liabilities		
Short term borrowings	254,952	253,981
Current portion of long term liabilities	25,574	13,001
Trade and other payables	67,648	80,889
Accrued Markup	35,320	15,152
Provision for taxation	1,435	4,000
	<u>384,929</u>	<u>367,023</u>
	<u>387,118</u>	<u>369,164</u>
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	<u>381,372</u>	<u>455,183</u>

The annexed notes 1 to 5 form an integral part of these financial statements.

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAB AHMED
Director



Pak Leather Crafts Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2010

(Rupees in Thousand)

	For the Quarter ended		For the Nine Months ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Net sales	65,672	34,694	162,328	331,095
Cost of sales	77,149	38,115	191,245	321,119
Gross profit/(loss)	(11,477)	(3,421)	(28,917)	9,976
Distribution cost	2,548	2,333	11,789	16,696
Administrative expenses	2,101	2,005	8,339	7,378
	<u>4,649</u>	<u>4,338</u>	<u>20,128</u>	<u>24,074</u>
Operating loss	(16,126)	(7,759)	(49,045)	(14,098)
Other operating income	1	11	67	64
	<u>(16,125)</u>	<u>(7,748)</u>	<u>(48,978)</u>	<u>(14,034)</u>
Financial cost	8,743	8,933	29,117	22,337
Profit/(loss) before taxation	(24,868)	(16,681)	(78,095)	(36,371)
Taxation	460	350	1,435	3,350
Net Profit/(loss) after taxation	(25,328)	(17,031)	(79,530)	(39,721)
Earnings/(loss) per share (Rupees)	<u>(7.45)</u>	<u>(5.01)</u>	<u>(23.39)</u>	<u>(11.68)</u>

The annexed notes 1 to 5 form an integral part of these financial statements.

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAIB AHMED
Director



Pak Leather Crafts Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2010

	March. 31 2010	March. 31 2009
	(Rs. in '000')	
Cash generated from operations		
Loss before taxation	(78,095)	(36,371)
Adjustment for non-cash charges and other items:		
Depreciation	2,719	2,960
Financial cost	29,117	22,337
Long-term deposits and loans	285	(179)
Gratuity	743	70
	<u>32,864</u>	<u>25,188</u>
	(45,231)	(11,183)
Changes in working capital		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(1,872)	215
Stock in trade	77,408	55,725
Trade debts	(24,786)	9,683
Loans, advances, deposits and other receivables	18,023	9,286
	68,773	74,909
Increase/(decrease) in current liabilities		
Trade and other payables	(12,854)	(36,110)
Cash generated from operations	10,688	27,616
Financial cost paid	(9,336)	(14,703)
Gratuity paid	(695)	(91)
Income tax paid	(1,612)	(3,671)
	<u>(11,643)</u>	<u>(18,465)</u>
Net cash flows from operating activities	(955)	9,151
Cash flows from investing activities		
Fixed capital expenditure	-	(1,473)
Net cash flows used in investing activities	-	(1,473)
Cash flows from financing activities		
Short term finances (repaid) / obtained	971	(654)
Long term loan	694	(1,714)
Payments for assets subject to finance lease	(356)	(786)
	<u>1,309</u>	<u>(3,154)</u>
Net cash used in financing activities	354	4,524
Cash and cash equivalents at the beginning of the period	2,515	1,635
Cash and cash equivalents at the end of the period	<u>2,869</u>	<u>6,159</u>

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAIB AHMED
Director



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2010

	(Rs. in '000')		
	Issued subscribed and paid up capital	Unappropriated Profit / (loss)	Total
Balance as at June 30, 2008	34,000	38,594	72,594
Net profit/(loss) after taxation for the period July 01, 2008 to March. 31, 2009	-	(39,721)	(39,721)
Balance as at March 31, 2009	34,000	(1,127)	32,873
Balance as at June 30, 2009	34,000	(31,018)	2,982
Net profit/(loss) after taxation for the period July. 01, 2009 to March 31, 2010	-	(79,530)	(79,530)
Balance as at March 31, 2010	34,000	(110,548)	(76,548)

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAIB AHMED
Director



Pak Leather Crafts Limited

CONDENSED INTERIM NOTES TO THE ACCOUNTS

1. Pak Leather Crafts Ltd, is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and quoted on the Islamabad, Karachi and Lahore Stock Exchanges. 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 245 of the Companies Ordinance 1984.
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, 2010 by the Board of Directors of the Company.

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAIB AHMED
Director



Pak Leather Crafts Limited

CORPORATE PROFILE

CHAIRMAN & CHIEF EXECUTIVE

Muhammad Saleem Ahmed

DIRECTORS

Dr. Muhammad Shoaib Ahmed

Tariq Mustafa Khan

Nayyer Ahmed Jalali

Azeem Ahmed

Bilal Ahmed

Umer Ahmed

AUDIT COMMITTEE

Dr. Muhammad Shoaib Ahmed

Azeem Ahmed

Bilal Ahmed

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Syed Asif Mahmood Rizvi

BANKERS

Albaraka Islamic Bank

Habib Bank Limited

Industrial Development Bank of Pakistan

NIB Bank Limited

United Bank Limited

Habib Metropolitan Bank Ltd

Soneri Bank Ltd

EXTERNAL AUDITORS

S. M. Rehan & Co.

Chartered Accountants

LEGAL ADVISOR

Shakeel Z. Lari Advocate

REGISTERED OFFICE & SHARES DEPARTMENT

Pak Leather Crafts Limited

Plot 15, Sector 7 - A,

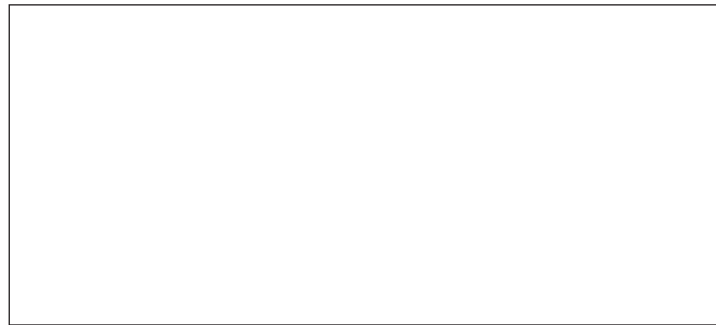
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Karachi.

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