

**ACCOUNTS FOR
THE 3RD QUARTER ENDED
MARCH 31, 2009
(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 31, 2009

The financial results for the nine months ended March 31st 2009 are as below.

	March 31, 2009	March, 31 2008
	(Rs. in '000')	
Profit / (Loss) before taxation	(36,371)	2,315
Taxation	(3,350)	(4,965)
Profit / (Loss) after tax	<u>(39,721)</u>	<u>(2,650)</u>
Unappropriated Profit B/F	<u>38,594</u>	<u>36,579</u>
Unappropriated Profit / (Loss) C/F	<u>(1,127)</u>	<u>33,929</u>
Profit / (Loss) per share after tax (Rupees)	<u>(11.68)</u>	<u>(0.78)</u>

Due to global economic crises and recessionary conditions in the International market, the export sales of the Leather sector have reduced drastically in general and particularly of the Company. During the nine months period ended March 31, 2009 the export sales of the Company stood at Rs.331.095 (M) as compared to exports of Rs.497.217(M) for the corresponding period of the last year. Thus the exports during the nine months period of the current financial year declined by 33.41% as compared to the said period of the last year. Resultantly the Company sustained heavy losses during this period.

The management is however making its best efforts to increase the export and to improve the financial results of the forthcoming quarter which is subject to improvement in global economic conditions and better response of the International Market.

On behalf of the Board

MUHAMMAD SALEEM AHMED
Chief Executive

Karachi: April 28, 2009



Pak Leather Crafts Limited

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT MARCH 31, 2009

	Unaudited March 31, 2009	Audited June 30, 2008
(Rs. In '000')		
ASSETS		
Non-current assets		
Property, plant and equipment	46,856	48,343
Long - term deposits	1,411	1,232
	<u>48,267</u>	<u>49,575</u>
Current assets		
Stores, spares and loose tools	2,414	2,629
Stock - in - trade	340,633	396,358
Trade debts	30,854	40,537
Loans, advances, deposits and other receivables	13,115	25,227
Cash and bank balances	6,159	1,635
	<u>393,175</u>	<u>466,386</u>
TOTAL ASSETS	<u><u>441,442</u></u>	<u><u>515,961</u></u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	34,000	34,000
Unappropriated profit/(loss)	(1,127)	38,594
	<u>32,873</u>	<u>72,594</u>
Long term loans	35,115	36,829
Non-current liabilities		
Liabilities against assets subject to finance lease	220	637
Deferred liabilities	2,362	2,383
	<u>2,582</u>	<u>3,020</u>
Current liabilities		
Short term borrowings	261,205	261,859
Current portion of long term liabilities	4,018	4,387
Creditors, accrued and other liabilities	102,299	130,775
Provision for taxation	3,350	6,497
	<u>370,872</u>	<u>403,518</u>
	373,454	406,538
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	<u><u>441,442</u></u>	<u><u>515,961</u></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, 2009

(Rupees in Thousand)

	For the Quarter ended		For the Nine Months ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Sales - net	34,694	152,847	331,095	497,217
Cost of sales	38,115	138,677	321,119	438,844
Gross profit / (loss)	(3,421)	14,170	9,976	58,373
Selling and Distribution expenses	2,333	7,561	16,696	27,780
Administrative expenses	2,005	3,639	7,378	8,852
	4,338	11,200	24,074	36,632
Operating profit / (loss)	(7,759)	2,970	(14,098)	21,741
Other operating income	11	-	64	1
	(7,748)	2,970	(14,034)	21,742
Other operating expenses	-	-	-	122
	(7,748)	2,970	(14,034)	21,620
Financial charges	8,933	6,446	22,337	19,305
Profit / (loss) before taxation	(16,681)	(3,476)	(36,371)	2,315
Taxation	350	1,320	3,350	4,965
Net Profit / (Loss) after taxation	(17,031)	(4,796)	(39,721)	(2,650)
Earnings / (loss) per share (Rupees)	(5.01)	(1.41)	(11.68)	(0.78)

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, 2009

	March. 31 2009	March. 31 2008
	(Rs. in '000')	
Cash generated from operations		
Profit/(loss) before taxation	(36,371)	2,315
Adjustment for non-cash charges and other items:		
Depreciation	2,960	4,115
Financial charges	22,337	19,305
Long-term deposits	(179)	-
Gratuity	70	453
	<u>25,188</u>	<u>23,873</u>
	(11,183)	26,188
Changes in working capital (Increase)/decrease in current assets		
Stores , spares and loose tools	215	516
Stock in trade	55,725	(15,633)
Trade debts	9,683	11,580
Loans, advnaces, deposits, prepayments and other receivables	9,286	(7,633)
	<u>74,909</u>	<u>(11,170)</u>
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(36,110)	11,304
Cash generated from operations	<u>27,616</u>	<u>26,322</u>
Financial charges paid	(14,703)	(21,380)
Gratuity paid	(91)	(284)
Income tax paid	(3,671)	(5,355)
	<u>(18,465)</u>	<u>(27,019)</u>
Net cash flows from operating activities	<u>9,151</u>	<u>(697)</u>
Cash flows from investing activities		
Fixed capital expenditure	(1,473)	(1,915)
Net cash flows used in investing activities	<u>(1,473)</u>	<u>(1,915)</u>
Cash flows from financing activities		
Short term finances (repaid) / obtained	(654)	(5,529)
Long term loan	(1,714)	-
Payments for assets subject to finance lease	(786)	(944)
Net cash used in financing activities	(3,154)	(6,473)
Net increase/(decrease) in cash and cash equivalents	<u>4,524</u>	<u>(9,085)</u>
Cash and cash equivalents at the beginning of the period	<u>1,635</u>	<u>10,049</u>
Cash and cash equivalents at the end of the period	<u>6,159</u>	<u>964</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, 2009

	(Rs. in '000')		
	Issued subscribed and paid up capital	Unappropriated Profit	Total
Balance as at June 30, 2007	34,000	36,579	70,579
Net profit / (loss) after taxation for the period July 01, 2007 to March. 31, 2008	-	(2,650)	(2,650)
Balance as at March 31, 2008	34,000	33,929	67,929
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

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, 2009 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

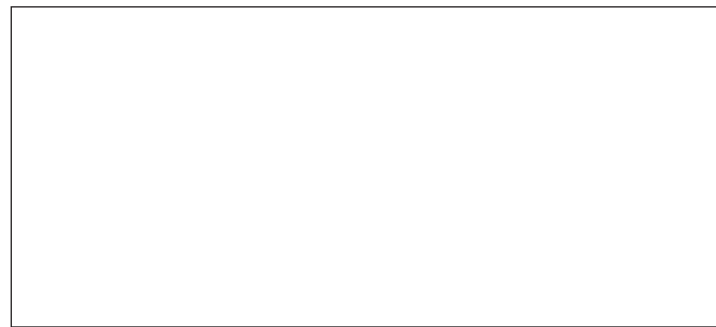
**REGISTERED OFFICE &
SHARES DEPARTMENT**

Pak Leather Crafts Limited

Plot 15, Sector 7 - A,

Korangi Industrial Area,

Karachi.

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