

**ACCOUNTS FOR
THE 1ST QUARTER ENDED
SEPTEMBER 30, 2009
(UNAUDITED)**



Pak Leather Crafts Limited



Pak Leather Crafts Limited

CORPORATE PROFILE

CHAIRMAN & CHIEF EXECUTIVE

Muhammad Saleem Ahmed

DIRECTORS

Dr. Muhammad Shoaib Ahmed

Tariq Mustafa Khan

Nayer 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

BOOK POST

PRINTED MATTER

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.



If undelivered please return to:

PAK LEATHER CRAFTS LIMITED

Plot 15, Sector 7 - A, Korangi Industrial Area,

Karachi. (Pakistan)

Ph: (92-21) 35064100 - 04, Fax: 35060809

Website: www.pakleather.com, E-mail: info@pakleather.com



Pak Leather Crafts Limited

DIRECTORS' REVIEW

The Directors' of your company are pleased to present hereunder to you the un-audited quarterly accounts of the company for the 1st quarter ended September 30, 2009

The financial results for the 1st quarter ended September 30, 2009 are as below.

	September 30, 2009	September 30, 2008
(Rs. In '000').....	
Profit / (Loss) before taxation	(17,721)	4,314
Taxation	(350)	(1,926)
Profit/(loss) after tax	(18,071)	2,388
Unappropriated Profit/(loss) B/F	(31,018)	38,594
Unappropriated profit/(loss) C/F	(49,089)	40,982
Profit/(loss) per share after tax (Rupees)	(5.32)	0.70

The global economic and recessionary conditions have not yet improved. Because of this reason the exports of the Leather sector including our company are still suffering badly, despite best efforts being made by the management. It is hoped that situation of the international leather market will gradually improve in the forth coming quarters and after reasonable increase in export sales, the financial results of the Company will also show improvement.

On behalf of the Board

MUHAMMAD SALEEM AHMED
Chief Executive

Karachi: October 29, 2009



Pak Leather Crafts Limited

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT SEPTEMBER 30, 2009

	<u>Unaudited</u> <u>Sept. 30,</u> <u>2009</u>	<u>Audited</u> <u>June 30,</u> <u>2009</u>
.....(Rs. In '000').....		
ASSETS		
Non-current assets		
Property, plant and equipment	44,779	45,649
Long - term deposits and loans	<u>1,636</u>	<u>1,696</u>
	46,415	47,345
Current assets		
Stores, spare parts and loose tools	<u>1,418</u>	<u>1,797</u>
Stock - in - trade	<u>327,353</u>	<u>344,982</u>
Trade debts	<u>22,710</u>	<u>26,426</u>
Loan, advances, deposits and other receivables	<u>30,699</u>	<u>32,118</u>
Cash and bank balances	<u>2,325</u>	<u>2,515</u>
	<u>384,505</u>	<u>407,838</u>
TOTAL ASSETS	<u>430,920</u>	<u>455,183</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	34,000	34,000
Unappropriated profit/(loss)	<u>(49,089)</u>	<u>(31,018)</u>
	<u>(15,089)</u>	<u>2,982</u>
Long term loans	82,533	83,037
Non-current liabilities		
Deferred liabilities	2,092	2,141
Current liabilities		
Short term borrowings	<u>252,860</u>	<u>253,981</u>
Current portion of long term liabilities	<u>14,956</u>	<u>13,001</u>
Creditors, accrued and other liabilities	<u>89,218</u>	<u>96,041</u>
Provision for taxation	<u>4,350</u>	<u>4,000</u>
	<u>361,384</u>	<u>367,023</u>
TOTAL EQUITY AND LIABILITIES	<u>430,920</u>	<u>455,183</u>

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAIB AHMED
Director



Pak Leather Crafts Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009

	Quarter ended September 30, 2009	Quarter ended September 30, 2008
(Rs. In '000').....	
Sales - net	36,003	199,604
Cost of sales	38,409	173,852
Gross profit/(loss)	(2,406)	25,752
Selling and distribution expenses	2,849	11,072
Administrative expenses	2,684	2,514
	5,533	13,586
Operating profit/(loss)	(7,939)	12,166
Other operating expenses	-	227
	(7,939)	11,939
Financial cost	9,782	7,626
	(17,721)	4,313
Other operating income	-	1
Profit/(loss) before taxation	(17,721)	4,314
Taxation	350	1,926
Net Profit/(loss) after taxation	(18,071)	2,388
(Loss)/Earnings per share	(5.32)	0.70

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAIB AHMED
Director



Pak Leather Crafts Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009

	Cumulative upto 3 months ended Sep. 30, 2009	Cumulative upto 3 months ended Sep. 30, 2008
Cash generated from operations(Rs. In '000').....	
Profit/(loss) before taxation	(17,721)	4,314
Adjustment for non-cash charges and other items:		
Depreciation	870	956
Financial charges	9,782	7,626
Long-term deposits	60	-
Gratuity	24	23
	10,736	8,605
	(6,985)	12,919
Changes in working capital		
(Increase)/decrease in current assets		
Stores, spares and loose tools	379	206
Stock in trade	17,629	24,107
Trade debts	3,716	18,942
Loans, advances, deposits, prepayments and other receivables	1,935	5,453
	23,659	48,708
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(10,865)	(48,036)
Cash generated from operations	5,809	13,591
Financial charges paid	(5,740)	(8,428)
Gratuity paid	(73)	(18)
Income tax paid	(467)	(2,381)
	(6,280)	(10,827)
Net cash flows from operating activities	(471)	2,764
Cash flows from investing activities		
Fixed capital expenditure	-	(61)
Net cash flows used in investing activities	-	(61)
Cash flows from financing activities		
Long term loan	1,578	(857)
Short term finances (repaid) / obtained	(1,121)	1,778
Payments for assets subject to finance lease	(176)	(164)
Net cash used in financing activities	281	757
Net increase/(decrease) in cash and cash equivalents	(190)	3,460
Cash and cash equivalents at the beginning of the period	2,515	1,635
Cash and cash equivalents at the end of the period	2,325	5,095

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 SEPTEMBER 30, 2009

	Issued subscribed and paid up capital	Unappropriated Profit/(Loss)	Total
(Rs. In '000').....		
Balance as at June 30, 2008	34,000	38,594	72,594
Net profit after taxation for the quarter ended September 30, 2008	-	2,388	2,388
Balance as at quarter ended September 30, 2008	34,000	40,982	74,982
Balance as at June 30, 2009	34,000	(31,018)	2,982
Loss after taxation for the quarter ended September 30, 2009	-	(18,071)	(18,071)
Balance as at quarter ended September 30, 2009	34,000	(49,089)	(15,089)

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAIB AHMED
Director



Pak Leather Crafts Limited

NOTES TO THE CONDENSED INTERIM 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 accounts are un-audited and are being submitted to the shareholders as per the notification No. 2 (52)/SE/2001 dated November 5, 2001, of Securities & Exchange Commission of Pakistan.
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 October 29, 2009 by the Board of Directors of the Company.

MUHAMMAD SALEEM AHMED
Chief Executive

MUHAMMAD SHOAIB AHMED
Director