

**ACCOUNTS FOR  
THE 1ST QUARTER ENDED  
SEPTEMBER 30, 2008  
(UNAUDITED)**



*Pak Leather Crafts Limited*



*Pak Leather Crafts Limited*

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## CORPORATE PROFILE

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### **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

### **BOOK POST**

### **PRINTED MATTER**

### **BANKERS**

Albaraka Islamic Bank

Habib Bank Limited

Habib Metropolitan Bank

Industrial Development Bank of Pakistan

NIB Bank Limited

United Bank Limited

Faysal Bank Limited

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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### **PAK LEATHER CRAFTS LIMITED**

Plot 15, Sector 7 - A Korangi Industrial Area,

Karachi. (Pakistan)

Ph: (92-21) 5064100 - 04, Fax: 5060809

Website: [www.pakleather.com](http://www.pakleather.com), e-mail: [info@pakleather.com](mailto: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, 2008

The financial results for the 1st quarter ended September 30, 2008 are as below.

	September 30, 2008	September 30, 2007
	.....(Rs. In '000').....	
Profit before taxation	4,314	3,492
Taxation	<u>(1,926)</u>	<u>(1,875)</u>
Profit after tax	2,388	1,617
Unappropriated Profit B/F	<u>38,594</u>	<u>36,579</u>
Unappropriated profit C/F	<u>40,982</u>	<u>38,196</u>
Profit per share after tax (Rupees)	0.70	0.48

The operating and financial results of the company for the 1st quarter have remained satisfactory. It is hoped that as a result of vigorous efforts being made by the management, the company would be able to make reasonable exports during the current financial year. The export performance is, however, linked with the global economic situation and better response of the international markets.

On behalf of the Board

**MUHAMMAD SALEEM AHMED**  
Chief Executive

Karachi: October 29, 2008



# Pak Leather Crafts Limited

## CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT SEPTEMBER 30, 2008

	<u>Unaudited</u> <u>Sept. 30,</u> <u>2008</u>	<u>Audited</u> <u>June 30,</u> <u>2008</u>
.....(Rs. In '000').....		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	47,448	48,343
Long term deposits	1,232	1,232
	<u>48,680</u>	<u>49,575</u>
<b>Current assets</b>		
Stores, spares and loose tools	2,423	2,629
Stock - in - trade	372,251	396,358
Trade debts	21,595	40,537
Loans, advances, deposits and other receivables	22,204	25,227
Cash and bank balances	5,095	1,635
	<u>423,568</u>	<u>466,386</u>
<b>TOTAL ASSETS</b>	<u><u>472,248</u></u>	<u><u>515,961</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Share capital	34,000	34,000
Unappropriated profit	40,982	38,594
	<u>74,982</u>	<u>72,594</u>
<b>Long term loans</b>	35,972	36,829
<b>Non-current liabilities</b>		
Liabilities against assets subject to finance lease	460	637
Deferred liabilities	2,388	2,383
	<u>2,848</u>	<u>3,020</u>
<b>Current liabilities</b>		
Short term borrowings	263,637	261,859
Current portion of long term liabilities	4,400	4,387
Creditors, accrued and other liabilities	81,937	130,775
Provision for taxation	8,472	6,497
	<u>358,446</u>	<u>403,518</u>
	<u>361,294</u>	<u>406,538</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>472,248</u></u>	<u><u>515,961</u></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, 2008

	Quarter ended September 30, 2008	Quarter ended September 30, 2007
	.....(Rs. In '000').....	
Net sales	199,604	177,881
Cost of sales	173,852	154,205
<b>Gross profit</b>	<b>25,752</b>	<b>23,676</b>
Selling and distribution expenses	11,072	11,645
Administrative expenses	2,514	2,428
	13,586	14,073
<b>Operating profit</b>	<b>12,166</b>	<b>9,603</b>
Other operating income	1	1
	12,167	9,604
Other operating expenses	227	183
	11,940	9,421
Financial charges	7,626	5,929
<b>Profit before taxation</b>	<b>4,314</b>	<b>3,492</b>
Taxation	1,926	1,875
<b>Net profit after taxation</b>	<b>2,388</b>	<b>1,617</b>
Earnings per share (Rupees)	0.70	0.48

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, 2008

	Cumulative upto 3 months ended Sep. 30, 2008	Cumulative upto 3 months ended Sep. 30, 2007
<b>Cash generated from operations</b>	.....(Rs. In '000').....	
Profit before taxation	4,314	3,492
Adjustment for non-cash charges and other items:		
Depreciation	956	1,337
Financial charges	7,626	5,929
Gratuity	23	151
	8,605	7,417
	12,919	10,909
Changes in working capital		
(Increase)/decrease in current assets		
Stores, spares and loose tools	206	106
Stock in trade	24,107	8,695
Trade debts	18,942	(14,220)
Loans, advances, deposits and other receivables	5,453	(4,180)
	48,708	(9,599)
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(48,036)	558
Cash generated from operations	13,591	1,868
Financial charges paid	(8,428)	(7,269)
Gratuity paid	(18)	(162)
Income tax paid	(2,381)	(1,592)
	(10,827)	(9,023)
Net cash flows from operating activities	2,764	(7,155)
Cash flows from investing activities		
Fixed capital expenditure	(61)	(359)
Net cash flows used in investing activities	(61)	(359)
Cash flows from financing activities		
Long term loan	(857)	-
Short term finances (repaid) / obtained	1,778	4,471
Payment made for assets subject to finance lease	(164)	(507)
Net cash used in financing activities	757	3,964
Net increase/(decrease) in cash and cash equivalents	3,460	(3,550)
Cash and cash equivalents at the beginning of the period	1,635	10,049
Cash and cash equivalents at the end of the period	5,095	6,499

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, 2008

	Issued subscribed and paid up capital	Unappropriated Profit/(Loss)	Total
	.....(Rs. In '000').....		
<b>Balance as at June 30, 2007</b>	34,000	36,579	70,579
Net profit after taxation for the quarter ended September 30, 2007	-	1,617	1,617
<b>Balance as at Quarter ended September 30, 2007</b>	<b>34,000</b>	<b>38,196</b>	<b>72,196</b>
<b>Balance as at June 30, 2008</b>	34,000	38,594	72,594
Net profit after taxation for the quarter ended September 30, 2008	-	2,388	2,388
<b>Balance as at Quarter ended September 30, 2008</b>	<b>34,000</b>	<b>40,982</b>	<b>74,982</b>

MUHAMMAD SALEEM AHMED  
Chief Executive

MUHAMMAD SHOAIB AHMED  
Director



*Pak Leather Crafts Limited*

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## NOTES TO THE CONDENSED INTERIM ACCOUNTS

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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, 2008 by the Board of Directors of the Company.

**MUHAMMAD SALEEM AHMED**  
Chief Executive

**MUHAMMAD SHOAIB AHMED**  
Director

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