

**ACCOUNTS FOR
THE 3RD QUARTER ENDED
MARCH 31, 2017
(UNAUDITED)**



Pak Leather Crafts Limited



Pak Leather Crafts Limited

CORPORATE PROFILE

BOARD OF DIRECTORS

Dr. Muhammad Shoaib Ahmed

Chairman / Director

Muhammad Saleem Ahmed

Chief Executive / Director

Nayyer Ahmed Jalali

Director

Azeem Ahmed

Director

Bilal Ahmed

Director

Umer Ahmed

Director

Syed Fawad Hussain Rizvi

Director

AUDIT COMMITTEE

Syed Fawad Hussain Rizvi

Chairman

Bilal Ahmed

Member

Umer Ahmed

Member

HUMAN RESORCE & REMUNERATION COMMITTEE

Umer Ahmed

Chairman

Muhammad Saleem Ahmed

Member

Bilal Ahmed

Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Naseer Ahmed

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PAK LEATHER CRAFTS LIMITED

Plot 18, Sector 7 - A, Korangi Industrial Area,

Karachi. (Pakistan)

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

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

BANKERS

Al baraka Bank Pakistan Ltd

Habib Bank Limited

Industrial Development Bank Ltd

NIB Bank Limited

United Bank Limited

Habib Metropolitan Bank Ltd

Soneri Bank Ltd

Faysal Bank Limited

Bank Alfalah Ltd

EXTERNAL AUDITORS

H.A.M.D & Co.

Chartered Accountants

LEGAL ADVISOR

Shakiel Z. Lari Advocate

REGISTERED OFFICE

Pak Leather Crafts Limited

Plot 18, Sector 7 - A,

Korangi Industrial Area,

Karachi.

SHARE REGISTRAR

M/S. NI Associates (pvt) Ltd

53, Kokan Society Alamgir Road,

Karachi - 74800

Tel: 021-34937012

021-34945892



Pak Leather Crafts Limited

DIRECTORS' REVIEW

The Directors' of your company are pleased to present their review of the company for the 3rd quarter ended March 31, 2017.

The financial results for the nine months ended March 31, 2017 are as below.

	March 31 2017	March 31 2016
(Rs. In '000').....	
Loss before taxation	(5,491)	(6,038)
Taxation	(337)	(137)
Loss after tax	(5,828)	(6,175)
Accumulated loss B/F	(390,095)	(383,213)
Accumulated loss C/F	<u>(395,923)</u>	<u>(389,388)</u>
Loss per share after tax (Rupees)	(1.71)	(1.82)

Leather market is in recession internationally. However, with continued financial support of its directors and their contacts in the international markets, the company managed to improve the share of export in total turnover. In the period under review total turnover of Rs. 33.704 million includes export sales of Rs. 17.146 Million while in the corresponding period total turnover was Rs.14.158 million including export of Rs 0.478 Million. However, the management do not see much improvement in near future due to the prevalent market condition.

On behalf of the Board

Karachi: April 27, 2017

MUHAMMAD SALEEM AHMED
Chief Executive



Pak Leather Crafts Limited

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT MARCH 31, 2017

	<u>Unaudited</u> March 31, 2017	<u>Audited</u> June 30, 2016
.....(Rs. In '000').....		
ASSETS		
Non-current assets		
Property, plant and equipment	17,372	17,903
Long term deposits	<u>1,410</u>	<u>1,410</u>
	18,782	19,313
Current assets		
Stores, spares and loose tools	317	317
Stock - in - trade	37,868	42,904
Trade debts	85,682	86,023
Advances and othr receivables	594	177
Tax refunds due from government	160	222
Cash and bank balances	<u>1,049</u>	<u>253</u>
	125,670	129,896
TOTAL ASSETS	<u>144,452</u>	<u>149,209</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
5,000,000(June 30, 2016: 5,000,000) ordinary shares of Rs. 10 each.	<u>50,000</u>	<u>50,000</u>
Issued, subscribed and paid up capital	34,000	34,000
Accumulated loss	<u>(395,923)</u>	<u>(390,095)</u>
	(361,923)	(356,095)
Non-current liabilities		
Deferred liabilities	1,655	1,655
Current liabilities		
Short term borrowings	207,529	207,529
Short term loans	68,720	66,620
Current portion of long term finance	46,903	46,903
Trade and other payables	57,539	58,568
Accrued Markup	<u>124,029</u>	<u>124,029</u>
	504,720	503,649
Contingencies and Commitments	-	-
TOTAL EQUITY AND LIABILITIES	<u>144,452</u>	<u>149,209</u>

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

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

Note	For the Quarter ended		For the Nine Months ended	
	March.31 2017	March.31 2016	March.31 2017	March.31 2016
------(Rs. In '000')-----				
Turnover	9,836	4,389	33,704	14,158
Cost of sales	12,187	6,338	35,136	17,214
Gross (loss)	(2,351)	(1,949)	(1,432)	(3,056)
Selling and distribution expenses	491	25	1,026	28
Administrative expenses	964	940	2,851	3,140
	1,455	965	3,877	3,168
Operating (loss)	(3,806)	(2,914)	(5,309)	(6,224)
Other operating income	86	-	200	240
	(3,720)	(2,914)	(5,109)	(5,984)
Finance cost	127	35	382	54
Loss before taxation	(3,847)	(2,949)	(5,491)	(6,038)
Taxation	75	37	337	137
Loss after taxation	(3,922)	(2,986)	(5,828)	(6,175)
Loss per share - Basic and Diluted (Rupees)	(1.15)	(0.88)	(1.71)	(1.82)

CONDENSED INTERIM COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

Note	For the Quarter ended		For the Nine Months ended	
	March.31 2017	March.31 2016	March.31 2017	March.31 2016
------(Rs. In '000')-----				
Loss after taxation	(3,922)	(2,986)	(5,828)	(6,175)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(3,922)	(2,986)	(5,828)	(6,175)

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

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

	31, Mar. 2017	31, Mar. 2016
(Rs. In '000').....	
CASH GENERATED FROM OPERATIONS		
Loss before taxation	(5,491)	(6,038)
Adjustment for non-cash charges and other items:		
Depreciation	891	903
Financial charges	381	54
	1,272	957
Operating (Loss) Before Working Capital Changes	(4,219)	(5,081)
Changes in Working Capital		
(Increase)/decrease in current assets		
Store, spares and loose tools	-	(25)
Stock-in-trade	5,036	(316)
Trade debts	341	2,287
Advances and other receivables	(417)	(70)
	4,960	1,876
Increase/(Decrease) in current liabilities		
Trade and other payables	(1,029)	4,013
Cash generated from operations	(288)	808
Financial charges paid	(381)	(54)
Income tax paid	(275)	(79)
	(656)	(133)
Net Cash Flows From Operating Activities	(944)	675
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets expenditure	(360)	(848)
Net Cash Used In Investing Activities	(360)	(848)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	-	-
short term loans	2,100	-
Net cash used in financing activities	2,100	-
Net increase/(decrease) in cash and cash equivalents	796	(173)
Cash and cash equivalent at the beginning of the period	253	502
Cash and cash equivalent at the end of the period	1,049	329

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

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

	Issued subscribed and paid up capital	Accumulated (Loss)	Total
.....(Rs. In '000').....			
Balance as at July 01, 2015	34,000	(383,213)	(349,213)
Loss for the period	-	(6,175)	(6,175)
Other comprehensive (loss)	-	-	-
Total comprehensive (loss)	-	(6,175)	(6,175)
Balance as at March 31, 2016	34,000	(389,388)	(355,388)
Balance as at July 01, 2016	34,000	(390,095)	(356,095)
Loss for the period	-	(5,828)	(5,828)
Other comprehensive (loss)	-	-	-
Total comprehensive (loss)	-	(5,828)	(5,828)
Balance as at March 31, 2017	34,000	(395,923)	(361,923)

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

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director



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 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 27, 2017** by the Board of Directors of the Company.

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director