

**DIRECTORS' REVIEW**

The directors of your Company are pleased to present their report for the 1st quarter ended September 30, 2018.

Financial results are as under:	September 30, 2018	September 30, 2017
	.....(Rs. In '000').....	
(Loss) before taxation	(1,433)	(3,312)
Taxation	(126)	(61)
(Loss) after taxation	(1,559)	(3,373)
Accumulated (loss) B/F	(400,627)	(395,338)
Accumulated (loss) C/F	(402,186)	(398,711)
Loss per share after tax (Rupees)	(0.46)	(0.99)

As evident from above figures, quarter under review resulted much better than same period last year. Total turnover of Rs.12.601(M) is composed of export amounting to Rs.4.878(M) and local sales / job work of Rs.7.723(M) comparing to total turnover of Rs.6.141(M) during the corresponding period.

Company expect results better than being reported for the subsequent quarters as your directors are putting efforts to continue growth in export sales and are receiving favorable response from the foreign customers.

On behalf of the Board

**MUHAMMAD SALEEM AHMED**  
Chief Executive Officer

Karachi: October 30, 2018

نظریہ برائے ڈائریکٹرز

سال 30 ستمبر 2018 کے ختم ہونے پر تین ماہ کے ڈائریکٹرز کے معروضی اسٹیٹمنٹ کے ساتھ تین ماہ کی سالانہ رپورٹ کے ساتھ ذرا مختصر آڈٹ کی رپورٹ کے لیے پیش کر رہے ہیں۔  
مالیاتی نتائج مندرجہ ذیل ہیں:

تمبر 30 (2017)	تمبر 30 (2018)	تعمیراتی
.....(Rs. In '000').....		
3,312	1,433	تعمیراتی سے قبل ہونے والے نقصانات
61	126	تعمیراتی
3,373	1,559	نقصانات بعد از ٹیکسیشن
395,338	400,627	مجموع نقصانات جاری
398,711	402,186	مجموع نقصانات پرانا
0.99	0.46	فی سہ ماہی بعد از ٹیکس ادا جگلی

مندرجہ بالا اعداد و شمار کی بنا پر، نظریہ کے مطابق نتیجہ یکسالہ سے بھی اگلا بہتر آیا ہے۔ جو کل ٹرن اوور 12.601 ملین جو کہ برآمداتی قیمت 4.878 ملین اور عامہ سہ ماہی کے روایتی 7.723 ملین تک پہنچا ہے۔ جو کہ مجموعی کاروبار اور اخراجات کے سلسلے میں ہونے والا ہے اور سہ ماہی دور کار ٹرن اوور 1.141 ملین جو کہ 0.99 ملین سے زیادہ ہے۔

کئی کاروبار سے نئے مالی رپورٹ سے مزید بہتر نتائج کی حاصل تھی، کئی کے ڈائریکٹرز نے آگے اور سہ ماہی کے اسی طرح باہر کی ترقی حاصل کرتے رہیں اور اپنے برائی اور سہ ماہی رپورٹ کی ترقی پر اداروں سے جانبدارانہ تاثر حاصل کرتے رہیں۔

کراچی، 30 ستمبر 2018

محمد سلیم احمد  
(چیف ایگزیکٹو آفیسر)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT SEPTEMBER 30, 2018**

	Unaudited Sept. 30, 2018	Audited June 30, 2018
	.....(Rs. In '000').....	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	25,501	24,197
Long term deposits	1,410	1,410
	<u>26,911</u>	<u>25,607</u>
<b>Current assets</b>		
Stores, spares and loose tools	317	317
Stock in trade	47,810	50,579
Trade debtors	72,065	72,251
Advances and other receivables	2,323	2,599
Tax refunds due from governments	684	623
Cash and bank balances	467	389
	<u>123,666</u>	<u>126,758</u>
<b>TOTAL ASSETS</b>	<u>150,577</u>	<u>152,365</u>
<b>CAPITAL AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Share capital	34,000	34,000
Unappropriated loss	(402,186)	(400,627)
	<u>(368,186)</u>	<u>(366,627)</u>
<b>Non-current liabilities</b>		
Stagnant liabilities towards banks	378,462	378,462
Other liabilities	87,617	85,353
	<u>466,079</u>	<u>463,815</u>
<b>Current liabilities</b>		
Trade and other payables	52,684	55,177
Contingencies and commitments	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>150,577</u>	<u>152,365</u>

Muhammad Saleem Ahmed  
Chief Executive

Nayyer Ahmed Jalali  
Director

Naseer Ahmed  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2018**

	Quarter ended September 30, 2018	Quarter ended September 30, 2017
	.....(Rs. In '000').....	
Sales	12,601	6,141
Cost of sales	(12,199)	(8,318)
<b>Gross profit / (loss)</b>	<u>402</u>	<u>(2,177)</u>
<b>Operating cost</b>		
Administrative	973	867
Selling and distribution	554	327
	<u>1,527</u>	<u>1,194</u>
<b>Operating Loss</b>	<u>(1,125)</u>	<u>(3,371)</u>
Other income	-	176
	<u>(1,125)</u>	<u>(3,195)</u>
Finance cost	308	117
<b>Loss before taxation</b>	<u>(1,433)</u>	<u>(3,312)</u>
Taxation	126	61
<b>Loss after taxation</b>	<u>(1,559)</u>	<u>(3,373)</u>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u>(1,559)</u>	<u>(3,373)</u>
<b>Basic and diluted (loss) per share</b>	<u>(0.46)</u>	<u>(0.99)</u>

Muhammad Saleem Ahmed  
Chief Executive

Nayyer Ahmed Jalali  
Director

Naseer Ahmed  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2018**

	Quarter ended September 30, 2018	Quarter ended September 30, 2017
	.....(Rs. In '000').....	
<b>Cash flow from operating Activities</b>		
Loss before taxation	(1,433)	(3,312)
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation	476	269
Financial charges	308	117
	<u>784</u>	<u>386</u>
	<u>(649)</u>	<u>(2,926)</u>
<b>Changes in working capital (Increase)/decrease in current assets</b>		
Stock in trade	2,769	(943)
Trade debts	186	5
Advances and other receivables	215	676
	<u>3,170</u>	<u>(262)</u>
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	(2,493)	2,055
<b>Cash generated from operations</b>	<u>28</u>	<u>(1,133)</u>
Financial charges paid	(308)	(117)
Income tax refundable / (paid)	(126)	(61)
	<u>(434)</u>	<u>(178)</u>
<b>Net cash flows from operating activities</b>	<u>(406)</u>	<u>(1,311)</u>
<b>Cash flow from Investing activities</b>		
Addition in fixed assets	(1,780)	-
<b>Net cash used in investing activities</b>	<u>(1,780)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Other liabilities	2,264	220
<b>Net cash used in financing activities</b>	<u>2,264</u>	<u>220</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>78</u>	<u>(1,091)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>389</u>	<u>1,369</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>467</u>	<u>278</u>

Muhammad Saleem Ahmed  
Chief Executive

Nayyer Ahmed Jalali  
Director

Naseer Ahmed  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2018**

Particulars	Issued subscribed and paid up capital		
	Unappropriated (Loss)	Total	
Balance as at July 01, 2017	34,000	(395,338)	(361,338)
Total comprehensive loss for the 1st quarter ended September 30, 2017		(3,373)	(3,373)
<b>Balance as at quarter ended September 30, 2017</b>	<b>34,000</b>	<b>(398,711)</b>	<b>(364,711)</b>
Balance as at July 01, 2018	34,000	(400,627)	(366,627)
Total comprehensive loss for the 1st quarter ended September 30, 2018		(1,559)	(1,559)
<b>Balance as at 1st quarter ended September 30, 2018</b>	<b>34,000</b>	<b>(402,186)</b>	<b>(368,186)</b>

Muhammad Saleem Ahmed Chief Executive  
Nayyer Ahmed Jalali Director  
Naseer Ahmed Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM ACCOUNTS**

- Pak Leather Crafts Ltd, is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and quoted on Pakistan Stock Exchange. The principal activity of the company is Leather tanning, Manufacturing of Leather garments and export of Leather and Leather Garments.
- 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.
- The accounting policies adopted for the preparation of these accounts are the same as those applied in preparing the accounts for the preceding period.
- Figures have been re-arranged and re-classified, wherever necessary, to facilitate comparison.
- These financial statements were authorized for issue on October 30, 2018 by the Board of Directors of the Company.

Muhammad Saleem Ahmed Chief Executive  
Nayyer Ahmed Jalali Director  
Naseer Ahmed Chief Financial Officer

**CORPORATE PROFILE**

<b>CHAIRMAN / DIRECTOR</b> Dr. Muhammad Shoaib Ahmed	<b>BANKERS</b> Albaraka Bank Pakistan Ltd Habib Bank Limited Industrial Development Bank Ltd NIB Bank Limited United Bank Limited Faysal Bank Limited Habib Metropolitan Bank Ltd Soneri Bank Ltd Bank Alfalah Ltd
<b>DIRECTORS</b> Muhammad Saleem Ahmed Nayyer Ahmed Jalali Azeem Ahmed Bilal Ahmed Umer Ahmed Syed Fawad Hussain Rizvi	<b>EXTERNAL AUDITORS</b> IECnet S.K.S.S.S Chartered Accountants
<b>AUDIT COMMITTEE</b> Syed Fawad Hussain Rizvi Bilal Ahmed Umer Ahmed	<b>SHARE REGISTRAR</b> NI Associates (pvt) Ltd 53, Kokan Society, Alamgir Road, Karachi - 74800 Tel: 021-34937012, 34945892
<b>HUMAN RESORCE &amp; REMUNERATION COMMITTEE</b> Umer Ahmed Muhammad Saleem Ahmed Bilal Ahmed	<b>LEGAL ADVISOR</b> Shakeel Z. Lari Advocate
<b>CHIEF FINANCIAL OFFICER &amp; COMPANY SECRETARY</b> Naseer Ahmed	<b>REGISTERED OFFICE</b> Plot 18, Sector 7 - A, Korangi Industrial Area, Karachi.
<b>BOOK POST PRINTED MATTER</b>	

If undelivered please return to:

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

**ACCOUNTS FOR  
THE 1ST QUARTER ENDED  
SEPTEMBER 30, 2018  
(UNAUDITED)**


*Pak Leather Crafts Limited*