

BALANCE SHEET AS AT 31 DECEMBER 1998

Tk in thousands

	Notes	31 Dec 98	31 Dec 97
Fixed Assets	2	166,645	179,775
Current Assets			
Inventories	3	363,516	295,860
Trade debtors	4	65,423	88,578
Advance, deposits and prepayments	5	15,504	28,412
Cash & Bank balances	6	5,695	5,516
		450,138	418,366
Less : Current Liabilities			
Working capital loan	7	211,596	206,184
Trade creditors	8	64,031	36,672
Sundry creditors	9	18,623	4,811
Provision for income-tax		6,521	6,292
Proposed dividend		00	18,750
		300,771	272,709
Net Current Assets		149,367	145,657
Net Assets		316,012	325,432

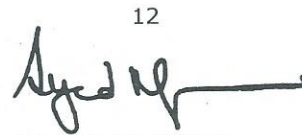
Financed by:**Shareholders' equity :**

Share Capital	10	75,000	75,000
Share premium		68,805	68,805
Tax Holiday Reserve	11	6,449	6,148
Retained earnings		7,261	5,479
Total Shareholders' equity		157,515	155,432

Loan Funds:

Term Loan (Secured)	12	158,497	170,000
		316,012	325,432


Md. Rahmatullah
Managing Director


Syed Nasim Manzur
Director


S. S. Chakraborty
Company Secretary

*This is the Balance Sheet referred to in our report of same date.
The annexed notes form part of these accounts.*


M. A. Malek Siddiqui Wali & Co.
Chartered Accountants
14 March 1999


PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998

Tk in thousands

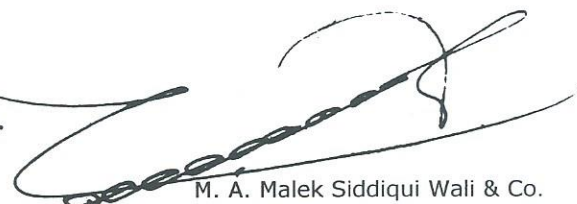
	Notes	Year Ended 31 Dec 98			Year Ended 31 Dec 97	
		Unit I	Unit II	Total		
I	Sales	13	172,610	394,802	567,412	376,842
II	Cost of Sales					
	Cost of Goods Sold	14	126,972	301,747	428,719	287,314
	Freight & Forwarding	15	8,233	18,853	27,086	16,678
			135,205	320,600	455,805	303,992
III	Gross Profit		37,405	74,202	111,607	72,850
IV	Fixed Expenses					
	Marketing & Administration	16	8,970	6,630	15,600	10,581
	Bank Interest & charges	17	26,110	21,207	47,317	42,093
	Directors' Remuneration		474	633	1,107	1,107
	Royalty	18	00	31,761	31,761	00
	Provision for bad debts	19	00	12,600	12,600	00
	Legal & Audit fees	20	476	318	794	620
	Total		36,030	73,149	109,179	54,401
V	Profit before WP&WF		1,375	1,053	2,428	18,449
VI	Provision for contribution to WP&WF		66	50	116	879
VII	Pre-tax Profit		1,309	1,003	2,312	17,570
VIII	Provision for tax	21	229	00	229	1,133
IX	Net Profit after tax		1,080	1,003	2,083	16,437
X	Appropriations					
	Previous year's retained earnings				5,479	11,121
	Dividend				00	(18,750)
	Taxholiday reserve				(301)	(3,329)
	Total				5,178	(10,958)
XI	Retained earnings				7,261	5,479


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Director


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Company Secretary

This is the Profit & Loss Account referred to in our report of same date.
The annexed notes form part of these accounts.


M. A. Malek Siddiqui Wali & Co.
Chartered Accountants
14 March 1999

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1998

Tk in thousands

	<u>Year Ended 31 Dec 98</u>	<u>Year Ended 31 Dec 97</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Collections from turnover/bills receivable and other income	590,566	358,773
Payments for purchase of leather, accessories,		
Payments of creditors and other expenses	(554,432)	(403,754)
Income tax paid and/or deducted	(1,892)	(521)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(9,222)	(3,060)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans received	5,412	101,257
Term Loan re-paid	(11,502)	(50,700)
Dividend paid	(18,750)	(00)
Net cash inflow/(outflow) for the period	180	1,995
Opening cash and bank balances	5,516	3,521
Closing cash and bank balances	5,696	5,516



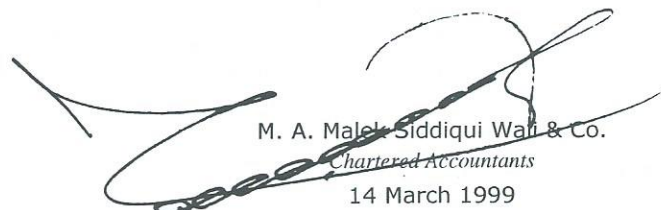
Md. Rahmatullah
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