

BALANCE SHEET
AS AT 31 DECEMBER 1999

Tk in thousands

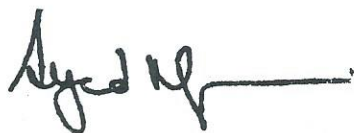
	Notes	31 Dec 99	31 Dec 98
Fixed Assets	2	146,550	166,645
Current Assets			
Inventories	3	372,371	363,516
Trade debtors	4	69,853	65,423
Advance, deposits and prepayments	5	17,647	15,504
Cash & Bank balances	6	2,376	5,695
		462,247	450,138
Less : Current Liabilities			
Working capital loan	7	238,870	211,596
Trade creditors	8	53,188	64,031
Sundry creditors	9	18,479	18,623
Provision for income-tax		7,236	6,521
Proposed dividend		7,500	00
		325,273	300,771
Net Current Assets		136,974	149,367
Net Assets		283,524	316,012

Financed by:**Shareholders' equity :**

Share Capital	10	75,000	75,000
Share premium		68,805	68,805
Tax Holiday Reserve	11	8,142	6,449
Retained earnings		7,080	7,261
Total Shareholders' equity		159,027	157,515

Loan Funds:

Term Loan (Secured)	12	124,497	158,497
		283,524	316,012



Syed Nasim Manzur
Managing Director



Munize Manzur Khasru
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.



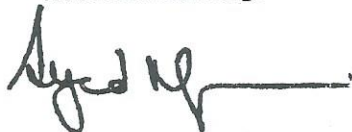
M. A. Malek Siddiqui Wali & Co.
Chartered Accountants
May 30, 2000



PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1999

Tk in thousands

	Notes	Year Ended 31 Dec 99			Year Ended 31 Dec 98	
		Unit I	Unit II	Total		
I	Sales	13	230,938	286,539	517,477	567,412
II	Cost of Sales					
	Cost of Goods Sold	14	170,660	227,168	397,828	428,719
	Freight & Forwarding	15	16,412	20,124	36,536	27,086
			187,072	247,292	434,364	455,805
III	Gross Profit		43,866	39,247	83,113	111,607
IV	Fixed Expenses					
	Marketing & Administration	16	9,815	6,813	16,628	15,600
	Bank Interest & charges	17	24,087	20,506	44,593	47,317
	Directors' Remuneration		844	411	1,255	1,107
	Royalty	18	4,370	5,284	9,654	31,761
	Provision for bad debts		00	00	00	12,600
	Legal & Audit fees	19	462	308	770	794
	Total		39,578	33,322	72,900	109,179
V	Profit before WP&WF		4,288	5,925	10,213	2,428
VI	Provision for contribution to WP&WF		204	282	486	116
VII	Pre-tax Profit		4,084	5,643	9,727	2,312
VIII	Provision for tax	20	715	00	715	229
IX	Net Profit after tax		3,369	5,643	9,012	2,083
X	Appropriations					
	Previous year's retained earnings				7,261	5,479
	Dividend				(7,500)	00
	Taxholiday reserve				(1,693)	(301)
	Total				(1,932)	5,178
XI	Retained earnings				7,080	7,261



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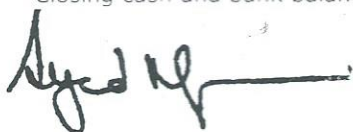
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May 30, 2000



CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1999

Tk in thousands

	<u>Year Ended 31 Dec 99</u>	<u>Year Ended 31 Dec 98</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Collections from turnover/bills receivable and other income	513,047	590,566
Payments for purchase of leather, accessories,		
Payments of creditors and other expenses	(481,828)	(554,432)
Income tax paid and/or deducted	0	(1,892)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(538)	(9,222)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans received	0	5,412
Term Loan re-paid	(34,000)	(11,502)
Dividend paid	0	(18,750)
Net cash inflow/(outflow) for the period	(3,319)	180
Opening cash and bank balances	5,695	5,516
Closing cash and bank balances	2,376	5,695



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