SAMATA LEATHER COMPLEX LIMITED

30-06-97

51,600,000

35,198,462

27,885,865

6738593

69,822,920

121,422,920

12,902,014

134,324,934

127,132,343

208,261,090

4,609,328

10,087,973

7,078,711

230,037,102

187,288,829

31,709,831

2,265,106

1.631,325

222,915,091

7 122,011

70,580

134,324,934

As per report of date annexed

(M AHMED & CO.)

Chartered Accountants

Continued from page 18

4 QUALIFICATION SHARES

To be a director, a person must hold Tk. 100,000.00 worth of company shares.

5 DIRECTORS INTEREST

The Directors have no personal interest except to the extent of receiving the ordinary remuneration provided for in the Articles of Association.

DIRECTORS REMUNERATION

The remuneration of the Directors shall not exceed Tk 200 00 per meeting of the Board of Directors attended by him. The remuneration of a Director for performing extra services shall be determined in General Meeting (not by Board of Directors). If payment for extra services is to be made in the form of commission fixed at a percentage of profit, it will be subject to prior approval of the Securities and Exchange Commission.

POWERS OF THE DIRECTORS

The Directors may, from time to time, raise or borrow from persons, bank or financial institution and may themselves lend, any sum of money for the purposes of company. The Directors may raise or secure the payment of such sum or sums or the financial arrangement in such manner and upon such terms and conditions in all respects as they think fit and in particular by making, drawing, excepting, or endorsing on behalf of the company or by issuing, perpetual or redeemable debentures or Debenture Stock or any mortgage, charge or other security on the undertaking or the whole or any part of the factory land, plant, machinery and property of the company (both present and future) including its uncalled capital for the time being.

The Directors are empowered to purchase or otherwise acquire for the company and property, right or privileges which the company is authorised to acquire at such price and generally on such terms and conditions as they think fit and subject to the provisions of section 107 (a) of the Companies Act, 1994 to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges, and undertaking of the company upon such terms and conditions and for such consideration as they thing fit.

MATERIAL CONTRACT

Copies of the Memorandum and Articles of Association of the Company, Underwriting Agreements and Agreements with the Manager to the issue may be inspected on any working day during office hour at the Registered office of the Company.

SAMATA LEATHER COMPLEX LIMITED

Application Form

Application For Shares by Non-Resident Bangladeshi

(To be sent to the Company's Head Office)

warning: Please read the instructions at the back of this form. Incorrectly filled applications may be

I/we apply for and request you to allot me/us the following number of shares and I/we agree to accept the name or any smaller number that may be allowed to me/us upon terms of the Company's

approved prospectus and subject to the Memorandum and Articles of Associations of the Company.

Further, I/we authorise you to place my/our name(s) on the Register of Members of the Company as

the holder(s) of...... Ordinary Shares allotted to me/us pursuant to this application and to send Allotment Letter in respect thereof and/or a crossed (Account Payee only) cheque in respect of any

application money returnable by post/courier at my/our risk to the first applicant's address stated

1. No of Ordinary Shares ... of Tk 100/- each amount of Tk. (in figures)..... Tk. (in words)...... only convertible into US Dollar at US Dollar 1.00= Tk 45.8605 /UK Pound

INSTRUCTIONS

All information must be written or typed or in block letters in English and must not be

Application must not be for less than 50 Ordinary shares having value of Tk. 5000/- or multiple

Application must be accompanied by a foreign demand draft drawn on a Bank payable at Dhaka

or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full

value of shared favouring "SAMATA LEATHER COMPLEX LIMITED" and crossed "Account

Application shall be sent by the applicant directly to the Company within 30th July 1998 so as to

Refund against over-subscription shall be made in the currency in which the value of shares was

paid for by the applicant through Account Payee Cheque payable at Dhaka with Bank account

In case of over-subscription, allotment shall be made proportionately solely in accordance with

Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to

Joint application by two persons will be acceptable. In such a case, allotment or refund shall be

Application must be made by an individual, a corporation or company, a trust or a society and

The intending NAB applicants shall deposit share money by US\$/GB Pound draft drawn on and

payable in Dhaka, Bangladesh. So that the issuer collecting Bank can clear that proceeds and

The NRB application along with the foreign draft, as above, is to be submitted to the Company

10. Making of any false statement or supplying incorrect information or suppressing any relevant information in the application shall make it liable to rejection and subject to forfeiture of the

by the Company after 8th August 1998 will be considered for allotment purpose.

reach the Company within 8th August 1998. No application sent after 30th July 1998 or received

branch of.

at UK Pound Sterling 1.00= Tk 76.2406 Payment by Draft/Cheque

for US Dollar/UK Pound Sterling/TK...

Nationality:

Valid upto:

Branch:

Nationality

Valid upto:

The Company has no contingent liability to report.

Md Mansur Ahmed Chairman

The Directors

Samata Leather Complex Limited

Particulars of Applicant(s)

Father's/Husband's Name:

For refund warrant Applicant's bank A/C No.

(A) Sole/First Applicant:

Name

(iv) Passport No:

Name

(ii) Mailing Address

(ii) Second Applicant:

Payee Only

(iii) Nominee

Date of Birth Mailing Address

Nominee

Occupation

Passport No:

Date of Birth

Name of the Bank:

Second Applicant:

Father's/Husband's Name:

Specimen Signature:

number with Bank's name and branch.

the applicant by the Company.

Head Office direct.

made by post to the first applicant.

not by a firm, minor or persons of unsound mind.

deposit the same into issuer Bank account in time.

Sole/First Applicant:

120, Sher-E-Bangla Road,

Hazaribag, Dhaka-1209

Md Habibur Rahman Managing Director

Md Shajahan Director

> Dhaka - 1000 March 18, 1998 M/S. SAMATA LEATHER COMPLEX LTD. 120, SHER-E-BANGLA ROAD.

> > HAZARIBAGH, DHAKA-1209 PROFIT AND LOSS STATEMENT

M/S. SAMATA LEATHER COMPLEX LID.

120. SHER-E-BANGLA RUAD

HAZARIBAGH, DHAKA-1209

BALANCE SHEET AS AT 31ST DECEMBER, 1997

SOURCE OF FUND

SHARE HOLDERS FUND

Paid up Capital

Reserve and Surplus

Revaluation reserve

Depreciation reserve

Janeta Bank Industrial Credit (S.S.I Loan)

Advance, Deposite & Prepayments

Retained earnings

II APPLICATION OF FUND

a) Fixed Assets (At cost)

Current Assets

Bills Receivable

Cash & Bank Balance

Raw materials & Chemicals

Current Liabilities

Expenses & Others

d) Working Capital (b-c)

Intangible Assets

\$40.536.638 BESTREET 102

Preliminary Expenses

Secured Loan

Liabilities for

Tax Provision

NOTES 31-12-97

51,600,000

35,198,462

30,999,701

9.859,197

76,057,360

127,657,360

10,486,799

138,144,159

128,958,146

183,914,660

6,590,692

9,680,843

2,481,849

202,668,044

135,193,361

51,910,467

4.037,307

2,411,476

9.115.433

70,580

138,144 159

9,859,197

6,738,593

3,900,755

3,113,836

7,014,591

24,346,430

(1,981,364)

(52,095,468)

20,200,636

1,752,201

(7,370,435)

(1,825,803)

(2,415,215)

10. SECURED LOAN :

37/3827/97

37/3826/97

37/3839/97

37/3828/97

37/3846/97

37/3834/97

407,130

As per report of date annexed

193,552,611

FOR THE PERIOD FROM 1ST. II II V TO 31ST DECEMBER 1997

	FOR THE PERIOD FROM 1	ST JULY TO :	BIST DECEMBER,	1997
		NOTES	31-12-97	30 - 06 97
les :	Sales	13	187,875,747	319 738 991
H.	Cost of Sales	14	170 327 852	288 396,377
w.	Gross profit (1-11)		17 547 895	31,342,614
IV.	Administrative expenses	15	2.804 567	4,131,598
٧	Selling & Distribution expenses	16	2 555 529	5.241 966
VI.	Financial expenses	17	8,647.942	16,234 517
	***		14,008,038	25 608,081
			3.539.857	5 734 533
VII.	Other income	18	555 935	2.829.923
VIII.	Operating profit (iii-iv-v-vi+vii)		4,095,792	8 564 456
IX.	Workers Profit participation fund		195.037	407.832
X	Pre tax profit (viii - ix)		3,900,755	8,156 624
XI.	Provision for taxation @ 20%		780,151	1.631.325
XII.	Profit after tax (x-xi)		3,120,604	6,525,299
XIII.	Previous years undistributed profit	52	6,738,593	213,294

accordance with the International Accounting Standards as adopted by The Institute of Chartered Accountants of Bangladesh subject to revaluation of "Land" "Building," "Machinery," "Office Equipments," "Furniture & Fixtures" and "Other Assets" to the tune of Tk 3,51,98,462 made by GK Adjusters Ltd as 30th January, 1997. Depreciation Fixed Assets except Land & Land Development are depreciated on reducing balance method at rates verying from 5% to 20% and are consistent to previous practice. Inventories: Inventories are valued at lower of method of valuation -At cost price Raw Hides -At cost price -At cost price so much applied West Blue -At selling price (realisable value) Work-in-process Crust & Finished Leather -At cost price Chemical -At cost price Split Leather (Cow) -At cost price Spare parts, Tools & Implements At cost price. Packing Materials At cost price Stationery Materials At cost price. Workers profit participation fund: Provision against contribution to the fund was made @5% of the operating profit after charging such provision. Taxation: Company deriving income from export are entitled to 50% rebate of tax. The company being 100% export oriented public Ltd Company tax provision was made @20% which is considerate adequate. Foreign Exchanges: Transactions in foreign currencies are converted into taka currency at the rates ruling on the transaction dates and the balance in hand at the close of business at the rate prevailing on the balance sheet date. General: Figures have been rounded off to the nearest taka. PAID UP CAPITAL Tk. 5,16,00,000 Paid up capital is Tk 5,16,00,000 divided into 5,16,000 shares of Tk, 100/= each contributed by sponsor directors and their associates. REVALUATION RESERVE: TK. 3.51.98 462 The details of the above has been shown in the enclose schedule A-1, Land, Building, Machinery, Office Equipments, Furniture & Fixture and Vehicles were revalued on 30th January, 1997 by GK Adjusters Ltd a firm of professional valuers on the basis of which the reserve was created. FIXED ASSETS: Tk. 9.79.58.445 Details are as under: Cost on 01-07-1997 91,933,881 1,825,803 Addition during the period 35,198,462 Revaluation adjustment 128,958,146 30,999,701 Less Accumulated depreciation 97,958,445

The accounts have been prepared on historical cost convention and in

Additional to Plant & Machinery represented Tk. 12.49.353/= cost of one Hydraulic Press imported under L/C No IMAM/DLR/72/97 and Tk 4,26.120 cost of 400 KVA Transformer purchased locally and Tk. 1,50,334 cost of spares used.

Na	me of the items	31-12-97	30-06-97
0	Raw hides & W/Blue	SUBST HONESPEEDS	
200	Raw Hides	21,210,826	38,590,230
	W / Blue	59,896,232	44,824,562
		81,107,058	83,414,792
11)	Work - in - process		
	W / Blue	40,759,848	55,634,114
	Crust & Finished	33,629,472	29,258,750
		74,389,320	78,892,864
III)	Crust & Finished leather	19,823,786	39,380,406
M)	Split leather	978,235	537,352
V	Chemical	6,691,834	4,874,681
vi)	Stores & Spares	924,427	1,160,995
	16	183,914,660	208,261,090

Quantitative analysis was not supplied. The inventories on 31-12-97 was taken valued and certified by the mangement

Tk. 65,90,692

These balances have since been realised/adjusted

Advance income Tax (as per last a/c)

Addition during the period

Utsha Tax (as per last a/c)

Bills under Negotiation

Rebate Receivable

A S. Mar Will Street Will Constitution of

31-12-97

1,258,716

5,331,976

6,590,692

Tk. 96,80,843

31-12-97

1,464,902

329,530

1,794,432

5,654,414

30-06-97

277,244

4,332,084

4,609,328

1,157,297

1,464,902

4.737.237

30-06-97

7,000,860

7,002,326

7,078,711

Mostag Matin

Mahtab Jakir

66. Md. Blue & Khan

Md. Makhan Miah

Maizuddin Ahmed

M.A. Leather Complex

(a-2) Liabilities for Chemicals: Tk. 50,11,640

10. Globelink Container Lines Ltd.

11. G.M. Glass House

12. Jalani Trading House

	Sd/-		These balances have since been realised/adju
Dhaka - 1000	(M. AHMED & CO.)	
March 18, 1998	Chartered Accountan	ts 08	ADVANCE, DEPOSITS & PRE-PAYMENTS :
M/S. SAMATA LEATHER	COMPLEX LTD.		

120, SHER-E-BANGLA ROAD, HAZARIBAGH, DHAKA-1209

CASH FLOW STATEMENT

FOR THE PERIOD FROM 1ST JULY TO 31ST DECEMBER, 1997

Addition during the period 271,900 5,926,314 iii) Sundry deposits (Janata Bank) iv) L/C Margin Advances against Raw hides purchased 1,173,022 vi) Dhaka Electric Supply Authority 60,000 viii) Advances & Others : 191,075 Monir Hossain 72,000 Mizanur Rahman 2,000 Boolming Leather 62,000 A. Kalam 1,177,657 727,075 400,000 A.A. Consultants 10,087,973 9,680,843

Margin of Tk. 10,41,000 was deposited against L/C. for imported of Hydralic press and chemicals. It was fully adjusted within 31-12-97. Out of advance against raw hides Tk. 5,66,457 has been adjusted subsequently. Security deposit of Tk. 60,000 was given to DESA against new connection under bill. no 1331/4757/97.

09.	CASH & BANK BALNACES : TK 24,81,849	04 40 07
		31-12-97
	Cash in hand	2,459,009
	Cash at Bank	
	Janata Bank C/D A/C No. 10295	1,466
	Janata Bank C/D A/C No. 10797	11,374
	Janata Bank IMAM/STD/2669	10,000
	Janata Bank FC	1
è	A/C No. JB IMAM/EFCRO/08/97	1 224
		22,840
76	3: 2	2,481,849

We physically verified cash in hand and found in order. The bank balances were reconciled and confirmed with bank statement.

TK. 13,51,93,361

The following are the reconciled balances of the loans. The loans were given by Janata

	Bank, Imamgonj Corporate Bra	anch against S	Stock - in - tr	ade.	
		FORENSE TOWNS AND	31-12-97		30-06-97
ì	Janata Bank C.C.(Q) A/C.		39,939,114		121,719,334
	Janata Bank E.C.C.(P) A/C.		81,517,179	種	59,730,464
	Janata Bank C.C.(H) A/C.		2,507,345		2,255,223
	Janata Bank LIM A/C.				
	No. 37/3814/97	928,565			
	07/000E IO7	460 769			

37/3805/97 469,762 716,600 37/3802/97 945,564 36/3796/97 622,477 36/3795/97 1,320,913 37/3833/97 596,089 37/3840/97 455.305 37/3845/97

964,686

960,776

454,810

953,277

365,729

963,445

37 3841 97 509 725 11 229 723 3 589 808 135 193 361 187 288 829 11 LIABILITIES FOR RAW HIDES AND CHEMICALS Tk 5 19 10 467 31-12-97 30-06-97 (a-1) Liabilities for Raw Hides 46 898 827 29 855 163 (a-2) Liabilities for Chemical 5 011 640 1 854 668 51,910,467 31,709,831 Liabilities for Raw Hides Tk 4,68,98,827 SI No Name of the Party 31-12-97 30-06-97 Abdul Matin 454.018 355 Ayub Hossain 131 400 Ahmed Ali 1.024.105 ******* Aminul Hug 2 500 Ahsan Habib 7.470 Akbar Hossain 320.775 B3501 Abu Miah 297,780 1,041,490 Ahmed Miah 48.820 44 580 Abul Kibria & Co. Abul Hasnat & Sons 2.621 495 Amin Shahid 1,142,208 12 Abul Kalam 258,400 306.025 Anwarul Wahab & Brothers 2,211,165 907.755 14 Ajij Selim 236,100 135.200 15 Amir Hossain & Brothers Akter Mia(Akter Hossain) 298.525 Babul Brothers 76 125 Belayet Hossain 382,200 307 700 19. BS Traders 658,045 SI.No. Name of the Party 31-12-97 30-06-97 20. Baker Miah 924,705 50,580 21. Badsha Miah 77,550 22. Faruque Hossain 160,715 23. Fakrul Islam 29,443 24. Golam Ali 4,258,735 3,079,581 25. Golam Kibria Babul 405,7. 26. Haider & Sons. 338,864 298,000 27. Hazi Rahmaullah & Co. 524 330 28. H.M.S. Trading 400.547 113,200 29. Humayun Miah 1,100 1,100 30. Hossain Traders 169,883 31. Hazi E.S.K. Traders 140,350 32. Haroon Miah 153,100 33. Imran Traders 136,425 286,425 34. Imon Traders 236,800 306,250 35. Imran & Brothers 2,574,724 6,866,600 36. Jamuna Agency 3,190,093 37. Karnafuli Leather Complex 296,380 38. Kazol Miah 150,200 39. Kala Chan 442,825 40. Kamal & Sons. 949,740 40. (A) Kalu Miah

224,440 41. Lee Fa Leather Complex 42. Md. Fazlu Miah 978,700 1,157,297 43. M.F. Traders 2,167,048 760,248 44. Md. Hanif 140,020 45. M.D. Enterprise 260,000 46. Md. Sameer 885,455 1,543,555 47. Masum Enterprise 363,855 603,855 48. Md. Jasim 726,585 215,800 49. Md. Aftab 46,730 1,046,730 50: Md. Naimuddin 1,236,635 64,225 51. Md. Tamveer Ahmed 2,517,029 2,052,666 52. Md. Jakir Hossain 59,535 67,755 53. Md. Kibria 64,800 -54. Mainuddin 1,031,275 730,700 55. M.N. Leather 179,822 389,340 Macca Leather 155,715 68,750 1,297,820

800,700

162,360

7,200

511,053

451,580

92,230

1,603,600

Nahidul Islam 185,222 43,600 152,380 152,120 71. Naina Hides 68,800 72. Noor Traders 202,650 246,370 74. Rupshi Traders 478,070 Rahman Trading Corporation 154,165 76. S. Islam Traders 94,625 82,500 77. S.K. Enterprise 1,640,975 2,000,225 78. Selim Traders 1,415,350 865,525 79. S.A. Enterprise 526,850 866,010 Samim Traders 492,931 81. S.L. Traders 82. S. A. Amjad Hossain 34,815 83. Tofail Ahmed 312,700 Teen Bhai Enterprise 840,398 Wadud Leather 191,870 750 4,200 87. Zakir Brothers 300,182 1,028,232 88. Z.N. Enterprise 202,500 20 - ... 89. Zahangir Alam

SI.No. Name of the Party 31-12-97 30-06-97 1. Chumki Chemicals Supliers 11,147 11,147 2. Glory Agencies 106,800 71,500 63,850 3. J.M. International Leather & Allied 6. Neptune Chemicals Suppliers 114,289 114,289 7. Noor Chem Ltd. 32,300 8. National Leather 28,800 155,981 9. Oriental Trading Syndicate 5,981 10. Sunbirds Ltd. 387,714 11. Taj Chemical Suppliers 1,501,751 3,968,964 1,854,668 5,011,640

46,898,827

29,855,163

562,941

40,500

Tk. 40,37,307 12. LIABILITIES FOR EXPENSES & OTHER : SI.No. Name of the Party 31-12-97 30-06-97 1. Alif International 181,963 231,905 2. Akhterzumman (I.T.P.) 15,000 3. Aurora Electric 20,000 Anser Metal 2,130 Babul Electric Work 25,569 22,063 67,232 6. Bengal Overseas 200,733 7. Bangadesh Plastic Kendro 9,000 4,000 8,910 8. Bangladesh Tiger Timber 8,848 9. Chan Miah 49,090 56,141

1,038,221

38,500

ued on page 20

Section-10 **AUDITED FINANCIAL INFORMATION AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the annexed Profit and Loss Statement for the period ended 31st December, 1997 and the Balance Sheet on that date together with Notes there to of "M/S SAMATA LEATHER COMPLEX LTD" and after due verification thereof we report that: A. To the best of our knowledge and belief, we have obtained all the information

and explanations which were necessary for the purpose of our audit; In our opinion. The Balance Sheet and the Profit & Loss Account respectively exhibit a true and fair view of the state of the Company's affairs at 31st December, 1997

and of the profit for the period ended on that and that the Balance Sheet and the Profit & Loss Statement contain all the information in the manner required by the Companies Act, 1994. Proper books of account as required by law were maintained by the

Company so far as appeared from our examination. the Balance Sheet and the Profit & Loss Statement are in agreement with the books of account maintained by the company and examined by us. the Balance Sheet and the Profit & Loss Statement have been drawn up. i) in conformity with the Companies Act, 1994; and

In accordance with the requirements of Schedule to the Securities & Exchange Rules 1987; and The expenditure incurred during the period was for the purpose of the Company's business.

The accounts have been prepared in accordance with the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and audited in accordance with the International Standards of Auditing.

> (M Ahmed & Co) Chartered Accountants

Decrease of long term loan

CASH FROM FINANCING ACTIVITIES

CASH FROM INVESTING ACTIVITIES

CASH FROM OPERATING ACTIVITIES :

Items not involving the movements of cash

Decrease in Advance, Deposite & Prepayments

Increase in liabilities for raw materials & chemicals

Increase in liabilities for expenses & others

Decrease in Stock - in - trade

Increase in Bills Receivable

Decrease of Secured loan

Addition of fixed assets

Net Profit before tax

Depreciation

NET INCREASE IN CASH AND CASH EQUIVALANTS (4,596,862)Opening Cash in hand & Cash at Bank 7,078,711 Closing Cash in hand & Cash at Bank 2,481,849

> M/S. SAMATA LEATHER COMPLEX LTD. 120, SHER-E-BANGLA ROAD. HAZARIBAGH, DHAKA-1209

> > NOTES TO THE ACCOUNTS TO 31ST DECEMBER, 1997

STRUCTURE OF THE COMPANY: The company was registered as a private limited company on 04-10-1990 and converted into a Public Limited company on 30-01-1997. The authorised capital in Tk 50,00,00,000/= divided into 50,00,000 shares of Tk 100/= each. NATURE OF BUSINESS:

The company is 100% export oriented hides and skin processing industries situated at 120, Sher-E-Bangla Road, Hazaribagh, Dhaka-1209 and export crust and finished leather in International Market **ACCOUNTING POLICIES:** Basis of Accounting:

Dhaka 1000 March 18, 1998