

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS:

We are trying to increase our efforts to increase production and to develop leather Goods unit. We are assuming feel that the leather industry of Bangladesh will have to depend on the Chinese and Indian markets for the next few years. China and India are big producers and exporters of shoes and leather goods, but their domestic supply of finished leather is totally inadequate. Both these countries have to depend on the supply of finished leather from abroad where Bangladesh can be an important link to their supply chain.

RISKS AND CONCERNS:

It is very difficult to predict the supply and prices of raw hides & skins and its sales price in Bangladesh because the supply demand varies from month to month. So the biggest risk of leather industry is the price elasticity.

The main concern of the leather industries in Bangladesh is the problem of pollution. Environment is a big issue everywhere but very unfortunately, there is no pollution plant for the leather industries in Bangladesh. It is a matter of great concern that if the government is not able to shift the entire leather industry of Dhaka from Hazaribagh to Savar within a short time, then there is a great possibility that the importing countries may impose a ban of Bangladesh leather.

SHARE CAPITAL & EQUITY:

There had been a change in the shareholders' equity of the company after the last Financial Statements. This has been shown in the equity Statement of Auditors' Report.

FINANCIAL RESULTS:

The following table reveals the financial performance for the year 2015-2016 as compared with the previous year.

	30-06-2016		30-06-2015
Net Profit/(Loss) before WPPF	(636,207)		(1,560,120)
Less: Provision for WPPF	-		-
Net Profit/(Loss)	(636,207)		(1,560,120)

DECLARATION OF DIVIDEND:

The company suffered huge loss during the year under review; hence the Board of Directors regrets very much that they are unable to recommend any dividend for the shareholders because of the unavailability of sufficient liquid fund & insufficient demand of leather in the international market.