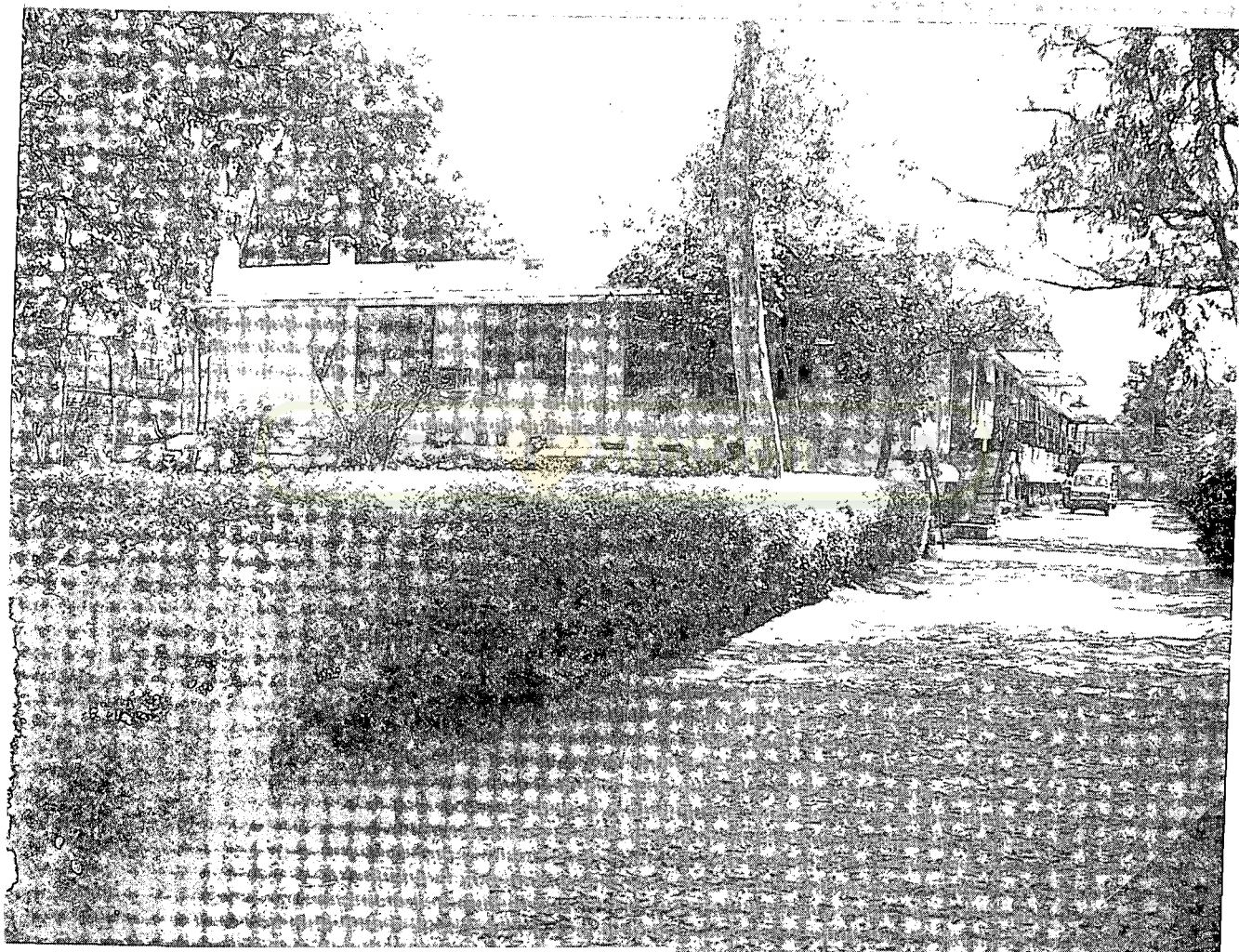


WORLDWIDE LEATHER EXPORTS LIMITED



SEVENTEENTH ANNUAL REPORT 2006-07

WORLDWIDE LEATHER EXPORTS LIMITED

Directors	Anil Agarwal Rakhee Agarwal B.P.Singh Rajat Agarwal Lalit Chhawchharia	<i>Chairman & Managing Director</i> <i>Whole Time Director</i> <i>Director (Advisor Finance)</i> <i>Director (Advisor Marketing)</i> <i>Director (Advisor Corporate Affairs)</i>
Auditors	B.Chhawchharia & Co.	
Bankers	Vijaya Bank	
Registered Office	5F, Everest, 46/C, Chowringhee Road, Kolkata – 700 071	
Factory & Head Office	38th Milestone, N.H. 8, Behrampur Road, Gurgaon – 122 001 Haryana	
Secretarial Services	M/s Ritu Mangla & Associates	
Registrars & Share Transfer Agents	Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi – 110 062	
Investor Service Department	38th Milestone, N.H. 8, Behrampur Road, Gurgaon – 122 001 (HR) Tel # - (0124) - 2215447-50 isd@wleltd.com	
E-mail	worldwide@vsnl.com	
Website	www.wleltd.com	
Listing at Stock Exchanges	The Calcutta Stock Exchange Association Ltd. 7 Lyons Range, Kolkata 700 001 The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Mumbai 400 001	

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WORLDWIDE LEATHER EXPORTS LIMITED

From the desk of the Chairman

Dear fellow Shareholders

Thank you, once again for responding to my appeal made last year to the shareholders regarding dematting their shares. The liquidity in the market has improved considerably. Your shares are being traded continuously but still substantial numbers of shares remain undemattd.

The Shareholders are requested to direct their communications relating to share transfers and change of address to M/s Beetal Financial & Computer Services Pvt. Ltd.

However, the Company's Investor Service Department at 38th.Milestone, NH-8, Behrampur Road, Gurgaon 122001, Haryana, continues to handle the exchange of old shares consequent to demerger of the Company in 2000. Shareholders who have not yet got their old shares exchanged for the new shares of the Company are requested to do so immediately.

Looking forward to a very fruitful future.

Anil Agarwal

Gurgaon, 29th September, 2007

WORLDWIDE LEATHER EXPORTS LIMITED

NOTICE

Notice is hereby given that 17th Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Tuesday, the 30th day of October, 2007 at 12.30 P.M. at 'Kala Kunj' (Basement Kalamandir), 48, Shakespeare Sarani, Kolkata-700017 to transact the following businesses.

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit and Loss Account for the year ended on that date and the report of the Auditors and Directors thereon.
2. To re-appoint a Director in place of Mr. Rajat Agarwal who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
3. To re-appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary resolution.
"RESOLVED that Messrs B. Chhawchharia & Co., Chartered Accountants, be and are, hereby, appointed as the Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board."

Special Business

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges where the company's shares are listed, Reserve Bank of India, the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI DIP Guidelines) as applicable for preferential issue of securities and other applicable regulations/guidelines of SEBI, if any, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (GOI), the Reserve Bank of India (RBI), SEBI and any other competent or concerned authority and subject to such approvals, permissions, consents and sanctions, if any, as may be required to be obtained from Securities and Exchange Board of India, Stock Exchange(s) and such other concerned authorities as may be required by law or as may be necessary and further subject to such conditions and modifications as may be imposed / prescribed by them while granting such approvals / permissions / consents / approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which expressions shall be deemed to include any Committee of Directors which the Board may have constituted or hereafter constitute, duly authorized to exercise the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer, issue and allot for cash consideration on preferential basis up to 14,00,000 (Fourteen Lacs Only) warrants convertible into Equity Shares of the company within 18 months from the date of allotment of the warrants at a price of Rs.26.50 (Rs. Twenty Six and Fifty paise only) per warrant aggregating to Rs.3,71,00,000.00 (Rupees Three Crores Seventy One Lacs Only) to the following identified investors, each warrant convertible into 1(one) Equity share of Rs. 10/- (Rupees Ten Only) face value fully paid up along with premium of Rs.16.50 (Rs. Sixteen and Fifty paise only) per share, determined as per the SEBI Guidelines on preferential issue.

S.NO.	NAME OF PROPOSED ALLOTTEE	NO. OF WARRANTS TO BE ALLOTTED
1	KUSHAGRATIEUP PVT. LTD.	500000
2	JAGDAMBA TRADECOMM PVT. LTD.	500000
3	SATURN EQUITY CHANNELS (P) LTD.	400000
	TOTAL	1400000

"RESOLVED FURTHER THAT the Relevant Date determined in terms of SEBI guidelines on preferential issue for fixation of price is 30th September, 2007."

"RESOLVED FURTHER THAT the warrants shall be allotted against a payment of 10% of the total price fixed above, which amount shall be adjustable against the total price payable on the acquisition of shares by exercising the option in this behalf."

"RESOLVED FURTHER THAT the option of the conversion of the share warrants into equity shares must be exercised and shares allotted before the expiry of 18 months from the date of issue of the warrants."

"RESOLVED FURTHER THAT the amount of 10% paid in advance shall stand forfeited if the option to acquire the shares is not exercised."

"RESOLVED FURTHER THAT the Board is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of warrants as may be necessary in accordance with the terms of the offer and subject to the provisions of the company's Articles of Association."

"RESOLVED FURTHER THAT the equity shares allotted on conversion of warrants shall rank pari-passu in all respects with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the warrants or shares issued in conversion thereof shall be locked in for a period of 1 (one) year from the date of allotment of the warrants."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters, things, accept modifications as may be required by any Regulatory Authority and execute all such deeds, documents, instruments and writing as it may in its absolute discretion deem necessary or desirable and pay fees and other expenses in relation thereto."

WORLDWIDE LEATHER EXPORTS LIMITED

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers or authorities herein conferred to any Committee of Directors as may be formed by them for the said allotment".

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges where the company's shares are listed, Reserve Bank of India, the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI DIP Guidelines) as applicable for preferential issue of securities and other applicable regulations/guidelines of SEBI, if any, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (GOI), the Reserve Bank of India (RBI), SEBI and any other competent or concerned authority and subject to such approvals, permissions, consents and sanctions, if any, as may be required to be obtained from Securities and Exchange Board of India, Stock Exchange(s) and such other concerned authorities as may be required by law or as may be necessary and further subject to such conditions and modifications as may be imposed / prescribed by them while granting such approvals / permissions / consents / approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which expressions shall be deemed to include any Committee of Directors which the Board may have constituted or hereafter constitute, duly authorized to exercise the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer, issue and allot for cash consideration on preferential basis up to 5,00,000 (Five Lacs Only) warrants convertible into Equity Shares of the company within 18 months from the date of allotment of the warrants at a price of Rs.26.50 (Rs. Twenty Six and Fifty paise only) per warrant aggregating to Rs.1,32,50,000.00 (Rupees One Crore Thirty Two Lacs Fifty Thousand Only) to Kusum Dealcomm Pvt. Ltd., a promoter group company, each warrant convertible into 1(one) Equity share of Rs.10/- (Rupees Ten Only) face value fully paid up along with premium of Rs.16.50 (Rs. Sixteen and Fifty paise only) per share, determined as per the SEBI Guidelines on preferential issue.

"RESOLVED FURTHER THAT the Relavant Date determined in terms of SEBI guidelines on preferential issue for fixation of price is 30th September, 2007."

"RESOLVED FURTHER THAT the warrants shall be allotted against a payment of 10% of the total price fixed above, which amount shall be adjustable against the total price payable on the acquisition of shares by exercising the option in this behalf."

"RESOLVED FURTHER THAT the option of the conversion of the share warrants into equity shares must be exercised before the expiry of 18 months from the date of issue of the warrants subject to a limitation of maximum 5% of the total share capital as on that date when the option is exercised within any financial year."

"RESOLVED FURTHER THAT the amount of 10% paid in advance shall stand forfeited if the option to acquire the shares is not exercised."

"RESOLVED FURTHER THAT the Board is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of warrants as may be necessary in accordance with the terms of the offer and subject to the provisions of the company's Articles of Association."

"RESOLVED FURTHER THAT the equity shares allotted on conversion of warrants shall rank pari-passu in all respects with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the warrants or shares issued to the promoter in conversion thereof shall be locked in for a period of 3 (three) years from the date of allotment of the warrants as per guidelines up to a maximum of total 20% of the total capital of the company including capital brought in by way of preferential issue be locked in, the warrants/ shares issued to the promoter in excess of such limit shall be locked in for a period of 1 (one) year from the date of allotment of such warrants/shares."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters, things, accept modifications as may be required by any Regulatory Authority and execute all such deeds, documents, instruments and writing as it may in its absolute discretion deem necessary or desirable and pay fees and other expenses in relation thereto."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers or authorities herein conferred to any Committee of Directors as may be formed by them for the said allotment".

By order of the Board

29th September 2007
Gurgaon
Registered Office:
5-F Everest, 46/C
Chowringhee Road,
Kolkata-700 071

Anil Agarwal
(Chairman & Managing Director)

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself /herself and the proxy need not to be a member of the Company. Proxy form duly filled up and executed must be received at the Registered Office of the Company not less than 48 hours before the time fixed for meeting.
2. The Register of members and the share transfer book shall remain closed on 29th and 30th of October 2007.

WORLDWIDE LEATHER EXPORTS LIMITED

3. Member seeking any further information on the business to be transacted at the meeting should write to the company at least 15 days before the date of meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.
4. Any change of address may please be notified to the Registrar and Share Transfer Agent M/s Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi- 110 062.
5. Members are requested to bring their copies of Annual Report at the meeting as additional copies will not be circulated in the meeting.
6. Members attending the meeting are requested to bring their Attendance Slips duly filled and deliver the same at the entrance of the meeting.
7. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 with respect to Special Business 4 & 5 is forming part of the notice and is annexed hereto.
8. All the relevant documents mentioned in the in the aforesaid business are available at for inspection at the Registered Office of the Company during normal office hours.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4 & 5

i) Relevant Date & Pricing -

The AGM has been fixed for 30th October, 2007. Accordingly the Relevant Date as per

SEBI guidelines has been fixed as 30th September, 2007. The price for equity shares to be issued on conversion of warrants has been determined as per SEBI (DIP) Guidelines at Rs.26.33 (Rs. Twenty Six and Thirty Three paise only) per warrant/share on the relevant date, based on criteria laid down in the said Guidelines. The issue price of Rs.26.50 (Rs. Twenty Six and Fifty paise only) per share is therefore not less than the price determined as per the said guidelines. A certificate to the effect that the preferential issue is in accordance with the SEBI (DIP Guidelines) 2000 issued by the Auditors of the Company, will be available for inspection at the Registered Office of the Company and will also be placed before the shareholders at the Annual General Meeting.

ii) The objects of the issue through preferential offer

The Company proposes to augment long-term finance to meet the funding requirements for on-going capital expenditure arising out of growth in company's business and /or margin for working capital requirements. The Company also proposes to shift its manufacturing base to a new location in an effort to unlock the land for realty business at a later date subject to the provisions of the Act.

iii) Intention of promoter / identified investors to subscribe to the offer

The promoter group company and the identified investors have shown interest to the extent specified against each to subscribe to the offer.

S.NO.	NAME OF PROPOSED ALLOTTEE	NO. OF WARRANTS TO BE ALLOTTED
I.	IDENTIFIED INVESTORS	
1	KUSHAGRA TIEUP PVT. LTD.	500000
2	JAGDAMBA TRADECOMM PVT. LTD.	500000
3	SATURN EQUITY CHANNELS (P) LTD.	400000
II.	PROMOTER GROUP	
4	KUSUM DEALCOM PVT. LTD.	500000
	TOTAL	1900000

iv) Share Holding pattern before and after the offer

The shareholding pattern before and after the completion of the proposed preferential issue would be as under:-

S.NO.	CATEGORY	PRE-ISSUE		POST-ISSUE	
		No. of Shares	%age in total capital	No. of Shares	%age in total capital
1.	Promoters Group	1712678	57.66	2212678	45.43
2.	Non-Promoters:				
a)	Institutional Investors				
b)	Mutual Funds & Venture Capital funds				
c)	Banks and Financial Institutions				
d)	FIs	350	0.01	350	0.01
e)	Private Corporate Bodies	141475	4.76	1541475	31.65
f)	NRIs				
g)	Indian Public	1115797	37.57	1115797	22.91
h)	Any other				
	Sub Total	1257622	42.34	2857622	54.57
	Grand Total	2970300	100.00	4870300	100.00

WORLDWIDE LEATHER EXPORTS LIMITED

Note : Since the allotment is of warrants convertible into equity shares, the shareholding pattern has been prepared presuming all the warrants are converted into equity shares. Each warrant is convertible into one equity share. The warrant holders can exercise the option to convert their warrants into equity shares any time within a period of 18 months from the date of allotment.

v) Proposed time within which the allotment shall be completed

The allotment of warrants shall be completed within 15 (fifteen) days from the date of passing of the special resolution by the members, provided that where the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 (fifteen) days from the date of such approval.

vi) Identify the proposed allottees and the percentage of pre-issue and post-preferential issue capital that may be held by them

As stated earlier, the preferential allotment of warrants convertible into equity shares is proposed to be made to the entities forming part of the identified investors and promoter.

The percentage that may be held by the allottees in post-issue capital on conversion of warrants shall be as under:-

S.NO.	NAME OF PROPOSED ALLOTTEE	PRE-ISSUE		POST-ISSUE	
		No. of Shares	%age in total capital	No. of Shares	%age in total capital
I	IDENTIFIED INVESTORS				
1	KUSHAGRA TIEUP PVT. LTD.	NIL	NIL	500000	10.26
2	JAGDAMBA TRADECOMM PVT. LTD.	NIL	NIL	500000	10.26
3	SATURN EQUITY CHANNELS (P) LTD.	NIL	NIL	400000	8.21
II	PROMOTER GROUP				
4	KUSUM DEALCOM PVT. LTD. (conversion limited to 5% per financial year)	NIL	NIL	500000	10.26
	TOTAL	NIL		1900000	

vii) Lock-in-period:

The warrants/equity shares issued on conversion of warrants shall be subject to lock-in, as stated above, as per the SEBI (DIP) Guidelines for Preferential Issue to identified investors for the time being in force.

viii) Change in the control or composition of the Board:

There will be no change in the control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to the conversion of warrants into equity shares issued on preferential basis.

Section 81 of the Companies Act, 1956 and SEBI Guidelines on preferential issue inter-alia provide that further issue of shares to persons other than the equity shareholders would require approval of members by a Special Resolution. The consent of the members is therefore sought to authorize the Board of Directors to issue warrants convertible into equity shares as set out in the resolution at item no. 4 & 5 of the notice.

ix) Compliance with SEBI Regulations:

On or before conversion of warrants into equity shares, the promoters and the company would comply with SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 1997 and / or any other regulations/guidelines as may be applicable.

The Board recommends the resolution as set out at item no. 4 & 5 of the accompanying notice for approval of the members.

The Directors are interested in this resolution to the extent of their proposed enhanced shareholding.

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

29th September 2007
Gurgaon
Registered Office:
5-F Everest, 46/C
Chowringhee Road,
Kolkata-700 071

WORLDWIDE LEATHER EXPORTS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 17th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2007

Financial Result

	2006-07	Rs. In Lacs 2005-06
Sales and other income	1186.96	786.81
Profit before depreciation (34.03) And extraordinary item (8.74)	88.64	(1.41)
Depreciation	34.03	35.66
Profit/ (Loss) after extraordinary Items & Tax	42.65	(43.60)
Add: Surplus from previous year	3.51	24.77
Transfer from General Reserve	NIL	22.33
Proposed Dividend	NIL	NIL
Surplus Carried to Balance Sheet	6.15	3.50

Performance

Sales inclusive of export incentives have increased by 45% over the previous year. In quantitative terms sale of footwear has increased by 25% as compared to the previous year. The financial year 2006-07 shows a profit of approximately Rs.42.65 lacs after providing Rs.34.03 lacs towards depreciation and after writing back Rs.8.74 lacs towards foreign subsidiary loss written off in earlier years.

The main reason for the higher sales this year is the marketing efforts put in last year. The company has started taking active participation in the Riva Del Garda, Italy fair which has yielded good results.

We have not been able to sell off the the Company's wholly owned subsidiary, Zebra Leather Inc., USA till now. However, the Company has been virtually shut down and all receivables/payables have been cleared off. Thus, from now on there is no further loss to come from this account. The process of winding up and formal closure formalities has not yet been completed and efforts are being made to do the same this year.

The Company's new product portfolio of Men's Footwear continues to do well in the international market. Your Company has now also added Italy and France to its customer base. On the domestic front this year, the Company is in process of executing the first order received from the prestigious Hush Puppies. Also your Company has been approached by Reliance Retail and we shall be one of their proud suppliers for their up-market footwear needs.

Amalgamation

The process of amalgamation and all its legal formalities have been completed.

Dividend

The Directors express their inability to recommend any dividend in view of the cash requirements forthcoming for re-locating the Gurgaon manufacturing facility of the Company.

Subsidiary Company

As per Provision of Section 212 of the Companies Act, 1956 your company has applied for exemption from complying with the provision of sub section (8) of Section 212 of the Companies Act 1956. However, investor seeking any information relating to the accounts of the Subsidiary Company may write to the company at any point of time.

Fixed Deposit

The Company has neither invited nor accepted fixed deposit from the public within the meaning of Companies (Acceptance of Deposit) Rule 1975.

WORLDWIDE LEATHER EXPORTS LIMITED

Directors Responsibility Statement

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 your Directors confirm that: -

- In the preparation of Annual Accounts the applicable accounting standard have been followed along with proper explanation and no material departure have been made from the same;
- They have selected such accounting policy and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and profit or loss of the company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Annual accounts have been prepared on a going concern basis.

Directors

Pursuant to the provision of Section 256(3) of the Companies Act, 1956 and Article 84 of the Article of Association of the Company, Mr. Rajat Agarwal, Director, retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

The Board of Directors have proposed further induction of capital so as to facilitate the shifting of the manufacturing base to a new factory premises taking the preferential route. The details of the proposal are elaborated in the Notice of this AGM. This route will not only help induction of capital but will also increase the liquidity of your shares in the market.

Particular of employees

There were no employees in respect of whom particulars pursuant to section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employee amendment rule) 1998 are required to be given.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

As required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule 1988 the information is furnished below.

A Conservation of Energy

The Company has on going program to increase the awareness of Employee on conservation of Energy. Regular maintenance of captive generator sets, switching off machine and other Electrical Equipment when not in use are standard practices at the manufacturing facility and being regularly followed.

B Technology Absorption

Effort made for Technology absorption is as per Form – B attached as Annexure to this report.

C Foreign Exchange Earning and Outgo

The total foreign exchange earnings of the company during the year under review was Rs.930.99 lacs on account of Exports and the total foreign exchange outgo was Rs.57.96 lacs on account of import of machinery, commissions, traveling expenses and bank charges.

Auditors

M/s B. Chhawchharia & Co. Chartered Accountant, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate to the effect that their reappointment, if made, will be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

Auditor's Report

The qualification in the Auditors' report is adequately explained in relevant notes to the accounts.

Listing of Shares

The Shares of the Company are listed and traded in two stock exchanges i.e. Mumbai and Calcutta (Regional) Stock Exchange and addresses of the stock exchanges are mentioned elsewhere in this Annual Report. The Company has paid the Annual Listing fees to Mumbai and Calcutta Stock exchanges.

WORLDWIDE LEATHER EXPORTS LIMITED

ISO 9001:2000 CERTIFICATION

Your Company continues to enjoy the status of ISO 9001: 2000

Acknowledgement

Your Directors take this opportunity to express grateful thanks to the Central Government and State Government and Vijaya Bank for their support and guidance to the Company from time to time. The Directors wish to place on record their appreciation of the efficient and loyal services rendered by the workers, officers, and staff members of the Company. Your company's industrial relation continued to be excellent during the year.

For and behalf of the Board of Directors

Date : 29th September, 2007

Place : Gurgaon

(Anil Agarwal)

Chairman & Managing Director

Form B (See Rule-2)

Research and Development

1 Specific Areas where the Company carries out R&D

The Company is developing products of latest design and is making sample for its foreign buyer on regular basis.

2 Benefit derived as a result of the above R&D

The product of the company has been well accepted by the quality of conscious buyers

3 Future plan and action

The Company plans to send its technical staff to trade fairs overseas to seek exposure to latest trends and technology.

4 Expenditure on R&D

Capital	NIL
Recurring	Rs. 11.19 Lacs
Total	Rs. 11.19 Lacs

Total R & D Expenditure as a % to the Turnover 0.94%

Technology absorption, adoption and innovation.

1 Efforts made in brief, made towards technology absorption, adoption and innovation.

The Company participated in a fair in Italy and also technical persons visited fairs in Paris, USA and Australia.

2 Benefit derived as a result of the above efforts

Production of new types of construction of casual footwear was undertaken.

3 In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.

Technology Imported:	NIL
Year of Import	N.A.
Has the technology been fully absorbed?	Yes
If not fully absorbed areas where this has not taken place, reason therefore and future plan and action	N.A

For and behalf of the Board of Directors

Date : 29th September, 2007

Place : Gurgaon

(Anil Agarwal)

Chairman & Managing Director