

WORLDWIDE LEATHER EXPORTS LIMITED

Directors	Anil Agarwal Rakhee Agarwal B.P.Singh Lalit Chhawchharia	<i>Chairman & Managing Director</i> <i>Whole Time Director</i> <i>Director (Advisor Finance)</i> <i>Director (Advisor Corporate Affairs)</i>
Auditors	B.Chhawchharia & Co.	
Bankers	Vijaya Bank	
Registered Office	5-F, Everest, 46/C, Chowringhee Road, Kolkata 700 071	
Factory & Head Office	38 th Milestone, N.H. 8, Behrampur Road, Gurgaon 122 001 Haryana	
Secretarial Services	Punit Handa & Associates	
Registrars & Share Transfer Agents	Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3 rd Floor, 99 Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi 110 062	
Investor Service Department	38 th Milestone, N.H. 8, Behrampur Road, Gurgaon 122 001 (HR) Tel # - (0124) - 2215447-50	
E-mail	rakhee@wleltd.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

NOTICE

Notice is hereby given that 21st Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Wednesday, the 28th day of September, 2011 at 3.00 P.M. at 'Kala Kunj' (Basement Kalamandir), 48 Shakespeare Sarani, Kolkata 700 017 to transact the following businesses.

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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. Lalit Chhawchharia 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 Ordinary Resolution:

"RESOLVED THAT pursuant to sections 198, 269, 309 & 310, read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any amendment thereof, consent of the Company be and is hereby given to the re-appointment of Mr. Anil Agarwal as Chairman & Managing Director of the company for further period of 5 years effective from 1st October 2011, on terms and conditions including remuneration as set out in the Explanatory Statement attached to the Notice convening this Meeting, a copy whereof is placed before this Meeting."

(i) SALARY: Rs. 1,00,000 p.m.

(ii) ANNUAL PERFORMANCE INCENTIVE:

As may be decided by the Board subject to a ceiling of 100% of salary.

(iii) HOUSING:

a) The expenditure by the Company on hiring unfurnished accommodation will be subject to ceiling of 50% of the salary.

b) Free unfurnished accommodation in case the Company owns the accommodation.

c) In case the Company provides no accommodation, House Rent Allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per Income Tax Rules, 1962.

(iv) MEDICAL REIMBURSEMENT:

Medical Insurance for self and family. In addition, expenses actually incurred for self and family.

(v) LEAVE TRAVEL CONCESSION:

For self and family once in year for any destination in India or abroad.

(vi) CLUB FEES: Fees of club subject to a maximum of two clubs may be allowed. The Company will not pay admission and life membership fees.

(vii) PERSONAL ACCIDENT INSURANCE:

Premium not to exceed Rs. 1000/- per month.

(viii) PROVIDENT FUND:

Contribution to Provident Fund as per rules of the Company subject to a ceiling of 10% of salary.

(ix) SUPERANNUATION FUND:

Contribution to Provident Fund as per rules of the Company subject to condition that such contribution together with Provident fund shall not exceed 25% of salary as laid down under the Income Tax Rules, 1962.

(x) GRATUITY: Payable as per rules of the Company but not exceeding half months salary for each completed year of service.

(xi) CAR: Facility of car with driver.

(xii) TELEPHONE: Telephone at residence.

(xiii) LEAVE: One month leave for eleven months of service. Leave accumulated but not availed will not be encashed. Personal long distance calls on Telephone and use of car for private purpose shall be billed by the Company to the Chairman & Managing Director.

(xiv) MINIMUM REMUNERATION: The remuneration aforesaid shall be paid as minimum remuneration in absence or inadequacy of profit for such year.

31st August, 2011

Gurgaon

Registered Office:

5-F Everest,

46/C, Chowringhee Road,

Kolkata-700 071

By order of the Board

Anil Agarwal

(Chairman & Managing Director)

WORLDWIDE LEATHER EXPORTS LIMITED

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 27th and 28th of September, 2011.
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. 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.
8. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to special business 4 is forming part of the notice and annexed hereto.

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

Item No. 4

At its meeting held on 31st August, 2011 the Board of Directors resolved to re-appoint Shri Anil Agarwal as Chairman & Managing Director with effect from 1st October, 2011 on remuneration which is within the limits specified by Schedule XIII of the Companies Act, 1956, as detailed herein after:

Shri Anil Agarwal, Chairman & Managing Director, and Ms. Rakhee Agarwal, by virtue of being related to Shri Anil Agarwal are concerned or interested in the business set out at item No.4.

31st August, 2011
Gurgaon
Registered Office:
5-F Everest,
46/C, Chowringhee Road,
Kolkata-700 071

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

WORLDWIDE LEATHER EXPORTS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 21st Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

Financial Result

	2010-11	Rs. In Lacs 2009-10
Sales and other operating income	954.26	983.26
Profit before depreciation (29.41)	41.55	39.74
Depreciation	29.41	29.64
Profit/ (Loss) after extraordinary items & Tax	20.73	7.40
Add: Surplus from previous year	9.50	2.09
Transfer to General Reserve	5.00	NIL
Proposed Dividend	NIL	NIL
Surplus Carried to Balance Sheet	25.23	9.49

Performance

Sales inclusive of export incentives has marginally decreased over the previous year. However, the financial year 2010-11 shows a better profitability at Rs.20.73 lacs after providing for Rs. 29.41 lacs towards depreciation.

The Company's performance could not improve due to the rolling effect of the bad economies in the European countries which hit the Company's business during this financial year. Efforts to secure orders continues by taking active participation in the most popular Riva Del Garda, Italy fair. Though the Company's portfolio of Footwear from the R&D aspect is being appreciated in the international market, orders had shrunk due to acute competition in the international market. However, the company has good orders in hand and the turnover in the current year is better.

Scheme of Arrangement

In pursuance of the Scheme of Arrangement of the company, as sanctioned by the Hon'ble High Court at Kolkata vide its Order dated 15th June, 2011, certified true copy whereof was filed with the Registrar of Companies, West Bengal on the 12th August, 2011, all assets, liabilities and related reserves of Real Estate Division of Company have been transferred to M/s Blackberry Property Advisory Pvt Ltd. w.e.f. 1st April, 2010.

Dividend

The Directors express their inability to recommend any dividend.

Fixed Deposit

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

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. Lalit Chhawchharia, Director, retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

WORLDWIDE LEATHER EXPORTS LIMITED

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.767.69 lacs on account of exports and the total foreign exchange outgo was Rs.17.36 lacs on account of commissions, traveling expenses and foreign bank charges.

Auditors

M/s B. Chhawehharia & 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.

ISO 9001:2000 CERTIFICATION

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

E-Mail ID's of Shareholders

Pursuant to the "Green Initiative in Corporate Governance", the Ministry of Corporate Affairs, Government of India, through its Circular Nos. 17/2011 & 18/2011 dated 21 April 2011 & 29 April 2011 respectively, has allowed companies to send official documents to their shareholders electronically. Please update your e-mail address (i) to the Depository Participant, where the shares are held in electronic form and (ii) to the Company / Share Transfer Agent, where shares are held in the physical form.

The shareholders are requested to make a note that from next year the Company shall follow the Green Initiative and send the Annual Report and the AGM notice and other communications only by electronic media.

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

(Anil Agarwal)

Chairman & Managing Director

Date: 31st August, 2011

Place: Gurgaon

WORLDWIDE LEATHER EXPORTS LIMITED

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 designs and is making samples for its foreign buyers 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. 14.33 Lacs
Total Rs. 14.33 Lacs
Total R & D Expenditure as a % to the Turnover is 1.50%

Technology absorption, adoption and innovation.

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

The Company participated in fairs in Italy and also the Company is working closely with designers and technicians from Portugal and Italy.
- 2 Benefit derived as a result of the above efforts

As a result of the above interaction, penetration into new markets has been possible.
- 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? N.A.
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: 31st August, 2011
Place: Gurgaon

(Anil Agarwal)
Chairman & Managing Director

WORLDWIDE LEATHER EXPORTS LIMITED

BALANCE SHEET AS AT 31 MARCH, 2011

	Schedule	31-Mar-11 Rupees	31-Mar-10 Rupees
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	1	29,703,000	29,703,000
Reserves & Surplus	2	41,937,934	47,031,210
		71,640,934	76,734,210
LOAN FUNDS :			
Secured Loans	3	15,231,971	3,391,694
DEFERRED TAX LIABILITY			
	4	1,097,000	3,072,000
		<u>87,969,905</u>	<u>83,197,904</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block		40,056,206	63,490,717
b) Less : Depreciation		21,076,917	29,070,883
c) Net Block	5	18,979,289	34,419,834
INVESTMENTS			
	6	3,202,265	2,852,265
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	14,210,271	6,673,798
Sundry Debtors	8	18,040,217	15,340,466
Cash & Bank Balances	9	17,470,569	20,523,988
Other Current Assets	10	6,342,900	
Loans & Advances	11	26,843,439	20,958,416
		<u>82,907,396</u>	<u>63,496,668</u>
LESS : Current Liabilities & Provisions			
Current Liabilities	12	10,589,045	10,621,363
Provisions		6,530,000	6,949,500
		<u>17,119,045</u>	<u>17,570,863</u>
NET CURRENT ASSETS			
		65,788,351	45,925,805
		<u>87,969,905</u>	<u>83,197,904</u>

NOTES ON ACCOUNTS

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS

The Schedules referred to above form an integral part of the accounts.
In terms of our report of even date attached herewith

For **B.CHHAWCHHARIA & CO.**
Chartered Accountants

On behalf of the Board

ANIL AGARWAL
Chairman & Managing Director

(**VINIT BAGARIA**)
Partner

Firm Registration No.: 305123E
Membership No.: 500872

RAKHEE AGARWAL
Whole Time Director

Place: New Delhi
Date: 31st August, 2011

WORLDWIDE LEATHER EXPORTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2011

	Schedule	2010-2011 Rupees	2009-2010 Rupees
INCOME			
Sales	13	80,480,260	89,894,811
Export Incentive		11,984,224	9,088,698
Difference in Exchange		2,962,560	(1,184,283)
Other Income	14	1,865,921	2,240,368
Increase/(Decrease) in Stock	15	4,556,215	(1,713,357)
		<u>101,849,180</u>	<u>98,326,237</u>
EXPENDITURE			
Purchase of finished goods		7,431,178	1,159,913
Cost of Materials	16	50,570,389	53,248,329
Expenses on Employees	17	12,797,810	11,612,859
Fabrication, Processing & other Charges		10,252,128	10,695,862
Power & Fuel		1,832,601	1,656,696
Cost of borrowings	18	350,870	(48,937)
Selling and Distribution Expenses	19	3,369,115	6,243,630
Depreciation		2,941,009	2,963,759
Other Expenses	20	11,090,391	9,783,748
		<u>100,635,491</u>	<u>97,315,859</u>
PROFIT BEFORE TAXATION		1,213,689	1,010,378
Direct Taxes	21	(859,777)	270,000
Profit after Tax		2,073,466	740,378
Profit brought forward		949,535	209,157
Transfer to General Reserve		500,000	
Profit available for appropriation		<u>2,523,001</u>	<u>949,535</u>
Earning per Share - Face Value Rs.10 each (Basic & Diluted)		Rs.0.70	Rs.0.25

NOTES ON ACCOUNTS

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

The Schedules referred to above form an integral part of the Profit and Loss Account
In terms of our report of even date attached herewith

For **B.CHHAUCHHARIA & CO.**

Chartered Accountants

On behalf of the Board

(VINIT BAGARIA)

Partner

Firm Registration No.: 305123E

Membership No.: 500872

Place: New Delhi

Date: 31st August, 2011

ANIL AGARWAL

Chairman & Managing Director

RAKHEE AGARWAL

Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

Cash Flow Statement for the year ended 31st March, 2011

	2010-2011 Rupees	2009-2010 Rupees
A Cash flow from operating activities		
Net profit before taxation	1,213,689	1,010,378
Adjusted for		
Depreciation	2,941,009	2,963,759
Provision for Gratuity	197,500	(48,654)
Interest income	(682,610)	(397,041)
Profit on sale of Investment	(781,304)	(5,015)
Dividend income	(56,416)	(123,368)
Interest expense (Net)	350,870	(48,937)
Loss on sale of Fixed Assets	1,674,933	274,442
Revaluation reserves on Demerger	(7,166,742)	
Operating profit before working capital change	(2,309,071)	3,625,564
Adjusted for		
Trade and Other receivables	(16,122,094)	2,580,354
Inventories	(7,536,473)	2,671,014
Trade payables and advance from customers	(32,318)	(1,679,885)
Cash generated from operations	(25,999,956)	7,197,047
Direct Taxes (paid)/ refunded (net)	(537,803)	(1,941,106)
Net cash from operating activities	(26,537,759)	5,255,941
B Cash flows from investing activities		
Purchase of fixed assets	(4,139,927)	(3,045,090)
Proceeds from disposal of fixed assets	14,964,530	318,000
Purchase / Sale of Long Term Investments - Net	431,304	(1,959,050)
Dividend income	56,416	123,368
Interest received (Net)	682,610	397,041
Net cash used in investing activities	11,994,933	(4,165,731)
C Cash flows from financing activities		
Repayment of long term borrowings	(9,216)	(156,943)
Increase/(Decrease) in Export Credit Facilities (Net)	11,849,493	(6,022,859)
Interest paid	(350,870)	48,937
Net cash from financing activities	11,489,407	(6,130,865)
Net increase/(decrease) in cash or cash equivalents	(3,053,419)	(5,040,655)
Cash and cash equivalents at beginning of year	20,523,988	25,564,643
Cash and cash equivalents at end of year	17,470,569	20,523,988

NOTE

Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

For B.CHHAWCHHARIA & CO.
Chartered Accountants

(VINIT BAGARIA)

Partner

Firm Registration No.: 305123E

Membership No.: 500872

Place : New Delhi

Date: 31st August, 2011

On behalf of the Board

ANIL AGARWAL

Chairman & Managing Director

RAKHEE AGARWAL

Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

	31-Mar-11 Rupees	31-Mar-10 Rupees
1. SHARE CAPITAL		
Authorised:		
8000000 Equity shares of Rs10 each.	<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed & Paid up		
29,70,300 Equity shares of Rs.10 each fully paid up	<u>29,703,000</u>	<u>29,703,000</u>
	<u>29,703,000</u>	<u>29,703,000</u>
Out of the above 757800 Equity shares were allotted pursuant to the scheme of amalgamation, without payment being received in cash		
2. RESERVES AND SURPLUS		
Capital Reserve -on Revaluation of Land	-	7,166,742
-on Re-issue of Forfeited Shares	500	500
	500	7,167,242
Capital Grants and Subsidies	383,433	383,433
Securities Premium Account.	9,031,000	9,031,000
General Reserve :		
As per last account	29,500,000	29,500,000
Add: Transfer from Profit & Loss Account	500,000	
	30,000,000	29,500,000
Profit & Loss Account	2,523,001	949,535
	<u>41,937,934</u>	<u>47,031,210</u>
3. SECURED LOANS		
I Vijaya Bank:		
i) Packing Credit	12,245,037	1,100,000
Secured by charge on Land, Buildings and Plant & Machinery and hypothecation of Raw materials, Semi-finished goods, Finished goods at company's factory at Gurgaon and respective Bills, pledge of Fixed Deposit Receipts and personal guarantee of Managing Director of the Company.		
ii) Overdraft	2,986,934	2,282,478
Secured by pledge of certain fixed deposit receipts		
II ICICI Bank Ltd.		9,216
Secured by hypothecation of vehicles		
	<u>15,231,971</u>	<u>3,391,694</u>
4. DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities On :		
Fiscal allowances on fixed assets	1,581,000	3,461,000
Deferred Tax Assets On :		
Employees' remuneration and retirement benefits	362,000	298,000
Fiscal allowance of Provisions	122,000	91,000
	484,000	389,000
	<u>1,097,000</u>	<u>3,072,000</u>