

12th Annual Report

2001 - 2002

WORLDWIDE LEATHER EXPORTS LIMITED



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WORLDWIDE LEATHER EXPORTS LIMITED

Directors

Anil Agarwal (*Chairman & Managing Director*)
B.P.Singh (*Wholetime Director*)
R.L.Bhatnagar
Rajat Agarwal

Auditors

B.Chhawchharia & Co.

Bankers

Vijaya Bank

Registered Office

5F, Everest,
46C Chowringhee Road,
Kolkata – 700 071

Factory & Head Office

38th.Milestone, N.H. 8,
Behrampur Road,
Gurgaon – 122 001
Haryana

Investor Service Department

38th.Milestone, N.H. 8,
Behrampur Road,
Gurgaon – 122 001
Haryana

e-mail

Worldwide@vsnl.com

Website

Wleltd.com

CONTENTS

Notice	1
Director's Report	2-4
Balance Sheet	5
Profit and Loss Account	6
Schedules	7-18
Cash Flow Statement	19
Auditors' Report	20-21
Consolidated Financial Statements	22-35
Annexure to Directors' Report	
-Reports and Accounts of Subsidiary Company	36-40
Proxy Form	Inside Back Cover

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Notice is hereby given that the 12th Annual General Meeting of the Company will be held on Monday, the 30th September, 2002 at Hotel Shalimar, 3 S.N.Bannerjee Road, Kolkata 700013 at 1.00 P.M. to consider and transact the following businesses:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2002 and the Profit and Loss A/c for the year ended on that date and report of Auditors and Directors thereon.
- 2 To appoint a Director in place of Shri R. L. Bhatnagar who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
- 3 To appoint Auditors and fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:
"Resolved that Messrs. B. Chhawchharia & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting at a remuneration of Rs.60,000 payable in one or more installments plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred."

By order of the Board

Place : Gurgaon
Date : 25th.July, 2002

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 be a member.
2. Proxy forms duly filled up and executed must be received/lodged at the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed on 30th.September, 2002.
4. Members are requested to bring with them their copy of the notices and attendance slips at the Annual General Meeting.

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DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors present the Twelfth Annual Report together with Audited Statement of Accounts for the year ended 31st. March 2002.

FINANCIAL RESULTS

	2001-2002	Rs. In lacs 2000-2001
Sales and Other Income	847.63	671.20
Profit before Depreciation	73.79	25.84
Depreciation	20.28	20.70
Profit after Tax	34.31	4.45
Add: Surplus from previous year	10.79	31.34
Profit available for Appropriation	45.10	35.79
The Proposed appropriations are:		
Transfer to General Reserve	30.00	25.00
Proposed Dividend	NIL	NIL
Balance carried to Balance Sheet	15.10	10.79

PERFORMANCE

The performance of your Company during the year under review saw a remarkable turnaround compared to the previous year. The production of footwear increased by 14% and sales inclusive of export incentives increased by 24% over the previous year. In quantitative terms, the export of footwear was 17% higher than the previous year. The sales realisation per pair increased by 12%.

The Company continues to view the future with optimism. Introduction of new styles and products is being done continuously.

DIVIDEND

In view of the additional investments made in Plant and Machinery and the Capital of the Subsidiary the Board of Directors have decided to plough back the profits in the business and hence no dividend is recommended for the financial year 2001-2002.

SUBSIDIARY COMPANY

As required under section 212 of the Companies Act, 1956, the Statement of Accounts along with the Directors' and Accountant's reports of Zebra Leather Inc., USA is annexed with the Statement of Accounts of the Company.

The event of terrorist strike last September in USA and the consequent slow down of the US economy has had very adverse effect on the operations of the Subsidiary. With a view to strengthening the capital base, investment in the subsidiary company was increased by Rs.67.16 lacs during the year under review.

FIXED DEPOSITS

The Company has not accepted any deposit from the public. Consequently there are no outstanding deposits, in terms of the Companies (Acceptance of Deposits) Rules, 1975.

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DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of section 2(2)(b) of the Companies Act, 1956 your Directors confirm as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) that they have selected such accounting policies and applied them consistently, and made judgements 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 financial year and of the profit or loss of the Company for that period;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the annual accounts on a going concern basis.

DIRECTORS

Shri R.L Bhatnagar, Director who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment. Your Board recommends his re-appointment as a Director of the Company.

PERSONNEL

There are no employees in respect of whom particulars pursuant to Section 217(2A) of the Companies Act, 1956 are required to be given.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY

The company has an ongoing programme to increase employee awareness on conservation of energy. Regular maintenance of captive generation sets, switching off machines when not in use and use of smaller generating sets when warranted by power load requirements are standard practice at the manufacturing facility.

Our efforts in this direction has resulted in a reduction of energy cost per pair of production by nearly 12% over the previous year.

As your company is not covered in the list of industries mentioned in schedule to "Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988" the statement in Form 'A' is not being given.

TECHNOLOGY ABSORPTION

The shoe plant was installed under the supervision of international Shoe Machine Co. (G.B.) Limited (ISMC), the collaborators. ISMC has also provided training to Company's technicians which has helped the company in absorbing technology from the technical collaborator. The products from the shoe plant have achieved the requisite standard of quality and the same has been well accepted by the foreign buyers.

RESEARCH AND DEVELOPMENT

Specific areas in which R & D are carried out : The company is developing products of latest design and is making samples for its foreign buyers on a regular basis.

Benefits derived as a result of above: The products of the company have been well accepted by the quality conscious foreign buyer.

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FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earnings of the Company during the year under review was Rs.6,13.5 lacs on account of Exports. The total foreign exchange outgo during the year under review was Rs.34.4 lacs on account of import of raw materials, travelling, commissions, bank charges, claims/write offs, trade fair expenses and investments made in the share capital of Company's wholly owned subsidiary in USA.

AUDITORS' REPORT

The qualifications in the Auditors' report have been adequately explained in the relevant notes to the accounts.

AUDITORS

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

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express grateful thanks to the Central and State Governments 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 relations continued to be excellent during the year.

For and on behalf of the Board

Place : Gurgaon
Date : 25th.July, 2002

(ANIL AGARWAL)
Chairman & Managing Director



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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2002

	Schedule	2001-02 Rupees	2000-01 Rupees
INCOME			
Sales	13	75,224,888	56,888,257
Export Incentive		7,654,045	7,124,611
Other Income	14	1,883,582	3,107,581
Increase in Stock	15	3,543,255	1,696,426
		<u>88,305,770</u>	<u>68,816,875</u>
EXPENDITURE			
Purchase of finished goods		3,829,431	854,081
Cost of Materials	16	47,376,974	37,336,966
Expenses on Employees	17	6,543,949	6,439,094
Fabrication, Processing & other Charges		5,422,909	5,138,363
Power & Fuel		1,240,034	1,247,141
Cost of borrowings	18	3,820,497	3,211,333
Depreciation		2,027,540	2,070,379
Other Expenses	19	12,693,224	12,006,130
		<u>82,954,558</u>	<u>68,303,487</u>
PROFIT FOR THE YEAR BEFORE TAXATION		<u>5,351,212</u>	<u>513,388</u>
Provision for Taxation	20	1,920,843	67,710
Profit after Tax		<u>3,430,369</u>	<u>445,678</u>
Profit brought forward		<u>1,079,487</u>	<u>3,133,809</u>
Profit available for appropriation		<u>4,509,856</u>	<u>3,579,487</u>
APPROPRIATIONS			
Transfer to General Reserve		3,000,000	2,500,000
Surplus carried to Balance Sheet		<u>1,509,856</u>	<u>1,079,487</u>
		<u>4,509,856</u>	<u>3,579,487</u>
Earning per Share - Face Value			
Rs.10 each (Basic & Diluted)	21 (15)	Rs.1.55	Rs.0.20
NOTES ON ACCOUNTS	21		
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	22		

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

for B.CHHAWCHHARIA & CO.
Chartered Accountants

(ATUL BANSHAL)
Partner

Place : GURGAON
Dated : 25th July, 2002

On behalf of the Board

ANIL AGARWAL
Chairman & Managing Director

B.P.SINGH
Wholetime Director

WORLDWIDE LEATHER EXPORTS LIMITED

6

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WORLDWIDE LEATHER EXPORTS LIMITED

31-Mar-12
Rupees

31-Mar-11
Rupees

1. SHARE CAPITAL

Authorised:

8000000 Equity shares of Rs10 each.

80,000,000

80,000,000

Issued, Subscribed & Paid up

*22,12,500 Equity shares of Rs.10 each fully paid up

22,125,000

22,125,000

Less : Allotment Money in Arrear - Others

312,500

312,500

21,812,500

21,812,500

NOTE:* Represents shares allotted in the ratio of one Equity Share of Rs.10/- each for every two Equity Shares of Rs.10/- each held, pursuant to the Scheme of Arrangement for demerger of Garment Division to M/s Elite Leasings Ltd. as sanctioned by the Hon'ble High Court at Kolkata.

2. RESERVES AND SURPLUS

Capital Reserve-on revaluation of Land

As per last accounts

15,442,268

15,442,268

Less: Amount relating to Land transferred on demerger in earlier year

(8,275,526)

—

7,166,742

15,442,268

General Reserve :

As per last accounts

15,000,000

12,500,000

Add: Transfer from Capital Reserve

8,275,526

—

Add: Deferred tax adjustment on initial adoption

457,998

—

Add: Transfer from Profit & Loss account

3,000,000

2,500,000

26,733,524

15,000,000

Share Premium Account

8,875,000

8,875,000

Profit & Loss Account

1,509,856

1,079,487

44,285,122

40,396,755

3. SECURED LOANS

Vijaya Bank

i) Packing Credit

15,900,000

17,247,233

Secured by hypothecation of Raw materials, Semi-finished goods and Finished goods, charge on Land, Buildings and Plant & Machinery at company's factory at Gurgaon, pledge of Fixed Deposit Receipts and personal guarantee of Managing Director of the Company.

ii) Foreign Usage Documentary Bills

20,293,009

11,566,123

Secured against bills, charge on Land, Building and Plant & Machinery at company's factory at Gurgaon, pledge of Fixed Deposit Receipts and personal guarantee of Managing Director of the Company.

Citicorp Maruti Finance Limited

—

154,516

Secured by hypothecation of vehicles

36,193,009

28,967,872

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4. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01-Apr-01 Rupees	Additions Rupees	Deductions Rupees	Cost as at 31-Mar-02 Rupees	As at 01-Apr-01 Rupees	For the year Rupees	Adjust- ment Rupees	As at 31-Mar-02 Rupees	As at 31-Mar-02 Rupees	As at 31-Mar-01 Rupees
Land	8,700,656	-	-	8,700,656	-	-	-	-	8,700,656	8,700,656
Building	9,558,763	-	-	9,558,763	1,620,955	251,324	-	1,872,279	7,686,484	7,937,808
Plant & Machinery	19,195,821	4,432,000	44,604	23,583,217	5,995,488	920,379	3,222	6,912,645	16,670,572	13,200,333
Lasts	2,282,535	438,836	-	2,721,371	2,282,535	438,836	-	2,721,371	-	-
Moulds	181,500	25,000	-	206,500	25,257	22,155	-	47,412	159,088	156,243
Electric Installation	1,931,838	-	-	1,931,838	543,806	86,822	-	630,628	1,301,210	1,388,032
Air Conditioner	112,716	77,275	-	189,991	50,871	6,453	-	57,324	132,667	61,845
Furniture & Fixtures	539,478	8,790	-	548,268	384,266	20,944	-	405,210	143,058	155,212
Office Equipment	276,691	113,736	-	390,427	75,763	14,770	-	90,533	299,894	200,928
Vehicles	1,646,607	75,000	-	1,721,607	486,529	159,868	-	646,397	1,075,210	1,160,078
Computer	703,476	-	-	703,476	316,318	101,267	-	417,585	285,891	387,158
Generator	99,400	-	-	99,400	10,695	4,722	-	15,417	83,983	88,705
TOTAL	45,229,481	5,170,637	44,604	50,355,514	11,792,483	2,027,540	3,222	13,816,801	36,538,713	
Previous Year	44,422,582	1,201,783	394,884	45,229,481	10,104,047	2,070,379	381,943	11,792,483		33,436,998

	Paid up Value Rupees	Number of Equity shares	31-Mar-02 Rupees	Number of Equity shares	31-Mar-01 Rupees
5. INVESTMENTS - LONG TERM					
I Fully Paid					
A Quoted					
Punjab Woolcombers Ltd.	10	50	4,500	50	4,500
Western Foods Ltd	10	200	2,000	200	2,000
Western India Securities Ltd	10	200	8,000	200	8,000
Akai Impex Ltd	10	200	12,000	200	12,000
Bureau of Information Technology Services (India) Ltd.	10	100	1,000	100	1,000
Turbo Industries Ltd.	10	500	5,000	500	5,000
Ram Ratna Wires Ltd.	10	100	1,000	100	1,000
Goldiam International Ltd.	10	200	10,000	200	10,000
Bharat Earth Movers Ltd.	10	100	17,300	100	17,300
Hindustan Agrigenetics Ltd.	10	100	1,000	100	1,000
Indo-Dutch Proteins Ltd.	10	100	1,000	100	1,000
VLS Finance Ltd.	10	300	120,000	300	120,000
Patel On-Board Couriers Ltd.	10	200	7,000	200	7,000
Micro Energy (India) Ltd.	10	100	1,000	100	1,000
Suryavanshi Spinning Mills Ltd.	10	100	7,000	100	7,000
Pertech Computers Ltd.	10	100	6,000	100	6,000
Bafna Spinning Mills & Exports Ltd.	10	100	1,000	100	1,000
Parenteral Drugs (India) Ltd.	10	100	9,000	100	9,000
Mideast Integrated Steels Ltd.	10	300	6,000	300	6,000