

WORLDWIDE LEATHER EXPORTS LIMITED



Made in India Sold Worldwide

WORLDWIDE LEATHER EXPORTS LIMITED

Directors	Anil Agarwal B.P. Singh R.L. Bhatnagar Rajat Agarwal	<i>Chairman & Managing Director</i> <i>Wholetime Director</i>
Company Secretary	S.K. Acharya	
Auditors	B.Chhawchharia & Co.	
Bankers	Vijaya Bank	
Registered Office	5F, Everest, 46C Chowringhee Road, Kolkata – 700 071	
Factory & Head Office	38 th .Milestone, N.H. 8, Behrampur Road, Gurgaon – 122 001 Haryana	
Investor Service Department	38 th .Milestone, N.H. 8, Behrampur Road, Gurgaon – 122 001 Haryana	
e-mail	Worldwide@vsnl.com	
Website	Wleltd.com	
Listing at Stock Exchanges	The Calcutta Stock Exchange Association Ltd. 7 Lyons Range, Kolkata 7001001 The Stock Exchange Mumbai Phiroze Jeejeebhoy Towers, Mumbai 400 001 The Delhi Stock Association Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi 110 002 Madras Stock Exchange Ltd. Post Box No. 183, 11, Second Line Branch, Chennai 600 001.	

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WORLDWIDE LEATHER EXPORTS LIMITED

NOTICE

Notice is hereby given that 13th Annual General Meeting of members of M/s Worldwide Leather Export Limited will be held on Tuesday, 30th September, 2003 at 1.00 P.M. at Hotel Shalimar, 3, S.N.Banerjee Road, Kolkata-700013 to transact the following businesses.

Ordinary Business

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the profit and loss account for the year ended on that date and the report of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. Rajat Agarwal who retires by rotation at this Annual General Meeting and being eligible offer 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 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 reimbursements of out of pocket expenses incurred.

Special Business

4. To Delist of Equity Shares from the Delhi and Madras Stock Exchange
 To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.
 "RESOLVED THAT subject to provision of Companies Act 1956, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter, Securities Contract regulation Act 1956 and the rules framed there under, Listing agreements, SEBI Guidelines and all other applicable laws, rules and regulation and guidelines, and subject to such approval, permission, and sanction as may be necessary, the Board of Directors of the Company be and are hereby authorised to seek voluntary delisting of its Equity Shares listed at Delhi and Madras Stock Exchange Association."
 "RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to apply to such Stock Exchange / SEBI and to comply with all legal and procedural formalities laid down by the Stock Exchange/ SEBI and further to authorise any of its committee or Directors or any officer of the Company to do all such acts deeds or thing or to give effects to the aforesaid resolution."
5. Renewal of Appointment of Mr. Brijniti Prasad Singh as Whole Time Director
 To Consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.
 "RESOLVED THAT pursuant to section 198, 269, 309 & 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any amendment thereof and subject to the approval of the shareholders of the company in General Meeting Mr. Brijniti Prasad Singh be and is hereby re-appointed as a Whole time Director for a period of 3years with effect from 1st October 2003 on the terms and conditions including remuneration as set out in the explanatory statement attached to the notice convening this meeting, a copy whereof placed before this meeting.

22nd August, 2003
Gurgoan

Registered Office:
5F Everest, 46/C
Chowringhee Road,
Kolkata-700 071

By order of the Board

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.
2. 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.
3. The Register of member and the share transfer book shall remain closed on 30th September, 2003.
4. Member desiring 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
5. Any change of address may please be notified to the Company at the Investor Service Department at 38th Milestone, NH-8, Beharmpur Road, Gurgoan 122001 (Haryana).
6. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to Special Business 4 and 5 are forming part of the notice and annexed hereto.
7. As measure of economy, Copies of annual report will not be distributed at the Annual General Meeting and members are requested to bring the copy of annual report with them.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4**

The Shares of the Company are presently listed in four stock exchanges i.e. Delhi, Calcutta (Regional), Mumbai and Madras Stock Exchanges.

There has been negligible or no trading of the company's equity shares in Delhi Stock Exchange and Madras Stock Exchange. As the Company's Equity Shares have been mandated by SEBI for compulsory trading in demat form by all investors and BSE has trading terminal in various cities affording to the investor convenient access to trade and deal in the company's Equity Shares across the country it is proposed to delist equity shares from Delhi Stock Exchange and Madras Stock Exchange. The Company is regularly paying its Annual Listing fees to all the Stock Exchange.

As a part of cost reduction measure, the company proposes to delist equity shares from Delhi Stock Exchange and Madras Stock Exchange and seek your approval by way of passing the special resolution. The proposed delist of Company Equity Shares from DSE and MSE will not prejudicial to or affect the interest of the investors. The exact date of delisting will be notified at appropriate time.

Your directors recommend this special resolution for approval of member.

None of the directors' extent to their shareholding may be treated as concerned or deemed to be interested in this resolution.

Item No. 5

Mr. Brijniti Prasad Singh was appointed a Whole time directors by the shareholders w.e.f. 1st October 2000 for a period of 3 years. Mr. Singh's tenure of appointment comes to end on 30th September 2003.

Mr. Brijniti Prasad Singh is qualified Chartered Accountant and having more than 26years rich experience in the field of Accounts, Finance, and Administration etc. Keeping in view his contribution and growth of the business operation, the Board of Directors at their meeting held on 22nd August 2003 have reappointed him as a Whole Time Director w.e.f. 1st October, 2003 for a period of 3 years on the following terms and conditions.

- (I) Consolidated Salary Rs.25,000 per month
- (II) Performance Bonus - Not exceeding 50% of the consolidated salary, payable annually for each financial year as may be determined by the Board of Directors.
- (III) Perquisites - In addition to the aforesaid Consolidated Salary and Performance bonus Mr. Brijniti Prasad Singh shall be entitled to perquisite like medical reimbursement of expenses and insurance and leave travel concession for self and family, club fees, personal accident insurance etc. in accordance with the rule of the Company, the monetary value of the perquisites being limited to Rs.50,000/- per annum for the purposes of which limit of perquisites shall be evaluated as per Income tax Rules, wherever applicable and in the absence of any such Rule, perquisites shall be evaluated at actual cost. However, the cost / value of the following perquisites shall not be included in the computation of the aforesaid limit.
 - (a) Rent free accommodation owned /leased/rented by the Company or housing allowance in lieu thereof subject to ceiling of 60% of the consolidated salary.
 - (b) Contribution to Provident fund and superannuation fund up to 27% of the Consolidated salary and Contribution to Gratuity Scheme as per the rules of the Company or to such other limit as may be prescribed under the Income Tax Act, 1961 and the rules made there under for this purpose.
 - (c) Use of Company Car for official purposes and telephone at residence (including payment of local calls and long distance official calls.)
- (IV) Leave : One month of leave for eleven months of service. Leave accumulated but not availed will not be allowed to be encashed.
- (V) Termination of Contract-The Company and Mr. Brijniti Prasad Singh are entitled to terminate the contract by giving not less than sixty days notice to either party.
- (VI) Minimum Remuneration - The remuneration aforesaid shall be paid as minimum remuneration in absence or inadequacy of profit for such year.

The Notice together with the explanatory statement may be taken as abstract of the terms of contract with the Whole time Director under Section 302 of the Companies Act, 1956.

Except Mr. Brijniti Prasad Singh no other director of the company are concerned or interested in the said resolution/ remuneration.

22nd August, 2003
Gurgoan

Registered Office:
5F Everest, 46/C
Chowringhee Road,
Kolkata-700 071

By order of the Board

Anil Agarwal
Chairman & Managing Director

DIRECTORS' REPORT**TO THE MEMBERS**

Your directors present the 13th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2003

Financial Result

	2002-03	Rs. In Lacs 2001-2002
Sales and other income	1049.47	847.63
Profit before depreciation and extraordinary item	67.30	73.69
Depreciation	21.05	20.28
(Loss) / Profit after extraordinary Items & Tax	(59.96)	34.31
Add: Surplus from previous year	15.10	10.79
Add: Transfer from General Reserve	50.00	—
Profit available for Appropriation	5.13	45.10
Transfer to General Reserve	—	30.00
Proposed Dividend	NIL	NIL
Balance Carried to Balance Sheet	5.13	15.10

Performance

Sales inclusive of export incentives increased by 22% over the previous year. In quantitative terms the export of footwear was 5% higher than the previous year. However the profit before extra-ordinary items was lower at Rs. 45.25 lacs as compared to Rs.53.51 lacs for the previous year mainly on account of higher commission paid on export sales.

The company had to take an extra-ordinary charge of Rs. 109.97 lacs on account of certain loans becoming doubtful of recovery and permanent diminution of in the value of investment in the subsidiary company Zebra Leather Inc USA.

The company is taking legal steps to recover these loans but in view of non-confirmation of balance and no response to the company's request for refund of the amount due, your directors have thought it prudent to provide these loans as doubtful of recovery.

Your Company's wholly owned subsidiary Zebra Leather Inc., USA has been going through a very difficult time. For the second successive year it has reported a loss. The US economy has shown little sign of improvement. The scale of operation has been curtailed to minimise further losses. Your directors are of the opinion that on the present scale of operation it is unlikely that the losses already suffered will be recovered and consequently have thought it prudent to provide for the diminution of Rs.41.83 lacs in the value of investment in Zebra Leather Inc.

The Company product portfolio of Men's Footwear continues to do well and is being regularly expanded. During the Current year we have entered the ladies fashion Footwear market of UK.

Dividend

The directors express their inability to recommend any dividend for the year under review due to losses and cash flow constraints.

Subsidiary Company

As per Provision of Section 212 of the Companies Act, 1956 your company has obtained exemption from complying with the provision of sub section (1) of Section 212 of the Companies Act 1956. However, investor seeking any information relating 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.

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 and offer himself for the same. Your Directors recommend his re-appointment.

The tenure of Mr. Brijniti Prasad Singh, Wholetime Director comes to an end on 30th.September 2003. The Board of Directors of your Company at its meeting held on 22nd.August 2003 recommended for approval of the Members, the re-appointment of Mr. Singh as Wholetime Director of the Company for a further period of three years from 1st.October, 2003

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 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.838.35 lacs on account of Exports and the total foreign exchange outgo was Rs.41.83 lacs on account of commissions paid, import of materials & capital goods, traveling expenses, bank charges, claims and trade fair expenses.

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 four stock exchanges i.e. Mumbai, Delhi, Calcutta (Regional) and Madras Stock Exchange and address of the stock exchanges are mentioned elsewhere in this Annual Report. The Company has paid the Annual Listing fees and there was no arrears of listing fee that is required to be paid to the stock exchanges.

Delisting of Shares

The Board of Directors at their meeting held on 22nd August 2003 have recommended for approval of Members the proposal to voluntarily delist the Company's equity shares from Delhi and Madras Stock Exchanges. The Company's shares will however continue to remain listed on Mumbai Stock Exchange and the regional Calcutta Stock Exchange. A Special Resolution seeking your approval to such delisting is appearing in the Notice convening the 13th. Annual General Meeting of the Company.

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

22nd August, 2003
Gurgoan

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.7.43 lacs
Total	Rs.7.43 lacs
Total R & D Expenditure as a % to the Turnover.	0.73%

Technology absorption, adoption and innovation.

- 1 Efforts made in brief, made towards technology absorption, adoption and innovation.
The Company technical persons visited trade fairs in Germany and UK.
- 2 Benefit derived as a result of the above efforts
The Production of Ladies 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:	N.A
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

22nd August, 2003
Gurgoan

Anil Agarwal
Chairman & Managing Director

BALANCE SHEET AS AT 31 MARCH, 2003

	Schedule	31-Mar-03 Rupees	31-Mar-02 Rupees
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	1	21,812,500	21,812,500
Reserves & Surplus	2	38,288,985	44,285,122
		60,101,485	66,097,622
LOAN FUNDS :			
Secured Loans	3	23,967,961	36,193,009
		84,069,446	102,290,631
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block		52,775,506	50,355,514
b) Less :Depreciation		15,902,250	13,816,801
c) Net Block	4	36,873,256	36,538,713
INVESTMENTS	5	7,652,668	12,355,417
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	16,087,787	23,565,170
Sundry Debtors	7	17,989,461	21,753,624
Cash & Bank Balances	8	3,144,777	2,729,335
Loans & Advances	9	11,228,208	18,983,800
		48,450,233	67,031,929
LESS : Current Liabilities & Provisions	10		
Current Liabilities		7,932,634	12,495,183
Provisions		210,000	254,000
		8,142,634	12,749,183
NET CURRENT ASSETS		40,307,599	54,282,746
DEFERRED TAX - NET	11	(942,104)	(1,242,299)
MISCELLANEOUS EXPENDITURE	12	178,027	356,054
		84,069,446	102,290,631
NOTES ON ACCOUNTS	22		
BALANCE SHEET ABSTRACT			
AND COMPANY'S GENERAL			
BUSINESS PROFILE	23		

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

(ATUL BANSHAL)
Partner

ANIL AGARWAL
Chairman & Managing Director

Place : GURGAON
Dated : 22nd August, 2003

B.P.SINGH
Wholetime Director

S.K. ACHARYA
Company Secretary

WORLDWIDE LEATHER EXPORTS LIMITED

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

	Schedule	2002-03 Rupees	2001-02 Rupees
INCOME			
Sales	13	92,457,811	75,224,888
Export Incentive		9,123,966	7,654,045
Other Income	14	3,364,826	1,883,582
Increase/(Decrease) in Stock	15	(6,158,711)	3,543,255
		<u>98,787,892</u>	<u>88,305,770</u>
EXPENDITURE			
Purchase of finished goods		8,348,163	3,829,431
Cost of Materials	16	50,535,801	47,376,974
Expenses on Employees	17	6,614,726	6,543,949
Fabrication, Processing & other Charges		6,334,892	5,422,909
Power & Fuel		1,121,452	1,240,034
Cost of borrowings	18	2,896,577	3,820,497
Depreciation		2,105,221	2,027,540
Other Expenses	19	16,206,314	12,693,224
		<u>94,163,146</u>	<u>82,954,558</u>
PROFIT FOR THE YEAR BEFORE TAXATION AND EXTRA ORDINARY ITEM			
Extra Ordinary Item	20	(10,916,999)	—
(LOSS)/PROFIT FOR THE YEAR BEFORE TAXATION		<u>(6,292,253)</u>	<u>5,351,212</u>
Provision for Taxation	21	(296,116)	1,920,843
(Loss)/Profit after Tax		<u>(5,996,137)</u>	<u>3,430,369</u>
Profit brought forward		1,509,856	1,079,487
Transfer from General Reserve		5,000,000	—
Profit available for appropriation		<u>513,719</u>	<u>4,509,856</u>
APPROPRIATIONS			
Transfer to General Reserve		—	3,000,000
Surplus carried to Balance Sheet		513,719	1,509,856
		<u>513,719</u>	<u>4,509,856</u>
Earning per Share - Face Value			
Rs.10 each (Basic & Diluted)	21 (14)	(Rs. 2.71)	Rs. 1.55
NOTES ON ACCOUNTS			
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE			
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		On behalf of the Board	
(ATUL BANSHAL)		ANIL AGARWAL	
Partner		Chairman & Managing Director	
Place : GURGAON		B.P.SINGH	S.K. ACHARYA
Dated : 22nd August, 2003		Wholetime Director	Company Secretary

SCHEDULES TO THE ACCOUNTS

	31-Mar-03 Rupees	31-Mar-02 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		
22,12,500 Equity shares of Rs.10 each fully paid up	22,125,000	22,125,000
Less : Allotment Money in Arrear - Others	<u>312,500</u>	<u>312,500</u>
	<u>21,812,500</u>	<u>21,812,500</u>
2. RESERVES AND SURPLUS		
Capital Reserve-on revaluation of Land		
As per last account	7,166,742	15,442,268
Less: Amount relating to Land transferred on demerger in earlier year	<u>—</u>	<u>(8,275,526)</u>
	7,166,742	7,166,742
General Reserve :		
As per last account	26,733,524	15,000,000
Less : Transfer to Profit & Loss Account	<u>5,000,000</u>	<u>—</u>
Add: Transfer from Capital Reserve	—	8,275,526
Add: Deferred tax adjustment on initial adoption	—	457,998
Add: Transfer from Profit & Loss account	<u>—</u>	<u>3,000,000</u>
	21,733,524	26,733,524
Share Premium Account	8,875,000	8,875,000
Profit & Loss Account	<u>513,719</u>	<u>1,509,856</u>
	<u>38,288,985</u>	<u>44,285,122</u>
3. SECURED LOANS		
Vijaya Bank		
i) Packing Credit	8,060,000	15,900,000
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	15,907,961	20,293,009
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.		
	<u>23,967,961</u>	<u>36,193,009</u>