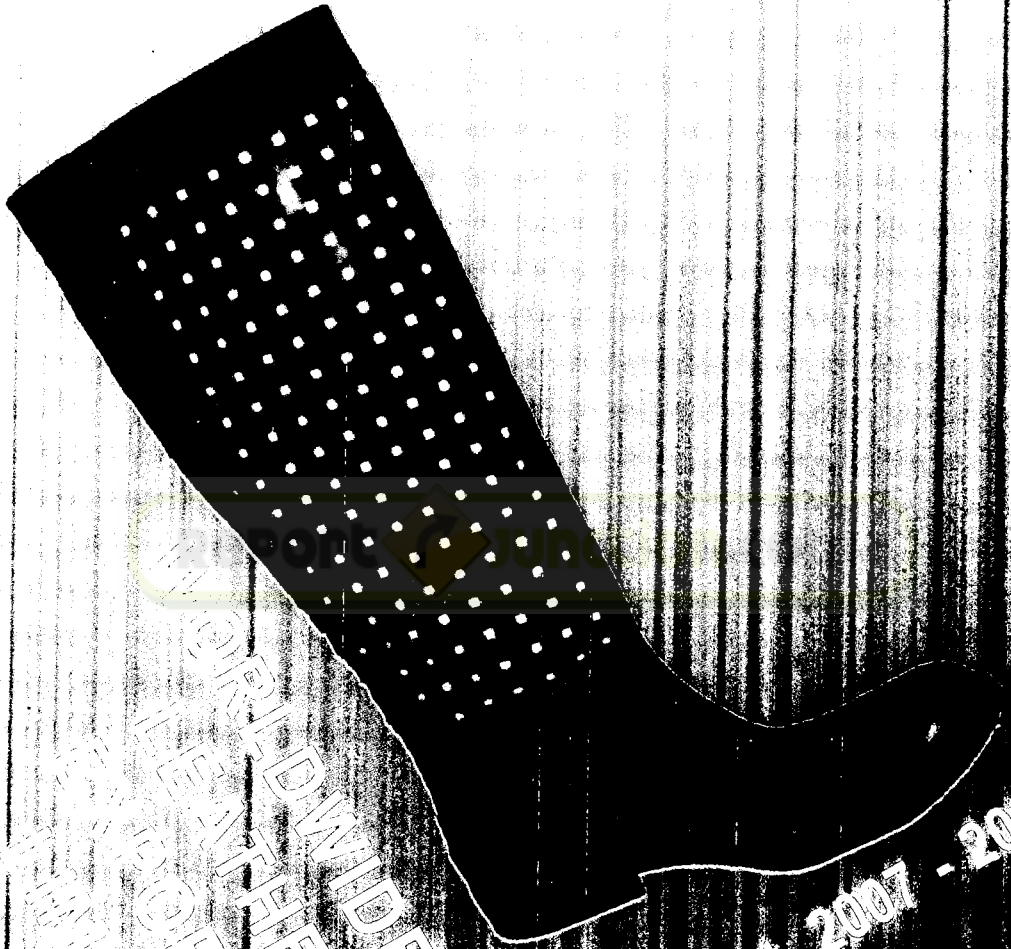


WORLDWIDE LEATHER EXPORTS LIMITED



WORLDWIDE
LEATHER EXPORTS
LIMITED

Eighteenth Annual Report 2007 - 2008

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	38th 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, 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**NOTICE**

Notice is hereby given that 18th Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Friday, the 26th day of September, 2008 at 3.30 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 2008 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. B.P.Singh 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 Ms. Rakhee Agarwal as Whole Time Director of the company for further period of 5 years effective from 1st June 2008, 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.40,000 p.m.
- (ii) **ANNUAL PERFORMANCE INCENTIVE:** As may be decided by the Board subject to a ceiling of 50% 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 furnished 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 one club 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) **GRATUITY:** Payable as per rules of the Company but not exceeding half months salary for each completed year of service.
- (x) **TELEPHONE:** Telephone at residence.
- (xi) **CAR:** Facility of car including running and maintenance.
- (xii) **LEAVE:** One month leave for eleven months of service. Leave accumulated but not availed will not be encashed.
- (xiv) **MINIMUM REMUNERATION:** The remuneration aforesaid shall be paid as minimum remuneration in absence or inadequacy of profit for such year.
5. To Consider and if thought fit to pass, with or without modification, the following resolution as a Ordinary Resolution:
 "RESOLVED THAT pursuant to sections 293 (1) (a) of the Companies Act, 1956 consent be and is hereby accorded to the Board of Directors of the Company for the disposal of Zebra Leather Inc., the wholly owned subsidiary of the Company, for such consideration, subject to a minimum of the present Net Worth of the Company, and on such terms as the Board may consider beneficial to the Company.

WORLDWIDE LEATHER EXPORTS LIMITED

"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, 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 in relation thereto."

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

30th June 2008
Gurgaon
Registered Office:
5-F Everest,
46/C, Chowringhee Road,
Kolkata-700 071

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 25th and 26th of September 2008.
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

At its meeting held on 30th April, 2008 the Board of Directors resolved to re-appoint Ms. Rakhee Agarwal as Whole Time Director with effect from 1st June 2008 on remuneration which is within the limits specified by Schedule XIII of the Companies Act, 1956, as detailed herein after:

Except Mr. Anil Agarwal, Chairman & Managing Director being related to Ms. Rakhee Agarwal, no other Director of the Company are concerned or interested in the business set out at item No.4.

Item No. 5

At its meeting held on 29th July, 2008 the Chairman brought to the notice of the Board that despite all efforts for the last 2 years, the WOS at USA could not be hived off neither wound up due to the legal formalities and legal and professional expenses involved in winding up procedures in the United States. However, an offer has been received to take over the company at no more than the net worth of the company. The Board recommends the sale of the WOS at the offer price to help cash out hands of the inactive Company.

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

0th June 2008
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 18th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2008.

Financial Result

	2007-08	Rs. In Lacs 2006-07
Sales and other income	1294.50	1186.96
Profit before depreciation (34.36) And extraordinary item (NIL)	87.10	88.64
Depreciation	34.36	34.03
Profit/ (Loss) after extraordinary Items & Tax	31.86	42.65
Add: Surplus from previous year	(0.06)	3.51
Transfer from General Reserve	30.00	NIL
Proposed Dividend	NIL	NIL
Surplus Carried to Balance Sheet	1.80	0.06

Performance

Sales inclusive of export incentives have increased by 10% over the previous year, though the sale in quantitative terms of footwear has marginally increased. The financial year 2007-08 shows a profit of approximately Rs.31.87 lacs after providing Rs.34.36 lacs towards depreciation.

Your Company's performance has improved over last year. The main reason for the higher sales is the continued marketing efforts being put in. The company continues to take active participation in the Riva Del Garda, Italy fair which has yielded good results.

As you are well aware, the Company's wholly owned subsidiary, Zebra Leather Inc., USA has been lying totally inactive for the last couple of years. However, could not be wound up due to the legal formalities and legal and professional expenses involved in winding up procedures in the United States. However, an offer has been received to take over the company at book value that is the present net worth of the company. The Board has recommended the sale of the WOS at the offer price to help wash out hands of the inactive company.

The Company's product portfolio of Men's Footwear continues to do well in the international market and is being regularly expanded. During the current year we have entered the Ladies Footwear market once again. Footwear from your Company is now exported to many countries in Europe besides the old market of England. On the domestic front this year, the Company has done production for Reliance Retail and Bata India and are proud suppliers for their up-market footwear needs.

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. The Subsidiary Company has not carried on any business activities since last year and is totally inactive. It is in the process of winding up but formalities have not yet been completed. Therefore, due to no activities, there is NIL a Profit & Loss a/c and the Balance Sheet continues to be the same as of the previous year. 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. B.P.Singh, Director, retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

Your Company had proposed a preferential issue last year for which a motion was passed during the last Annual General Meeting. However, it is hereby informed that the said preferential issue did not materialize and was not done.

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.1002.14 lacs on account of Exports and the total foreign exchange outgo was Rs.36.55 lacs on account of commissions, traveling expenses and foreign 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 : 30th June, 2008

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 designs and is making samples 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. 18.74 Lacs
Total	Rs. 18.74 Lacs

Total R & D Expenditure as a % to the Turnover is 1.66%

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 worked closely with designers and technicians from Portugal and France.
- 2 Benefit derived as a result of the above efforts
As a result of the above interaction, penetration into new markets has been possible. Also the Company has entered the production of Ladies Footwear.
- 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 : 30th June, 2008

Place : Gurgaon

(Anil Agarwal)

Chairman & Managing Director

WORLDWIDE LEATHER EXPORTS LIMITED

BALANCE SHEET AS AT 31 MARCH, 2008

	SCHEDULE	31-Mar-08 Rupees	31-Mar-07 Rupees
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	1	29,703,000	29,703,000
Reserves & Surplus	2	<u>42,878,006</u>	<u>39,692,341</u>
		72,581,006	69,395,341
LOAN FUNDS :			
Secured Loans	3	26,020,142	11,454,511
DEFERRED TAX LIABILITY			
	4	<u>3,639,000</u>	<u>3,081,713</u>
		<u>102,240,148</u>	<u>83,931,565</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block		64,385,709	65,903,543
b) Less : Depreciation		<u>27,396,526</u>	<u>26,165,720</u>
c) Net Block	5	36,989,183	39,737,823
INVESTMENTS			
	6	1,176,932	2,176,932
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	15,672,998	16,310,423
Sundry Debtors	8	22,312,963	11,487,441
Cash & Bank Balances	9	23,306,217	10,672,519
Loans & Advances	10	<u>18,228,160</u>	<u>15,407,485</u>
		<u>79,520,338</u>	<u>53,877,868</u>
LESS : Current Liabilities & Provisions			
Current Liabilities	11	11,578,920	9,239,520
Provisions		<u>3,867,385</u>	<u>2,621,538</u>
		<u>15,446,305</u>	<u>11,861,058</u>
NET CURRENT ASSETS			
		<u>64,074,033</u>	<u>42,016,810</u>
		<u>102,240,148</u>	<u>83,931,565</u>
NOTES ON ACCOUNTS			
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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE			
	22		

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

On behalf of the Board

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

(VINIT BAGARIA)
Partner

Place : GURGAON
Dated : 30th June, 2008

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2008**

	SCHEDULE	2007-2008 Rupees	2006-2007 Rupees
INCOME			
Sales	12	112,938,175	102,866,443
Export Incentive		11,332,312	8,961,842
Difference in Exchange		718,808	5,155,745
Other Income	13	4,461,532	1,716,417
Increase/(Decrease) in Stock	14	15,499	(1,674,250)
		129,466,326	117,026,197
EXPENDITURE			
Purchase of finished goods		3,836,300	829,756
Cost of Materials	15	70,200,438	62,604,502
Expenses on Employees	16	9,747,226	8,828,346
Fabrication, Processing & other Charges		11,957,937	11,002,857
Power & Fuel		2,476,164	1,804,867
Cost of borrowings	17	1,038,335	705,473
Depreciation		3,436,115	3,403,544
Other Expenses	18	21,500,530	23,135,406
		124,193,045	112,314,751
PROFIT BEFORE TAXATION AND EXTRA ORDINARY ITEM		5,273,281	4,711,446
Extra Ordinary Items	19	-	873,817
PROFIT BEFORE TAXATION		5,273,281	5,585,263
Direct Taxes	20	2,087,616	1,942,178
Profit after Tax		3,185,665	3,643,085
Profit brought forward		(5,901)	351,014
Transfer to General Reserve		3,000,000	4,000,000
Profit available for appropriation		179,764	(5,901)
Earning per Share - Face Value			
Rs.10 each (Basic & Diluted)		Rs.1.07	Rs.1.23
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 and Loss Account.

In terms of our report of even date attached herewith

On behalf of the Board

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

(VINIT BAGARIA)
Partner

ANIL AGARWAL
Chairman & Managing Director

Place : GURGAON
Dated : 30th June, 2008

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

Cash Flow Statement for the year ended 31st March, 2008

	2007-2008 Rupees	2006-2007 Rupees
A Cash flow from operating activities		
Net profit before taxation	5,273,281	5,585,263
Adjusted for		
Depreciation	3,436,115	3,403,544
Provision for Diminution in value of investments	-	621,830
Interest income	(96,425)	(283,154)
Profit on sale of Investment	(27,515)	(367,587)
Dividend income	(160,471)	(134,142)
Interest expense (Net)	1,038,335	705,473
Fixed Assets written off	-	6,682
Loss on sale of Fixed Assets	504,112	368,886
Operating profit before working capital change	9,967,432	9,906,795
Adjusted for		
Trade and Other receivables	(12,599,163)	(8,466,661)
Inventories	637,425	4,298,250
Trade and other payables and advance from customers	2,368,247	365,610
Cash generated from operations	373,941	6,103,994
Direct Taxes (paid)/ refunded (net)	(1,360,363)	(630,845)
Net cash from operating activities	(986,422)	5,473,149
B Cash flows from investing activities		
Purchase of fixed assets	(1,387,587)	(2,612,498)
Proceeds from disposal of fixed assets	190,000	213,017
Purchase / Sale of Long Term Investments	1,027,515	(772,413)
Dividend income	160,471	134,142
Interest received (Net)	96,425	283,154
Net cash used in investing activities	92,824	(2,754,598)
C Cash flows from financing activities		
Shares issued pursuant to scheme of Amalgamation (Net of Goodwill)	-	7,554,904
Repayment of long term borrowings	(296,507)	(429,327)
Increase/(Decrease) in Export Credit Facilities (Net)	14,862,138	(1,739,661)
Interest paid	(1,038,335)	(705,473)
Net cash from financing activities	13,527,296	4,680,443
Net increase/(decrease) in cash or cash equivalents	12,633,698	7,398,994
Cash and cash equivalents at beginning of year	10,672,519	3,273,525
Cash and cash equivalents at end of year	23,306,217	10,672,519

NOTE

Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

On behalf of the Board

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

(**VINIT BAGARIA**)
Partner

ANIL AGARWAL
Chairman & Managing Director

Place : GURGAON
Dated : 30th June, 2008

RAKHEE AGARWAL
Whole Time Director