

Worldwide Leather Exports Limited



**Twenty Second
Annual Report 2011-12**

WORLDWIDE LEATHER EXPORTS LIMITED

Directors	Anil Agarwal B.P.Singh Lalit Chhawchharia Renu Agarwal	<i>Chairman & Managing Director</i> <i>Director (Advisor Finance)</i> <i>Director (Advisor Corporate Affairs)</i> <i>Director (Advisor Administration)</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	isd@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 22nd Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Wednesday, the 19th day of September, 2012 at 3.30 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, 2012 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.”

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

31st July, 2012

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 18th and 19th of September, 2012.
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.

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

31st July, 2012

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 22nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

Financial Result

	2011-12	Rs. In Lacs 2010-11
Sales and other operating income	1521.04	954.26
Profit before depreciation (29.41)	67.80	41.55
Depreciation	28.07	29.41
Profit/ (Loss) after extraordinary Items & Tax	25.35	20.73
Add: Surplus from previous year	25.23	9.50
Transfer to General Reserve	0.00	5.00
Proposed Dividend	NIL	NIL
Surplus Carried to Balance Sheet	50.58	25.23

Performance

Sales inclusive of export incentives have increased over the previous year. The financial year 2011-12 shows a profit of Rs.39.72 lacs after providing for Rs.28.07 lacs towards depreciation.

The Company's performance improved despite the European economics. Efforts to secure orders continues by taking active participation in the most popular Riva Del Garda, Italy fair. The Company's portfolio of Footwear from the R&D aspect is being appreciated in the international market, the company had good orders in hand and the turnover in the year was better.

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.

WORLDWIDE LEATHER EXPORTS LIMITED

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.

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.1329.03 lacs on account of exports and the total foreign exchange outgo was Rs.29.30 lacs on account of commissions, traveling expenses, trade fair expenses ,advertisement and foreign bank charges and Rs.107.43 lacs for import of raw material.

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 Kolkata (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 Kolkata 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.

E-Mail ID's of Shareholders

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For and behalf of the Board of Directors

Date: 31st July, 2012
Place: Gurgaon

(Anil Agarwal)
Chairman & Managing Director

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. 24.13Lacs
Total Rs. 24.13 Lacs
Total R & D Expenditure as a % to the Turnover is 1.58 %

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

(Anil Agarwal)
Chairman & Managing Director

Date: 31st July, 2012

Place: Gurgaon

WORLDWIDE LEATHER EXPORTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Notes	AS AT 31.03.2012		AS AT 31.03.2011	
		₹	₹	₹	₹
<u>EQUITY AND LIABILITIES</u>					
<u>Shareholders' Funds</u>					
Share Capital	1	29,703,000		29,703,000	
Reserves & Surplus	2	44,472,898	74,175,898	41,937,934	71,640,934
<u>Non-current Liabilities</u>					
Deferred tax liabilities (Net)	3	815,000		1,097,000	
Long-Term Provisions	4	1,050,000	1,865,000	720,000	1,817,000
<u>Current Liabilities</u>					
Short-term borrowings	5	3,549,005		15,231,971	
Trade Payables	6	12,906,996		9,065,047	
Other Current Liabilities	7	7,557,812		1,523,998	
Short-term Provisions	8	7,530,000	31,543,813	5,810,000	31,631,016
			<u>107,584,711</u>		<u>105,088,950</u>
<u>ASSETS</u>					
<u>Non-current Assets</u>					
Fixed Assets :	9				
Tangible Assets		16,635,612		18,956,193	
Intangible Assets		-		23,096	
		<u>16,635,612</u>		<u>18,979,289</u>	
Non-Current Investments	10	3,202,265		3,202,265	
Long Term Loans & Advances	11	14,790,747	34,628,624	14,099,168	36,280,722
<u>Current Assets</u>					
Inventories	12	19,944,504		14,210,271	
Trade Receivables	13	10,463,168		18,040,217	
Cash & Cash Equivalents	14	19,794,432		17,470,569	
Short-Term Loans & Advances	15	22,405,435		19,087,171	
Other Current Assets	16	348,548	72,956,087	-	68,808,228
			<u>107,584,711</u>		<u>105,088,950</u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS	26		-		-

The Notes referred above form an integral part of the accounts.

In terms of our report of attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Pradeep K Chhawchharia

Partner

Firm Registration No: 305123E

Membership No: 50786

Place: New Delhi

Date: 30th May, 2012

ANIL AGARWAL

Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA

Director

WORLDWIDE LEATHER EXPORTS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Notes	2011-2012	2010-2011
		₹	₹
Income			
Revenue from Operations	17	152,104,232	95,427,044
Other Income	18	1,929,782	1,865,921
		154,034,014	97,292,965
Expenses			
Cost of material consumed	19	60,538,239	50,570,389
Purchase of Stock in Trade		40,330,486	7,431,178
Changes in Inventories	20	(4,406,721)	(4,556,215)
Fabrication, Processing & other Charges		11,718,984	10,252,128
Power & Fuel		2,087,780	1,832,601
Employee Benefits Expense	21	15,198,682	12,797,810
Selling & Distribution expenses	22	8,764,801	3,369,115
Finance Costs	23	650,886	350,870
Depreciation & Amortization expenses		2,807,095	2,941,009
Other expenses	24	12,370,818	11,090,391
		150,061,050	96,079,276
Profit before Tax		3,972,964	1,213,689
Tax Expense	25		
Current Tax		1,720,000	1,115,223
Deferred Tax		(282,000)	(1,975,000)
Profit for the period		2,534,964	2,073,466

EARNING PER SHARE :

(on Nominal Value of Shares of ₹ 10/- each)

Basic and Diluted	0.85	0.70
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The Notes referred above form an integral part of the accounts.

In terms of our report of attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Pradeep K Chhawchharia

Partner

Firm Registration No: 305123E

Membership No: 50786

Place: New Delhi

Date: 30th May, 2012

ANIL AGARWAL

Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA

Director

WORLDWIDE LEATHER EXPORTS LIMITED

Cash Flow Statement for the year ended 31st March, 2012

	31.03.2012	31.03.2011
	₹	₹
A Cash flow from operating activities		
Net profit before taxation	3,972,964	1,213,689
Adjusted for		
Depreciation	2,807,095	2,941,009
Provision for Gratuity	450,000	197,500
Interest income	(947,732)	(682,610)
Profit on sale of Investment	(570,748)	(781,304)
Dividend income	(62,205)	(56,416)
Interest expense (Net)	650,886	350,870
Loss on sale of Fixed Assets	135,151	1,674,933
Miscellaneous expenses written off	87,137	-
Fixed Assets written off	344,601	-
Revaluation reserves on Demerger	-	(7,166,742)
Operating profit before working capital change	6,867,149	(2,309,071)
Adjusted for		
Trade and Other receivables	4,561,254	(16,122,094)
Inventories	(5,734,233)	(7,536,473)
Trade payables and advance from customers	9,755,763	(32,318)
Other Current Assets	(435,685)	-
Cash generated from operations	15,014,248	(25,999,956)
Direct Taxes (paid)/ refunded (net)	(994,048)	(537,803)
Net cash from operating activities	14,020,200	(26,537,759)
B Cash flows from investing activities		
Purchase of fixed assets	(1,023,270)	(4,139,927)
Proceeds from disposal of fixed assets	80,100	14,964,530
Purchase / Sale of Long Term Investments - Net	570,748	431,304
Dividend income	62,205	56,416
Interest received (Net)	947,732	682,610
Net cash used in investing activities	637,515	11,994,933
C Cash flows from financing activities		
Repayment of long term borrowings	(1,284,726)	(9,216)
Increase/(Decrease) in Export Credit Facilities (Net)	(10,398,240)	11,849,493
Interest paid	(650,886)	(350,870)
Net cash from financing activities	(12,333,852)	11,489,407
Net increase/(decrease) in cash or cash equivalents	2,323,863	(3,053,419)
Cash and cash equivalents at beginning of year	17,470,569	20,523,988
Cash and cash equivalents at end of year	19,794,432	17,470,569

NOTE

Cash and cash equivalents represent cash and bank balances only
In terms of our report of attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Pradeep K Chhawchharia
Partner

Firm Registration No: 305123E
Membership No: 50786
Place: New Delhi
Date: 30th May, 2012

ANIL AGARWAL
Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA
Director

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

	AS AT 31.03.2012 ₹	AS AT 31.03.2011 ₹
1. SHARE CAPITAL		
Authorised :		
8000000 Equity shares of ₹ 10/- each	80,000,000	80,000,000
	<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed and Paid up :		
29,70,300 Equity shares of Rs.10 each fully paid up	29,703,000	29,703,000
	<u>29,703,000</u>	<u>29,703,000</u>

a) Details of shareholders holding more than 5% of the Equity Shares in the company

	As at 31.03.2012		As at 31.03.2011	
Name of Shareholder	Nos.	% holding	Nos.	% holding
Anil Agarwal	279,499	9.41	264,368	8.90
Renu Agarwal	460,975	15.52	460,975	15.52
Nilgiri Mercantiles Private Limited	481,060	16.20	481,060	16.20
Rakhee Agarwal	-	-	276,750	9.32

b) Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in indian rupees. The dividend proposed by the Board of Directors is subject to the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company , the holders of equity shares will be entitled to receive remaining assets of company , after distrubution of all preferential amounts. The distrubution will be in proportion to the number of equity shares held by the shareholders.

c) Out of the above, 757800 Equity shares were allotted on 31.03.2007 pursuant to the scheme of amalgamation,without payment being received in cash .

2. RESERVES & SURPLUS

Capital Reserve

As per last Account	500	-
Add: Addition on Reissue of Forfeited Shares	-	500
	<u>500</u>	<u>500</u>

Capital Grants and subsidies	383,433	383,433
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Securities Premium Account	9,031,000	9,031,000
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General Reserve

As per last Account	30,000,000	29,500,000
Add : Amount transferred from surplus in Profit & Loss Account	-	500,000
	<u>30,000,000</u>	<u>30,000,000</u>

Surplus in the statement of Profit and Loss

Balance as per last financial statements	2,523,001	949,535
Profit for the period	2,534,964	2,073,466
Less: Appropriations		
Transfer to General Reserve	-	(500,000)
Net Surplus in the statement of Profit and Loss	<u>5,057,965</u>	<u>2,523,001</u>
	<u>44,472,898</u>	<u>41,937,934</u>