

WORLDWIDE LEATHER EXPORTS LIMITED



**TWENTY THIRD
ANNUAL REPORT 2012-13**

WORLDWIDE LEATHER EXPORTS LIMITED

Directors	Anil Agarwal Lalit Chhawchharia Renu Agarwal	<i>Chairman & Managing Director</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-700071	
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 23rd Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Friday, the 05th day of July, 2013 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, 2013 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. APPOINTMENT OF SMT RENU AGARWAL AS DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution

“RESOLVED THAT a notice has been received from Mr. Anil Agarwal, Managing Director and a shareholder of the company along with a deposit of Rs.500/- for appointing Mrs. Renu Agarwal as a Director of the Company under the provisions of Section 257 of the Companies Act, 1956 and as such Mrs. Renu Agarwal be and is hereby duly appointed as a Director of the Company and is liable to retire by rotation.”

“FURTHER RESOLVED THAT the deposit of Rs. 500/- made by Mr. Anil Agarwal be returned to him as Mrs. Renu Agarwal has been elected as a Director of the Company.”

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

The Board Of Directors of the Company had appointed Mrs. Renu Agarwal on 27/09/2011 as a Director in casual vacancy caused by resignation of Mrs. Rakhee Agarwal, whole-time-Director, whose term was liable to be expired on 30/05/2013.

The Board of Directors of the Company in their meeting held on 29/5/2013, appointed Mrs. Renu Agarwal as an Additional Director with effect from 30/05/2013 and hence, she holds office upto the date of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956 has been received by the company from Mr. Anil Agarwal, Managing Director and a shareholder of the company signifying his intention to propose the candidature of Mrs. Renu Agarwal as a Director of the company along with a deposit of Rs. 500/-.

The resolution in item no.-4 is therefore recommended for approval of the members by means of Ordinary Resolution as required under the Companies Act, 1956.

None of the directors is concerned or interested in this item except Sri Anil Agarwal and Smt Renu Agarwal herself.

29th May, 2013

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 04th and 05th of July, 2013.
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 aforesaid business are available at for inspection at the Registered Office of the Company during normal office hours.

29th May, 2013
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 23rd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013.

Financial Result

	2012-13	Rs. In Lacs 2011-12
Sales and other operating income	1000.02	1521.04
Profit before depreciation	-00.80	67.80
Depreciation	22.70	28.07
Profit/(Loss) after extraordinary Items & Tax	-15.85	25.35
Surplus from previous year	50.58	25.23
Transfer to General Reserve	0.00	0.00
Proposed Dividend	NIL	NIL
Surplus Carried to Balance Sheet	34.73	50.58

Performance

Sales inclusive of export incentives have decreased over the previous year from 1521.04 lacs to 1000.02 lacs. The financial year 2012-13 shows a loss of Rs 23.50 lacs after providing for Rs.22.70 lacs towards depreciation.

The Company's performance declined mainly due to depressed European economic conditions. Even though the company achieved a turnover of 10 crores, due to increased labor and material costs and high inflation in India, the Company incurred operational losses with respect to the realizable value of Export Orders. Orders from our Customers from Spain and Italy, and other neighbouring countries have dried up. Our decade old buyers of UK have also decreased their buying. In view of the acute situation of mounting losses in the operations of the company, staff and labour has been reduced. Expenses on the participation in the Garda fair has also been curtailed. Options of shifting the factory to remote areas where cheaper labor may be available or to excise free Industrial Zones for production for the domestic market are being considered. However, the real estate investments of the company are doing well and further exposures are being planned in this area.

In view of the loss in the current year, the CMD of the company has forgone his performance incentive payment..

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.842.64 lacs on account of exports and the total foreign exchange outgo was Rs.37.57 lacs on account of commissions, traveling expenses, trade fair expenses ,advertisement 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.

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

Date: 29th May, 2013

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. 18.80Lacs

Total Rs. 18.80 Lacs

Total R & D Expenditure as a % to the Turnover is 1.88 %

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: 29th May, 2013

Place: Gurgaon

(Anil Agarwal)

Chairman & Managing Director

WORLDWIDE LEATHER EXPORTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	AS AT		AS AT	
		31.03.2013		31.03.2012	
		₹	₹	₹	₹
<u>EQUITY AND LIABILITIES</u>					
<u>Shareholders' Funds</u>					
Share Capital	1	29,703,000		29,703,000	
Reserves & Surplus	2	42,887,864	72,590,864	44,472,898	74,175,898
<u>Non-current Liabilities</u>					
Deferred tax liabilities (Net)	3	50,000		815,000	
Long-Term Provisions	4	1,100,000	1,150,000	1,050,000	1,865,000
<u>Current Liabilities</u>					
Short-term borrowings	5	5,525,640		3,549,005	
Trade Payables	6	4,671,612		12,906,996	
Other Current Liabilities	7	3,568,452		7,557,812	
Short-term Provisions	8	-	13,765,704	1,696,957	25,710,770
			<u>87,506,568</u>		<u>101,751,668</u>
<u>ASSETS</u>					
<u>Non-current Assets</u>					
Fixed Assets :	9				
Tangible Assets		12,568,914		16,635,612	
Intangible Assets		-		-	
		<u>12,568,914</u>		<u>16,635,612</u>	
Non-Current Investments	10	1,117,000		3,202,265	
Long Term Loans & Advances	11	22,175,309	35,861,223	14,790,747	34,628,624
<u>Current Assets</u>					
Inventories	12	7,359,737		19,944,504	
Trade Receivables	13	11,077,132		10,463,168	
Cash & Cash Equivalents	14	19,696,464		19,794,432	
Short-Term Loans & Advances	15	13,250,601		16,572,392	
Other Current Assets	16	261,411	51,645,345	348,548	67,123,044
			<u>87,506,568</u>		<u>101,751,668</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 even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Abhishek Gupta
Partner
Firm Registration No: 305123E
Membership No: 529082
Place: New Delhi
Date: 29th May, 2013

ANIL AGARWAL
Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA
Director

WORLDWIDE LEATHER EXPORTS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Notes	2012-2013	2011-2012
		₹	₹
Income			
Revenue from Operations	17	100,002,350	152,104,232
Other Income	18	2,924,592	2,445,432
		102,926,942	154,549,664
Expenses			
Cost of material consumed	19	50,288,892	60,538,239
Purchase of Stock in Trade		559,034	40,330,486
Changes in Inventories	20	7,644,323	(4,406,721)
Fabrication, Processing & other Charges		8,591,094	11,718,984
Power & Fuel		2,126,577	2,087,780
Employee Benefits Expense	21	15,119,044	15,198,682
Selling & Distribution expenses	22	6,940,488	8,764,801
Finance Costs	23	423,892	1,166,536
Depreciation & Amortization expenses		2,269,841	2,807,095
Other expenses	24	11,313,791	12,370,818
		105,276,976	150,576,700
Profit/(Loss) before Tax		(2,350,034)	3,972,964
Tax Expense	25		
Current Tax		-	1,720,000
Deferred Tax		(765,000)	(282,000)
Profit/(Loss) for the period		(1,585,034)	2,534,964

EARNING PER SHARE :

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

Basic and Diluted	(0.53)	0.85
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The Notes referred above form an integral part of the accounts.

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Abhishek Gupta

Partner

Firm Registration No: 305123E

Membership No: 529082

Place: New Delhi

Date: 29th May, 2013

ANIL AGARWAL

Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA

Director

WORLDWIDE LEATHER EXPORTS LIMITED

Cash Flow Statement for the year ended 31st March, 2013

	31.03.2013	31.03.2012
	₹	₹
A Cash flow from operating activities		
Net profit/(loss) before taxation	(2,350,034)	3,972,964
Adjusted for		
Depreciation	2,269,841	2,807,095
Provision for Gratuity	70,782	450,000
Interest income	(2,060,343)	(1,463,382)
Profit on sale of Investment	(97,485)	(570,748)
Dividend income	(25,376)	(62,205)
Interest expense (Net)	423,892	1,166,536
Loss on sale of Fixed Assets	1,894,714	135,151
Fixed Assets written off	15,784	344,601
Revaluation reserves on Demerger	-	-
Operating profit before working capital change	141,775	6,780,012
Adjusted for		
Trade and Other receivables	(4,448,109)	4,561,254
Inventories	12,584,767	(5,734,233)
Trade payables and advance from customers	(12,245,526)	9,755,763
Other Current Assets	87,137	(348,548)
Cash generated from operations	(3,879,956)	15,014,248
Direct Taxes (paid)/ refunded (net)	(1,925,583)	(994,048)
Net cash from operating activities	(5,805,539)	14,020,200
B Cash flows from investing activities		
Purchase of fixed assets	(303,641)	(1,023,270)
Proceeds from disposal of fixed assets	190,000	80,100
Sale of Long Term Investments - Net	2,182,750	570,748
Dividend income	25,376	62,205
Interest received (Net)	2,060,343	947,732
Net cash from investing activities	4,154,828	637,515
C Cash flows from financing activities		
Increase/(Repayment) of borrowings	857,496	(1,284,726)
Increase/(Decrease) in Export Credit Facilities (Net)	1,119,139	(10,398,240)
Interest paid	(423,892)	(650,886)
Net cash from financing activities	1,552,743	(12,333,852)
Net increase/(decrease) in cash or cash equivalents	(97,968)	2,323,863
Cash and cash equivalents at beginning of year	19,794,432	17,470,569
Cash and cash equivalents at end of year	19,696,464	19,794,432

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

ANIL AGARWAL
Chairman & Managing Director

Abhishek Gupta
Partner
Firm Registration No: 305123E
Membership No: 529082
Place: New Delhi
Date: 29th May, 2013

LALIT KUMAR CHHAWCHHARIA
Director