

# ***WORLDWIDE LEATHER EXPORTS LTD***



***TWENTEETH ANNUAL REPORT 2009-10***

## WORLDWIDE LEATHER EXPORTS LIMITED

|                                    |   |   |
|------------------------------------|---|---|
| Directors                          | Anil Agarwal<br>Rakhee Agarwal<br>B.P.Singh<br>Lalit Chhawchharia   | <i>Chairman &amp; Managing Director</i><br><i>Whole Time Director</i><br><i>Director (Advisor Finance)</i><br><i>Director (Advisor Corporate Affairs)</i> |
| Auditors                           | B.Chhawchharia & Co.  |   |
| Bankers                            | Vijaya Bank   |   |
| Registered Office                  | 5-F, Everest,<br>46/C, Chowringhee Road,<br>Kolkata – 700 071   |   |
| Factory & Head Office              | 38th Milestone, N.H. 8,<br>Behrampur Road,<br>Gurgaon – 122 001<br>Haryana  |   |
| Secretarial Services               | Punit Handa & Associates  |   |
| Registrars & Share Transfer Agents | Beetal Financial & Computer Services Pvt. Ltd.,<br>Beetal House, 3rd Floor, 99 Madangir,<br>Behind Local Shopping Complex,<br>Near Dada Harsukhdas Mandir,<br>New Delhi – 110 062 |   |
| Investor Service Department        | 38th Milestone, N.H. 8,<br>Behrampur Road,<br>Gurgaon – 122 001 (HR)<br>Tel # - (0124) - 2215447-50   |   |
| E-mail                             | rakhee@wleltd.com   |   |
| Website                            | www.wleltd.com  |   |
| Listing at Stock Exchanges         | The Calcutta Stock Exchange Association Ltd.<br>7 Lyons Range, Kolkata 700 001<br><br>The Stock Exchange, Mumbai<br>Phiroze Jeejeebhoy Towers, Mumbai 400 001                     |   |

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## WORLDWIDE LEATHER EXPORTS LIMITED

### NOTICE

Notice is hereby given that 20th Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Tuesday, the 28th day of September, 2010 at 2.00 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, 2010 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)

26th July, 2010  
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 27th and 28th of September, 2010.
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)

26th July, 2010  
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 20th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

### Financial Result

|   | 2009-10 | Rs. In Lacs<br>2008-09 |
|---|---------|------------------------|
| Sales and other income                            | 983.26  | 1265.12                |
| Profit before depreciation (29.64)                | 39.74   | 82.26                  |
| And extraordinary item (NIL)                      |         |                        |
| Depreciation                                      | 29.64   | 29.81                  |
| Profit/ (Loss) after extraordinary<br>Items & Tax | 7.40    | 30.29                  |
| Add: Surplus from previous year                   | 2.09    | 1.80                   |
| Transfer to General Reserve                       | NIL     | 30.00                  |
| Proposed Dividend                                 | NIL     | NIL                    |
| Surplus Carried to Balance Sheet                  | 9.49    | 2.90                   |

### Performance

Sales inclusive of export incentives have decreased over the previous year. The financial year 2009-10 shows a profit of Rs.7.40 lacs after providing Rs. 29.64 lacs towards depreciation.

The Company's performance could not improve due to the rolling effect of the global melt down which hit the Company's business during this financial year. Efforts to secure orders continues by taking active participation in the most popular Riva Del Garda, Italy fair. Though the Company's portfolio of Footwear from the R&D aspect is being appreciated in the international market, orders have shrunk due to acute competition in the international market especially in view of the forex rate conditions prevailing overseas.

### 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. 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

## WORLDWIDE LEATHER EXPORTS LIMITED

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.888.97 lacs on account of exports and the total foreign exchange outgo was Rs.31.23 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.

### 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 : 26th July, 2010  
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 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. 42.14 Lacs |
| Total     | Rs. 42.14 Lacs |

Total R & D Expenditure as a % to the Turnover is 4.74%

### 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, France and Spain.
- 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 : 26th July, 2010  
Place : Gurgaon

**(Anil Agarwal)**  
Chairman & Managing Director

## WORLDWIDE LEATHER EXPORTS LIMITED

| <b>BALANCE SHEET AS AT 31 MARCH, 2010</b>   |                 |   |                             |
|---|-----------------|---|-----------------------------|
|   | <b>SCHEDULE</b> | <b>31-Mar-10<br/>Rupees</b>                         | <b>31-Mar-09<br/>Rupees</b> |
| <b>SOURCE OF FUNDS</b>  |                 |   |                             |
| <b>SHAREHOLDERS' FUNDS :</b>  |                 |   |                             |
| Share Capital   | 1               | <b>29,703,000</b>                                   | 29,703,000                  |
| Reserves & Surplus  | 2               | <u><b>47,031,210</b></u>                            | <u>46,290,832</u>           |
|   |                 | <b>76,734,210</b>                                   | 75,993,832                  |
| <b>LOAN FUNDS :</b>   |                 |   |                             |
| Secured Loans   | 3               | <b>3,391,694</b>                                    | 9,571,496                   |
| <b>DEFERRED TAX LIABILITY</b>   | 4               | <b>3,072,000</b>                                    | 3,342,000                   |
|   |                 | <u><b>83,197,904</b></u>                            | <u>88,907,328</u>           |
| <b>APPLICATION OF FUNDS</b>   |                 |   |                             |
| <b>FIXED ASSETS</b>   |                 |   |                             |
| a) Gross Block  |                 | <b>63,490,717</b>                                   | 63,881,379                  |
| b) Less :Depreciation   |                 | <u><b>29,070,883</b></u>                            | <u>28,950,434</u>           |
| c) Net Block  | 5               | <b>34,419,834</b>                                   | 34,930,945                  |
| <b>INVESTMENTS</b>  | 6               | <b>2,852,265</b>                                    | 888,200                     |
| <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>   |                 |   |                             |
| Inventories   | 7               | <b>6,673,798</b>                                    | 9,344,812                   |
| Sundry Debtors  | 8               | <b>15,340,466</b>                                   | 16,600,021                  |
| Cash & Bank Balances  | 9               | <b>20,523,988</b>                                   | 25,564,643                  |
| Loans & Advances  | 10              | <u><b>20,958,416</b></u>                            | <u>20,338,109</u>           |
|   |                 | <b>63,496,668</b>                                   | 71,847,585                  |
| <b>LESS : Current Liabilities &amp; Provisions</b>  | 11              |   |                             |
| Current Liabilities   |                 | <b>10,621,363</b>                                   | 12,301,248                  |
| Provisions  |                 | <u><b>6,949,500</b></u>                             | <u>6,458,154</u>            |
|   |                 | <b>17,570,863</b>                                   | 18,759,402                  |
| <b>NET CURRENT ASSETS</b>   |                 | <b>45,925,805</b>                                   | 53,088,183                  |
|   |                 | <u><b>83,197,904</b></u>                            | <u>88,907,328</u>           |
| <b>NOTES ON ACCOUNTS</b>  | 22              |   |                             |
| <b>BALANCE SHEET ABSTRACT AND<br/>COMPANY'S GENERAL BUSINESS PROFILE</b>  | 23              |   |                             |
| The Schedules referred to above form an integral part of the accounts.<br>In terms of our report of even date attached herewith |                 |   |                             |
|   |                 | On behalf of the Board                              |                             |
| For <b>B.CHHAWCHHARIA &amp; CO.</b><br>Chartered Accountants  |                 |   |                             |
| <b>(VINIT BAGARIA)</b><br>Partner   |                 | <b>ANIL AGARWAL</b><br>Chairman & Managing Director |                             |
| Place : Gurgaon<br>Dated : 26th July, 2010  |                 | <b>RAKHEE AGARWAL</b><br>Whole Time Director        |                             |

## WORLDWIDE LEATHER EXPORTS LIMITED

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2010

|  | SCHEDULE | 2009-2010<br>Rupees | 2008-2009<br>Rupees |
|--|----------|---------------------|---------------------|
| <b>INCOME</b>  |          |                     |                     |
| Sales  | 12       | 89,894,811          | 118,174,380         |
| Export Incentive   |          | 9,088,698           | 11,793,447          |
| Difference in Exchange   |          | (1,184,283)         | (562,851)           |
| Other Income   | 13       | 2,240,368           | 1,174,895           |
| Increase/(Decrease) in Stock   | 14       | (1,713,357)         | (4,068,366)         |
|  |          | <b>98,326,237</b>   | <b>126,511,505</b>  |
| <b>EXPENDITURE</b>   |          |                     |                     |
| Purchase of finished goods   |          | 1,159,913           | 1,556,602           |
| Cost of Materials  | 15       | 53,248,329          | 69,704,278          |
| Expenses on Employees  | 16       | 11,612,859          | 11,032,897          |
| Fabrication, Processing & other Charges                                  |          | 10,695,862          | 14,414,554          |
| Power & Fuel   |          | 1,656,696           | 1,719,851           |
| Cost of borrowings   | 17       | (48,937)            | 351,634             |
| Selling and Distribution Expenses  | 18       | 6,243,630           | 7,379,696           |
| Depreciation   |          | 2,963,759           | 2,981,084           |
| Other Expenses   | 19       | 9,783,748           | 12,125,759          |
|  |          | <b>97,315,859</b>   | <b>121,266,355</b>  |
| <b>PROFIT BEFORE TAXATION AND EXTRA ORDINARY ITEM</b>                    |          | <b>1,010,378</b>    | <b>5,245,150</b>    |
| Less : Extra Ordinary Items  | 20       | -                   | 2,757               |
| <b>PROFIT BEFORE TAXATION</b>  |          | <b>1,010,378</b>    | <b>5,242,393</b>    |
| Direct Taxes   | 21       | 270,000             | 2,213,000           |
| Profit after Tax   |          | <b>740,378</b>      | <b>3,029,393</b>    |
| Profit brought forward   |          | 209,157             | 179,764             |
| Transfer to General Reserve  |          | -                   | 3,000,000           |
| Profit available for appropriation                                       |          | <b>949,535</b>      | <b>209,157</b>      |
| Earning per Share - Face Value<br>Rs.10 each (Basic & Diluted)           |          | <b>Rs.0.25</b>      | <b>Rs.1.02</b>      |
| <b>NOTES ON ACCOUNTS</b>   | 22       |                     |                     |
| <b>BALANCE SHEET ABSTRACT AND COMPANY'S<br/>GENERAL BUSINESS PROFILE</b> | 23       |                     |                     |

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

Place : Gurgaon  
Dated : 26th July, 2010

**ANIL AGARWAL**  
Chairman & Managing Director

**RAKHEE AGARWAL**  
Whole Time Director



## WORLDWIDE LEATHER EXPORTS LIMITED

### Cash Flow Statement for the year ended 31st March, 2010

|   | 2009-2010<br>Rupees | 2008-2009<br>Rupees |
|---|---------------------|---------------------|
| <b>A Cash flow from operating activities</b>          |                     |                     |
| Net profit before taxation                            | 1,010,378           | 5,242,393           |
| Adjusted for  |                     |                     |
| Depreciation  | 2,963,759           | 2,981,084           |
| Interest income                                       | (397,041)           | (381,527)           |
| Profit on sale of Investment                          | (5,015)             | -                   |
| Dividend income                                       | (123,368)           | (80,740)            |
| Interest expense (Net)                                | (48,937)            | 351,634             |
| Fixed Assets written off                              | -                   | 133,892             |
| Loss on sale of Fixed Assets                          | 274,442             | 703,283             |
| Operating profit before working capital change        | <b>3,674,218</b>    | 8,950,019           |
| Adjusted for  |                     |                     |
| Trade and Other receivables                           | 2,580,354           | 5,077,071           |
| Inventories   | 2,671,014           | 6,328,186           |
| Trade payables and advance from customers             | (1,728,539)         | 803,097             |
| Cash generated from operations                        | <b>7,197,047</b>    | 21,158,373          |
| Direct Taxes (paid)/ refunded (net)                   | <b>(1,941,106)</b>  | (1,474,078)         |
| Net cash from operating activities                    | <b>5,255,941</b>    | 19,684,295          |
| <b>B Cash flows from investing activities</b>         |                     |                     |
| Purchase of fixed assets                              | (3,045,090)         | (2,333,522)         |
| Proceeds from disposal of fixed assets                | 318,000             | 956,933             |
| Purchase / Sale of Long Term Investments - Net        | (1,959,050)         | 288,732             |
| Dividend income                                       | 123,368             | 80,740              |
| Interest received (Net)                               | 397,041             | 381,527             |
| Net cash used in investing activities                 | <b>(4,165,731)</b>  | (625,590)           |
| <b>C Cash flows from financing activities</b>         |                     |                     |
| Repayment of long term borrowings                     | <b>(156,943)</b>    | (151,018)           |
| Increase/(Decrease) in Export Credit Facilities (Net) | <b>(6,022,859)</b>  | (16,297,627)        |
| Interest paid   | <b>48,937</b>       | (351,634)           |
| Net cash from financing activities                    | <b>(6,130,865)</b>  | (16,800,279)        |
| Net increase/(decrease) in cash or cash equivalents   | <b>(5,040,655)</b>  | 2,258,426           |
| Cash and cash equivalents at beginning of year        | <b>25,564,643</b>   | 23,306,217          |
| Cash and cash equivalents at end of year              | <b>20,523,988</b>   | 25,564,643          |

**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 : 26th July, 2010

**RAKHEE AGARWAL**  
Whole Time Director

## WORLDWIDE LEATHER EXPORTS LIMITED

| <b>SCHEDULES TO THE ACCOUNTS</b>  |                             |                     |                      | <b>31-Mar-10</b>             | <b>31-Mar-09</b>            |                           |                      |                              |                              |                              |
|---|-----------------------------|---------------------|----------------------|------------------------------|-----------------------------|---------------------------|----------------------|------------------------------|------------------------------|------------------------------|
|   |                             |                     |                      | <b>Rupees</b>                | <b>Rupees</b>               |                           |                      |                              |                              |                              |
| <b>1. SHARE CAPITAL</b>   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| <b>Authorised:</b>  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| 8000000 Equity shares of Rs 10 each.  |                             |                     |                      | <u><b>80,000,000</b></u>     | <u>80,000,000</u>           |                           |                      |                              |                              |                              |
| <b>Issued, Subscribed &amp; Paid up</b>   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| 29,70,300 Equity shares of Rs.10 each fully paid up   |                             |                     |                      | <u><b>29,703,000</b></u>     | <u>29,703,000</u>           |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u><b>29,703,000</b></u>     | <u>29,703,000</u>           |                           |                      |                              |                              |                              |
| Out of the above 757800 Equity shares were allotted pursuant to the scheme of amalgamation, without payment being received in cash.   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| <b>2. RESERVES AND SURPLUS</b>  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Capital Reserve -on Revaluation of Land   |                             |                     |                      | <b>7,166,742</b>             | 7,166,742                   |                           |                      |                              |                              |                              |
| -on Re-issue of Forfeited Shares  |                             |                     |                      | <b>500</b>                   | 500                         |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u><b>7,167,242</b></u>      | <u>7,167,242</u>            |                           |                      |                              |                              |                              |
| Capital Grants and Subsidies  |                             |                     |                      | <b>383,433</b>               | 383,433                     |                           |                      |                              |                              |                              |
| Securities Premium Account  |                             |                     |                      | <b>9,031,000</b>             | 9,031,000                   |                           |                      |                              |                              |                              |
| General Reserve :   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| As per last account   |                             |                     |                      | <b>29,500,000</b>            | 26,500,000                  |                           |                      |                              |                              |                              |
| Add : Transfer from Profit & Loss account   |                             |                     |                      | <b>-</b>                     | 3,000,000                   |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u><b>29,500,000</b></u>     | <u>29,500,000</u>           |                           |                      |                              |                              |                              |
| Profit & Loss Account   |                             |                     |                      | <b>949,535</b>               | 209,157                     |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u><b>47,031,210</b></u>     | <u>46,290,832</u>           |                           |                      |                              |                              |                              |
| <b>3. SECURED LOANS</b>   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| I Vijaya Bank:  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| i) Packing Credit   |                             |                     |                      | <b>1,100,000</b>             | 6,850,000                   |                           |                      |                              |                              |                              |
| ii) Foreign Usage Documentary Bills   |                             |                     |                      | <b>-</b>                     | -                           |                           |                      |                              |                              |                              |
| Secured by charge on Land, Buildings and Plant & Machinery and hypothecation of Raw materials, Semi-finished goods, Finished goods at company's factory at Gurgaon and respective Bills, pledge of Fixed Deposit Receipts and personal guarantee of Managing Director of the Company. |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| iii) Overdraft  |                             |                     |                      | <b>2,282,478</b>             | 2,555,337                   |                           |                      |                              |                              |                              |
| Secured by pledge of certain fixed deposit receipts   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| II *ICICI Bank Ltd.   |                             |                     |                      | <b>9,216</b>                 | 166,159                     |                           |                      |                              |                              |                              |
| Secured by hypothecation of vehicles  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u><b>3,391,694</b></u>      | <u>9,571,496</u>            |                           |                      |                              |                              |                              |
| *Installment falling due in next twelve months Rs. 9,216/-  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| <b>4. DEFERRED TAX LIABILITIES</b>  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Deferred Tax Liabilities On :   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Fiscal allowances on fixed assets   |                             |                     |                      | <b>3,461,000</b>             | 3,656,000                   |                           |                      |                              |                              |                              |
| Deferred Tax Assets On :  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Employee's remuneration and retirement benefit  |                             |                     |                      | <b>389,000</b>               | 314,000                     |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u><b>389,000</b></u>        | <u>314,000</u>              |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u><b>3,072,000</b></u>      | <u>3,342,000</u>            |                           |                      |                              |                              |                              |
| <b>5. FIXED ASSETS</b>  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
|   | <b>GROSS BLOCK</b>          |                     |                      |                              | <b>DEPRECIATION</b>         |                           |                      |                              | <b>NET BLOCK</b>             |                              |
|   | As at<br>1-Apr-09<br>Rupees | Additions<br>Rupees | Deductions<br>Rupees | As at<br>31-Mar-10<br>Rupees | As at<br>1-Apr-09<br>Rupees | For<br>the year<br>Rupees | Adjustment<br>Rupees | As at<br>31-Mar-10<br>Rupees | As at<br>31-Mar-10<br>Rupees | As at<br>31-Mar-09<br>Rupees |
| Goodwill<br>(on amalgamation)   | 23,096                      | -                   | -                    | 23,096                       | -                           | -                         | -                    | -                            | 23,096                       | 23,096                       |
| Land  | 8,700,656                   | -                   | -                    | 8,700,656                    | -                           | -                         | -                    | -                            | 8,700,656                    | 8,700,656                    |
| Building  | 9,646,019                   | -                   | -                    | 9,646,019                    | 3,640,499                   | 252,746                   | -                    | 3,893,245                    | 5,752,774                    | 6,005,520                    |
| Plant & Machinery   | 28,812,997                  | 654,470             | (57,274)             | 29,410,193                   | 13,757,063                  | 1,377,830                 | (15,475)             | 15,119,418                   | 14,290,775                   | 15,055,934                   |
| Lasts   | 5,704,913                   | 472,575             | (2,121,106)          | 4,056,382                    | 5,704,913                   | 472,575                   | (2,121,106)          | 4,056,382                    | -                            | -                            |
| Moulds & Dies   | 2,586,302                   | 222,272             | -                    | 2,808,574                    | 2,335,895                   | 199,336                   | -                    | 2,535,231                    | 273,343                      | 250,407                      |
| Electric Installation   | 2,673,941                   | -                   | -                    | 2,673,941                    | 1,374,070                   | 121,894                   | -                    | 1,495,964                    | 1,177,977                    | 1,299,871                    |
| Air Conditioner   | 287,997                     | -                   | -                    | 287,997                      | 49,587                      | 13,682                    | -                    | 63,269                       | 224,728                      | 238,410                      |
| Furniture & Fixtures  | 310,847                     | -                   | -                    | 310,847                      | 93,532                      | 16,536                    | -                    | 110,068                      | 200,779                      | 217,315                      |
| Office Equipment  | 391,623                     | 42,000              | -                    | 433,623                      | 123,900                     | 19,284                    | -                    | 143,184                      | 290,439                      | 267,723                      |
| Vehicles  | 3,948,627                   | 1,550,963           | (1,107,439)          | 4,392,151                    | 1,392,191                   | 417,163                   | (564,371)            | 1,244,983                    | 3,147,168                    | 2,556,436                    |
| Computer  | 794,361                     | 102,810             | (149,933)            | 747,238                      | 478,784                     | 72,713                    | (142,358)            | 409,139                      | 338,099                      | 315,577                      |
| <b>TOTAL</b>  | <b>63,881,379</b>           | <b>3,045,090</b>    | <b>(3,435,752)</b>   | <b>63,490,717</b>            | <b>28,950,434</b>           | <b>2,963,759</b>          | <b>(2,843,310)</b>   | <b>29,070,883</b>            | <b>34,419,834</b>            | <b>-</b>                     |
| Previous Year   | 64,385,709                  | 2,333,522           | (2,837,852)          | 63,881,379                   | 27,396,526                  | 2,981,084                 | (1,427,176)          | 28,950,434                   | -                            | 34,930,945                   |

## WORLDWIDE LEATHER EXPORTS LIMITED

| SCHEDULES TO THE ACCOUNTS |  | Paid up<br>Value<br>Rupees | No. of<br>Shares/<br>Units | 31-Mar-10<br>Rupees | No. of<br>Shares/<br>Units | 31-Mar-09<br>Rupees |
|---------------------------|--|----------------------------|----------------------------|---------------------|----------------------------|---------------------|
| <b>6.</b>                 | <b>INVESTMENTS - LONG TERM</b>                     |                            |                            |                     |                            |                     |
|                           | <b>Fully Paid</b>                                  |                            |                            |                     |                            |                     |
| A                         | Quoted - Non Trade                                 |                            |                            |                     |                            |                     |
|                           | Asian Tea & Exports Ltd.                           | 10                         | -                          | -                   | 100                        | 1,000               |
|                           | Bharat Earth Movers Ltd.                           | 10                         | -                          | -                   | 100                        | 17,300              |
|                           | Digital Multi Forms Ltd.                           | 10                         | 200                        | 2,000               | 200                        | 2,000               |
|                           | Filament India Ltd.                                | 10                         | 200                        | 4,000               | 200                        | 4,000               |
|                           | Goldiam International Ltd.                         | 10                         | -                          | -                   | 400                        | 10,000              |
|                           | Hindustan Organic Chem. Ltd.                       | 10                         | -                          | -                   | 300                        | 15,000              |
|                           | Mukrerian Papers Ltd.                              | 10                         | 150                        | 6,000               | 150                        | 6,000               |
|                           | N.K. Industries Ltd.                               | 10                         | -                          | -                   | 100                        | 4,000               |
|                           | Orind Exports Ltd.                                 | 10                         | -                          | -                   | 100                        | 1,000               |
|                           | Parenteral Drugs (India) Ltd.                      | 10                         | -                          | -                   | 100                        | 9,000               |
|                           | Patel Integrated Logistics Ltd.                    | 10                         | -                          | -                   | 230                        | 7,000               |
|                           | Punjab Woolcombers Ltd.                            | 10                         | -                          | -                   | 50                         | 4,500               |
|                           | Ram Ratna Wires Ltd.                               | 10                         | -                          | -                   | 100                        | 1,000               |
|                           | Royale Manor Hotels & Industries Ltd.              | 10                         | -                          | -                   | 100                        | 1,000               |
|                           | Shilp Gravures Ltd.                                | 10                         | -                          | -                   | 100                        | 1,000               |
|                           | Super Syncotex (India) Ltd.                        | 10                         | 200                        | 5,000               | 200                        | 5,000               |
|                           | Suryavanshi Spinning Mills Ltd.                    | 10                         | -                          | -                   | 100                        | 7,000               |
|                           | Vijaya Bank Ltd.                                   | 10                         | -                          | -                   | 600                        | 14,400              |
|                           | VLS Finance Ltd.                                   | 10                         | -                          | -                   | 300                        | 120,000             |
|                           | Wisec Global Ltd                                   | 10                         | -                          | -                   | 200                        | 8,000               |
|                           | <b>TOTAL- A</b>                                    |                            |                            | <b>17,000</b>       |                            | <b>238,200</b>      |
| B                         | Unquoted   |                            |                            |                     |                            |                     |
| I.                        | Trade  |                            |                            |                     |                            |                     |
|                           | In a Subsidiary Company                            |                            |                            |                     |                            |                     |
|                           | Blackberry Properties Advisory Pvt Ltd.            | 10                         | 10,000                     | 100,000             | -                          | -                   |
| II.                       | Non Trade  |                            |                            |                     |                            |                     |
|                           | In Mutual Funds                                    |                            |                            |                     |                            |                     |
|                           | Canara Robeco MIP Dividend Payout                  | 10                         | 35147.140                  | 495,926             | -                          | -                   |
|                           | ICICI Prudential MIP - Dividend Payout Monthly     | 10                         | 42878.950                  | 489,339             | -                          | -                   |
|                           | Birla Sun Life Frontline Equity Fund Plan A Growth | 10                         | 6299.610                   | 500,000             | -                          | -                   |
|                           | HDFC Top 200 Fund - Growth                         | 10                         | 3331.594                   | 600,000             | -                          | -                   |
|                           | DSP Blackrock Tiger Fund - Dividend Payout         | 10                         | 15987.210                  | 200,000             | 15987.210                  | 200,000             |
|                           | Fidelity Equity Fund - Dividend Payout             | 10                         | 29339.853                  | 300,000             | 29339.853                  | 300,000             |
|                           | Fidelity Special Situations - Dividend Payout      | 10                         | 14669.927                  | 150,000             | 14669.927                  | 150,000             |
|                           | <b>TOTAL-II</b>                                    |                            |                            | <b>2,735,265</b>    |                            | <b>650,000</b>      |
|                           | <b>TOTAL-B</b>                                     |                            |                            | <b>2,835,265</b>    |                            | <b>650,000</b>      |
|                           | <b>GRAND TOTAL</b>                                 |                            |                            | <b>2,852,265</b>    |                            | <b>888,200</b>      |
|                           | Aggregate amount of quoted Investments             |                            |                            | 17,000              |                            | 238,200             |
|                           | Aggregate amount of Unquoted Investments           |                            |                            | 2,835,265           |                            | 650,000             |
|                           | Market Value of Quoted Investment                  |                            |                            | 1,074               |                            | 88,021              |
|                           | Repurchase Price of Mutual Funds                   |                            |                            | 3,186,648           |                            | 608,758             |
| <b>7.</b>                 | <b>INVENTORIES</b>                                 |                            |                            |                     |                            |                     |
|                           | Stores & Spares                                    |                            |                            | 124,329             |                            | 514,449             |
|                           | Packing Materials                                  |                            |                            | 97,788              |                            | 58,059              |
|                           | Raw Materials                                      |                            |                            | 4,486,088           |                            | 5,093,354           |
|                           | Semi-finished Goods                                |                            |                            | 1,238,088           |                            | 2,527,800           |
|                           | Finished Goods                                     |                            |                            | 727,505             |                            | 1,151,150           |
|                           |  |                            |                            | <b>6,673,798</b>    |                            | <b>9,344,812</b>    |
| <b>8.</b>                 | <b>SUNDRY DEBTORS</b>                              |                            |                            |                     |                            |                     |
|                           | (Unsecured) Considered Good                        |                            |                            |                     |                            |                     |
|                           | Due for more than six months                       |                            |                            | 1,300,318           |                            | 1,769,925           |
|                           | Others   |                            |                            | 14,040,148          |                            | 14,830,096          |
|                           | Considered Doubtful - Due for more than six months |                            |                            | 264,712             |                            | -                   |
|                           |  |                            |                            | <b>15,605,178</b>   |                            | <b>16,600,021</b>   |
|                           | Less: Provision for Doubtful debts                 |                            |                            | 264,712             |                            | -                   |
|                           |  |                            |                            | <b>15,340,466</b>   |                            | <b>16,600,021</b>   |

## WORLDWIDE LEATHER EXPORTS LIMITED

| <b>SCHEDULES TO THE ACCOUNTS</b>                                 | <b>31-Mar-10<br/>Rupees</b> | <b>31-Mar-09<br/>Rupees</b> |
|--|-----------------------------|-----------------------------|
| <b>9. CASH AND BANK BALANCES</b>                                 |                             |                             |
| Cash in hand   | 105,997                     | 268,609                     |
| With Scheduled Banks:  |                             |                             |
| In Current Account   | 14,434,244                  | 15,152,677                  |
| In Fixed Deposit Account*  | 5,983,747                   | 10,143,357                  |
|  | <u>20,523,988</u>           | <u>25,564,643</u>           |
| * Pledged with Bank & others                                     | <u>4,883,649</u>            | <u>4,096,204</u>            |
| <b>10. LOANS AND ADVANCES</b>                                    |                             |                             |
| (Unsecured, considered good unless otherwise stated)             |                             |                             |
| Advances recoverable in cash or in kind or value to be received. | 1,265,807                   | 1,014,924                   |
| Advance against Properties                                       |                             |                             |
| - Secured  | -                           | 3,600,000                   |
| - Others   | 10,310,412                  | 8,726,082                   |
| Balance with Government Authorities                              | 1,901                       | 1,901                       |
| Export Incentives Receivable                                     | 2,773,803                   | 2,217,815                   |
| Deposits   | 573,078                     | 685,078                     |
| Taxation Advance and Refundable                                  | 6,033,415                   | 4,092,309                   |
|  | <u>20,958,416</u>           | <u>20,338,109</u>           |
| <b>11. CURRENT LIABILITIES AND PROVISIONS</b>                    |                             |                             |
| A. Current Liabilities   |                             |                             |
| Sundry Creditors   |                             |                             |
| * Small Scale Industrial Undertakings                            | 778,180                     | 1,453,697                   |
| * Others   | 9,019,428                   | 9,983,247                   |
| Advance from customers   | -                           | 121,593                     |
| Other liabilities  | 823,683                     | 741,489                     |
| Interest accrued but not due on loans                            | 72                          | 1,222                       |
|  | <u>10,621,363</u>           | <u>12,301,248</u>           |
| * Refer note 3 on Schedule 21                                    |                             |                             |
| B. Provisions  |                             |                             |
| For Income Tax   | 6,427,000                   | 5,887,000                   |
| For Gratuity   | 522,500                     | 571,154                     |
|  | <u>6,949,500</u>            | <u>6,458,154</u>            |
|  | <u>17,570,863</u>           | <u>18,759,402</u>           |
| <b>SCHEDULES TO THE ACCOUNTS</b>                                 | <b>2009-10<br/>Rupees</b>   | <b>2008-09<br/>Rupees</b>   |
| <b>12. SALES</b>   |                             |                             |
| Leather Footwear   | 89,894,811                  | 118,174,380                 |
|  | <u>89,894,811</u>           | <u>118,174,380</u>          |
| <b>13. OTHER INCOME</b>  |                             |                             |
| Dividend   | 123,368                     | 80,740                      |
| Interest *   |                             |                             |
| On Fixed Deposits  | 334,441                     | 381,527                     |
| On Others  | 62,600                      | -                           |
| Profit on sale of investments                                    | 5,015                       | -                           |
| Freight Subsidy for earlier years                                | 1,251,725                   | -                           |
| Liabilities Written Back   | 328,331                     | 110,436                     |
| Excess provision for gratuity written back                       | 48,654                      | -                           |
| Miscellaneous Receipts   | 86,234                      | 602,192                     |
|  | <u>2,240,368</u>            | <u>1,174,895</u>            |
| * Includes Tax at Source   | <u>52,044</u>               | <u>78,594</u>               |

## WORLDWIDE LEATHER EXPORTS LIMITED

| <b>SCHEDULES TO THE ACCOUNTS</b>                             | <b>2009-10<br/>Rupees</b> | <b>2008-09<br/>Rupees</b> |
|--|---------------------------|---------------------------|
| <b>14. INCREASE/(DECREASE) IN STOCK</b>                      |                           |                           |
| Closing Stock  |                           |                           |
| Finished goods   | 727,505                   | 1,151,150                 |
| Semi-finished goods  | 1,238,088                 | 2,527,800                 |
|  | <u>1,965,593</u>          | <u>3,678,950</u>          |
| Less : Opening stock.  |                           |                           |
| Finished goods   | 1,151,150                 | 4,343,800                 |
| Semi-finished goods  | 2,527,800                 | 3,403,516                 |
|  | <u>3,678,950</u>          | <u>7,747,316</u>          |
|  | <u>(1,713,357)</u>        | <u>(4,068,366)</u>        |
| <b>15. COST OF MATERIALS</b>                                 |                           |                           |
| Raw material consumed  | 48,521,581                | 65,745,307                |
| Semi Finished Goods Consumed                                 | 1,324,790                 | -                         |
| Packing material consumed                                    | 2,619,037                 | 3,622,621                 |
| Stores and spare parts consumed                              | 782,921                   | 336,350                   |
|  | <u>53,248,329</u>         | <u>69,704,278</u>         |
| <b>16. EXPENSES ON EMPLOYEES</b>                             |                           |                           |
| Salary, wages and allowances                                 | 9,473,740                 | 9,137,027                 |
| Contribution to Provident fund                               | 523,724                   | 465,011                   |
| Contribution to Employees State Insurance                    | 210,763                   | 189,411                   |
| Staff & Labour welfare expenses                              | 1,404,632                 | 1,241,448                 |
|  | <u>11,612,859</u>         | <u>11,032,897</u>         |
| <b>17. COST OF BORROWINGS</b>                                |                           |                           |
| Interest :   |                           |                           |
| On Others  | (48,937)                  | 351,634                   |
|  | <u>(48,937)</u>           | <u>351,634</u>            |
| <b>18. SELLING AND DISTRIBUTION EXPENSES</b>                 |                           |                           |
| Freight and Other Charges                                    | 2,954,291                 | 2,840,657                 |
| Commission   | 2,185,238                 | 3,792,927                 |
| Miscellaneous Selling and Distribution Expenses              | 1,104,101                 | 746,112                   |
|  | <u>6,243,630</u>          | <u>7,379,696</u>          |
| <b>19. OTHER EXPENSES</b>                                    |                           |                           |
| Insurance  | 183,249                   | 286,912                   |
| Rent   | 294,467                   | 992,928                   |
| Rates & Taxes  | 4,400                     | 4,650                     |
| Repairs & Maintenance :                                      |                           |                           |
| To Building  | 192,670                   | 655,638                   |
| To Plant & Machinery   | 479,102                   | 358,066                   |
| To Others  | 378,312                   | 514,791                   |
| Travelling & Conveyance                                      | 2,718,802                 | 2,594,815                 |
| Auditors' Remuneration :                                     |                           |                           |
| For Statutory Audit  | 99,270                    | 99,270                    |
| For Tax Audit  | 33,090                    | 33,090                    |
| For Other services   | 40,032                    | 54,981                    |
| Miscellaneous Expenses                                       | 4,428,666                 | 4,804,667                 |
| Loss on sale of fixed assets (Net)                           | 274,442                   | 703,283                   |
| Fixed Assets written off                                     | -                         | 133,892                   |
| Items relating to previous year (Net)                        | 16,768                    | 2,350                     |
| Irrecoverable Debts, loans and Advances written off          | 375,766                   | 886,426                   |
| Provision for Bad and Doubtful Debts                         | 264,712                   | -                         |
|  | <u>9,783,748</u>          | <u>12,125,759</u>         |
| <b>20. EXTRA ORDINARY ITEMS</b>                              |                           |                           |
| Loss on sale of investments                                  | -                         | 10,982,734                |
| Less:  |                           |                           |
| Provision for Diminution in value of Investment written back | -                         | (10,979,977)              |
|  | <u>-</u>                  | <u>2,757</u>              |
| <b>21. DIRECT TAXES</b>                                      |                           |                           |
| Current Tax  | 540,000                   | 2,160,000                 |
| Deferred Tax   | (270,000)                 | (297,000)                 |
| Fringe Benefit Tax   | -                         | 350,000                   |
| Adjustments related to previous years                        | -                         | -                         |
|  | <u>2,213,000</u>          | <u>2,213,000</u>          |

# WORLDWIDE LEATHER EXPORTS LIMITED

## SCHEDULES TO THE ACCOUNTS

### 22. NOTES TO THE ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### **SYSTEM OF ACCOUNTING :**

The company follows Mercantile system of accounting and recognises Income and Expenditure on Accrual basis. The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles.

##### **FIXED ASSETS :**

Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

##### **DEPRECIATION :**

Depreciation is accounted on straight line method at or above the rates provided in schedule XIV to the Companies Act, 1956.

##### **INVESTMENTS :**

Long term investments are carried at acquisition cost and investments intended to be held for less than one year are classified as current investments and are carried at lower of cost and market value. Long term investments which have suffered permanent diminution in their value are reduced to their current value.

##### **INVENTORIES :**

- |   |  |
|---|--|
| a) Raw Material, Stores & Spares and Packing Material | At Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. Cost is determined on "Weighted Average Basis". |
| b) Finished Goods                                     | At Lower of cost and net realizable value. Cost includes direct materials, labour and manufacturing overheads.   |
| c) Semi Finished Goods                                | At Lower of estimated cost and net realizable value.   |

##### **FOREIGN CURRENCY TRANSACTIONS :**

- Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. All trade debtors and creditors related to foreign currency transaction outstanding at the year end are translated at exchange rates prevailing at the year end. The resultant translation differences are recognised in the Profit & Loss Account.
- In respect of Forward Exchange Contracts, the difference between the forward rate and the exchange rate on date of transaction has been recognised as income or expense as the case may be over the life of contract.

##### **SALES :**

Sale of goods is recognised at the point of dispatch to the buyer and is net of sales tax/ Value added Tax and excise duty, as applicable.

##### **TAXES ON INCOME :**

- Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- Deferred tax is recognised, subject to consideration of prudence, in respect of deferred tax assets/liabilities on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

##### **OTHERS :**

- Premium on import duty entitlements is accounted for on sale thereof.
  - Liability towards gratuity is funded with Life Insurance Corporation of India and administered through a separate trust set up by the Company. The Company's contribution towards the Fund is charged to Profit & Loss Account. Provision of gratuity for employees not covered by the scheme is made at the undiscounted amount.
  - Impairment Loss in the value of assets, as specified in Accounting Standard - 28, is recognised whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.
- Capital commitments remaining to be executed and not provided for amount to Rs.124.44 lacs(Rs.96.94 lacs); advance there against amount to Rs.103.10 lacs (Rs.82.76 lacs).
  - The names of small scale industrial undertakings to whom the Company owes sums outstanding for more than 30 days as at the Balance Sheet date is Sagar Buckles Pvt. Ltd and Anand Cutting Profile P. Ltd.. This information and that given in Schedule 11 - "Current Liabilities and Provisions" regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
    - In absence of necessary information relating to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the company is unable to identify such suppliers, hence the information required under the said act is not given.
  - Interest to Banks is net of interest Income of Rs.3.55 lacs (Rs.3.07 lacs); TDS Rs.0.55 lacs (Rs.0.67 lacs), on Fixed Deposits pledged with the Banks against the Credit Facilities related to exports.

## WORLDWIDE LEATHER EXPORTS LIMITED

### SCHEDULES TO THE ACCOUNTS

|  |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
|--|-------|----------------------------------|-------------------|------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|----------------|---------------|--|
| <b>5. Raw Materials Consumed</b>   |       |                                  |                   |                                    |                   | <b>2009-10</b>                      |                   | <b>2008-09</b>                      |                |               |  |
|  | Unit  | Quantity                         | Value<br>Rupees   | Quantity                           | Value<br>Rupees   |                                     |                   |                                     |                |               |  |
| Leather and Leather Lining   | Dm    | 5,136,496                        | 27,217,768        | 6,835,251                          | 37,006,727        |                                     |                   |                                     |                |               |  |
| Soles  | Pairs | 111,755                          | 13,450,582        | 168,348                            | 16,986,168        |                                     |                   |                                     |                |               |  |
| Insoles  |       |                                  | 1,212,064         |                                    | 770,955           |                                     |                   |                                     |                |               |  |
| Others   |       |                                  | 6,641,167         |                                    | 10,981,457        |                                     |                   |                                     |                |               |  |
|  |       |                                  | <u>48,521,581</u> |                                    | <u>65,745,307</u> |                                     |                   |                                     |                |               |  |
| <b>6. Earning in Foreign Exchange:</b>   |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| FOB Value of exports   |       |                                  | 88,686,149        |                                    | 113,025,069       |                                     |                   |                                     |                |               |  |
| <b>Expenditure in Foreign Currency</b>   |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| Travelling   |       |                                  | 1,390,244         |                                    | 1,120,948         |                                     |                   |                                     |                |               |  |
| Fair Expenses  |       |                                  | 350,232           |                                    | 459,168           |                                     |                   |                                     |                |               |  |
| Commission on exports  |       |                                  | 1,117,065         |                                    | 1,969,851         |                                     |                   |                                     |                |               |  |
| Bank Charges   |       |                                  | 250,556           |                                    | 279,063           |                                     |                   |                                     |                |               |  |
| Advertisement  |       |                                  | 37,500            |                                    | -                 |                                     |                   |                                     |                |               |  |
| <b>7. (a) Capacities</b>   |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
|  |       | Licensed Capacity<br>(Per annum) |                   | Installed Capacity*<br>(Per annum) |                   |                                     |                   |                                     |                |               |  |
|  |       | <b>2009-10</b>                   | 2008-09           | <b>2009-10</b>                     | 2008-09           |                                     |                   |                                     |                |               |  |
| Leather Footwear   |       | 600,000                          | 600,000           | 300,000                            | 300,000           |                                     |                   |                                     |                |               |  |
| * As certified by the management   |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| <b>(b) Production, Purchase, Stock and Sales</b>   |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| Class of goods   | Unit  | Opening Stock                    |                   | Production                         |                   | Purchase                            |                   | Sales                               |                | Closing Stock |  |
|  |       | Quantity                         | Value             | Quantity                           | Quantity          | Value                               | Quantity          | Value                               | Quantity       | Value         |  |
| Leather Footwear   | Pairs | 7,668                            | 1,151,150         | 114,319                            | 2,019             | 1,159,913                           | 120,595           | 89,894,811                          | 3,411          | 727,505       |  |
|  |       | (24,267)                         | (4,343,800)       | (149,058)                          | (3,793)           | (1,556,602)                         | (169,450)         | (118,174,380)                       | (7,668)        | (1,151,150)   |  |
| Total  |       | <u>1,151,150</u>                 |                   |                                    | <u>1,159,913</u>  |                                     | <u>89,894,811</u> |                                     | <u>727,505</u> |               |  |
|  |       | (4,343,800)                      |                   |                                    | (1,556,602)       |                                     | (118,174,380)     |                                     | (1,151,150)    |               |  |
| Notes:   |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| 1. Sales are net of returns.   |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| 2. Production quantities are after adjustment of shortage/excess on physical verification. |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| 3. Previous year's figures above are given in brackets.                                    |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| <b>8. Raw Materials and Stores &amp; Spare Parts consumed.</b>                             |       |                                  |                   |                                    |                   | <b>Value<br/>Rupees<br/>2009-10</b> |                   | <b>Value<br/>Rupees<br/>2008-09</b> |                |               |  |
|  |       | <b>Percentage</b>                |                   | <b>Percentage</b>                  |                   |                                     |                   |                                     |                |               |  |
| Raw Materials :  |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| Imported   |       | 1.93%                            | 935,508           | 2.80%                              | 1,841,802         |                                     |                   |                                     |                |               |  |
| Indigenous   |       | 98.07%                           | 47,586,073        | 97.20%                             | 63,903,505        |                                     |                   |                                     |                |               |  |
|  |       | <u>100%</u>                      | <u>48,521,581</u> | <u>100.00%</u>                     | <u>65,745,307</u> |                                     |                   |                                     |                |               |  |
| Stores & Spare Parts:  |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| Imported   |       | -                                | -                 | -                                  | -                 |                                     |                   |                                     |                |               |  |
| Indigenous   |       | 100.00%                          | 782,921           | 100.00%                            | 336,350           |                                     |                   |                                     |                |               |  |
|  |       | <u>100.00%</u>                   | <u>782,921</u>    | <u>100.00%</u>                     | <u>336,350</u>    |                                     |                   |                                     |                |               |  |
| <b>9. Payment to Directors:</b>  |       |                                  |                   |                                    |                   |                                     |                   |                                     |                |               |  |
| <b>(a) Managing and Wholetime Directors' Remuneration</b>                                  |       |                                  |                   |                                    |                   | <b>31-Mar-10</b>                    |                   | <b>31-Mar-09</b>                    |                |               |  |
|  |       |                                  | <b>Rupees</b>     |                                    | <b>Rupees</b>     |                                     |                   |                                     |                |               |  |
| Salary and Allowance   |       |                                  | 1,086,327         |                                    | 1,181,095         |                                     |                   |                                     |                |               |  |
|  |       |                                  | <u>1,086,327</u>  |                                    | <u>1,181,095</u>  |                                     |                   |                                     |                |               |  |
| <b>(b) Directors' meeting fee</b>  |       |                                  |                   |                                    |                   | <u>5,000</u>                        |                   | <u>7,000</u>                        |                |               |  |

## WORLDWIDE LEATHER EXPORTS LIMITED

### SCHEDULES TO THE ACCOUNTS

10. Related Party Disclosures

- 1 Enterprises where control exists None
- 2 Other related parties with whom the Company had transactions  
Key management personnel  
Sh. Anil Agarwal Chairman & Managing Director  
Smt. Rakhee Agarwal Whole Time Director
- 3 Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence  
Nilgiri Mercantile Private Ltd.
- 4 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2010.

|                             | Enterprises where control exists |                   | Key Management Personnel & Relatives |                   |
|-----------------------------|----------------------------------|-------------------|--------------------------------------|-------------------|
|                             | 2009-10<br>Rupees                | 2008-09<br>Rupees | 2009-10<br>Rupees                    | 2008-09<br>Rupees |
| 1 Rent                      | -                                | 50,000            | -                                    | -                 |
| 2 Vehicle hire charges paid | -                                | -                 | -                                    | -                 |
| 3 Remuneration              | -                                | -                 | <b>1,086,327</b>                     | 1,181,095         |
| 4 Balance as on 31st March  |                                  |                   |                                      |                   |

11. Earning per share (Basic & Diluted)

Earning per share has been computed as under:

|  | 2009-10            | 2008-09       |
|--|--------------------|---------------|
| (a) Profit/(Loss) after taxation   | <b>Rs. 740,378</b> | Rs. 3,029,393 |
| (b) Weighted Average No. of Equity Shares outstanding                                | <b>2,970,300</b>   | 2,970,300     |
| (c) Earning per share (Face value Rs. 10/- per share)<br>(a)/(b) (Basic and diluted) | <b>Rs. 0.25</b>    | Rs. 1.02      |

12. On the basis of physical verification of assets, as specified in Accounting Standard - 28, and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2010.

13. Particulars required to be disclosed in pursuance of Accounting Standard – 15 (revised 2005) on “Employee Benefits” as issued by the Institute of Chartered Accountants of India is not determined and hence, not disclosed.

14. Previous year figures have been rearranged/regrouped wherever considered necessary.

On behalf of the Board

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

**(VINIT BAGARIA)**  
Partner

Place : Gurgaon  
Dated : 26th July, 2010

**ANIL AGARWAL**  
Chairman & Managing Director

**RAKHEE AGARWAL**  
Whole Time Director



## WORLDWIDE LEATHER EXPORTS LIMITED

### SCHEDULES TO THE ACCOUNTS

#### 23. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

|  |                            |       |                           |    |
|--|----------------------------|-------|---------------------------|----|
| I. Registration Details  |                            |       |                           |    |
| Registration No.   | 49313                      |       | State Code                | 21 |
| Balance Sheet Date   | 31                         | 3     | 2010                      |    |
|  | Date                       | Month | Year                      |    |
| II. Capital raised during the year (Amount in Rs. Thousands)                               |                            |       |                           |    |
|  | Public Issue               |       | Rights Issue              |    |
|  | NIL                        |       | NIL                       |    |
|  | Bonus Issue                |       | Private Placement         |    |
|  | NIL                        |       | NIL                       |    |
| III. Position of Mobilisation and Deployment of Funds<br>(Amount in Rs. Thousands)         |                            |       |                           |    |
|  | Total Liabilities          |       | Total Assets              |    |
|  | 83,198                     |       | 83,198                    |    |
|  | Source of Funds            |       | Reserves & Surplus        |    |
|  | Paid up Capital            |       | 47,031                    |    |
|  | 29,703                     |       | Unsecured Loans           |    |
|  | Secured Loans              |       | NIL                       |    |
|  | 3,392                      |       |                           |    |
|  | Deferred Tax Liability     |       | Investments               |    |
|  | 3,072                      |       | 2,852                     |    |
|  | Application of Funds       |       | Accumulated Losses        |    |
|  | Net Fixed Assets           |       | NIL                       |    |
|  | 34,420                     |       |                           |    |
|  | Net Current Assets         |       |                           |    |
|  | 45,926                     |       |                           |    |
| IV. Performance of the Company (Amount in Rs. Thousands)                                   |                            |       |                           |    |
|  | Turnover                   |       | Total Expenditure         |    |
|  | 100,040                    |       | 99,029                    |    |
|  | + - Profit/Loss Before Tax |       | + - Profit/Loss After Tax |    |
|  | + 1,010                    |       | + 740                     |    |
|  | Earning Per Share in Rs.   |       | Dividend rate %           |    |
|  | 0.25                       |       | NIL                       |    |
| V. Generic Names of Three Principal Product/Services of Company<br>(as per monetary terms) |                            |       |                           |    |
|  | Item Code No. (ITC Code)   |       | 64.03                     |    |
|  | Product Description        |       | LEATHER FOOTWEAR          |    |
| Signatures to Schedule 1 to 23   |                            |       |                           |    |

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

**(VINIT BAGARIA)**  
Partner

Place : Gurgaon  
Dated : 26th July, 2010

**ANIL AGARWAL**  
Chairman & Managing Director

**RAKHEE AGARWAL**  
Whole Time Director

# WORLDWIDE LEATHER EXPORTS LIMITED

## AUDITORS' REPORT

The Members of Worldwide Leather Exports Limited

We have audited the attached balance sheet of Worldwide Leather Exports Limited as at 31st March 2010, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - (iv) Subject to our comments hereinafter, the Balance Sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant Accounting Policies and Notes to the Accounts, give the information required by the Companies Act, 1956, in the manner so required and subject particularly to notes on schedule 22 regarding (i) *Provision of gratuity for employees not covered under the scheme of Life Insurance Corporation of India (Accounting Policy)*, (ii) *non disclosure of particulars as required in pursuance of Accounting Standard - 15 (note 13) and (iii) Dues to SSI Units and non-disclosure of information under the Micro, Small and Medium Enterprises Development Act, 2006 (note 3)*, give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2010;
    - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
    - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **B. CHHAWCHHARIA & Co.**  
Chartered Accountants

**(VINIT BAGARIA)**

Partner

Membership Number : 500872

Place : Gurgaon

Date : 26th July, 2010

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date for the year ended 31st March, 2010.

- 1) a) Proper record showing full particulars including the quantitative details and situation of fixed assets are being updated by the company.
- b) According to the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The company has not disposed off substantial part of its fixed assets during the year.
- 2) a) According to the information and explanations given to us, the management has physically verified the inventory during the year. In our opinion, the frequency of verification is reasonable.

## WORLDWIDE LEATHER EXPORTS LIMITED

- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. During the year the Company has written off discrepancies noticed on verification between the physical stocks and the book records, which is not substantial in view of the nature and size of the company.
- 3) The Company has not taken or granted any loans to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods, services and fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- 5) a) According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under the said Section have been so entered.  
b) In our opinion and according to the information and explanations given to us, a transaction made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of a party during the year has been made at price which is reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- 7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8) As per information and records provided to us and as per broad review of the same, the company is maintaining most of the cost records as prescribed under Section 209 (1) (d) of the Companies Act, 1956.
- 9) a) According to the records of the company, generally the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, and no such statutory dues were outstanding as at the last day of the financial year under review for a period of more than six months from the date they became payable.  
b) According to the information and explanations given to us, no dues of sale tax, income tax, customs duty, wealth tax, service tax, excise duty, and cess, as applicable, which have not been deposited on account of any dispute.
- 10) The company does not have accumulated losses. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
- 12) As per information and explanations provided to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/ society.
- 14) The company is not dealing or trading in shares, securities, debentures and other investments. However, investments of the Company are held in its own name, except those held by amalgamating company.
- 15) As per information and explanations provided to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) The Company has not taken any Term Loan during the year concerned.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short- term basis have been used for long-term investment except permanent working capital.
- 18) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the financial year.
- 19) During the period covered by our audit report, the company has not issued any debentures.
- 20) The company has not raised money by public issues during the financial year concerned.
- 21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **B. CHHAWCHHARIA & Co.**  
Chartered Accountants

**(VINIT BAGARIA)**

Partner

Membership Number : 500872

Place : Gurgaon  
Date : 26th July, 2010

## WORLDWIDE LEATHER EXPORTS LIMITED

| <b>CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2010</b>                 |                 |   |                             |
|--|-----------------|---|-----------------------------|
|  | <b>SCHEDULE</b> | <b>31-Mar-10<br/>Rupees</b>                         | <b>31-Mar-09<br/>Rupees</b> |
| <b>SOURCE OF FUNDS</b>   |                 |   |                             |
| <b>SHAREHOLDERS' FUNDS :</b>   |                 |   |                             |
| Share Capital  | 1               | <b>29,703,000</b>                                   | 29,703,000                  |
| Reserves & Surplus   | 2               | <u><b>47,052,610</b></u>                            | <u>46,290,832</u>           |
|  |                 | <b>76,755,610</b>                                   | 75,993,832                  |
| <b>LOAN FUNDS :</b>  |                 |   |                             |
| Secured Loans  | 3               | <b>3,391,694</b>                                    | 9,571,496                   |
| <b>DEFERRED TAX LIABILITY</b>  |                 |   |                             |
|  | 4               | <u><b>3,072,000</b></u>                             | <u>3,342,000</u>            |
|  |                 | <u><b>83,219,304</b></u>                            | <u>88,907,328</u>           |
| <b>APPLICATION OF FUNDS</b>  |                 |   |                             |
| <b>FIXED ASSETS</b>  |                 |   |                             |
| a) Gross Block   |                 | <b>63,495,117</b>                                   | 63,881,379                  |
| b) Less : Depreciation   |                 | <u><b>29,070,883</b></u>                            | <u>28,950,434</u>           |
| c) Net Block   | 5               | <b>34,424,234</b>                                   | 34,930,945                  |
| <b>INVESTMENTS</b>   |                 |   |                             |
|  | 6               | <b>2,752,265</b>                                    | 888,200                     |
| <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>                            |                 |   |                             |
| Inventories  | 7               | <b>6,673,798</b>                                    | 9,344,812                   |
| Sundry Debtors   | 8               | <b>15,340,466</b>                                   | 16,600,021                  |
| Cash & Bank Balances   | 9               | <b>20,678,120</b>                                   | 25,564,643                  |
| Loans & Advances   | 10              | <u><b>21,031,566</b></u>                            | <u>20,338,109</u>           |
|  |                 | <u><b>63,723,950</b></u>                            | <u>71,847,585</u>           |
| <b>LESS : Current Liabilities &amp; Provisions</b>                     |                 |   |                             |
| Current Liabilities  | 11              | <b>10,747,981</b>                                   | 12,301,248                  |
| Provisions   |                 | <u><b>6,957,500</b></u>                             | <u>6,458,154</u>            |
|  |                 | <u><b>17,705,481</b></u>                            | <u>18,759,402</u>           |
| <b>NET CURRENT ASSETS</b>  |                 |   |                             |
|  |                 | <b>46,018,469</b>                                   | 53,088,183                  |
| Miscellaneous Expenditure  | 12              | <u><b>24,336</b></u>                                | <u>-</u>                    |
|  |                 | <u><b>83,219,304</b></u>                            | <u>88,907,328</u>           |
| <b>NOTES ON ACCOUNTS</b>   |                 |   |                             |
|  | 23              |   |                             |
| <b>BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE</b>   |                 |   |                             |
|  | 24              |   |                             |
| 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>B.CHHAWCHHARIA &amp; CO.</b><br>Chartered Accountants           |                 |   |                             |
| <b>(VINIT BAGARIA)</b><br>Partner                                      |                 | <b>ANIL AGARWAL</b><br>Chairman & Managing Director |                             |
| Place : Gurgaon<br>Dated : 26th July, 2010                             |                 | <b>RAKHEE AGARWAL</b><br>Whole Time Director        |                             |

## WORLDWIDE LEATHER EXPORTS LIMITED

### CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2010

|   | SCHEDULE | 2009-2010<br>Rupees | 2008-2009<br>Rupees |
|---|----------|---------------------|---------------------|
| <b>INCOME</b>   |          |                     |                     |
| Sales   | 13       | 89,894,811          | 118,174,380         |
| Export Incentive                                      |          | 9,088,698           | 11,793,447          |
| Difference in Exchange                                |          | (1,184,283)         | (562,851)           |
| Other Income  | 14       | 2,300,368           | 1,174,895           |
| Increase/(Decrease) in Stock                          | 15       | (1,713,357)         | (4,068,366)         |
|   |          | <b>98,386,237</b>   | <b>126,511,505</b>  |
| <b>EXPENDITURE</b>                                    |          |                     |                     |
| Purchase of finished goods                            |          | 1,159,913           | 1,556,602           |
| Cost of Materials                                     | 16       | 53,248,329          | 69,704,278          |
| Expenses on Employees                                 | 17       | 11,612,859          | 11,032,897          |
| Fabrication, Processing & other Charges               |          | 10,695,862          | 14,414,554          |
| Power & Fuel  |          | 1,656,696           | 1,719,851           |
| Cost of borrowings                                    | 18       | (48,937)            | 351,634             |
| Selling and Distribution Expenses                     | 19       | 6,243,630           | 7,379,696           |
| Depreciation  |          | 2,963,759           | 2,981,084           |
| Other Expenses  | 20       | 9,814,348           | 12,125,759          |
|   |          | <b>97,346,459</b>   | <b>121,266,355</b>  |
| <b>PROFIT BEFORE TAXATION AND EXTRA ORDINARY ITEM</b> |          | <b>1,039,778</b>    | 5,245,150           |
| Less : Extra Ordinary Items                           | 21       | -                   | 2,757               |
| <b>PROFIT BEFORE TAXATION</b>                         |          | <b>1,039,778</b>    | 5,242,393           |
| Direct Taxes  | 22       | 278,000             | 2,213,000           |
| Profit after Tax                                      |          | 761,778             | 3,029,393           |
| Profit brought forward                                |          | 209,157             | 179,764             |
| Transfer to General Reserve                           |          | -                   | 3,000,000           |
| Profit available for appropriation                    |          | <b>970,935</b>      | <b>209,157</b>      |
| Earning per Share - Face Value                        |          |                     |                     |
| Rs.10 each (Basic & Diluted)                          |          | <b>Rs.0.26</b>      | Rs.1.02             |
| <b>NOTES ON ACCOUNTS</b>                              |          |                     |                     |
|   | 23       |                     |                     |
| <b>BALANCE SHEET ABSTRACT AND COMPANY'S</b>           |          |                     |                     |
| <b>GENERAL BUSINESS PROFILE</b>                       |          |                     |                     |
|   | 24       |                     |                     |

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

Place : Gurgaon  
Dated : 26th July, 2010

**ANIL AGARWAL**  
Chairman & Managing Director

**RAKHEE AGARWAL**  
Whole Time Director

## WORLDWIDE LEATHER EXPORTS LIMITED

### Consolidated Cash Flow Statement for the year ended 31st March, 2010

|   | 2009-2010<br>Rupees | 2008-2009<br>Rupees |
|---|---------------------|---------------------|
| <b>A Cash flow from operating activities</b>          |                     |                     |
| Net profit before taxation                            | 1,039,778           | 5,242,393           |
| Adjusted for  |                     |                     |
| Depreciation  | 2,963,759           | 2,981,084           |
| Interest income                                       | (397,041)           | (381,527)           |
| Profit on sale of Investment                          | (5,015)             | -                   |
| Dividend income                                       | (123,368)           | (80,740)            |
| Interest expense (Net)                                | (48,937)            | 351,634             |
| Goodwill on Consolidation                             | (4,400)             | -                   |
| Miscellaneous Expenditure                             | (24,336)            | -                   |
| Fixed Assets written off                              | -                   | 133,892             |
| Loss on sale of Fixed Assets                          | 274,442             | 703,283             |
| Operating profit before working capital change        | <b>3,674,882</b>    | 8,950,019           |
| Adjusted for  |                     |                     |
| Trade and Other receivables                           | 2,525,204           | 5,077,071           |
| Inventories   | 2,671,014           | 6,328,186           |
| Trade payables and advance from customers             | (1,601,921)         | 803,097             |
| Cash generated from operations                        | <b>7,269,179</b>    | 21,158,373          |
| Direct Taxes (paid)/ refunded (net)                   | <b>(1,959,106)</b>  | (1,474,078)         |
| Net cash from operating activities                    | <b>5,310,073</b>    | 19,684,295          |
| <b>B Cash flows from investing activities</b>         |                     |                     |
| Purchase of fixed assets                              | (3,045,090)         | (2,333,522)         |
| Proceeds from disposal of fixed assets                | 318,000             | 956,933             |
| Purchase / Sale of Long Term Investments              | (1,859,050)         | 288,732             |
| Dividend income                                       | 123,368             | 80,740              |
| Interest received (Net)                               | 397,041             | 381,527             |
| Net cash used in investing activities                 | <b>(4,065,731)</b>  | (625,590)           |
| <b>C Cash flows from financing activities</b>         |                     |                     |
| Repayment of long term borrowings                     | <b>(156,943)</b>    | (151,018)           |
| Increase/(Decrease) in Export Credit Facilities (Net) | <b>(6,022,859)</b>  | (16,297,627)        |
| Interest paid   | <b>48,937</b>       | (351,634)           |
| Net cash from financing activities                    | <b>(6,130,865)</b>  | (16,800,279)        |
| Net increase/(decrease) in cash or cash equivalents   | <b>(4,886,523)</b>  | 2,258,426           |
| Cash and cash equivalents at beginning of year        | <b>25,564,643</b>   | 23,306,217          |
| Cash and cash equivalents at end of year              | <b>20,678,120</b>   | 25,564,643          |

**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 : 26th July, 2010

**RAKHEE AGARWAL**

Whole Time Director

## WORLDWIDE LEATHER EXPORTS LIMITED

| <b>SCHEDULES TO THE CONSOLIDATED ACCOUNTS</b>   |                             |                     |                      | <b>31-Mar-10</b>             | <b>31-Mar-09</b>            |                           |                      |                              |                              |                              |
|---|-----------------------------|---------------------|----------------------|------------------------------|-----------------------------|---------------------------|----------------------|------------------------------|------------------------------|------------------------------|
|   |                             |                     |                      | <b>Rupees</b>                | <b>Rupees</b>               |                           |                      |                              |                              |                              |
| <b>1. SHARE CAPITAL</b>   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| <b>Authorised:</b>  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| 8000000 Equity shares of Rs 10 each.  |                             |                     |                      | <u>80,000,000</u>            | <u>80,000,000</u>           |                           |                      |                              |                              |                              |
| <b>Issued, Subscribed &amp; Paid up</b>   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| 29,70,300 Equity shares of Rs.10 each fully paid up   |                             |                     |                      | <u>29,703,000</u>            | <u>29,703,000</u>           |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u>29,703,000</u>            | <u>29,703,000</u>           |                           |                      |                              |                              |                              |
| Out of the above 757800 Equity shares were allotted pursuant to the scheme of amalgamation, without payment being received in cash.   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| <b>2. RESERVES AND SURPLUS</b>  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Capital Reserve -on Revaluation of Land   |                             |                     |                      | <u>7,166,742</u>             | <u>7,166,742</u>            |                           |                      |                              |                              |                              |
| -on Re-issue of Forfeited Shares  |                             |                     |                      | <u>500</u>                   | <u>500</u>                  |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u>7,167,242</u>             | <u>7,167,242</u>            |                           |                      |                              |                              |                              |
| Capital Grants and Subsidies  |                             |                     |                      | <u>383,433</u>               | <u>383,433</u>              |                           |                      |                              |                              |                              |
| Securities Premium Account  |                             |                     |                      | <u>9,031,000</u>             | <u>9,031,000</u>            |                           |                      |                              |                              |                              |
| General Reserve :   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| As per last account   |                             |                     |                      | <u>29,500,000</u>            | <u>26,500,000</u>           |                           |                      |                              |                              |                              |
| Add : Transfer from Profit & Loss account   |                             |                     |                      | <u>-</u>                     | <u>3,000,000</u>            |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u>29,500,000</u>            | <u>29,500,000</u>           |                           |                      |                              |                              |                              |
| Profit & Loss Account   |                             |                     |                      | <u>970,935</u>               | <u>209,157</u>              |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u>47,052,610</u>            | <u>46,290,832</u>           |                           |                      |                              |                              |                              |
| <b>3. SECURED LOANS</b>   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| I Vijaya Bank:  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| i) Packing Credit   |                             |                     |                      | <u>1,100,000</u>             | <u>6,850,000</u>            |                           |                      |                              |                              |                              |
| ii) Foreign Usage Documentary Bills   |                             |                     |                      | <u>-</u>                     | <u>-</u>                    |                           |                      |                              |                              |                              |
| Secured by charge on Land, Buildings and Plant & Machinery and hypothecation of Raw materials, Semi-finished goods, Finished goods at company's factory at Gurgaon and respective Bills, pledge of Fixed Deposit Receipts and personal guarantee of Managing Director of the Company. |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| iii) Overdraft  |                             |                     |                      | <u>2,282,478</u>             | <u>2,555,337</u>            |                           |                      |                              |                              |                              |
| Secured by pledge of certain fixed deposit receipts II *ICICI Bank Ltd.   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Secured by hypothecation of vehicles  |                             |                     |                      | <u>9,216</u>                 | <u>166,159</u>              |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u>3,391,694</u>             | <u>9,571,496</u>            |                           |                      |                              |                              |                              |
| *Installment falling due in next twelve months Rs. 9,216/-  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| <b>4. DEFERRED TAX LIABILITIES</b>  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Deferred Tax Liabilities On :   |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Fiscal allowances on fixed assets   |                             |                     |                      | <u>3,461,000</u>             | <u>3,656,000</u>            |                           |                      |                              |                              |                              |
| Deferred Tax Assets On :  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
| Employee's remuneration and retirement benefit  |                             |                     |                      | <u>389,000</u>               | <u>314,000</u>              |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u>389,000</u>               | <u>314,000</u>              |                           |                      |                              |                              |                              |
|   |                             |                     |                      | <u>3,072,000</u>             | <u>3,342,000</u>            |                           |                      |                              |                              |                              |
| <b>5. FIXED ASSETS</b>  |                             |                     |                      |                              |                             |                           |                      |                              |                              |                              |
|   | GROSS BLOCK                 |                     |                      |                              | DEPRECIATION                |                           |                      | NET BLOCK                    |                              |                              |
|   | As at<br>1-Apr-09<br>Rupees | Additions<br>Rupees | Deductions<br>Rupees | As at<br>31-Mar-10<br>Rupees | As at<br>1-Apr-09<br>Rupees | For<br>the year<br>Rupees | Adjustment<br>Rupees | As at<br>31-Mar-10<br>Rupees | As at<br>31-Mar-10<br>Rupees | As at<br>31-Mar-09<br>Rupees |
| Goodwill<br>(on amalgamation)   | 23,096                      | -                   | -                    | 23,096                       | -                           | -                         | -                    | -                            | 23,096                       | 23,096                       |
| Goodwill<br>(on amalgamation)   | -                           | 4,400               | -                    | 4,400                        | -                           | -                         | -                    | -                            | 4,400                        | -                            |
| Land  | 8,700,656                   | -                   | -                    | 8,700,656                    | -                           | -                         | -                    | -                            | 8,700,656                    | 8,700,656                    |
| Building  | 9,646,019                   | -                   | -                    | 9,646,019                    | 3,640,499                   | 252,746                   | -                    | 3,893,245                    | 5,752,774                    | 6,005,520                    |
| Plant & Machinery   | 28,812,997                  | 654,470             | (57,274)             | 29,410,193                   | 13,757,063                  | 1,377,830                 | (15,475)             | 15,119,418                   | 14,290,775                   | 15,055,934                   |
| Lasts   | 5,704,913                   | 472,575             | (2,121,106)          | 4,056,382                    | 5,704,913                   | 472,575                   | (2,121,106)          | 4,056,382                    | -                            | -                            |
| Moulds & Dies   | 2,586,302                   | 222,272             | -                    | 2,808,574                    | 2,335,895                   | 199,336                   | -                    | 2,535,231                    | 273,343                      | 250,407                      |
| Electric Installation   | 2,673,941                   | -                   | -                    | 2,673,941                    | 1,374,070                   | 121,894                   | -                    | 1,495,964                    | 1,177,977                    | 1,299,871                    |
| Air Conditioner   | 287,997                     | -                   | -                    | 287,997                      | 49,587                      | 13,682                    | -                    | 63,269                       | 224,728                      | 238,410                      |
| Furniture & Fixtures  | 310,847                     | -                   | -                    | 310,847                      | 93,532                      | 16,536                    | -                    | 110,068                      | 200,779                      | 217,315                      |
| Office Equipment  | 391,623                     | 42,000              | -                    | 433,623                      | 123,900                     | 19,284                    | -                    | 143,184                      | 290,439                      | 267,723                      |
| Vehicles  | 3,948,627                   | 1,550,963           | (1,107,439)          | 4,392,151                    | 1,392,191                   | 417,163                   | (564,371)            | 1,244,983                    | 3,147,168                    | 2,556,436                    |
| Computer  | 794,361                     | 102,810             | (149,933)            | 747,238                      | 478,784                     | 72,713                    | (142,358)            | 409,139                      | 338,099                      | 315,577                      |
| <b>TOTAL</b>  | <b>63,881,379</b>           | <b>3,049,490</b>    | <b>(3,435,752)</b>   | <b>63,495,117</b>            | <b>28,950,434</b>           | <b>2,963,759</b>          | <b>(2,843,310)</b>   | <b>29,070,883</b>            | <b>34,424,234</b>            | <b>-</b>                     |
| Previous Year   | 64,385,709                  | 2,333,522           | (2,837,852)          | 63,881,379                   | 27,396,526                  | 2,981,084                 | (1,427,176)          | 28,950,434                   | -                            | 34,930,945                   |

## WORLDWIDE LEATHER EXPORTS LIMITED

| SCHEDULES TO THE CONSOLIDATED ACCOUNTS             | Paid up Value<br>Rupees | No. of Shares/<br>Units | 31-Mar-10<br>Rupees | No. of Shares/<br>Units | 31-Mar-09<br>Rupees |
|--|-------------------------|-------------------------|---------------------|-------------------------|---------------------|
| <b>6. INVESTMENTS - LONG TERM</b>                  |                         |                         |                     |                         |                     |
| <b>Fully Paid</b>                                  |                         |                         |                     |                         |                     |
| <b>A Quoted - Non Trade</b>                        |                         |                         |                     |                         |                     |
| Asian Tea & Exports Ltd.                           | 10                      | -                       | -                   | 100                     | 1,000               |
| Bharat Earth Movers Ltd.                           | 10                      | -                       | -                   | 100                     | 17,300              |
| Digital Multi Forms Ltd.                           | 10                      | 200                     | 2,000               | 200                     | 2,000               |
| Filament India Ltd.                                | 10                      | 200                     | 4,000               | 200                     | 4,000               |
| Goldiam International Ltd.                         | 10                      | -                       | -                   | 400                     | 10,000              |
| Hindustan Organic Chem. Ltd.                       | 10                      | -                       | -                   | 300                     | 15,000              |
| Mukrerian Papers Ltd.                              | 10                      | 150                     | 6,000               | 150                     | 6,000               |
| N.K. Industries Ltd.                               | 10                      | -                       | -                   | 100                     | 4,000               |
| Orind Exports Ltd.                                 | 10                      | -                       | -                   | 100                     | 1,000               |
| Parenteral Drugs (India) Ltd.                      | 10                      | -                       | -                   | 100                     | 9,000               |
| Patel Integrated Logistics Ltd.                    | 10                      | -                       | -                   | 230                     | 7,000               |
| Punjab Woolcombers Ltd.                            | 10                      | -                       | -                   | 50                      | 4,500               |
| Ram Ratna Wires Ltd.                               | 10                      | -                       | -                   | 100                     | 1,000               |
| Royale Manor Hotels & Industries Ltd.              | 10                      | -                       | -                   | 100                     | 1,000               |
| Shilp Gravures Ltd.                                | 10                      | -                       | -                   | 100                     | 1,000               |
| Super Syncotex (India) Ltd.                        | 10                      | 200                     | 5,000               | 200                     | 5,000               |
| Suryavanshi Spinning Mills Ltd.                    | 10                      | -                       | -                   | 100                     | 7,000               |
| Vijaya Bank Ltd.                                   | 10                      | -                       | -                   | 600                     | 14,400              |
| VLS Finance Ltd.                                   | 10                      | -                       | -                   | 300                     | 120,000             |
| Wisec Global Ltd                                   | 10                      | -                       | -                   | 200                     | 8,000               |
| <b>TOTAL- A</b>                                    |                         |                         | <b>17,000</b>       |                         | <b>238,200</b>      |
| <b>B Unquoted</b>                                  |                         |                         |                     |                         |                     |
| <b>I. Non Trade</b>                                |                         |                         |                     |                         |                     |
| <b>In Mutual Funds</b>                             |                         |                         |                     |                         |                     |
| Canara Robeco MIP Dividend Payout                  | 10                      | 35147.140               | 495,926             | -                       | -                   |
| ICICI Prudential MIP - Dividend Payout Monthly     | 10                      | 42878.950               | 489,339             | -                       | -                   |
| Birla Sun Life Frontline Equity Fund Plan A Growth | 10                      | 6299.610                | 500,000             | -                       | -                   |
| HDFC Top 200 Fund - Growth                         | 10                      | 3331.594                | 600,000             | -                       | -                   |
| DSP Blackrock Tiger Fund - Dividend Payout         | 10                      | 15987.210               | 200,000             | 15987.210               | 200,000             |
| Fidelity Equity Fund - Dividend Payout             | 10                      | 29339.853               | 300,000             | 29339.853               | 300,000             |
| Fidelity Special Situations - Dividend Payout      | 10                      | 14669.927               | 150,000             | 14669.927               | 150,000             |
| <b>TOTAL-B</b>                                     |                         |                         | <b>2,735,265</b>    |                         | <b>650,000</b>      |
| <b>GRAND TOTAL</b>                                 |                         |                         | <b>2,752,265</b>    |                         | <b>888,200</b>      |
| Aggregate amount of quoted Investments             |                         |                         | 17,000              |                         | 238,200             |
| Aggregate amount of Unquoted Investments           |                         |                         | 2,735,265           |                         | 650,000             |
| Market Value of Quoted Investment                  |                         |                         | 1,074               |                         | 88,021              |
| Repurchase Price of Mutual Funds                   |                         |                         | 3,186,648           |                         | 608,758             |
| <b>7. INVENTORIES</b>                              |                         |                         |                     |                         |                     |
| Stores & Spares                                    |                         |                         | 124,329             |                         | 514,449             |
| Packing Materials                                  |                         |                         | 97,788              |                         | 58,059              |
| Raw Materials                                      |                         |                         | 4,486,088           |                         | 5,093,354           |
| Semi-finished Goods                                |                         |                         | 1,238,088           |                         | 2,527,800           |
| Finished Goods                                     |                         |                         | 727,505             |                         | 1,151,150           |
|  |                         |                         | <b>6,673,798</b>    |                         | <b>9,344,812</b>    |
| <b>8. SUNDRY DEBTORS</b>                           |                         |                         |                     |                         |                     |
| (Unsecured) Considered Good                        |                         |                         |                     |                         |                     |
| Due for more than six months                       |                         |                         | 1,300,318           |                         | 1,769,925           |
| Others   |                         |                         | 14,040,148          |                         | 14,830,096          |
| Considered Doubtful - Due for more than six months |                         |                         | 264,712             |                         | -                   |
|  |                         |                         | <b>15,605,178</b>   |                         | 16,600,021          |
| Less: Provision for Doutful debts                  |                         |                         | 264,712             |                         | -                   |
|  |                         |                         | <b>15,340,466</b>   |                         | <b>16,600,021</b>   |



## WORLDWIDE LEATHER EXPORTS LIMITED

| <b>SCHEDULES TO THE CONSOLIDATED ACCOUNTS</b>   | <b>31-Mar-10<br/>Rupees</b> | <b>31-Mar-09<br/>Rupees</b> |
|---|-----------------------------|-----------------------------|
| <b>9. CASH AND BANK BALANCES</b>  |                             |                             |
| Cash in hand  | 126,830                     | 268,609                     |
| With Scheduled Banks:   |                             |                             |
| In Current Account  | 14,567,544                  | 15,152,677                  |
| In Fixed Deposit Account*   | 5,983,746                   | 10,143,357                  |
|   | <u>20,678,120</u>           | <u>25,564,643</u>           |
| * Pledged with Bank & others  | <u>4,883,649</u>            | <u>4,096,204</u>            |
| <b>10. LOANS AND ADVANCES</b><br>(Unsecured, considered good unless otherwise stated)<br>Advances recoverable in cash or in kind or for value to be received. | 1,320,957                   | 1,014,924                   |
| Advance against Properties  |                             |                             |
| - Secured   | -                           | 3,600,000                   |
| - Others  | 10,310,412                  | 8,726,082                   |
| Balance with Government Authorities   | 1,901                       | 1,901                       |
| Export Incentives Receivable  | 2,773,803                   | 2,217,815                   |
| Deposits  | 573,078                     | 685,078                     |
| Taxation Advance and Refundable   | 6,051,415                   | 4,092,309                   |
|   | <u>21,031,566</u>           | <u>20,338,109</u>           |
| <b>11. CURRENT LIABILITIES AND PROVISIONS</b>   |                             |                             |
| A. Current Liabilities  |                             |                             |
| Sundry Creditors  |                             |                             |
| * Small Scale Industrial Undertakings   | 778,180                     | 1,453,697                   |
| * Others  | 9,134,046                   | 9,983,247                   |
| Advance from customers  | -                           | 121,593                     |
| Other liabilities   | 835,683                     | 741,489                     |
| Interest accrued but not due on loans   | 72                          | 1,222                       |
|   | <u>10,747,981</u>           | <u>12,301,248</u>           |
| * Refer note 3 on Schedule 21   |                             |                             |
| B. Provisions   |                             |                             |
| For Income Tax  | 6,435,000                   | 5,887,000                   |
| For Gratuity  | 522,500                     | 571,154                     |
|   | <u>6,957,500</u>            | <u>6,458,154</u>            |
|   | <u>17,705,481</u>           | <u>18,759,402</u>           |
| <b>12. MISCELLANEOUS EXPENDITURE</b><br>(To the extent not written off or adjusted)<br>Preliminary Expenses   | 24,336                      | -                           |
|   | <u>24,336</u>               | <u>-</u>                    |
| <b>SCHEDULES TO THE ACCOUNTS</b>  | <b>2009-10<br/>Rupees</b>   | <b>2008-09<br/>Rupees</b>   |
| <b>13. SALES</b>  |                             |                             |
| Leather Footwear  | 89,894,811                  | 118,174,380                 |
|   | <u>89,894,811</u>           | <u>118,174,380</u>          |
| <b>14. OTHER INCOME</b>   |                             |                             |
| Dividend  | 123,368                     | 80,740                      |
| Interest *  |                             |                             |
| On Fixed Deposits   | 334,441                     | 381,527                     |
| On Others   | 62,600                      | -                           |
| Profit on sale of investments   | 5,015                       | -                           |
| Freight Subsidy for earlier years   | 1,251,725                   | -                           |
| Liabilities Written Back  | 328,331                     | 110,436                     |
| Excess provision for gratuity written back  | 48,654                      | -                           |
| Commission - (Net)  | 60,000                      | -                           |
| Miscellaneous Receipts  | 86,234                      | 602,192                     |
|   | <u>2,300,368</u>            | <u>1,174,895</u>            |
| * Includes Tax at Source  | 52,044                      | 78,594                      |

## WORLDWIDE LEATHER EXPORTS LIMITED

| <b>SCHEDULES TO THE CONSOLIDATED ACCOUNTS</b>                      | <b>2009-10<br/>Rupees</b> | <b>2008-09<br/>Rupees</b> |
|--|---------------------------|---------------------------|
| <b>15. INCREASE/(DECREASE) IN STOCK</b>                            |                           |                           |
| Closing Stock:   |                           |                           |
| Finished goods   | 727,505                   | 1,151,150                 |
| Semi-finished goods  | 1,238,088                 | 2,527,800                 |
|  | <u>1,965,593</u>          | <u>3,678,950</u>          |
| Less : Opening stock:  |                           |                           |
| Finished goods   | 1,151,150                 | 4,343,800                 |
| Semi-finished goods  | 2,527,800                 | 3,403,516                 |
|  | <u>3,678,950</u>          | <u>7,747,316</u>          |
|  | <u>(1,713,357)</u>        | <u>(4,068,366)</u>        |
| <b>16. COST OF MATERIALS</b>                                       |                           |                           |
| Raw material consumed  | 48,521,581                | 65,745,307                |
| Semi Finished Goods Consumed                                       | 1,324,790                 | -                         |
| Packing material consumed  | 2,619,037                 | 3,622,621                 |
| Stores and spare parts consumed                                    | 782,921                   | 336,350                   |
|  | <u>53,248,329</u>         | <u>69,704,278</u>         |
| <b>17. EXPENSES ON EMPLOYEES</b>                                   |                           |                           |
| Salary, wages and allowances                                       | 9,473,740                 | 9,137,027                 |
| Contribution to Provident fund                                     | 523,724                   | 465,011                   |
| Contribution to Employees State Insurance                          | 210,763                   | 189,411                   |
| Staff & Labour welfare expenses                                    | 1,404,632                 | 1,241,448                 |
|  | <u>11,612,859</u>         | <u>11,032,897</u>         |
| <b>18. COST OF BORROWINGS</b>                                      |                           |                           |
| Interest :   |                           |                           |
| On Others  | (48,937)                  | 351,634                   |
|  | <u>(48,937)</u>           | <u>351,634</u>            |
| <b>19. SELLING AND DISTRIBUTION EXPENSES</b>                       |                           |                           |
| Freight and Other Charges  | 2,954,291                 | 2,840,657                 |
| Commission   | 2,185,238                 | 3,792,927                 |
| Miscellaneous Selling and Distribution Expenses                    | 1,104,101                 | 746,112                   |
|  | <u>6,243,630</u>          | <u>7,379,696</u>          |
| <b>20. OTHER EXPENSES</b>  |                           |                           |
| Insurance  | 183,249                   | 286,912                   |
| Rent   | 294,467                   | 992,928                   |
| Rates & Taxes  | 8,800                     | 4,650                     |
| Repairs & Maintenance :  |                           |                           |
| To Building  | 192,670                   | 655,638                   |
| To Plant & Machinery   | 479,102                   | 358,066                   |
| To Others  | 378,312                   | 514,791                   |
| Travelling & Conveyance  | 2,718,802                 | 2,594,815                 |
| Auditors' Remuneration :   |                           |                           |
| For Statutory Audit  | 105,888                   | 99,270                    |
| For Tax Audit  | 33,090                    | 33,090                    |
| For Other services   | 44,996                    | 54,981                    |
| Miscellaneous Expenses   | 4,437,200                 | 4,804,667                 |
| Loss on sale of fixed assets (Net)                                 | 274,442                   | 703,283                   |
| Fixed Assets written off   | -                         | 133,892                   |
| Items relating to previous year (Net)                              | 16,768                    | 2,350                     |
| Irrecoverable Debts, loans and Advances written off                | 375,766                   | 886,426                   |
| Provision for Bad and Doubtful Debts                               | 264,712                   | -                         |
| Preliminary Expenses written off                                   | 6,084                     | -                         |
|  | <u>9,814,348</u>          | <u>12,125,759</u>         |
| <b>21. EXTRA ORDINARY ITEMS</b>                                    |                           |                           |
| Loss on sale of investments  | -                         | 10,982,734                |
| Less: Provision for Diminution in value of Investment written back | -                         | (10,979,977)              |
|  | <u>-</u>                  | <u>2,757</u>              |
| <b>22. DIRECT TAXES</b>  |                           |                           |
| Current Tax  | 548,000                   | 2,160,000                 |
| Deferred Tax   | (270,000)                 | (297,000)                 |
| Fringe Benefit Tax   | -                         | 350,000                   |
| Adjustments related to previous years                              | -                         | -                         |
|  | <u>278,000</u>            | <u>2,213,000</u>          |

# WORLDWIDE LEATHER EXPORTS LIMITED

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

### 23. NOTES TO THE ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### **SYSTEM OF ACCOUNTING :**

The company follows Mercantile system of accounting and recognises Income and Expenditure on Accrual basis. The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles.

##### **FIXED ASSETS :**

Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

##### **DEPRECIATION :**

Depreciation is accounted on straight line method at or above the rates provided in schedule XIV to the Companies Act, 1956.

##### **INVESTMENTS :**

Long term investments are carried at acquisition cost and investments intended to be held for less than one year are classified as current investments and are carried at lower of cost and market value. Long Term investments which have suffered permanent diminution in their value are reduced to their current value.

##### **INVENTORIES :**

- |   |  |
|---|--|
| a) Raw Material, Stores & Spares and Packing Material | At Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. Cost is determined on "Weighted Average Basis". |
| b) Finished Goods                                     | At Lower of cost and net realizable value. Cost includes direct materials, labour and manufacturing overheads.   |
| c) Semi Finished Goods                                | At Lower of estimated cost and net realizable value.   |

##### **FOREIGN CURRENCY TRANSACTIONS :**

- Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. All trade debtors and creditors related to foreign currency transaction outstanding at the year end are translated at exchange rates prevailing at the year end. The resultant translation differences are recognised in the Profit & Loss Account.
- In respect of Forward Exchange Contracts, the difference between the forward rate and the exchange rate on date of transaction has been recognised as income or expense as the case may be over the life of contract.

##### **SALES :**

Sale of goods is recognised at the point of dispatch to the buyer and is net of sales tax/ Value added Tax and excise duty, as applicable.

##### **TAXES ON INCOME :**

- Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- Deferred tax is recognised, subject to consideration of prudence, in respect of deferred tax assets/liabilities on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

##### **OTHERS :**

- Premium on import duty entitlements is accounted for on sale thereof.
- Liability towards gratuity is funded with Life Insurance Corporation of India and administered through a separate trust set up by the Company. The Company's contribution towards the Fund is charged to Profit & Loss Account. Provision of gratuity for employees not covered by the scheme is made at the undiscounted amount.
- Impairment Loss in the value of assets, as specified in Accounting Standard - 28, is recognised whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.
- Preliminary Expenses is written off over a period of five years.

## WORLDWIDE LEATHER EXPORTS LIMITED

### SCHEDULES TO THE CONSOLIDATED ACCOUNTS

2. Capital commitments remaining to be executed and not provided for amount to Rs.124.44 lacs(Rs.96.94 lacs); advance there against amount to Rs.103.10 lacs (Rs.82.76 lacs).
3. a) The names of small scale industrial undertakings to whom the Company owes sums outstanding for more than 30 days as at the Balance Sheet date is Sagar Buckles Pvt. Ltd and Anand Cutting Profile P. Ltd.. This information and that given in Schedule 11 - "Current Liabilities and Provisions" regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- b) In absence of necessary information relating to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the company is unable to identify such suppliers, hence the information required under the said act is not given.
4. Interest to Banks is net of interest Income of Rs.3.55 lacs (Rs.3.07 lacs); TDS Rs.0.55 lacs (Rs.0.67 lacs), on Fixed Deposits pledged with the Banks against the Credit Facilities related to exports.

5. Payment to Directors:

- (a) Managing and Wholetime Directors' Remuneration

|                            | <b>31-Mar-10</b> | 31-Mar-09 |
|----------------------------|------------------|-----------|
|                            | <b>Rupees</b>    | Rupees    |
| Salary and Allowance       | <b>1,086,327</b> | 1,181,095 |
|                            | <b>1,086,327</b> | 1,181,095 |
| (b) Directors' meeting fee | <b>5,000</b>     | 7,000     |

6. Related Party Disclosures

- 1 Enterprises where control exists None
- 2 Other related parties with whom the Company had transactions  
Key management personnel  
Sh. Anil Agarwal Chairman & Managing Director  
Smt. Rakhee Agarwal Whole Time Director
- 3 Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence  
Nilgiri Mercantile Private Ltd.
- 4 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2010.

|                            | Enterprises where control exists |         | Key Management Personnel & Relatives |           |
|----------------------------|----------------------------------|---------|--------------------------------------|-----------|
|                            | <b>2009-10</b>                   | 2008-09 | <b>2009-10</b>                       | 2008-09   |
|                            | <b>Rupees</b>                    | Rupees  | <b>Rupees</b>                        | Rupees    |
| 1 Rent                     | -                                | 50,000  | -                                    | -         |
| 2 Remuneration             | -                                | -       | <b>1,086,327</b>                     | 1,181,095 |
| 3 Balance as on 31st March |                                  |         |                                      |           |

7. Earning per share (Basic & Diluted)

Earning per share has been computed as under:

|   | <b>2009-10</b>     | 2008-09       |
|---|--------------------|---------------|
| (a) Profit/(Loss) after taxation                      | <b>Rs. 761,778</b> | Rs. 3,029,393 |
| (b) Weighted Average No. of Equity Shares outstanding | <b>2,970,300</b>   | 2,970,300     |
| (c) Earning per share (Face value Rs. 10/- per share) |                    |               |
| (a)/(b) (Basic and diluted)                           | <b>Rs. 0.26</b>    | Rs. 1.02      |

## WORLDWIDE LEATHER EXPORTS LIMITED

### SCHEDULES TO THE CONSOLIDATED ACCOUNTS

8. On the basis of physical verification of assets, as specified in Accounting Standard - 28, and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2010.
9. (a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. Since the Subsidiary's accounts are not required to be audited for the relevant period, the unaudited financial statements have been consolidated.
- b) The subsidiary (which along with Worldwide Leather Exports Ltd., the parent, constitute the Group) considered in the preparation of these consolidated financial statements is:

| Name                                 | Country of Incorporation | Percentage of voting power as at 31st March, 2010 | Percentage of voting power as at 31st March, 2009 |
|--------------------------------------|--------------------------|---|---|
| Blackberry Property Advisory Pvt Ltd | India                    | 100%  | Nil   |

10. Particulars required to be disclosed in pursuance of Accounting Standard – 15 (revised 2005) on "Employee Benefits" as issued by the Institute of Chartered Accountants of India is not determined and hence, not disclosed.
11. Previous year figures have been rearranged/regrouped wherever considered necessary.

On behalf of the Board

For **B.CHHAWCHHARIA & CO.**

Chartered Accountants

**(VINIT BAGARIA)**

Partner

Place : Gurgaon

Dated : 26th July, 2010

**ANIL AGARWAL**

Chairman & Managing Director

**RAKHEE AGARWAL**

Whole Time Director

## WORLDWIDE LEATHER EXPORTS LIMITED

### SCHEDULES TO THE CONSOLIDATED ACCOUNTS

#### 24. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

|  |                            |       |                           |    |
|--|----------------------------|-------|---------------------------|----|
| I. Registration Details  |                            |       |                           |    |
| Registration No.   | 49313                      |       | State Code                | 21 |
| Balance Sheet Date   | 31                         | 3     | 2010                      |    |
|  | Date                       | Month | Year                      |    |
| II. Capital raised during the year (Amount in Rs. Thousands)                               |                            |       |                           |    |
|  | Public Issue               |       | Rights Issue              |    |
|  | NIL                        |       | NIL                       |    |
|  | Bonus Issue                |       | Private Placement         |    |
|  | NIL                        |       | NIL                       |    |
| III. Position of Mobilisation and Deployment of Funds<br>(Amount in Rs. Thousands)         |                            |       |                           |    |
|  | Total Liabilities          |       | Total Assets              |    |
|  | 83,219                     |       | 83,219                    |    |
|  | Source of Funds            |       | Reserves & Surplus        |    |
|  | Paid up Capital            |       | 47,052                    |    |
|  | 29,703                     |       | Unsecured Loans           |    |
|  | Secured Loans              |       | NIL                       |    |
|  | 3,392                      |       |                           |    |
|  | Deferred Tax Liability     |       | Investments               |    |
|  | 3,072                      |       | 2,752                     |    |
|  | Application of Funds       |       | Miscellaneous Expenditure |    |
|  | Net Fixed Assets           |       | 24                        |    |
|  | 34,424                     |       |                           |    |
|  | Net Current Assets         |       |                           |    |
|  | 46,019                     |       |                           |    |
| IV. Performance of the Company (Amount in Rs. Thousands)                                   |                            |       |                           |    |
|  | Turnover                   |       | Total Expenditure         |    |
|  | 100,100                    |       | 99,060                    |    |
|  | + - Profit/Loss Before Tax |       | + - Profit/Loss After Tax |    |
|  | + 1,040                    |       | + 762                     |    |
|  | Earning Per Share in Rs.   |       | Dividend rate %           |    |
|  | 0.26                       |       | NIL                       |    |
| V. Generic Names of Three Principal Product/Services of Company<br>(as per monetary terms) |                            |       |                           |    |
|  | Item Code No. (ITC Code)   |       | 64.03                     |    |
|  | Product Description        |       | LEATHER FOOTWEAR          |    |
| Signatures to Schedule 1 to 24   |                            |       |                           |    |

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

**(VINIT BAGARIA)**  
Partner

Place : Gurgaon  
Dated : 26th July, 2010

**ANIL AGARWAL**  
Chairman & Managing Director

**RAKHEE AGARWAL**  
Whole Time Director

## WORLDWIDE LEATHER EXPORTS LIMITED

### **AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF WORLDWIDE LEATHER EXPORTS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S WORLDWIDE LEATHER EXPORTS LIMITED AND ITS SUBSIDIARY BLACKBERRY PROPERTY ADVISORY PRIVATE LIMITED.**

We have audited the attached consolidated Balance Sheet of M/s Worldwide Leather Exports Limited and its subsidiary M/s Blackberry Property Advisory Private Limited as at 31st March, 2010, the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, issued by The Institute of Chartered Accountants of India and on the basis of separate audited financial statement of Worldwide Leather Exports Limited and unaudited financial statement of its subsidiary included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of separate audit report on audited financial statements of Worldwide Leather Exports Limited and unaudited financial statement of its aforesaid subsidiary, the said financial statements, subject particularly to notes in Schedule '23' regarding (i) considering unaudited financial statement of subsidiary in the accompanying financial statement (note 9) (ii) Provision of gratuity for employees not covered under the scheme of Life Insurance Corporation of India (Accounting Policy), (iii) non disclosure of particulars as required in pursuance of Accounting Standard - 15 (note 10) and (iii) Dues to SSI Units and non-disclosure of information under the Micro, Small and Medium Enterprises Development Act, 2006 (note 3),, give a true and fair view:

- i. in so far as it relates to the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and,
- ii. in so far as it relates to the Consolidated Profit & Loss Account, of the Profit for the year ended on that date.
- iii. In the case of Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

For **B. CHHAWCHHARIA & Co.**  
Chartered Accountants

**(VINIT BAGARIA)**  
Partner

Place : Gurgaon  
Date : 26th July, 2010

Firm Registration No. : 305123E  
Membership Number : 500872

# WORLDWIDE LEATHER EXPORTS LIMITED

## COMPLIANCE CERTIFICATE

### Under Rule 3 of the Company (Compliance Certificate) Rules, 2001

To,  
The Members,  
WORLDWIDE LEATHER EXPORTS LTD.

Registration No. : 21-049313  
Nominal Capital : 8,00,00,000  
Paid Up Capital : 29,703,000

We have examined the registers, records, books and papers of **WORLDWIDE LEATHER EXPORTS LTD.** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to me by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, West Bengal under the Companies Act and the rules made there under.
3. The Company being a Public Limited Company, hence comments are not required.
4. The Board of Directors duly met 6 times on 30.04.2009, 30.06.2009, 31.07.2009, 30.10.2009, 26.12.2009 and 30.01.2010 in respect of which meetings proper notice were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Books maintained for the purpose.
5. The Company has closed its Register of Members from 23rd September, 2009 and 24th September, 2009 during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2009 was held on 24.09.2009 after giving due notice to the member and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. During the financial year the Company has made necessary entries in the registers maintained under Section 301 of the Act.
11. As there were no instances falling within the preview of the Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or the Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
  - i) has made transfer/transmission of shares during the financial year.
  - ii) has not deposited any amount in separate bank account as no dividend was declared during the financial year.
  - iii) has not posted any Warrants to any Members of the Company as no Dividend was declared during the financial year.
  - iv) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company has not appointed any Managing Director/Whole Time Director or Manager during the financial year.



## WORLDWIDE LEATHER EXPORTS LIMITED

16. The Company has not appointed any Sole Selling Agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other Authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has complied with the requirements of the provisions of Section 293(1)(d) of the Companies Act, 1956.
25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate and has consequently made no entries in the register maintained for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company during the financial year for offence under the Act.
32. The Company has not received any sum as security from its employees during the year under certification.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For **PUNIT HANDA & ASSOCIATES**  
Company Secretaries

**(PUNIT HANDA)**  
Practising Company Secretary  
C.P. No. 7143

Place : Gurgaon  
Date : 26.07.2010

## WORLDWIDE LEATHER EXPORTS LIMITED

### **ANNEXURE 'A'**

#### **Registers as maintained by the Company:**

1. Register of Members u/s 150
2. Register of Transfer u/s 108
3. Minutes Book of Board of Directors Meeting and General Meeting u/s 193
4. Register of Directors, Managing Directors, Manager and Secretary u/s 303
6. Register of Directors Shareholding u/s 307
7. Register of Investment u/s 372A
8. Register of Contracts u/s 301
9. Register of Charges u/s 143

### **ANNEXURE 'B'**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010

| <b>S.No.</b> | <b>Form No./ Return</b>           | <b>Filed U/s</b> | <b>For</b>  | <b>Date of filing</b> | <b>Whether filed within prescribed time (Yes/No)</b> | <b>If delay in filing whether requisite fee paid (Yes/No)</b> |
|--------------|-----------------------------------|------------------|---|-----------------------|--|---|
| 1.           | Form 66                           | 383A             | Submission of Compliance Certificate for F.Y. 2008-09 | 25.09.2009            | Yes  | N.A.  |
| 2.           | Balance Sheet (Form 23AC & 23ACA) | 220              | Balance Sheet & Profit & Loss A/c as on 31.03.2009    | 24.10.2009            | Yes  | N.A.  |
| 3.           | Annual Return (Form 20B)          | 159              | Annual Return for AGM held on 24.09.2009              | 17.11.2009            | Yes  | N.A.  |

Registered Office : 5-F, Everest, 46/C Chowringhee Road, Kolkata-700071

**ATTENDANCE SLIP**

Name and Address of the Member(s)  
.....  
.....  
.....

Folio No./Client ID No. .... No. of Shares

I hereby record my presence at the 20th Annual General Meeting held at 'Kala Kunj', (Basement Kalamandir), 48 Shakespeare Sarani, Kolkata-700017 at 2.00 P.M. on Tuesday the 28th September, 2010.

Signature of the Shareholders/Proxy\*  
.....

\*Strike out which ever is not applicable.

----- Tear Here -----

**WORLDWIDE LEATHER EXPORT LIMITED**

Registered Office : 5-F, Everest, 46/C Chowringhee Road, Kolkata-700071

**PROXY FORM**

I/We.....of  
.....being a member(s)  
of the above company hereby appoint Mr./Mrs./Miss.....  
of.....or failing him/her Mr./Mrs./Miss.....  
of .....as my/our proxy and to vote for me/us on my/our behalf at the 20th  
Annual General Meeting of the Company to be held on Tuesday the 28<sup>th</sup> September, 2010 at 'Kala Kunj',  
(Basement Kalamandir), 48 Shakespeare Sarani, Kolkata-700017.

Signed this.....day of.....2010

Signature

Folio No./Client ID No. ....

DP ID No. ....

No. of Equity Shares ..... Signature of the first holder/sole holder

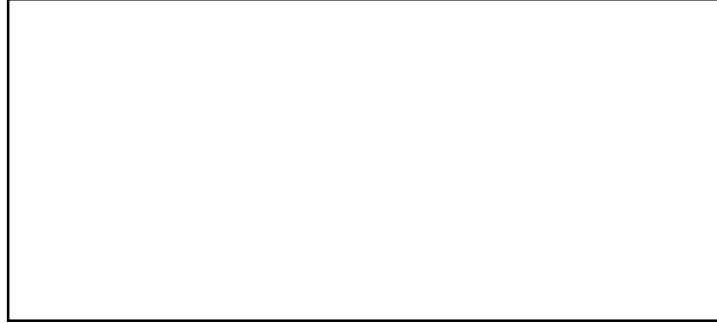
Please affix  
One Rupee  
Revenue  
Stamp

Note:

- 1 Any member entitled to attend and vote at the meeting is entitled to attend and either vote in person or by Proxy and the proxy need not be a member.
- 2 Proxies, in order to be effective must be received by the Company not less than 48 Hours before the time of the meeting at its Registered Office: 5-F, Everest, 46/C Chowringhee Road, Kolkata-700071

(Please complete the attendance slip and hand it over at the entrance Hall. Only members or their proxies are entitled to be present at the meeting.)

**BOOK POST**



If undelivered, please return to:  
**WORLDWIDE LEATHER EXPORTS LIMITED**  
Investor Service Department  
38<sup>th</sup> Milestone, NH - 8,  
Behrampur Road,  
Gurgaon - 122 001  
Haryana (India)