

WORLDWIDE LEATHER EXPORTS LIMITED

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

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WORLDWIDE LEATHER EXPORTS LIMITED

NOTICE

Notice is hereby given that 21st Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Wednesday, the 26th day of September, 2011 at 3.00 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, 2011 and the Profit and Loss Account for the year ended on that date and the report of the Auditors and Directors thereon.
2. To re-appoint a Director in place of Mr. Lalit Chhawchharia who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
3. To re-appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary resolution.

"RESOLVED that Messrs B. Chhawchharia & Co., Chartered Accountants, be and are, hereby, appointed as the Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board."

Special Business

4. To Consider and if thought fit to pass, with or without modification, the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to sections 198, 269, 309 & 310, read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any amendment thereof, consent of the Company be and is hereby given to the re-appointment of Mr. Anil Agarwal as Chairman & Managing Director of the company for further period of 5 years effective from 1st October 2011, on terms and conditions including remuneration as set out in the Explanatory Statement attached to the Notice convening this Meeting, a copy whereof is placed before this Meeting."

(i) SALARY: Rs. 1, 00,000 p.m.

(ii) ANNUAL PERFORMANCE INCENTIVE:

As may be decided by the Board subject to a ceiling of 100% of salary.

(iii) HOUSING:

a) The expenditure by the Company on hiring unfurnished accommodation will be subject to ceiling of 50% of the salary.

b) Free unfurnished accommodation in case the Company owns the accommodation.

c) In case the Company provides no accommodation, House Rent Allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per Income Tax Rules, 1962.

(iv) MEDICAL REIMBURSEMENT:

Medical Insurance for self and family. In addition, expenses actually incurred for self and family.

(v) LEAVE TRAVEL CONCESSION:

For self and family once in year for any destination in India or abroad.

(vi) CLUB FEES: Fees of club subject to a maximum of two clubs may be allowed. The Company will not pay admission and life membership fees.

(vii) PERSONAL ACCIDENT INSURANCE:

Premium not to exceed Rs. 1000/- per month.

(viii) PROVIDENT FUND:

Contribution to Provident Fund as per rules of the Company subject to a ceiling of 10% of salary.

(ix) SUPERANNUATION FUND:

Contribution to Provident Fund as per rules of the Company subject to condition that such contribution together with Provident fund shall not exceed 25% of salary as laid down under the Income Tax Rules, 1962.

(x) GRATUITY: Payable as per rules of the Company but not exceeding half months salary for each completed year of service.

(xi) CAR: Facility of car with driver.

(xii) TELEPHONE: Telephone at residence.

(xiii) LEAVE: One month leave for eleven months of service. Leave accumulated but not availed will not be encashed. Personal long distance calls on Telephone and use of car for private purpose shall be billed by the Company to the Chairman & Managing Director.

(xiv) MINIMUM REMUNERATION: The remuneration aforesaid shall be paid as minimum remuneration in absence or inadequacy of profit for such year.

31st August, 2011

Gurgaon

Registered Office:

5-F Everest,

46/C, Chowringhee Road,

Kolkata-700 071

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself /herself and the proxy need not to be a member of the Company. Proxy form duly filled up and executed must be received at the Registered Office of the Company not less than 48 hours before the time fixed for meeting.
2. The Register of members and the share transfer book shall remain closed on 27th and 28th of September, 2011.
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.
8. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to special business 4 is forming part of the notice and annexed hereto.

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

Item No. 4

At its meeting held on 31st August, 2011 the Board of Directors resolved to re-appoint Shri Anil Agarwal as Chairman & Managing Director with effect from 1st October, 2011 on remuneration which is within the limits specified by Schedule XIII of the Companies Act, 1956, as detailed herein after:

Shri Anil Agarwal, Chairman & Managing Director, and Ms. Rakhee Agarwal, by virtue of being related to Shri Anil Agarwal are concerned or interested in the business set out at item No.4.

31st August, 2011
Gurgaon
Registered Office:
5-F Everest,
46/C, Chowringhee Road,
Kolkata-700 071

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

WORLDWIDE LEATHER EXPORTS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 21st Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

Financial Result

	2010-11	Rs. In Laacs 2009-10
Sales and other operating income	954.26	983.26
Profit before depreciation (29.41)	41.55	39.74
Depreciation	29.41	29.64
Profit/ (Loss) after extraordinary Items & Tax	20.73	7.40
Add: Surplus from previous year	9.50	2.09
Transfer to General Reserve	5.00	NIL
Proposed Dividend	NIL	NIL
Surplus Carried to Balance Sheet	25.23	9.49

Performance

Sales inclusive of export incentives has marginally decreased over the previous year. However, the financial year 2010-11 shows a better profitability at Rs.20.73 lacs after providing for Rs. 29.41 lacs towards depreciation.

The Company's performance could not improve due to the rolling effect of the bad economies in the European countries 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 had shrunk due to acute competition in the international market. However, the company has good orders in hand and the turnover in the current year is better.

Scheme of Arrangement

In pursuance of the Scheme of Arrangement of the company, as sanctioned by the Hon'ble High Court at Kolkata vide its Order dated 15th June, 2011, certified true copy whereof was filed with the Registrar of Companies, West Bengal on the 12th August, 2011, all assets, liabilities and related reserves of Real Estate Division of Company have been transferred to M/s Blackberry Property Advisory Pvt.Ltd. w.e.f. 1st April, 2010.

Dividend

The Directors express their inability to recommend any dividend.

Fixed Deposit

The Company has neither invited nor accepted fixed deposit from the public within the meaning of Companies (Acceptance of Deposit) Rule 1975.

Directors Responsibility Statement

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:-

In the preparation of Annual Accounts the applicable accounting standard have been followed along with proper explanation and no material departure have been made from the same;

They have selected such accounting policy and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and profit or loss of the company for that period;

They have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The Annual accounts have been prepared on a going concern basis.

Directors

Pursuant to the provision of Section 256(3) of the Companies Act, 1956 and Article 84 of the Article of Association of the Company, Mr. Lalit Chhawchharia, Director, retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

WORLDWIDE LEATHER EXPORTS LIMITED

Particular of employees

There were no employees in respect of whom particulars pursuant to section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employee amendment rule) 1998 are required to be given.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

As required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule 1988 the information is furnished below.

A Conservation of Energy

The Company has on going program to increase the awareness of Employee on conservation of Energy. Regular maintenance of captive generator sets, switching off machine and other Electrical Equipment when not in use are standard practices at the manufacturing facility and being regularly followed.

B Technology Absorption

Effort made for Technology absorption is as per Form B attached as Annexure to this report.

C Foreign Exchange Earning and Outgo

The total foreign exchange earnings of the company during the year under review was Rs.767.69 lacs on account of exports and the total foreign exchange outgo was Rs.17.36 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

E-Mail ID's of Shareholders

Pursuant to the "Green Initiative in Corporate Governance", the Ministry of Corporate Affairs, Government of India, through its Circular Nos. 17/2011 & 18/2011 dated 21 April 2011 & 29 April 2011 respectively, has allowed companies to send official documents to their shareholders electronically. Please update your e-mail address (i) to the Depository Participant, where the shares are held in electronic form and (ii) to the Company / Share Transfer Agent, where shares are held in the physical form.

The shareholders are requested to make a note that from next year the Company shall follow the Green Initiative and send the Annual Report and the AGM notice and other communications only by electronic media.

Acknowledgement

Your Directors take this opportunity to express grateful thanks to the Central Government and State Government and Vijaya Bank for their support and guidance to the Company from time to time. The Directors wish to place on record their appreciation of the efficient and loyal services rendered by the workers, officers, and staff members of the Company. Your company's industrial relation continued to be excellent during the year.

For and behalf of the Board of Directors

(Anil Agarwal)
Chairman & Managing Director

Date: 31st August, 2011

Place: Gurgaon

WORLDWIDE LEATHER EXPORTS LIMITED

Form B (See Rule-2)

Research and Development

- 1 Specific Areas where the Company carries out R&D
The Company is developing products of latest designs and is making samples for its foreign buyers on regular basis.
- 2 Benefit derived as a result of the above R&D
The product of the company has been well accepted by the quality of conscious buyers
- 3 Future plan and action
The Company plans to send its technical staff to trade fairs overseas to seek exposure to latest trends and technology.
- 4 Expenditure on R&D
Capital NIL
Recurring Rs. 14.33 Lacs
Total Rs. 14.33 Lacs
Total R & D Expenditure as a % to the Turnover is 1.50%

Technology absorption, adoption and innovation.

- 1 Efforts made in brief, towards technology absorption, adoption and innovation.
The Company participated in fairs in Italy and also the Company is working closely with designers and technicians from Portugal and Italy.
- 2 Benefit derived as a result of the above efforts
As a result of the above interaction, penetration into new markets has been possible.
- 3 In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.
Technology Imported: NIL
Year of Import N.A.
Has the technology been fully absorbed? N.A.
If not fully absorbed areas where this has not taken place, reason therefore and future plan and action N.A.

For and behalf of the Board of Directors

Date: 31st August, 2011
Place: Gurgaon

(Anil Agarwal)
Chairman & Managing Director

WORLDWIDE LEATHER EXPORTS LIMITED

BALANCE SHEET AS AT 31 MARCH, 2011

	Schedule	31-Mar-11 Rupees	31-Mar-10 Rupees
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	1	29,703,000	29,703,000
Reserves & Surplus	2	<u>41,937,934</u>	<u>47,031,210</u>
		71,640,934	76,734,210
LOAN FUNDS :			
Secured Loans	3	15,231,971	3,391,694
DEFERRED TAX LIABILITY			
	4	<u>1,097,000</u>	<u>3,072,000</u>
		<u>87,969,905</u>	<u>83,197,904</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block		40,056,206	63,490,717
b) Less : Depreciation		<u>21,076,917</u>	<u>29,070,883</u>
c) Net Block	5	18,979,289	34,419,834
INVESTMENTS			
	6	3,202,265	2,852,265
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	14,210,271	6,673,798
Sundry Debtors	8	18,040,217	15,340,466
Cash & Bank Balances	9	17,470,569	20,523,988
Other Current Assets	10	6,342,900	
Loans & Advances	11	<u>26,843,439</u>	<u>20,958,416</u>
		<u>82,907,396</u>	<u>63,496,668</u>
LESS : Current Liabilities & Provisions			
Current Liabilities	12	10,589,045	10,621,363
Provisions		<u>6,530,000</u>	<u>6,949,500</u>
		<u>17,119,045</u>	<u>17,570,863</u>
NET CURRENT ASSETS		<u>65,788,351</u>	<u>45,925,805</u>
		<u>87,969,905</u>	<u>83,197,904</u>

NOTES ON ACCOUNTS

BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS

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

For B.CHHAWCHHARIA & CO.
Chartered Accountants

On behalf of the Board

ANIL AGARWAL
Chairman & Managing Director

(VINIT BAGARIA)
Partner
Firm Registration No.: 305123E
Membership No.: 500872

RAKHEE AGARWAL
Whole Time Director

Place: New Delhi
Date: 31st August, 2011

WORLDWIDE LEATHER EXPORTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2011

	Schedule	2010-2011 Rupees	2009-2010 Rupees
INCOME			
Sales	13	80,480,260	89,894,811
Export Incentive		11,984,224	9,088,698
Difference in Exchange		2,962,560	(1,184,283)
Other Income	14	1,865,921	2,240,368
Increase/(Decrease) in Stock	15	4,556,215	(1,713,357)
		<u>101,849,180</u>	<u>98,326,237</u>
EXPENDITURE			
Purchase of finished goods		7,431,178	1,159,913
Cost of Materials	16	50,570,389	53,248,329
Expenses on Employees	17	12,797,810	11,612,859
Fabrication, Processing & other Charges		10,252,128	10,695,862
Power & Fuel		1,832,601	1,656,696
Cost of borrowings	18	350,870	(48,937)
Selling and Distribution Expenses	19	3,369,115	6,243,630
Depreciation		2,941,009	2,963,759
Other Expenses	20	11,090,391	9,783,748
		<u>100,635,491</u>	<u>97,315,859</u>
PROFIT BEFORE TAXATION		1,213,689	1,010,378
Direct Taxes	21	(859,777)	270,000
Profit after Tax		2,073,466	740,378
Profit brought forward		949,535	209,157
Transfer to General Reserve		500,000	
Profit available for appropriation		<u>2,523,001</u>	<u>949,535</u>
Earning per Share - Face Value Rs.10 each (Basic & Diluted)		Rs.0.70	Rs.0.25

NOTES ON ACCOUNTS

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

For B.CHHAWCHHARIA & CO.
Chartered Accountants

On behalf of the Board

(VINIT BAGARIA)
Partner
Firm Registration No.: 305123E
Membership No.: 500872

ANIL AGARWAL
Chairman & Managing Director

Place: New Delhi
Date: 31st August, 2011

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

Cash Flow Statement for the year ended 31st March, 2011

	2010-2011 Rupees	2009-2010 Rupees
A Cash flow from operating activities		
Net profit before taxation	1,213,689	1,010,378
Adjusted for		
Depreciation	2,941,009	2,963,759
Provision for Gratuity	197,500	(48,654)
Interest income	(682,610)	(397,041)
Profit on sale of Investment	(781,304)	(5,015)
Dividend income	(56,416)	(123,368)
Interest expense (Net)	350,870	(48,937)
Loss on sale of Fixed Assets	1,674,933	274,442
Revaluation reserves on Demerger	(7,166,742)	
Operating profit before working capital change	(2,309,071)	3,625,564
Adjusted for		
Trade and Other receivables	(16,122,094)	2,580,354
Inventories	(7,536,473)	2,671,014
Trade payables and advance from customers	(32,318)	(1,679,885)
Cash generated from operations	(25,999,956)	7,197,047
Direct Taxes (paid)/ refunded (net)	(537,803)	(1,941,106)
Net cash from operating activities	(26,537,759)	5,255,941
B Cash flows from investing activities		
Purchase of fixed assets	(4,139,927)	(3,045,090)
Proceeds from disposal of fixed assets	14,964,530	318,000
Purchase / Sale of Long Term Investments - Net	431,304	(1,959,050)
Dividend income	56,416	123,368
Interest received (Net)	682,610	397,041
Net cash used in investing activities	11,994,933	(4,165,731)
C Cash flows from financing activities		
Repayment of long term borrowings	(9,216)	(156,943)
Increase/(Decrease) in Export Credit Facilities (Net)	11,849,493	(6,022,859)
Interest paid	(350,870)	48,937
Net cash from financing activities	11,489,407	(6,130,865)
Net increase/(decrease) in cash or cash equivalents	(3,053,419)	(5,040,655)
Cash and cash equivalents at beginning of year	20,523,988	25,564,643
Cash and cash equivalents at end of year	17,470,569	20,523,988

NOTE

Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

For B.CHHAWCHHARIA & CO.
Chartered Accountants

(VINIT BAGARIA)
Partner
Firm Registration No.: 305123E
Membership No.: 500872

Place : New Delhi
Date: 31st August, 2011

On behalf of the Board

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

	31-Mar-11 Rupees	31-Mar-10 Rupees
1. SHARE CAPITAL		
Authorised:		
8000000 Equity shares of Rs10 each.	<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed & Paid up		
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		
2. RESERVES AND SURPLUS		
Capital Reserve -on Revaluation of Land	-	7,166,742
-on Re-issue of Forfeited Shares	<u>500</u>	<u>500</u>
	500	7,167,242
Capital Grants and Subsidies	383,433	383,433
Securities Premium Account	9,031,000	9,031,000
General Reserve :		
As per last account	<u>29,500,000</u>	<u>29,500,000</u>
Add: Transfer from Profit & Loss Account	<u>500,000</u>	
	30,000,000	29,500,000
Profit & Loss Account	<u>2,523,001</u>	<u>949,535</u>
	<u>41,937,934</u>	<u>47,031,210</u>
3. SECURED LOANS		
I Vijaya Bank:		
i) Packing Credit	12,245,037	1,100,000
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.		
ii) Overdraft	2,986,934	2,282,478
Secured by pledge of certain fixed deposit receipts		
II ICICI Bank Ltd.		9,216
Secured by hypothecation of vehicles		
	<u>15,231,971</u>	<u>3,391,694</u>
4. DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities On :		
Fiscal allowances on fixed assets	<u>1,581,000</u>	<u>3,461,000</u>
Deferred Tax Assets On :		
Employees' remuneration and retirement benefits	362,000	298,000
Fiscal allowance of Provisions	<u>122,000</u>	<u>91,000</u>
	<u>484,000</u>	<u>389,000</u>
	<u>1,097,000</u>	<u>3,072,000</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

5 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-Apr-10	Additions	Deductions	As at 31-Mar-11	As at 1-Apr-10	For the year	Adjustment	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees
Goodwill (on amalgamation)	33,096			33,096					33,096	33,096
Land	8,700,656		(8,700,656)							8,700,656
Building	9,646,019		(9,646,019)		3,893,245		(3,893,245)			5,752,774
Plant & Machinery	29,410,193	77,418	(5,978,506)	23,509,105	15,119,418	1,350,032	(3,792,475)	12,576,975	10,902,126	14,290,775
Lease	4,066,362	461,089	(1,879,102)	2,648,349	4,056,382	461,089	(1,879,102)	2,638,369		
Mixers & Dies	2,808,574	337,298	(1,370,153)	2,375,719	2,535,231	228,207	(1,370,153)	1,393,285	961,334	275,343
Electric Installation	2,673,941			2,673,941	1,495,964	358,946		1,854,910	821,231	1,177,677
Air Conditioner	267,997			267,997	63,209	13,682		79,891	211,046	324,728
Furniture & Fixtures	310,847			310,847	110,266	18,526		126,604	184,243	200,779
Office Equipment	433,623			433,623	143,184	26,056		169,240	270,373	286,439
Vehicles	4,392,151	2,826,180		7,020,311	1,244,962	507,308		1,752,270	5,268,041	3,147,169
Computer	747,236	35,962		783,200	408,139	86,043		494,182	288,018	308,089
TOTAL	63,490,717	4,139,927	(27,574,438)	40,056,206	29,076,883	2,341,029	(16,834,975)	21,076,917	18,375,289	
Previous Year	63,891,379	3,045,090	(3,435,732)	63,490,717	28,950,434	2,963,759	(2,843,379)	29,070,814		34,419,834

6 INVESTMENTS - LONG TERM

	Paid up Value Rupees	No. of shares/ Units	31-Mar-11 Rupees	No. of shares/ Units	31-Mar-10 Rupees
Fully Paid					
A Quoted - Non Trade					
Digital Multi Forms Ltd.	10	200	2,000	200	2,000
Filament India Ltd.	10	200	4,000	200	4,000
Mukerian Papers Ltd.	10	150	6,000	150	6,000
Super Syncotex (India) Ltd.	10	200	5,000	200	5,000
TOTAL- A			17,000		17,000
B Unquoted					
I. Trade					
In a Subsidiary Company					
Blackberry Properties Advisory Pvt Ltd	10	10,000	100,000	10,000	100,000
Share Suspense Account (Refer Note 5 on Schedule '22')			1,000,000		
			1,100,000		100,000
II. Non Trade					
In Mutual Funds					
Canara Robeco MIP Dividend Payout	10	35147.140	495,926	35147.140	495,926
ICICI Prudential MIP - Dividend Payout Monthly	10	42678.950	499,339	42678.950	499,339
Birla Sun Life Frontline Equity Fund Plan A Growth	10	6299.610	500,000	6299.610	500,000
HDFC Top 200 Fund - Growth	10	3331.594	600,000	3331.594	600,000
DSP Blackrock Tiger Fund - Dividend Payout	10		-	15987.210	200,000
Fidelity Equity Fund - Dividend Payout	10		-	29339.853	300,000
Fidelity Special Situations - Dividend Payout	10		-	14669.927	150,000
TOTAL-II			2,085,265		2,735,265
TOTAL-B			3,185,265		2,835,265
GRAND TOTAL			3,202,265		2,852,265
Aggregate amount of quoted Investments			17,000		17,000
Aggregate amount of Unquoted Investments			3,185,265		2,835,265
Market Value of Quoted Investment			1,202		1,074
Repurchase Price of Mutual Funds			2,261,308		3,166,648

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

	31-Mar-11 Rupees	31-Mar-10 Rupees
7 INVENTORIES		
Stores & Spares	45,312	124,329
Packing Materials	200,819	97,788
Raw Materials	7,442,532	4,486,088
Semi-finished Goods	4,312,510	1,238,088
Finished Goods	2,209,298	727,505
	<u>14,210,271</u>	<u>6,673,798</u>
8 SUNDRY DEBTORS (Unsecured)		
Considered Good		
Due for more than six months	1,014,352	1,300,318
Others	17,025,865	14,040,148
Considered Doubtful		
Due for more than six months	394,117	264,712
	<u>18,434,335</u>	<u>15,605,178</u>
Less: Provision for Doubtful debts	394,117	264,712
	<u>18,040,217</u>	<u>15,340,466</u>
9 CASH AND BANK BALANCES		
Cash in hand	444,013	105,997
With Scheduled Banks:		
In Current Account	2,425,720	14,434,244
In Fixed Deposit Account *	14,600,836	5,983,747
	<u>17,470,569</u>	<u>20,523,988</u>
* Pledged with Bank & others	5,182,357	4,883,649
10 OTHER CURRENT ASSETS		
Due from Subsidiary Company :		
M/s Blackberry Properties Advisory Pvt Ltd	<u>6,342,900</u>	-
11 LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Loans	4,093,108	
Advances recoverable in cash or in kind or for value to be received.	1,551,154	1,265,807
Advance against Properties	13,526,090	10,310,412
Balance with Government Authorities	6,544	1,901
Export Incentives Receivable	2,254,470	2,773,803
Deposits	573,078	573,078
Taxation Advance and Refundable	4,838,995	6,033,415
	<u>26,843,439</u>	<u>20,958,416</u>
12 CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
* Small Scale Industrial Undertakings	593,489.00	778,180
* Others	8,471,558	9,019,428
Advance from customers	168,112	
Other liabilities	1,355,886	823,755
	<u>10,589,045</u>	<u>10,621,363</u>
* Refer note 3 on Schedule 22		
B. Provisions		
For Income Tax	5,810,000	6,427,000
For Gratuity	720,000	522,500
	<u>6,530,000</u>	<u>6,949,500</u>
	<u>17,119,045</u>	<u>17,570,863</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

	2010-2011 Rupees	2009-2010 Rupees
13 SALES		
Leather Footwear	<u>80,480,260</u>	<u>89,894,811</u>
	<u>80,480,260</u>	<u>89,894,811</u>
14 OTHER INCOME		
Dividend	56,416	123,368
Interest *		
On Fixed Deposits	384,092	334,441
On Others	298,518	62,600
Profit on sale of investments	781,304	5,015
Freight Subsidy for earlier years	-	1,251,725
Liabilities Written Back	-	328,331
Provision for Bad and Doubtful Debts Written Back	67,653	-
Excess provision for gratuity written back	-	48,654
Miscellaneous Receipts	<u>277,938</u>	<u>86,234</u>
	<u>1,865,921</u>	<u>2,240,368</u>
* Includes Tax at Source	68,228	52,044
15 INCREASE/(DECREASE) IN STOCK		
Closing Stock :		
Finished goods	2,209,298	727,505
Semi-finished goods	<u>4,312,510</u>	<u>1,238,088</u>
	<u>6,521,808</u>	<u>1,965,593</u>
Less : Opening stock:		
Finished goods	727,505	1,151,150
Semi-finished goods	<u>1,238,088</u>	<u>2,527,800</u>
	<u>1,965,593</u>	<u>3,678,950</u>
	<u>4,556,215</u>	<u>(1,713,357)</u>
16 COST OF MATERIALS		
Raw material consumed	49,016,082	48,521,581
Semi Finished Goods Consumed	-	1,324,790
Packing material consumed	1,049,713	2,619,037
Stores and spare parts consumed	<u>504,594</u>	<u>782,921</u>
	<u>50,570,389</u>	<u>53,248,329</u>
17 EXPENSES ON EMPLOYEES		
Salary, wages and allowances	10,239,666	9,473,740
Contribution to Provident fund	864,338	523,724
Contribution to Employees State Insurance	288,622	210,763
Staff & Labour welfare expenses	<u>1,405,184</u>	<u>1,404,632</u>
	<u>12,797,810</u>	<u>11,612,859</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

STATEMENT OF EXPENSES

	2010-2011 Rupees	2009-2010 Rupees
18 COST OF BORROWINGS		
Interest :		
On Others	350,870	(48,937)
	<u>350,870</u>	<u>(48,937)</u>
19 SELLING AND DISTRIBUTION EXPENSES		
Freight and Other Charges	1,931,739	2,954,291
Commission	861,215	2,185,238
Miscellaneous Selling and Distribution Expenses	576,161	1,104,101
	<u>3,369,115</u>	<u>6,243,630</u>
20 OTHER EXPENSES		
Insurance	210,648	183,249
Rent	587,392	294,467
Rates & Taxes	4,400	4,400
Repairs & Maintenance :		
To Building	461,210	192,670
To Plant & Machinery	398,006	479,102
To Others	748,690	378,312
Travelling & Conveyance	1,101,950	2,718,802
Auditors' Remuneration :		
For Statutory Audit	99,270	99,270
For Tax Audit	33,090	33,090
For Other services	50,187	40,032
Miscellaneous Expenses	5,341,448	4,428,666
Loss on sale of fixed assets (Net)	1,674,933	274,442
Items relating to previous year (Net)	19,965	16,768
Irrecoverable Debts, loans and Advances written off	162,143	375,766
Provision for Bad and Doubtful Debts	197,059	264,712
	<u>11,090,391</u>	<u>9,783,748</u>
21 DIRECT TAXES		
Current Tax	1,010,000	540,000
Deferred Tax	(1,975,000)	(270,000)
Adjustments related to previous years	105,223	-
	<u>(859,777)</u>	<u>270,000</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 :

- a) 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.
- b) 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 :

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) 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 :

- a) Premium on import entitlements is accounted for on sale thereof.
 - b) 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.
 - c) 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.
2. Capital commitments remaining to be executed and not provided for amount to Rs.473.22 lacs (Rs.124.44 lacs); advance there against amount to Rs.135.26 lacs (Rs.103.10 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, Indicoat Footwear and K K Tanners. This information and that given in Schedule 12 - "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.4.27 lacs (Rs.3.55lacs); TDS Rs.0.43 lacs (Rs.0.55 lacs), on Fixed Deposits pledged with the Banks against the Credit Facilities related to exports.
5. a) In pursuance of the Scheme of Arrangement, as sanctioned by the Hon'ble High Court at Kolkata vide its order dated 15th June 2011, certified copy whereof was filed with the Registrar of Companies, West Bengal on the 12th August, 2011, all assets and liabilities relating to "REAL ESTATE DIVISION" of the company have been transferred to M/s Blackberry Property Advisory Private Limited, a wholly owned subsidiary of the company, w.e.f. 1st April, 2010 at their respective book values and these accounts have been prepared accordingly.
- b) "Share Suspense Account" under Investments represents 100000 Equity Shares of Rs.10/- each of M/s Blackberry Property Advisory Private Limited to be allotted to the company pursuant to the aforesaid Scheme of Arrangement upon compliance of certain statutory provisions.
- c) The difference between the assets and liabilities of the "REAL ESTATE DIVISION" as reduced by the face value of Shares of M/s Blackberry Property Advisory Private Limited, Transferee company (as referred in (b) above) is appearing as amount due from the said company under "Other Current Assets"

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

6. Certain properties under the head 'Advance against Properties' are held in the name of the Managing / Whole Time Director on behalf of the company. Company is taking steps to transfer such allotments in the name of the company.

7. Raw Materials Consumed

Unit	2010-11		2009-10	
	Quantity	Value Rupees	Quantity	Value Rupees
Leather and Leather Lining	5,104,116	25,172,755	5,136,496	27,217,768
Soles	104,034	12,068,547	111,755	13,450,582
Insoles		1,110,295		1,212,064
Others		10,664,485		6,641,167
		<u>49,016,082</u>		<u>48,521,581</u>

8. Earning in Foreign Exchange:

FOB Value of exports	76,766,844	88,686,149
Expenditure in Foreign Currency		
Travelling	460,525	1,390,244
Fair Expenses	437,548	350,232
Commission on exports	638,077	1,117,065
Bank Charges	165,530	250,556
Advertisement	34,000	37,500

9. (a) Capacities

	Licensed Capacity (Per annum)		Installed Capacity * (Per annum)	
	2010-11	2009-10	2010-11	2009-10
Leather Footwear	600,000	600,000	300,000	300,000

* As certified by the management

(b) Production, Purchase, Stock and Sales

Class of goods	Unit	Opening Stock		Production Quantity	Purchase		Sales		Closing Stock	
		Quantity	Value		Quantity	Value	Quantity	Value	Quantity	Value
Leather Footwear	Pairs	3,411	727,505	98,456	11,320	7,431,178	107,087	80,480,260	6,102	2,209,298
		(7,668)	(1,151,150)	(114,319)	(2,019)	(1,159,913)	(120,565)	(89,894,811)	(3,411)	(727,505)
Total			<u>727,505</u>			<u>7,431,178</u>		<u>80,480,260</u>		<u>2,209,298</u>
			(1,151,150)			(1,159,913)		(89,894,811)		(727,505)

Notes:

- Sales are net of returns.
- Production quantities are after adjustment of shortage/excess on physical verification.
- Previous year's figures above are given in brackets.

10. Raw Materials and Stores & Spare Parts consumed.

	Percentage	Value Rupees		Percentage	Value Rupees	
		2010-11	2009-10		2010-11	2009-10
Raw Materials:						
Imported-Indigenous				1.83%	935,508	
	100%	49,016,082	98.07%		47,586,073	
	100.00%	49,016,082	100.00%		48,521,581	
Stores & Spareparts:						
Indigenous	100.00%	504,594	100.00%		782,921	
	100.00%	504,594	100.00%		782,921	

11. Payment to Directors:

(a) Managing and Wholtime Directors' Remuneration

	31-Mar-11 Rupees	31-Mar-10 Rupees
Salary and Allowance	1,983,750	1,086,327
	<u>1,983,750</u>	<u>1,086,327</u>

(b) Directors' meeting fee

	6,000	5,000
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WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

12. Related Party Disclosures

- 1 Enterprises where control exists Blackberry Property Advisory Private Limited
- 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
 a) Nilgiri Mercantile Private Ltd.
 b) Shoe Craft
- 4 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st.March, 2011

	Enterprises where control exists		Key Management Personnel & Relatives	
	2010-11 Rupees	2009-10 Rupees	2010-11 Rupees	2009-10 Rupees
1 Sales	2,321,733	-	-	-
2 Purchase	6,247,326	-	-	-
3 Remuneration	-	-	1,983,750	1,086,327
4 Balance as on 31st.March	11,245	-	-	-

13. Earning per share (Basic & Diluted)

Earning per share has been computed as under:

	2010-11	2009-10
(a) Profit/(Loss) after taxation	Rs.2,073,466	Rs.740,378
(b) Weighted Average No. of Equity Shares outstanding	2,970,300	2,970,300
(c) Earning per share (Face value Rs.10/- per share) (a)/(b) (Basic and diluted)	Rs.0.70	Rs.0.25

14. 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 31.03.2011
15. 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.
16. Previous year figures have been rearranged/regrouped wherever considered necessary.

For B.CHAWCHHARIA & CO.
Chartered Accountants

On behalf of the Board

(VINIT BAGARIA)

Partner

Firm Registration No.: 305123E

Membership No.: 500872

Place: New Delhi

Date: 31st August, 2011

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-Mar-11

II. Capital raised during the year (Amount in Rs. Thousands)
 Public Issue NIL Rights Issue NIL
 Bonus Issue NIL Private Placement NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)
 Total Liabilities 87,970 Total Assets 87,970

Source of Funds
 Paid up Capital 29,703 Reserves & Surplus 41,938
 Secured Loans 15,232 Unsecured Loans NIL
 Deferred Tax Liability 1,097

Application of Funds
 Net Fixed Assets 18,979 Investments 3,202
 Net Current Assets 65,789 Accumulated Losses NIL

IV. Performance of the Company (Amount in Rs. Thousands)
 Turnover 97,293 Total Expenditure 96,079
 + - Profit/Loss Before Tax + - Profit/Loss After Tax
 + 1,214 + 2,073
 Earning Per Share in Rs. Dividend rate %
 0.70 NIL

V. Generic Names of Three Principal Product/Services of Company
 (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

ANIL AGARWAL
 Chairman & Managing Director

(VINIT BAGARIA)
 Partner
 Firm Registration No.: 305123E
 Membership No.: 500872

RAKHEE AGARWAL
 Whole Time Director

Place: New Delhi
 Date: 31st August, 2011

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 2011, 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 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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) Dues to SSI Units and non-disclosure of information under the Micro, Small and Medium Enterprises Development Act, 2006 (note 3) and (iii) non disclosure of particulars as required in pursuance of Accounting Standard 15 (note 15), 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 2011;
 - (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

Firm Registration No: 305123E

Membership Number: 500872

Place: New Delhi

Date: 31st August, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date for the year ended 31st March, 2011.

- 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.
- 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.

WORLDWIDE LEATHER EXPORTS LIMITED

- 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/given unsecured loans from/ 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 as stated in note 6 on schedule 22 to the accounts.*
- 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

Firm Registration No: 305123E
Membership Number: 500872

Place: New Delhi
Date: 31st August, 2011

WORLDWIDE LEATHER EXPORTS LIMITED

WORLDWIDE LEATHER EXPORTS LIMITED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2011			
	Schedule	31-Mar-11 Rupees	31-Mar-10 Rupees
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	1	29,703,000	29,703,000
Reserves & Surplus	2	<u>41,998,310</u>	<u>47,052,610</u>
		71,701,310	76,755,610
LOAN FUNDS :			
Secured Loans	3	15,231,971	3,391,604
DEFERRED TAX LIABILITY			
	4	<u>1,097,000</u>	<u>3,072,000</u>
		<u>88,030,281</u>	<u>83,219,304</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block		40,060,606	63,495,117
b) Less : Depreciation		<u>21,076,917</u>	<u>29,070,883</u>
c) Net Block	5	18,983,689	34,424,234
INVESTMENTS			
	6	9,386,953	2,752,265
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	14,210,271	6,673,798
Sundry Debtors	8	18,107,649	15,340,466
Cash & Bank Balances	9	17,707,756	20,678,120
Loans & Advances	10	<u>26,851,286</u>	<u>21,031,566</u>
		<u>76,876,962</u>	<u>63,723,950</u>
LESS : Current Liabilities & Provisions			
Current Liabilities	11	10,690,075	10,747,981
Provisions		<u>6,547,500</u>	<u>6,957,500</u>
		<u>17,237,575</u>	<u>17,705,481</u>
NET CURRENT ASSETS			
		59,639,387	46,018,469
Miscellaneous Expenditure	12	18,252	24,336
		<u>88,030,281</u>	<u>83,219,304</u>
NOTES ON ACCOUNTS			
	22		
BALANCE SHEET ABSTRACT AND			
COMPANY'S GENERAL BUSINESS			
	23		

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

For B.CHHAWCHHARIA & CO.
Chartered Accountants

On behalf of the Board

(VINIT BAGARIA)
Partner

Firm Registration No.: 305123E
Membership No.: 500872

Place: New Delhi
Date: 31st August, 2011

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2011

	Schedule	2010-2011 Rupees	2009-2010 Rupees
INCOME			
Sales	13	80,480,260	89,894,811
Export Incentive		11,984,224	9,088,698
Difference in Exchange		2,962,560	(1,184,283)
Other Income	14	2,057,399	2,300,368
Increase/(Decrease) in Stock	15	4,556,215	(1,713,357)
		102,040,658	98,386,237
EXPENDITURE			
Purchase of finished goods		7,431,178	1,159,913
Cost of Materials	16	50,570,389	53,248,329
Expenses on Employees	17	12,887,810	11,612,859
Fabrication, Processing & other Charges		10,252,128	10,895,862
Power & Fuel		1,832,601	1,656,696
Cost of borrowings	18	350,870	(48,937)
Selling and Distribution Expenses	19	3,369,115	6,243,630
Depreciation		2,941,009	2,963,759
Other Expenses	20	11,135,520	9,814,348
		100,770,620	97,346,459
PROFIT BEFORE TAXATION		1,270,038	1,039,778
Direct Taxes	21	(842,404)	278,000
Profit after Tax		2,112,442	761,778
Profit brought forward		970,935	209,157
Transfer to General Reserve		500,000	
Profit available for appropriation		2,583,377	970,935
Earning per Share - Face Value Rs.10 each (Basic & Diluted)		Rs.0.71	Rs.0.26
NOTES ON ACCOUNTS	22		
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	23		

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

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

On behalf of the Board

(VINIT BAGARIA)
Partner
Firm Registration No.: 305123E
Membership No.: 500872

ANIL AGARWAL
Chairman & Managing Director

Place: New Delhi
Date: 31st August, 2011

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2011

	2010-2011 Rupees	2009-2010 Rupees
A Cash flow from operating activities		
Net profit before taxation	1,270,038	1,039,778
Adjusted for		
Depreciation	2,941,009	2,963,759
Provision for Gratuity	197,500	(48,654)
Interest income	(683,163)	(397,041)
Profit on sale of Investment	(781,304)	(5,015)
Dividend income	(56,416)	(123,368)
Interest expense (Net)	350,870	(48,937)
goodwill on consolidation	-	(4,400)
Miscellaneous Expenditure written off - net	6,084	(24,336)
Loss on sale of Fixed Assets	1,674,933	274,442
Operating profit before working capital change	4,919,551	3,626,228
Adjusted for		
Trade and Other receivables	(9,780,231)	2,525,204
Inventories	(7,536,473)	2,671,014
Trade payables and advance from customers	(57,906)	(1,553,267)
Cash generated from operations	(12,455,059)	7,269,179
Direct Taxes (paid)/ refunded (net)	(546,768)	(1,959,106)
Net cash from operating activities	(13,001,827)	5,310,073
B Cash flows from investing activities		
Purchase of fixed assets	(4,139,927)	(3,045,090)
Proceeds from disposal of fixed assets	511,100	318,000
Purchase / Sale of Long Term Investments - Net	1,431,304	(1,859,050)
Dividend income	56,416	123,368
Interest received (Net)	683,163	397,041
Net cash used in investing activities	(1,457,944)	(4,065,731)
C Cash flows from financing activities		
Repayment of long term borrowings	(9,216)	(156,943)
Increase/(Decrease) in Export Credit Facilities (Net)	11,849,493	(6,022,859)
Interest paid	(350,870)	48,937
Net cash from financing activities	11,489,407	(6,130,865)
Net increase/(decrease) in cash or cash equivalents	(2,970,364)	(4,886,523)
Cash and cash equivalents at beginning of year	20,678,120	25,564,643
Cash and cash equivalents at end of year	17,707,756	20,678,120

NOTE

Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

For B.CHHAWCHHARIA & CO.
Chartered Accountants

(VINIT BAGARIA)

Partner
Firm Registration No.: 305123E
Membership No.: 500872

Place :New Delhi
Date: 31st August, 2011

On behalf of the Board

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31-Mar-11 Rupees	31-Mar-10 Rupees
1. SHARE CAPITAL		
Authorised:		
8000000 Equity shares of Rs10 each.	<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed & Paid up		
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		
2. RESERVES AND SURPLUS		
Capital Reserve -on Revaluation of Land	-	7,166,742
-on Re-issue of Forfeited Shares	<u>500</u>	<u>500</u>
	500	7,167,242
Capital Grants and Subsidies	383,433	383,433
Securities Premium Account	9,031,000	9,031,000
General Reserve :		
As per last account	<u>29,500,000</u>	<u>29,500,000</u>
Add: Transfer from Profit & Loss Account	<u>500,000</u>	-
	30,000,000	29,500,000
Profit & Loss Account	<u>2,583,377</u>	<u>970,935</u>
	<u>41,998,310</u>	<u>47,052,610</u>
3. SECURED LOANS		
I Vijaya Bank:		
i) Packing Credit	12,245,037	1,100,000
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.		
ii) Overdraft	2,986,934	2,282,478
Secured by pledge of certain fixed deposit receipts		
II ICICI Bank Ltd.		9,216
Secured by hypothecation of vehicles		
	<u>15,231,971</u>	<u>3,391,694</u>
4. DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities On :		
Fiscal allowances on fixed assets	<u>1,581,000</u>	<u>3,461,000</u>
Deferred Tax Assets On :		
Employees' remuneration and retirement benefits	362,000	298,000
Fiscal allowance of Provisions	<u>122,000</u>	<u>91,000</u>
	<u>484,000</u>	<u>389,000</u>
	<u>1,097,000</u>	<u>3,072,000</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

SCHEDULE TO THE CONSOLIDATED ACCOUNTS

5. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 1-Apr-10 Rupees	Additions Rupees	Deductions Rupees	As at 31-Mar-11 Rupees	As at 1-Apr-10 Rupees	For the year Rupees	Adjustment Rupees	As at 31-Mar-11 Rupees	As at 31-Mar-11 Rupees	As at 31-Mar-10 Rupees
Goodwill (on amalgamation)	23,096	-	-	23,096	-	-	-	-	23,096	23,096
Goodwill (on Consolidation)	4,400	-	-	4,400	-	-	-	-	4,400	4,400
Land	8,700,656	-	(8,700,656)	-	-	-	-	-	-	8,700,656
Building	9,546,019	-	(9,546,019)	-	3,893,246	-	(3,893,246)	-	-	5,752,774
Plant & Machinery	29,410,193	77,418	(5,878,506)	23,509,105	15,119,418	1,205,032	(3,792,478)	12,531,972	10,932,128	14,286,775
Leads	4,058,342	461,038	(1,879,102)	2,639,278	4,086,382	461,038	(1,879,102)	2,638,318	-	-
Moulds & Dies	2,808,574	937,238	(1,370,133)	2,375,719	2,335,221	228,367	(1,370,133)	1,294,355	981,304	273,343
Electric Installation	2,273,941	-	-	2,273,941	1,405,894	336,948	-	1,852,910	821,031	1,177,977
Air Conditioner	287,997	-	-	287,997	63,269	13,682	-	76,951	211,046	204,728
Furniture & Fixtures	310,847	-	-	310,847	110,588	16,536	-	126,864	194,243	209,779
Office Equipment	433,623	-	-	433,623	143,184	20,066	-	163,250	276,373	290,439
Vehicles	4,392,151	2,629,180	-	7,020,311	1,244,863	507,368	-	1,752,291	5,268,020	3,147,168
Computer	747,239	35,362	-	782,601	409,126	86,043	-	495,182	286,018	338,299
TOTAL	63,495,117	4,133,927	(17,574,438)	49,054,606	29,076,883	2,981,019	(10,934,974)	21,078,917	18,963,880	
Previous Year	63,851,375	2,943,290	(4,433,752)	62,360,913	28,955,424	2,953,759	(2,842,312)	29,076,881	-	34,424,234

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

6. INVESTMENTS - LONG TERM

Fully Paid

A. Quoted - Non Trade

	Paid up Value Rupees	No. of shares/ Units	31-Mar-11 Rupees	No. of shares/ Units	31-Mar-10 Rupees
Digital Multi Forms Ltd.	10	200	2,000	200	2,000
Filament India Ltd.	10	200	4,000	200	4,000
Muktesan Papers Ltd.	10	150	6,000	150	6,000
Super Syncotex (India) Ltd.	10	200	5,000	200	5,000
TOTAL - A			17,000		17,000

B. Unquoted

i. In Immovable Properties

- Land at Khasra nos. 1099,1100 and 1101 admeasuring 1 Bigha, 19 Biswa (5898.75 sqyds), village Khandsa, Berhampur Road, Gurgaon, Haryana	1,533,914				
- Building at 38th Milestone, N.H. 8, Bethampur Road, Gurgaon - 122 001, Haryana	5,752,774				
	7,286,688				0

ii. In Mutual Funds - Non Trade

Canara Robeco MIP Dividend Payout	10	35147.140	495,926	35147.140	495,926
ICICI Prudential MIP - Dividend Payout Monthly	10	42878.950	489,339	42878.950	489,339
Birla Sun Life Frontline Equity Fund Plan A Growth	10	6299.610	500,000	6299.610	500,000
HDFC Top 200 Fund - Growth	10	3331.594	600,000	3331.594	600,000
DSP Blackrock Tiger Fund - Dividend Payout	10	-	-	15987.210	200,000
Fidelity Equity Fund - Dividend Payout	10	-	-	29339.853	300,000
Fidelity Special Situations - Dividend Payout	10	-	-	14669.927	150,000
TOTAL-II			2,085,265		2,735,265

TOTAL-B

GRAND TOTAL

	9,371,953				2,735,265
	9,388,953				2,752,265

Aggregate amount of quoted Investments	17,000	17,000
Aggregate amount of Unquoted Investments	9,371,953	2,735,265
Market Value of Quoted Investment	1,202	1,074
Repurchase Price of Mutual Funds	2,261,308	3,186,648

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31-Mar-11 Rupees	31-Mar-10 Rupees
7 INVENTORIES		
Stores & Spares	45,312	124,329
Packing Materials	200,619	97,788
Raw Materials	7,442,532	4,486,088
Semi-finished Goods	4,312,510	1,238,088
Finished Goods	2,209,298	727,505
	<u>14,210,271</u>	<u>6,673,798</u>
8 SUNDRY DEBTORS (Unsecured)		
Considered Good		
Due for more than six months	1,014,352	1,300,318
Others	17,093,297	14,040,148
Considered Doubtful		
Due for more than six months	394,117	264,712
	<u>18,501,767</u>	<u>15,605,178</u>
Less: Provision for Doubtful debts	394,117	264,712
	<u>18,107,649</u>	<u>15,340,466</u>
9 CASH AND BANK BALANCES		
Cash in hand	482,739	126,830
With Scheduled Banks:		
In Current Account	2,624,181	14,567,544
In Fixed Deposit Account *	14,600,836	5,983,746
	<u>17,707,756</u>	<u>20,678,120</u>
* Plugged with Bank & others	5,182,357	4,883,649
10 LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Loans	4,081,863	
Advances recoverable in cash or in kind or for value to be received.	1,551,154	1,320,957
Advance against Properties	13,528,090	10,310,412
Balance with Government Authorities	6,544	1,901
Export Incentives Receivable	2,254,470	2,773,803
Deposits	573,078	573,078
Taxation Advance and Refundable	4,858,087	6,051,415
	<u>26,851,288</u>	<u>21,031,566</u>
11 CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
* Small Scale Industrial Undertakings	593,489	778,180
* Others	8,572,588	9,134,046
Advance from customers	168,112	
Other liabilities	1,355,886	835,755
	<u>10,690,075</u>	<u>10,747,981</u>
* Refer note 3 on Schedule 22		
B. Provisions		
For Income Tax	5,827,500	6,435,000
For Gratuity	720,000	522,500
	<u>6,547,500</u>	<u>6,957,500</u>
	<u>17,237,575</u>	<u>17,705,481</u>
12 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenses	18,252	24,338
13 SALES		
Leather Footwear	80,480,260	89,894,811
	<u>80,480,260</u>	<u>89,894,811</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	2010-2011 Rupees	2009-2010 Rupees
14 OTHER INCOME		
Dividend	56,416	123,368
Interest *		
On Fixed Deposits	384,092	334,441
On Others	299,071	62,600
Profit on sale of investments	781,304	5,015
Freight Subsidy for earlier years	-	1,251,725
Liabilities Written Back	-	328,331
Provision for Bad and Doubtful Debts Written Back	67,653	-
Excess provision for gratuity written back	-	48,654
Commission - Net	190,925	60,000
Miscellaneous Receipts	277,938	86,234
	<u>2,057,399</u>	<u>2,300,368</u>
* Includes Tax at Source	68,228	52,044
15 INCREASE/(DECREASE) IN STOCK		
Closing Stock :		
Finished goods	2,209,298	727,505
Semi-finished goods	4,312,510	1,238,088
	<u>6,521,808</u>	<u>1,965,593</u>
Less : Opening 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>
	<u>4,556,215</u>	<u>(1,713,357)</u>
16 COST OF MATERIALS		
Raw material consumed	49,016,082	48,521,581
Semi Finished Goods Consumed	-	1,324,790
Packing material consumed	1,049,713	2,619,037
Stores and spare parts consumed	504,594	782,921
	<u>50,570,389</u>	<u>53,248,329</u>
17 EXPENSES ON EMPLOYEES		
Salary, wages and allowances	10,329,666	9,473,740
Contribution to Provident fund	864,338	523,724
Contribution to Employees State Insurance	288,622	210,763
Staff & Labour welfare expenses	1,405,184	1,404,632
	<u>12,887,810</u>	<u>11,612,859</u>
18 COST OF BORROWINGS		
Interest :		
On Others	350,870	(48,937)
	<u>350,870</u>	<u>(48,937)</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	2010-2011 Rupees	2009-2010 Rupees
19 SELLING AND DISTRIBUTION EXPENSES		
Freight and Other Charges	1,931,739	2,954,291
Commission	861,215	2,185,238
Miscellaneous Selling and Distribution Expenses	576,161	1,104,101
	<u>3,369,115</u>	<u>6,243,630</u>
20 OTHER EXPENSES		
Insurance	210,648	183,249
Rent	587,392	294,467
Rates & Taxes	8,800	8,800
Repairs & Maintenance :		
To Building	461,210	192,670
To Plant & Machinery	398,006	479,102
To Others	748,690	378,312
Travelling & Conveyance	1,101,950	2,718,802
Auditors' Remuneration :		
For Statutory Audit	110,300	105,888
For Tax Audit	33,090	33,090
For Other services	54,048	44,996
Miscellaneous Expenses	5,361,202	4,437,200
Loss on sale of fixed assets (Net)	1,674,933	274,442
Items relating to previous year (Net)	19,965	16,768
Irrecoverable Debts, loans and Advances written off	162,143	375,766
Provision for Bad and Doubtful Debts	197,059	264,712
Preliminary Expenses written off	6,084	6,084
	<u>11,135,520</u>	<u>9,814,348</u>
21 DIRECT TAXES		
Current Tax	1,027,500	548,000
Deferred Tax	(1,975,000)	(270,000)
Adjustments related to previous years	105,096	
	<u>(842,404)</u>	<u>278,000</u>

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.

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

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 :

- a) 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.
- b) 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 :

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) 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 :

- a) Premium on import entitlements is accounted for on sale thereof.
- b) 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.
- c) 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.
2. Capital commitments remaining to be executed and not provided for amount to Rs.473.22 lacs (Rs.124.44 lacs); advance there against amount to Rs.135.26 lacs (Rs.103.10 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, Indcoat Footwear and K K Tanners. This information and that given in Schedule 12 - "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.4.27 lacs (Rs.3.55 lacs); TDS Rs.0.43 lacs (Rs.0.55 lacs), on Fixed Deposits pledged with the Banks against the Credit Facilities related to exports.
5. Certain properties under the head 'Advance against Properties' are held in the name of the Managing/ Whole Time Director on behalf of the company. Company is taking steps to transfer such allotments in the name of the company.

6. Payment to Directors:	31-Mar-11	31-Mar-10
(a) Managing and Wholtime Director's Remuneration	Rupees	Rupees
Salary and Allowance	<u>2,073,750</u>	<u>1,086,327</u>
(b) Directors' meeting fee	<u>6,000</u>	<u>5,000</u>

7. 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

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

3. Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence :

- a) Nilgiri Mercantile Private Ltd.
- b) Shoe Craft

4.

	Enterprises where control exists		Relatives	
	2010-11	2009-10	2010-11	2009-10
	Rupees	Rupees	Rupees	Rupees
1 Sales	2,321,733	-	-	-
2 Purchase	6,247,326	-	-	-
3 Remuneration	-	-	2,073,750	1,086,327
4 Balance as on 31st.March	-	-	-	-

8. Earning per share (Basic & Diluted)

Earning per share has been computed as under:

	2010-11	2009-10
(a) Profit/(Loss) after taxation	Rs.2,112,442	Rs.761,778
(b) Weighted Average No. of Equity Shares outstanding	2,970,300	2,970,300
(c) Earning per share (Face value Rs. 10/- per share)	Rs.0.71	Rs.0.26
(a)/(b) (Basic and diluted)/Key Management Personnel &		

9. 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 31.03.11

- 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, 2011	Percentage of voting power as at 31st March, 2010
Blackberry Property Advisory Pvt Ltd	India	100%	100%

11. Financial Information of Subsidiary:

Particulars	Blackberry Property Advisory P Ltd.
	Rupees
Capital	1,100,000
Reserves	55,976
Total Assets	7,510,122
Total Liabilities	7,510,122
Investments (except investment in subsidiaries)	7,286,688
Turnover/ Total Income	191,478
Profit/ Loss before taxation	56,349
Provision for Taxation	17,373
Profit after Taxation	38,976
Proposed Dividend	NIL

12. 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.

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

23. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	49313	State Code	21
Balance Sheet Date	31-Mar-11		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
88,030	88,030
Source of Funds	
Paid up Capital	Reserves & Surplus
29,703	41,998
Secured Loans	Unsecured Loans
15,232	NIL
Deferred Tax Liability	
1,097	
Application of Funds	
Net Fixed Assets	Investments
18,984	9,389
Net Current Assets	Miscellaneous Expenditure
59,639	18

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
97,484	96,214
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
+ 1,270	+ 2,112
Earning Per Share in Rs.	Dividend rate %
0.71	NIL

V. Generic Names of Three Principal Product/Services of Company

(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

ANIL AGARWAL
Chairman & Managing Director

(VINIT BAGARIA)
Partner
Firm Registration No.: 305123E
Membership No.: 500872

RAKHEE AGARWAL
Whole Time Director

Place: New Delhi
Date: 31st August, 2011

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, 2011, the consolidated Profit & 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 '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 11) 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:

1. 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,
2. in so far as it relates to the Consolidated Profit & Loss Account, of the Profit for the year ended on that date.
3. 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
Firm Registration No: 305123E
Membership Number: 500872

Place: New Delhi
Date: 31st August, 2011

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, 2011. 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 5 times on 15.05.2010, 26.07.2010, 14.08.2010, 02.11.2010 and 14.02.2011 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 27th September, 2010 and 28th September, 2010 during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 28.09.2010 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 entered into an arrangement for the production of footwear for orders received with another footwear manufacturing company for which permission under Section 297 of the Act was duly obtained.
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.
16. The Company has not appointed any Sole Selling Agents during the financial year.
17. The Company was not required to obtain any other approvals, except as obtained as mentioned in para 9 above, from 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.

Place: Gurgaon
Date: 31.08.2011

For Punit Handa & Associates
Company Secretaries

(Punit Handa)
Practising Company Secretary
(C.P. No. 7143)

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, 2011

S.No.	Form No./ Return	Filed U/S	For	Date of filing	Whether filed within prescribed time (Yes/ No)	If delay in filing whether requisite fee paid (Yes/ No)
1.	Form 66	383A	Submission of Compliance Certificate for F.Y. 2009-10	26.10.2010	YES	N.A.
2.	Balance Sheet (Form 23AC & 23ACA)	220	Balance Sheet & Profit & Loss A/c as on 31.03.2010	27.10.2010	YES	N.A.
3.	Annual Return (Form 20B)	159	Annual Return for AGM held on 28.09.2010	26.11.2010	YES	N.A.
4.	Form 24A	297	Approval of Contract	03.01.2011	YES	N.A.

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in the Subsidiary Company BLACKBERRY PROPERTIES ADVISORY PVT. LTD.

1	The Financial Year of the Subsidiary Company ended on:	31.03.2011
2 a.	No. shares held by M/s WORLDWIDE LEATHER EXPORTS LTD. (Holding Company) in the subsidiary at the end of the Financial Year of the Subsidiary.	10000 Equity Shares of Rs.10/- each
b.	Extent of Interest of Holding Company at the end of the Financial Year of the Subsidiary	100%
3	The net aggregate amount of Subsidiary's profit/(loss) not dealt with in the Company's accounts	
a.	for the financial year of the subsidiary. (in Rs.)	38,976
b.	for the all previous financial years of the Subsidiary since it became the Holding Company's Subsidiary. (in Rs.)	55,976
4	The net aggregate amount of Subsidiary's profit/(loss) dealt with in the Company's accounts	
a.	for the financial year of the subsidiary.	NIL
b.	for the all previous financial years of the Subsidiary since it became the Holding Company's Subsidiary.	NIL
5	Changes in the Holding Company's interest, in the Subsidiary between the end of the Financial Year of the Subsidiary and the end of the Holding Company's Financial Year.	N.A.
6	Material changes between the end of the Financial Year of the Subsidiary and at the end of the Holding Company's Financial Year in respect of	
a.	the Subsidiary's fixed assets	N.A.
b.	its investments	N.A.
c.	the money lent by it, and	N.A.
d.	the moneys borrowed by it for any purpose other than that of meeting current liabilities	N.A.

For **B. CHHAWCHHARIA & Co.**
Chartered Accountants
(VINIT BAGARIA)
Partner

Firm Registration No: 305123E
Membership Number: 500872

Place: New Delhi
Date: 31st August, 2011

WORLDWIDE LEATHER EXPORTS LIMITED

WORLDWIDE LEATHER EXPORT LIMITED

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the 21st Annual General Meeting held at 'Kala Kunj', (Basement Kalamandir), 48 Shakespeare Sarani, Kolkata-700 017 at 3.00 P.M. on Wednesday the 28th September, 2011.

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-700 071

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
21st Annual General Meeting of the Company to be held on Wednesday, the 28th September,
2011 at 'Kala Kunj', (Basement Kalamandir), 48 Shakespeare Sarani, Kolkata-700 017.

Signed this day of 2011

Signature

*Please affix
One Rupee
Revenue
Stamp*

Folio No./Client ID No.

DP ID No.

No. Of Equity Shares

Signature of the first holder/sole holder

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-700 071.

(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.)