

WORLDWIDE LEATHER EXPORTS LIMITED



TWENTY THIRD ANNUAL REPORT 2012-13

WORLDWIDE LEATHER EXPORTS LIMITED

| | | |
|------------------------------------|---|--|
| Directors | Anil Agarwal Lalit Chhawchharia Renu Agarwal | <i>Chairman & Managing Director</i> <i>Director (Advisor Corporate Affairs)</i> <i>Director (Advisor Administration)</i> |
| Auditors | B.Chhawchharia & Co. | |
| Bankers | Vijaya Bank | |
| Registered Office | 5-F, Everest, 46/C, Chowringhee Road, Kolkata-700071 | |
| Factory & Head Office | 38 th Milestone, N.H. 8, Behrampur Road, Gurgaon – 122 001 Haryana | |
| Secretarial Services | Punit Handa & Associates | |
| Registrars & Share Transfer Agents | Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3 rd Floor, 99 Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi – 110 062 | |
| Investor Service Department | 38 th Milestone, N.H. 8, Behrampur Road, Gurgaon – 122 001 (HR) Tel # - (0124) - 2215447-50 | |
| E-mail | isd@wleltd.com | |
| Website | www.wleltd.com | |
| Listing at Stock Exchanges | The Calcutta Stock Exchange Association Ltd. 7 Lyons Range, Kolkata 700 001 The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Mumbai 400 001 | |

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WORLDWIDE LEATHER EXPORTS LIMITED

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WORLDWIDE LEATHER EXPORTS LIMITED

NOTICE

Notice is hereby given that 23rd Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Friday, the 05th day of July, 2013 at 3.30 P.M. at 'Kala Kunj' (Basement Kalamandir), 48 Shakespeare Sarani, Kolkata – 700 017 to transact the following businesses.

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date and the report of the Auditors and Directors thereon.
2. To re-appoint a Director in place of Mr. Lalit Chhawchharia who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
3. To re-appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary resolution.

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

SPECIAL BUSINESS

4. APPOINTMENT OF SMT RENU AGARWAL AS DIRECTOR

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

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

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

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

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

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

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

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

29th May, 2013

Gurgaon

Registered Office:

5-F Everest,

46/C, Chowringhee Road,

Kolkata-700 071

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself /herself and the proxy need not to be a member of the Company. Proxy form duly filled up and executed must be received at the Registered Office of the Company not less than 48 hours before the time fixed for meeting.
2. The Register of members and the share transfer book shall remain closed on 04th and 05th of July, 2013.
3. Member seeking any further information on the business to be transacted at the meeting should write to the company at least 15 days before the date of meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.
4. Any change of address may please be notified to the Registrar and Share Transfer Agent M/s Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi- 110 062.
5. Members are requested to bring their copies of Annual Report at the meeting as additional copies will not be circulated in the meeting.
6. Members attending the meeting are requested to bring their Attendance Slips duly filled and deliver the same at the entrance of the meeting.
7. All the relevant documents mentioned in the aforesaid business are available at for inspection at the Registered Office of the Company during normal office hours.

29th May, 2013
Gurgaon
Registered Office:
5-F Everest,
46/C, Chowringhee Road,
Kolkata-700 071

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

WORLDWIDE LEATHER EXPORTS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 23rd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013.

Financial Result

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

Performance

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

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

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

Dividend

The Directors express their inability to recommend any dividend.

Fixed Deposit

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

Directors Responsibility Statement

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

- In the preparation of Annual Accounts the applicable accounting standard have been followed along with proper explanation and no material departure have been made from the same;
- They have selected such accounting policy and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and profit or loss of the company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Annual accounts have been prepared on a going concern basis.

Directors

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

WORLDWIDE LEATHER EXPORTS LIMITED

Particular of employees

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

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

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

A Conservation of Energy

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

B Technology Absorption

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

C Foreign Exchange Earning and Outgo

The total foreign exchange earnings of the company during the year under review was Rs.842.64 lacs on account of exports and the total foreign exchange outgo was Rs.37.57 lacs on account of commissions, traveling expenses, trade fair expenses ,advertisement and foreign bank charges.

Auditors

M/s B. Chhawchharia & Co. Chartered Accountant, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate to the effect that their reappointment, if made, will be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

Auditor's Report

The qualification in the Auditors' report is adequately explained in relevant notes to the accounts.

Listing of Shares

The Shares of the Company are listed and traded in two stock exchanges i.e. Mumbai and Calcutta (Regional) Stock Exchange and addresses of the stock exchanges are mentioned elsewhere in this Annual Report. The Company has paid the Annual Listing fees to Mumbai and Calcutta Stock exchanges.

E-Mail ID's of Shareholders

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

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

Acknowledgement

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

For and behalf of the Board of Directors

Date: 29th May, 2013

Place: Gurgaon

(Anil Agarwal)

Chairman & Managing Director

WORLDWIDE LEATHER EXPORTS LIMITED

Form B (See Rule-2)

Research and Development

1 Specific Areas where the Company carries out R&D

The Company is developing products of latest designs and is making samples for its foreign buyers on regular basis.

2 Benefit derived as a result of the above R&D

The product of the company has been well accepted by the quality of conscious buyers

3 Future plan and action

The Company plans to send its technical staff to trade fairs overseas to seek exposure to latest trends and technology.

4 Expenditure on R&D

Capital NIL

Recurring Rs. 18.80Lacs

Total Rs. 18.80 Lacs

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

Technology absorption, adoption and innovation.

1 Efforts made in brief, towards technology absorption, adoption and innovation.

The Company participated in fairs in Italy and also the Company is working closely with designers and technicians from Portugal and Italy.

2 Benefit derived as a result of the above efforts

As a result of the above interaction, penetration into new markets has been possible.

3 In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.

Technology Imported: NIL

Year of Import N.A.

Has the technology been fully absorbed? N.A.

If not fully absorbed areas where this has not taken place, reason therefore and

future plan and action N.A

For and behalf of the Board of Directors

Date: 29th May, 2013

Place: Gurgaon

(Anil Agarwal)

Chairman & Managing Director

WORLDWIDE LEATHER EXPORTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

| Particulars | Notes | AS AT 31.03.2013 | | AS AT 31.03.2012 | |
|--|-------|---------------------|-------------------|---------------------|--------------------|
| | | ₹ | ₹ | ₹ | ₹ |
| <u>EQUITY AND LIABILITIES</u> | | | | | |
| <u>Shareholders' Funds</u> | | | | | |
| Share Capital | 1 | 29,703,000 | | 29,703,000 | |
| Reserves & Surplus | 2 | 42,887,864 | 72,590,864 | 44,472,898 | 74,175,898 |
| <u>Non-current Liabilities</u> | | | | | |
| Deferred tax liabilities (Net) | 3 | 50,000 | | 815,000 | |
| Long-Term Provisions | 4 | 1,100,000 | 1,150,000 | 1,050,000 | 1,865,000 |
| <u>Current Liabilities</u> | | | | | |
| Short-term borrowings | 5 | 5,525,640 | | 3,549,005 | |
| Trade Payables | 6 | 4,671,612 | | 12,906,996 | |
| Other Current Liabilities | 7 | 3,568,452 | | 7,557,812 | |
| Short-term Provisions | 8 | - | 13,765,704 | 1,696,957 | 25,710,770 |
| | | | <u>87,506,568</u> | | <u>101,751,668</u> |
| <u>ASSETS</u> | | | | | |
| <u>Non-current Assets</u> | | | | | |
| Fixed Assets : | 9 | | | | |
| Tangible Assets | | 12,568,914 | | 16,635,612 | |
| Intangible Assets | | - | | - | |
| | | <u>12,568,914</u> | | <u>16,635,612</u> | |
| Non-Current Investments | 10 | 1,117,000 | | 3,202,265 | |
| Long Term Loans & Advances | 11 | 22,175,309 | 35,861,223 | 14,790,747 | 34,628,624 |
| <u>Current Assets</u> | | | | | |
| Inventories | 12 | 7,359,737 | | 19,944,504 | |
| Trade Receivables | 13 | 11,077,132 | | 10,463,168 | |
| Cash & Cash Equivalents | 14 | 19,696,464 | | 19,794,432 | |
| Short-Term Loans & Advances | 15 | 13,250,601 | | 16,572,392 | |
| Other Current Assets | 16 | 261,411 | 51,645,345 | 348,548 | 67,123,044 |
| | | | <u>87,506,568</u> | | <u>101,751,668</u> |
| SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS | 26 | | | | |

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

For B. CHHAWCHHARIA & CO.
Chartered Accountants

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

ANIL AGARWAL
Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA
Director

WORLDWIDE LEATHER EXPORTS LIMITED

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

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

EARNING PER SHARE :

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

| | | |
|-------------------|--------|------|
| Basic and Diluted | (0.53) | 0.85 |
|-------------------|--------|------|

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

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Abhishek Gupta
Partner

Firm Registration No: 305123E

Membership No: 529082

Place: New Delhi

Date: 29th May, 2013

ANIL AGARWAL

Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA

Director

WORLDWIDE LEATHER EXPORTS LIMITED

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

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

NOTE

Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

ANIL AGARWAL
Chairman & Managing Director

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

LALIT KUMAR CHHAWCHHARIA
Director

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

| | AS AT 31.03.2013 ₹ | AS AT 31.03.2012 ₹ |
|---|--------------------------|--------------------------|
| 1 SHARE CAPITAL | | |
| Authorised : | | |
| 8000000 Equity shares of ₹ 10/- each | 80,000,000 | 80,000,000 |
| | <u>80,000,000</u> | <u>80,000,000</u> |
| Issued, Subscribed and Paid up : | | |
| 29,70,300 Equity shares of Rs.10 each fully paid up | 29,703,000 | 29,703,000 |
| | <u>29,703,000</u> | <u>29,703,000</u> |

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

| | As at 31.03.2013 | | As at 31.03.2012 | |
|-------------------------------------|------------------|-----------|------------------|-----------|
| Name of Shareholder | Nos. | % holding | Nos. | % holding |
| Anil Agarwal | 304,266 | 10.24 | 279,499 | 9.41 |
| Renu Agarwal | 460,975 | 15.52 | 460,975 | 15.52 |
| Nilgiri Mercantiles Private Limited | 533,583 | 17.96 | 481,060 | 16.20 |

b) Terms/ rights attached to equity shares

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

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

2 RESERVES & SURPLUS

| | AS AT 31.03.2013 | AS AT 31.03.2012 |
|---|---------------------|---------------------|
| Capital Reserve | 500 | 500 |
| Capital Grants and subsidies | 383,433 | 383,433 |
| Securities Premium Account | 9,031,000 | 9,031,000 |
| General Reserve | 30,000,000 | 30,000,000 |
| Surplus in the statement of Profit and Loss | | |
| Balance as per last financial statements | 5,057,965 | 2,523,001 |
| Profit/(Loss) for the period | (1,585,034) | 2,534,964 |
| Net Surplus in the statement of Profit and Loss | <u>3,472,931</u> | <u>5,057,965</u> |
| | <u>42,887,864</u> | <u>44,472,898</u> |

3 DEFERRED TAX LIABILITIES

| | | |
|---|----------------|----------------|
| Deferred Tax Liabilities On : | 610,000 | 1,316,000 |
| Fiscal allowances on fixed assets | | |
| Deferred Tax Assets On : | | |
| Employees' remuneration and retirement benefits | 523,000 | 501,000 |
| Fiscal allowance of Unabsorbed losses | 37,000 | - |
| | <u>560,000</u> | <u>501,000</u> |
| | <u>50,000</u> | <u>815,000</u> |

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

| | AS AT 31.03.2013 | AS AT 31.03.2012 |
|--|---------------------|---------------------|
| 4 LONG TERM PROVISIONS | <u>0</u> | <u>0</u> |
| For Gratuity | 1,100,000 | 1,050,000 |
| | <u>1,100,000</u> | <u>1,050,000</u> |
| 5 SHORT TERM BORROWINGS | | |
| From Vijaya Bank | | |
| i) Packing Credit | 2,965,936 | 1,846,797 |
| Secured by charge on Land and Building held by M/s. Blackberry Property Advisory Private Limited, a wholly owned Subsidiary Company, 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. | | |
| ii) Overdraft | 2,559,704 | 1,702,208 |
| Secured by pledge of certain fixed deposit receipts | | |
| | <u>5,525,640</u> | <u>3,549,005</u> |
| 6 TRADE PAYABLES | | |
| Sundry Creditors | | |
| * Small Scale Industrial Undertakings | 571,997 | 1,879,266 |
| * Others | 4,099,615 | 11,027,730 |
| | <u>4,671,612</u> | <u>12,906,996</u> |
| * Refer note 3 on Notes 26 | | |
| 7 OTHER CURRENT LIABILITIES | | |
| Advance from customers | 1,408,860 | 3,161,643 |
| Other liabilities | 2,159,592 | 4,396,169 |
| | <u>3,568,452</u> | <u>7,557,812</u> |
| 8 SHORT TERM PROVISIONS | | |
| For Taxation - (net of advances) | - | 1,696,957 |
| | <u>-</u> | <u>1,696,957</u> |

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

9 FIXED ASSETS

| | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | | |
|----------------------------|-------------------|------------------|--------------------|-----------------------------|-------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| | As at 1-Apr-12 | Additions | Deductions | As at 31-Mar-13 | As at 1-Apr-12 | For the year | Adjustment | As at 31-Mar-13 | As at 31-Mar-13 | As at 31-Mar-12 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| TANGIBLE ASSETS | | | | | | | | | | |
| Plant & Machinery | 23,903,503 | - | (3,790,000) | 20,113,503 | 13,697,871 | 1,109,676 | (1,735,395) | 13,072,152 | 7,041,351 | 10,205,632 |
| Lasts | 1,147,032 | 221,009 | - | 1,368,041 | 1,147,032 | 221,009 | - | 1,368,041 | - | - |
| Moulds & Dies | 1,957,557 | 28,296 | - | 1,985,853 | 1,088,135 | 164,221 | - | 1,252,356 | 733,497 | 869,422 |
| Electric Installation | 1,361,645 | - | - | 1,361,645 | 887,134 | 64,455 | - | 951,589 | 410,056 | 474,511 |
| Air Conditioner | 287,997 | - | - | 287,997 | 90,633 | 13,682 | - | 104,315 | 183,682 | 197,364 |
| Furniture & Fixtures | 205,716 | - | - | 205,716 | 71,253 | 12,837 | - | 84,090 | 121,626 | 134,463 |
| Office Equipment | 174,448 | - | - | 174,448 | 42,810 | 8,230 | - | 51,040 | 123,408 | 131,638 |
| Vehicles | 6,449,602 | 54,336 | (77,975) | 6,425,963 | 2,061,660 | 613,363 | (62,191) | 2,612,832 | 3,813,131 | 4,387,942 |
| Computer | 649,010 | - | (60,990) | 588,020 | 414,370 | 62,368 | (30,881) | 445,857 | 142,163 | 234,640 |
| | 36,136,510 | 303,641 | (3,928,965) | 32,511,186 | 19,500,898 | 2,269,841 | (1,828,467) | 19,942,272 | 12,568,914 | 16,635,612 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| Goodwill (on amalgamation) | 23,096 | - | - | 23,096 | 23,096 | - | - | 23,096 | - | - |
| | 23,096 | - | - | 23,096 | 23,096 | - | - | 23,096 | - | - |
| TOTAL | 36,159,606 | 303,641 | (3,928,965) | 32,534,282 | 19,523,994 | 2,269,841 | (1,828,467) | 19,965,368 | 12,568,914 | - |
| Previous Year | 40,056,206 | 1,023,270 | (4,919,870) | 36,159,606 | 21,076,917 | 2,807,095 | (4,360,018) | 19,523,994 | - | 16,635,612 |

NOTES TO THE ACCOUNTS

10 NON - CURRENT INVESTMENTS

Trade

In Fully paid up Equity Shares

Subsidiary Company (Unquoted)

Blackberry Properties Advisory Pvt Ltd

| Paid up Value | No. of shares/ Units | AS AT 31.03.2013 | No. of shares/ Units | AS AT 31.03.2012 |
|------------------|----------------------------|---------------------|----------------------------|---------------------|
| ₹ | | ₹ | | ₹ |
| 10 | 110,000 | 1,100,000 | 110,000 | 1,100,000 |
| | | 1,100,000 | | 1,100,000 |

Non Trade

In Fully paid up Equity Shares

Quoted

Digital Multi Forms Ltd.

10 200 2,000 200 2,000

Filament India Ltd.

10 200 4,000 200 4,000

Mukrerian Papers Ltd.

10 150 6,000 150 6,000

Super Syncotex (India) Ltd.

10 200 5,000 200 5,000

17,000 17,000

In Mutual Funds

Canara Robeco MIP Dividend Payout

10 0.000 - 35147.140 495,926

ICICI Prudential MIP - Dividend Payout Monthly

10 0.000 - 42878.950 489,339

Birla Sun Life Frontline Equity Fund Plan A Growth

10 0.000 - 6299.610 500,000

HDFC Top 200 Fund - Growth

10 0.000 - 3331.594 600,000

- 2,085,265

1,117,000 3,202,265

Aggregate amount of quoted Investments

17,000 17,000

Aggregate amount of Unquoted Investments

1,100,000 3,185,265

Market Value of Quoted Investment

1,202 1,202

Repurchase Price of Mutual Funds

- 2,856,919

WORLDWIDE LEATHER EXPORTS LIMITED

| | | |
|---|-------------------|-------------------|
| 11 LONG TERM LOANS & ADVANCES | | |
| Advance against Properties | 20,281,831 | 13,017,669 |
| Security Deposits | 1,893,478 | 1,773,078 |
| | <u>22,175,309</u> | <u>14,790,747</u> |
| 12 INVENTORIES | | |
| (As taken, valued and certified by the Management) | | |
| Stores & Spares | 164,297 | 56,645 |
| Packing Materials | 202,965 | 512,132 |
| Raw Materials | 3,708,269 | 8,447,198 |
| Semi-finished Goods | 2,083,472 | 3,999,801 |
| Finished Goods | 1,200,734 | 6,928,728 |
| | <u>7,359,737</u> | <u>19,944,504</u> |
| 13 TRADE RECEIVABLES | | |
| (Unsecured) | | |
| Considered Good | | |
| Due for more than six months | 180,148 | 2,487,960 |
| Others | 10,896,984 | 7,975,208 |
| | <u>11,077,132</u> | <u>10,463,168</u> |
| 14 CASH AND CASH EQUIVALENTS | | |
| Cash-in-hand | 669,296 | 458,933 |
| With Scheduled Banks : | | |
| In Current Account | 1,892,086 | 1,329,772 |
| In Fixed Deposit Account * | 17,135,082 | 18,005,727 |
| | <u>19,696,464</u> | <u>19,794,432</u> |
| * Amount maturing after 12 months from the close of year | 692,831 | 8,900,416 |
| * Pledged with Bank & others | 6,139,305 | 5,901,086 |
| 15 SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Loans | 3,375,500 | 3,327,206 |
| Due from Subsidiary Company | 5,796,645 | 6,404,145 |
| Advances recoverable in cash or in kind or for value to be received | 1,657,563 | 880,686 |
| Balance with Government Authorities | 4,398 | 3,557 |
| Export Incentives Receivable | 2,187,869 | 5,956,798 |
| Taxation Advance and Refundable(Net of Provision) | 228,626 | - |
| | <u>13,250,601</u> | <u>16,572,392</u> |
| 16 OTHER CURRENT ASSETS | | |
| Miscellaneous Expenditure | | |
| (to the extent not written off) | 261,411 | 348,548 |

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

| | 2012-2013 | 2011-2012 |
|--|--------------------|--------------------|
| | ₹ | ₹ |
| 17 REVENUE FROM OPERATIONS | | |
| Sales - Leather Footwear | | |
| - Domestic | 3,229,106 | 4,354,556 |
| - Export | 84,263,659 | 132,903,145 |
| | 87,492,765 | 137,257,701 |
| Less: Excise Duty | 582,159 | 689,985 |
| | 86,910,606 | 136,567,716 |
| Income from Job Work | 1,571,383 | - |
| Export Incentive | 12,062,806 | 13,548,479 |
| Difference in Exchange | (542,445) | 1,988,037 |
| | <u>100,002,350</u> | <u>152,104,232</u> |
| 18 OTHER INCOME | | |
| Interest * | | |
| - From Fixed Deposit | 1,430,343 | 838,242 |
| - From others | 630,000 | 625,140 |
| Profit on sale of investments | 97,485 | 570,748 |
| Liabilities Written Back | 421,887 | - |
| Dividend | 25,376 | 62,205 |
| Miscellaneous Receipts | 319,501 | 349,097 |
| | <u>2,924,592</u> | <u>2,445,432</u> |
| * Includes Tax at Source | 203,840 | 145,679 |
| 19 COST OF MATERIAL CONSUMED | | |
| Raw material | 47,328,910 | 56,742,984 |
| Packing material | 2,688,794 | 3,395,234 |
| Stores and spare parts | 271,188 | 400,021 |
| | <u>50,288,892</u> | <u>60,538,239</u> |
| 19 Details of Raw Material Consumed | | |
| Leather & Leather Lining | 21,602,292 | 33,416,566 |
| Soles | 15,382,776 | 13,222,468 |
| Insoles | 1,194,208 | 1,517,790 |
| Others | 9,149,634 | 8,586,160 |
| | <u>47,328,910</u> | <u>56,742,984</u> |
| 20 CHANGES IN INVENTORIES | | |
| Opening Stock : | | |
| Finished goods | 6,928,728 | 2,209,298 |
| Semi-finished goods | 3,999,801 | 4,312,510 |
| | 10,928,529 | 6,521,808 |
| Less : Closing stock: | | |
| Finished goods | 1,200,734 | 6,928,728 |
| Semi-finished goods | 2,083,472 | 3,999,801 |
| | <u>3,284,206</u> | <u>10,928,529</u> |
| | <u>7,644,323</u> | <u>(4,406,721)</u> |
| 21 EMPLOYEE BENEFITS EXPENSES | | |
| Salary, Wages and Allowances | 13,235,639 | 12,643,739 |
| Contribution to Provident Fund and other Funds | 623,200 | 589,516 |
| Contribution to Employees State Insurance | 354,433 | 308,867 |
| Staff and Labour Welfare expenses | 905,772 | 1,656,560 |
| | <u>15,119,044</u> | <u>15,198,682</u> |

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

| | 2012-2013 | 2011-2012 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| 22 SELLING AND DISTRIBUTION EXPENSES | | |
| Freight and Other Charges | 1,502,115 | 3,109,972 |
| Commission | 3,712,502 | 2,254,935 |
| Miscellaneous Selling and Distribution Expenses | 1,725,871 | 3,399,894 |
| | <u>6,940,488</u> | <u>8,764,801</u> |
| 23 FINANCE COSTS | | |
| Interest : | | |
| On Others | 423,892 | 1,166,536 |
| | <u>423,892</u> | <u>1,166,536</u> |
| 24 OTHER EXPENSES | | |
| Insurance | 271,580 | 338,130 |
| Rent | 1,377,930 | 1,110,787 |
| Rates & Taxes | 264,177 | 4,400 |
| Repairs & Maintenance : | | |
| To Building | 420,184 | 622,164 |
| To Plant & Machinery | 172,177 | 250,098 |
| To Others | 657,055 | 766,155 |
| Travelling & Conveyance | 1,267,198 | 1,567,280 |
| Auditors' Remuneration : | | |
| For Statutory Audit | 101,124 | 101,124 |
| For Tax Audit | 33,708 | 33,708 |
| For Other services | 60,677 | 89,184 |
| Miscellaneous Expenses | 4,493,252 | 5,735,550 |
| Directors Sitting Fee | 9,000 | 7,000 |
| Loss on sale of fixed assets | 1,894,714 | 135,151 |
| fixed assets written off | 15,784 | 344,601 |
| Miscellaneous Expenditure written off | 87,137 | 87,137 |
| Items relating to previous year | 3,000 | - |
| Irrecoverable balances written off | 185,094 | 1,178,349 |
| | <u>11,313,791</u> | <u>12,370,818</u> |
| 25 TAX EXPENSE | | |
| Income Tax | - | 1,720,000 |
| Deferred Tax | (765,000) | (282,000) |
| | <u>(765,000)</u> | <u>1,438,000</u> |

WORLDWIDE LEATHER EXPORTS LIMITED

26 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 :

- a) Depreciation on tangible assets is accounted on straight line method at or above the rates provided in schedule XIV to the Companies Act, 1956.
- b) Intangible assets are amortised over the period of useful life of the assets as estimated by the management.

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 ₹ 332.53 lacs (₹ 232.52 lacs); advance there against amount to ₹ 202.82 lacs (₹ 130.18 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 Indcoat Shoe Accessories, Sagar Buckles Pvt. Ltd, Ashian Mercantile Pvt Ltd, Capston Rubber India and Scarco Shoes Pvt. Ltd.. This information and that given in Note 6 - "Trade Payables" 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.
- c) Balance in the account of M/s Shoecraft under the head 'Sundry Creditors - Others' is subject to confirmation.
4. Advance against one Property namely 'Kensington Boulevard', Noida is in the name of the an Ex-Director on behalf of the company. Company is taking steps to transfer such allotment in the name of the company.

WORLDWIDE LEATHER EXPORTS LIMITED

| | 2012-2013 ₹ | 2011-2012 ₹ |
|---|----------------|----------------|
| 5. Earning in Foreign Exchange: FOB Value of Exports | 84,263,659 | 132,903,145 |
| Expenditure in Foreign Currency | | |
| Travelling | 333,099 | 1,101,447 |
| Fair Expenses | 1,110,437 | 862,650 |
| Commission on exports | 1,797,152 | 772,525 |
| Bank Charges | 84,672 | 200,539 |
| Sampling Cost | 517,267 | - |

CIF Value of Import
Raw Material

10,743,055

6. Raw Materials and Stores & Spare Parts consumed.

Raw Materials :
Imported
Indigenous

Stores & Spareparts:
Indigenous

| Percentage | 2012-2013 ₹ | Percentage | 2011-2012 ₹ |
|------------|----------------|------------|----------------|
| - | - | 18.93% | 10,743,055 |
| 100.00% | 47,328,910 | 81.07% | 45,989,929 |
| 100.00% | 47,328,910 | 100.00% | 56,742,984 |
| 100.00% | 271,188 | 100.00% | 400,021 |
| 100.00% | 271,188 | 100.00% | 400,021 |

7. Related parties and transactions with them as specified in Accounting Standard 18 on "Related Parties Disclosure" issued by ICAI has been identified and given below.

- | | |
|--|---|
| a) Enterprises where control exists | Blackberry Property Advisory Private Limited (Subsidiary Company) |
| b) Associates and Joint Ventures | |
| c) Individual Owning an interest in the voting power of the company and their relatives | |
| d) Key Management Personnel and their Relatives | Anil Agrwal (Chairman and Managing Director) Renu Agarwal (Director) |
| e) Enterprises over which any person referred to in (c) or (d) is able to exercise significant influence | Nigiri Mercantile Pvt. Ltd. |

| Nature of Transaction | Subsidiary Company | | Key Management Personnel & Relatives | |
|-----------------------------|--------------------|------------------|--------------------------------------|----------------|
| | 2012 - 2013 ₹ | 2011 - 2012 ₹ | 2012-2013 ₹ | 2011-2012 ₹ |
| Expenses | | | | |
| Rent | 900,000 | 573,387 | - | - |
| Remuneration | - | - | 1,299,545 | 1,794,000 |
| Sitting Fees | - | - | 4,000 | - |
| Year End Receivables | | | | |
| Advances | 5,796,645 | 6,404,145 | - | - |
| Investments | 1,100,000 | 1,100,000 | - | - |

8. The Earning Per Share (EPS) has been calculated as specified in Accounting Standard - 20, issued by Institute of Chartered Accountants of India and other disclosures in this regard are:

| | 2012-2013 (1,585,034) | 2011-2012 2,534,964 |
|---|--------------------------|------------------------|
| (a) Profit/(Loss) after taxation | | |
| (b) Weighted Average No. of Equity Shares outstanding | 2970300 | 2970300 |
| Earning per share (Face value | | |
| (c) ₹ 10/- per share) (a)/(b) (Basic and diluted) | (0.53) | 0.85 |

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 31.03.2013
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.

In terms of our report of even date attached herewith

Signature to Notes 1 to 26

For B. CHHAWCHHARIA & CO.
Chartered Accountants

ANIL AGARWAL
Chairman & Managing Director

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

LALIT KUMAR CHHAWCHHARIA
Director

WORLDWIDE LEATHER EXPORTS LIMITED

AUDITOR'S REPORT

To the Members of M/s WORLDWIDE LEATHER EXPORTS LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of M/s WORLDWIDE LEATHER EXPORTS LIMITED, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Basis of Qualified Opinion

- a) *The company is not disclosing the information under The Micro, Small and Medium Enterprises Development Act, 2006 (Note 26 (3(b))); and*
- b) *The company is not disclosing particulars as required in pursuance of Accounting Standard – 15 "Employee Benefit".*

WORLDWIDE LEATHER EXPORTS LIMITED

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of matter described in the Basis of Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and 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 March 31, 2013
- (b) in the case of the Profit and Loss Account, of the loss 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.

6. Report on Other Legal and Regulatory Requirements

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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) 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;
 - c) the Balance Sheet and Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches visited by us;
 - d) in our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B.Chhawchharia & Co.
Chartered Accountants

Abhishek Gupta
Partner

Place: New Delh
Date: 29th May, 2013

Firm Registration No: 305123E
Membership No: 529082

WORLDWIDE LEATHER EXPORTS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 6 of our Report of even date for the year ended 31st March, 2013

- 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.
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, 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.

WORLDWIDE LEATHER EXPORTS LIMITED

- 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 *except for Fringe Benefit Tax payable of ₹ 39,110/- for AY. 2007-08 and ₹ 15,279/- for A.Y 2008-09.*
- 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 incurred cash losses during the financial year covered by our audit but has not incurred any cash loss in 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 4 on Note 26 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 under review.
- 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

Abhishek Gupta
Partner

Place: New Delh
Date: 29th May, 2013

Firm Registration No: 305123E
Membership No: 529082

WORLDWIDE LEATHER EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

| Particulars | Notes | AS AT 31.03.2013 | AS AT 31.03.2012 |
|--|-------|---------------------|---------------------|
| | | ₹ | ₹ |
| EQUITY AND LIABILITIES | | | |
| <u>Shareholders' Funds</u> | | | |
| Share Capital | 1 | 29,703,000 | 29,703,000 |
| Reserves & Surplus | 2 | 43,552,518 | 73,255,518 |
| | | | 44,642,028 |
| | | | 74,345,028 |
| <u>Non-current Liabilities</u> | | | |
| Deferred tax liabilities (Net) | 3 | 50,000 | 815,000 |
| Long-Term Provisions | 4 | 1,100,000 | 1,150,000 |
| | | | 1,050,000 |
| | | | 1,865,000 |
| <u>Current Liabilities</u> | | | |
| Short-term borrowings | 5 | 5,525,640 | 3,549,005 |
| Trade Payables | 6 | 4,671,612 | 12,914,682 |
| Other Current Liabilities | 7 | 3,581,935 | 7,566,362 |
| Short-term Provisions | 8 | - | 13,779,187 |
| | | | 1,764,118 |
| | | | 25,794,167 |
| | | 88,184,705 | 102,004,195 |
| <u>ASSETS</u> | | | |
| <u>Non-current Assets</u> | | | |
| Fixed Assets : | 9 | | |
| Tangible Assets | | 12,568,914 | 16,635,612 |
| Intangible Assets | | 4,400 | 4,400 |
| | | 12,573,314 | 16,640,012 |
| Non-Current Investments | 10 | 7,375,188 | 9,460,453 |
| Long Term Loans & Advances | 11 | 22,175,309 | 42,123,811 |
| | | | 14,790,747 |
| | | | 40,891,212 |
| <u>Current Assets</u> | | | |
| Inventories | 12 | 7,359,737 | 19,944,504 |
| Trade Receivables | 13 | 11,077,132 | 10,463,168 |
| Cash & Cash Equivalents | 14 | 19,896,855 | 20,176,348 |
| Short-Term Loans & Advances | 15 | 7,459,675 | 10,168,247 |
| Other Current Assets | 16 | 267,495 | 46,060,894 |
| | | | 360,716 |
| | | | 61,112,983 |
| | | 88,184,705 | 102,004,195 |
| SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS | 26 | | |

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

For B. CHHAWCHHARIA & CO.
Chartered Accountants

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

ANIL AGARWAL
Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA
Director

WORLDWIDE LEATHER EXPORTS LIMITED

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

| Particulars | Notes | 2012-2013 | 2011-2012 |
|---|-------|-------------|-------------|
| | | ₹ | ₹ |
| Income | | | |
| Revenue from Operations | 17 | 100,002,350 | 152,104,232 |
| Other Income | 18 | 2,925,303 | 2,445,432 |
| | | 102,927,653 | 154,549,664 |
| Expenses | | | |
| Cost of material consumed | 19 | 50,288,892 | 60,538,239 |
| Purchase of Stock in Trade | | 559,034 | 40,330,486 |
| Changes in Inventories | 20 | 7,644,323 | (4,406,721) |
| Fabrication, Processing & other Charges | | 8,591,094 | 11,718,984 |
| Power & Fuel | | 2,126,577 | 2,087,780 |
| Employee Benefits Expense | 21 | 15,419,044 | 15,418,682 |
| Selling & Distribution expenses | 22 | 6,940,488 | 8,764,801 |
| Finance Costs | 23 | 423,892 | 1,166,536 |
| Depreciation & Amortization expenses | | 2,269,841 | 2,807,095 |
| Other expenses | 24 | 10,501,148 | 11,917,651 |
| | | 104,764,333 | 150,343,533 |
| Profit/(Loss) before Tax | | (1,836,680) | 4,206,131 |
| Tax Expense | 25 | | |
| Current Tax | | 17,830 | 1,844,413 |
| Deferred Tax | | (765,000) | (282,000) |
| Profit/(Loss) for the period | | (1,089,510) | 2,643,718 |

EARNING PER SHARE :

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

| | | |
|-------------------|--------|------|
| Basic and Diluted | (0.37) | 0.89 |
|-------------------|--------|------|

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

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Abhishek Gupta

Partner

Firm Registration No: 305123E

Membership No: 529082

Place: New Delhi

Date: 29th May, 2013

ANIL AGARWAL

Chairman & Managing Director

LALIT KUMAR CHHAWCHHARIA

Director

WORLDWIDE LEATHER EXPORTS LIMITED

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

| | 31.03.2013 | 31.03.2012 |
|---|--------------|--------------|
| | ₹ | ₹ |
| A Cash flow from operating activities | | |
| Net profit before taxation | (1,836,680) | 4,206,131 |
| Adjusted for | | |
| Depreciation | 2,269,841 | 2,807,095 |
| Provision for Gratuity | 70,782 | 450,000 |
| Interest income | (2,061,054) | (1,463,382) |
| Profit on sale of Investment | (97,485) | (570,748) |
| Dividend income | (25,376) | (62,205) |
| Interest expense | 423,892 | 1,166,536 |
| Loss on sale of Fixed Assets | 1,894,714 | 135,151 |
| Fixed Assets written off | 15,784 | 344,601 |
| Operating profit before working capital change | 654,418 | 7,013,179 |
| Adjusted for | | |
| Trade and Other receivables | (5,055,608) | 4,678,686 |
| Inventories | 12,584,767 | (5,734,233) |
| Trade payables and advance from customers | (12,248,279) | 9,670,969 |
| Other Current Assets | 93,221 | (342,464) |
| Cash generated from operations | (3,971,481) | 15,286,137 |
| Direct Taxes (paid)/ refunded (net) | (2,016,294) | (1,049,708) |
| Net cash from operating activities | (5,987,775) | 14,236,429 |
| B Cash flows from investing activities | | |
| Purchase of fixed assets | (303,641) | (1,023,270) |
| Proceeds from disposal of fixed assets | 190,000 | 80,100 |
| Sale of Long Term Investments - Net | 2,182,750 | 499,248 |
| Dividend income | 25,376 | 62,205 |
| Interest received (Net) | 2,061,054 | 947,732 |
| Net cash used in investing activities | 4,155,539 | 566,015 |
| C Cash flows from financing activities | | |
| Increase/(Repayment) of borrowings | 857,496 | (1,284,726) |
| Increase/(Decrease) in Export Credit Facilities (Net) | 1,119,139 | (10,398,240) |
| Interest paid | (423,892) | (650,886) |
| Net cash from financing activities | 1,552,743 | (12,333,852) |
| Net increase/(decrease) in cash or cash equivalents | (279,493) | 2,468,592 |
| Cash and cash equivalents at beginning of year | 20,176,348 | 17,707,756 |
| Cash and cash equivalents at end of year | 19,896,855 | 20,176,348 |

NOTE

Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

For B.CHHAWCHHARIA & CO.
Chartered Accountants

ANIL AGARWAL
Chairman & Managing Director

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

LALIT KUMAR CHHAWCHHARIA
Director

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

| | AS AT 31.03.2013 <u>₹</u> | AS AT 31.03.2012 <u>₹</u> |
|---|---------------------------------|---------------------------------|
| 1 SHARE CAPITAL | | |
| Authorised : | | |
| 8000000 Equity shares of ₹ 10/- each | 80,000,000 <u>80,000,000</u> | 80,000,000 <u>80,000,000</u> |
| Issued, Subscribed and Paid up : | | |
| 29,70,300 Equity shares of Rs.10 each fully paid up | 29,703,000 <u>29,703,000</u> | 29,703,000 <u>29,703,000</u> |
| 2 RESERVES & SURPLUS | AS AT 31.03.2013 <u></u> | AS AT 31.03.2012 <u></u> |
| Capital Reserve | 500 | 500 |
| Capital Grants and subsidies | 383,433 | 383,433 |
| Securities Premium Account | 9,031,000 | 9,031,000 |
| General Reserve | 30,000,000 | 30,000,000 |
| <i>Surplus in the statement of Profit and Loss</i> | | |
| Balance as per last financial statements | 5,227,095 | 2,583,377 |
| Profit/(Loss) for the period | (1,089,510) | 2,643,718 |
| Net Surplus in the statement of Profit and Loss | 4,137,585 <u>43,552,518</u> | 5,227,095 <u>44,642,028</u> |
| 3 DEFERRED TAX LIABILITIES | | |
| Deferred Tax Liabilities On : | 610,000 | 1,316,000 |
| Fiscal allowances on fixed assets | | |
| Deferred Tax Assets On : | | |
| Employees' remuneration and retirement benefits | 523,000 | 501,000 |
| Fiscal allowance of Unabsorbed losses | 37,000 | - |
| | 560,000 <u>50,000</u> | 501,000 <u>815,000</u> |

WORLDWIDE LEATHER EXPORTS LIMITED

| NOTES TO THE ACCOUNTS | | AS AT 31.03.2013 ₹ | AS AT 31.03.2012 ₹ |
|-----------------------|--|--------------------------|--------------------------|
| 4 | LONG TERM PROVISIONS | | |
| | For Gratuity | 1,100,000 | 1,050,000 |
| | | <u>1,100,000</u> | <u>1,050,000</u> |
| 5 | <u>SHORT TERM BORROWINGS</u> | | |
| | From Vijaya Bank | | |
| | i) Packing Credit | 2,965,936 | 1,846,797 |
| | Secured by charge on Land and Building held by M/s. Blackberry Property Advisory Private Limited, a wholly owned Subsidiary Company, 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. | | |
| | ii) Overdraft | 2,559,704 | 1,702,208 |
| | Secured by pledge of certain fixed deposit receipts | | |
| | | <u>5,525,640</u> | <u>3,549,005</u> |
| 6 | TRADE PAYABLES | | |
| | Sundry Creditors | | |
| | * Small Scale Industrial Undertakings | 571,997 | 1,879,266 |
| | * Others | 4,099,615 | 11,035,416 |
| | | <u>4,671,612</u> | <u>12,914,682</u> |
| | * Refer note 3 on Notes 26 | | |
| 7 | OTHER CURRENT LIABILITIES | | |
| | Advance from customers | 1,408,860 | 3,161,643 |
| | Other liabilities | 2,173,075 | 4,396,169 |
| | | <u>3,581,935</u> | <u>7,566,362</u> |
| 8 | SHORT TERM PROVISIONS | | |
| | For Taxation - (net of advances) | - | 1,764,118 |
| | | <u>-</u> | <u>1,764,118</u> |

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

9 FIXED ASSETS

| | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | | |
|-----------------------------|-------------------|----------------|--------------------|-----------------------------|-------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| | As at 1-Apr-12 | Additions | Deductions | As at 31-Mar-13 | As at 1-Apr-12 | For the year | Adjustment | As at 31-Mar-13 | As at 31-Mar-13 | As at 31-Mar-12 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| TANGIBLE ASSETS | | | | | | | | | | |
| Plant & Machinery | 23,903,503 | - | (3,790,000) | 20,113,503 | 13,697,871 | 1,109,676 | (1,735,395) | 13,072,152 | 7,041,351 | 10,205,632 |
| Lasts | 1,147,032 | 221,009 | - | 1,368,041 | 1,147,032 | 221,009 | - | 1,368,041 | - | - |
| Moulds & Dies | 1,957,557 | 28,296 | - | 1,985,853 | 1,088,135 | 164,221 | - | 1,252,356 | 733,497 | 869,422 |
| Electric Installation | 1,361,645 | - | - | 1,361,645 | 887,134 | 64,455 | - | 951,589 | 410,056 | 474,511 |
| Air Conditioner | 287,997 | - | - | 287,997 | 90,633 | 13,682 | - | 104,315 | 183,682 | 197,364 |
| Furniture & Fixtures | 205,716 | - | - | 205,716 | 71,253 | 12,837 | - | 84,090 | 121,626 | 134,463 |
| Office Equipment | 174,448 | - | - | 174,448 | 42,810 | 8,230 | - | 51,040 | 123,408 | 131,638 |
| Vehicles | 6,449,602 | 54,336 | (77,975) | 6,425,963 | 2,061,660 | 613,363 | (62,191) | 2,612,832 | 3,813,131 | 4,387,942 |
| Computer | 649,010 | - | (60,990) | 588,020 | 414,370 | 62,368 | (30,881) | 445,857 | 142,163 | 234,640 |
| | 36,136,510 | 303,641 | (3,928,965) | 32,511,186 | 19,500,898 | 2,269,841 | (1,828,467) | 19,942,272 | 12,568,914 | 16,635,612 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| Goodwill (on amalgamation) | 23,096 | - | - | 23,096 | 23,096 | - | - | 23,096 | - | - |
| Goodwill (on Consolidation) | 4,400 | - | - | 4,400 | - | - | - | - | 4,400 | 4,400 |
| | 27,496 | - | - | 23,096 | 23,096 | - | - | 23,096 | 4,400 | 4,400 |
| TOTAL | 36,164,006 | 303,641 | (3,928,965) | 32,534,282 | 19,523,994 | 2,269,841 | (1,828,467) | 19,965,368 | 12,573,314 | - |
| Previous Year | 40,056,206 | 1,023,270 | (4,919,870) | 36,159,606 | 21,076,917 | 2,807,095 | (4,360,018) | 19,523,994 | - | 16,640,012 |

10 NON - CURRENT INVESTMENTS

Trade

In Immovable Properties

Subsidiary Company (Unquoted)

Land at Khasra nos. 1099,1100,1101 admeasuring 1 Bigha
Khandas, Behrampur Road, Gurgaon, Haryana
Building at 38th Milestone, N.H. 8, Behrampur Road,
Gurgaon - 122 001, Haryana

| Paid up Value | No. of shares/ Units | AS AT 31.03.2013 | No. of shares/ Units | AS AT 31.03.2012 |
|------------------|----------------------------|---------------------|----------------------------|---------------------|
| ₹ | | ₹ | | ₹ |
| | | 1,605,414 | | 1,605,414 |
| | | 5,752,774 | | 5,752,774 |
| | | <u>7,358,188</u> | | <u>7,358,188</u> |

Non Trade

In Fully paid up Equity Shares

Quoted

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

17,000 17,000

In Mutual Funds

Canara Robeco MIP Dividend Payout

10 0.000 - 35147.140 495,926

ICICI Prudential MIP - Dividend Payout Monthly

10 0.000 - 42878.950 489,339

Birta Sun Life Frontline Equity Fund Plan A Growth

10 0.000 - 6299.610 500,000

HDFC Top 200 Fund - Growth

10 0.000 - 3331.594 600,000

- 2,085,265

7,375,188 9,460,453

Aggregate amount of quoted Investments

17,000 17,000

Aggregate amount of Unquoted Investments

7,358,188 9,443,453

Market Value of Quoted Investment

1,202 1,202

Repurchase Price of Mutual Funds

- 2,856,919

WORLDWIDE LEATHER EXPORTS LIMITED

| | | | |
|---|-------------------|--|-------------------|
| 11 LONG TERM LOANS & ADVANCES | | | |
| Advance against Properties | 20,281,831 | | 13,017,669 |
| Security Deposits | 1,893,478 | | 1,773,078 |
| | <u>22,175,309</u> | | <u>14,790,747</u> |
| 12 INVENTORIES | | | |
| (As taken, valued and certified by the Management) | | | |
| Stores & Spares | 164,297 | | 56,645 |
| Packing Materials | 202,965 | | 512,132 |
| Raw Materials | 3,708,269 | | 8,447,198 |
| Semi-finished Goods | 2,083,472 | | 3,999,801 |
| Finished Goods | 1,200,734 | | 6,928,728 |
| | <u>7,359,737</u> | | <u>19,944,504</u> |
| 13 TRADE RECEIVABLES | | | |
| (Unsecured) | | | |
| Considered Good | | | |
| Due for more than six months | 180,148 | | 2,487,960 |
| Others | 10,896,984 | | 7,975,208 |
| | <u>11,077,132</u> | | <u>10,463,168</u> |
| 14 CASH AND CASH EQUIVALENTS | | | |
| Cash-in-hand | 726,541 | | 526,966 |
| With Scheduled Banks : | | | |
| In Current Account | 2,035,232 | | 1,643,656 |
| In Fixed Deposit Account * | 17,135,082 | | 18,005,726 |
| | <u>19,896,855</u> | | <u>20,176,348</u> |
| * Amount maturing after 12 months from the close of year | 692,831 | | 8,900,415 |
| * Pledged with Bank & others | 6,139,305 | | 5,901,086 |
| 15 SHORT TERM LOANS AND ADVANCES | | | |
| (Unsecured, considered good unless otherwise stated) | | | |
| Loans | 3,375,500 | | 3,327,206 |
| Advances recoverable in cash or in kind or for value to be received | 1,657,562 | | 880,686 |
| Balance with Government Authorities | 4,398 | | 3,557 |
| Export Incentives Receivable | 2,187,869 | | 5,956,798 |
| Taxation Advance and Refundable(Net of Provision) | 234,346 | | - |
| | <u>7,459,675</u> | | <u>10,168,247</u> |
| 16 OTHER CURRENT ASSETS | | | |
| Miscellaneous Expenditure | | | |
| (to the extent not written off) | <u>267,495</u> | | <u>360,716</u> |

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

| | 2012-2013 | 2011-2012 |
|--|---------------------------|---------------------------|
| | ₹ | ₹ |
| 17 REVENUE FROM OPERATIONS | | |
| Sales - Leather Footwear | | |
| - Domestic | 3,229,106 | 4,354,556 |
| - Export | <u>84,263,659</u> | <u>132,903,145</u> |
| | 87,492,765 | 137,257,701 |
| Less: Excise Duty | <u>582,159</u> | <u>689,985</u> |
| | 86,910,606 | 136,567,716 |
| Job Work Income | 1,571,383 | - |
| Export Incentive | 12,062,806 | 13,548,479 |
| Difference in Exchange | <u>(542,445)</u> | <u>1,988,037</u> |
| | <u><u>100,002,350</u></u> | <u><u>152,104,232</u></u> |
| 18 OTHER INCOME | | |
| Interest * | | |
| - From Fixed Deposit | 1,430,343 | 838,242 |
| - From others | 630,711 | 625,140 |
| Profit on sale of investments | 97,485 | 570,748 |
| Liabilities Written Back | 421,887 | - |
| Dividend | 25,376 | 62,205 |
| Miscellaneous Receipts | 319,501 | 349,097 |
| | <u>2,925,303</u> | <u>2,445,432</u> |
| * Includes Tax at Source | <u>203,840</u> | <u>145,679</u> |
| 19 COST OF MATERIAL CONSUMED | | |
| Raw material | 47,328,910 | 56,742,984 |
| Packing material | 2,688,794 | 3,395,234 |
| Stores and spare parts | <u>271,188</u> | <u>400,021</u> |
| | <u><u>50,288,892</u></u> | <u><u>60,538,239</u></u> |
| 19 Details of Raw Material Consumed | | |
| Leather & Leather Lining | 21,602,292 | 33,416,566 |
| Soles | 15,382,776 | 13,222,468 |
| Insoles | 1,194,208 | 1,517,790 |
| Others | 9,149,634 | 8,586,160 |
| | <u><u>47,328,910</u></u> | <u><u>56,742,984</u></u> |
| 20 CHANGES IN INVENTORIES | | |
| Opening Stock : | | |
| Finished goods | 6,928,728 | 2,209,298 |
| Semi-finished goods | <u>3,999,801</u> | <u>4,312,510</u> |
| | 10,928,529 | 6,521,808 |
| Less : Closing stock: | | |
| Finished goods | 1,200,734 | 6,928,728 |
| Semi-finished goods | <u>2,083,472</u> | <u>3,999,801</u> |
| | <u><u>3,284,206</u></u> | <u><u>10,928,529</u></u> |
| | <u><u>7,644,323</u></u> | <u><u>(4,406,721)</u></u> |
| 21 EMPLOYEE BENEFITS EXPENSES | | |
| Salary, Wages and Allowances | 13,535,639 | 12,863,739 |
| Contribution to Provident Fund and other Funds | 623,200 | 589,516 |
| Contribution to Employees State Insurance | 354,433 | 308,867 |
| Staff and Labour Welfare expenses | 905,772 | 1,656,560 |
| | <u><u>15,419,044</u></u> | <u><u>15,418,682</u></u> |

WORLDWIDE LEATHER EXPORTS LIMITED

NOTES TO THE ACCOUNTS

| | 2012-2013 | 2011-2012 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| 22 SELLING AND DISTRIBUTION EXPENSES | | |
| Freight and Other Charges | 1,502,115 | 3,109,972 |
| Commission | 3,712,502 | 2,254,935 |
| Miscellaneous Selling and Distribution Expenses | 1,725,871 | 3,399,894 |
| | <u>6,940,488</u> | <u>8,764,801</u> |
| 23 FINANCE COSTS | | |
| Interest : | | |
| On Others | 423,892 | 1,166,536 |
| | <u>423,892</u> | <u>1,166,536</u> |
| 24 OTHER EXPENSES | | |
| Insurance | 282,503 | 348,853 |
| Rent | 477,930 | 537,400 |
| Rates & Taxes | 268,577 | 8,800 |
| Repairs & Maintenance : | | |
| To Building | 420,184 | 622,164 |
| To Plant & Machinery | 172,177 | 250,098 |
| To Others | 657,055 | 766,155 |
| Travelling & Conveyance | 1,267,198 | 1,567,280 |
| Auditors' Remuneration : | | |
| For Statutory Audit | 114,607 | 112,360 |
| For Tax Audit | 33,708 | 33,708 |
| For Other services | 73,319 | 133,305 |
| Miscellaneous Expenses | 4,533,077 | 5,777,206 |
| Director's Fee | 9,000 | 9,000 |
| Loss on sale of fixed assets | 1,894,714 | 135,151 |
| Fixed assets written off | 15,784 | 344,601 |
| Miscellaneous Expenditure written off | 93,221 | 93,221 |
| Items relating to previous year | 3,000 | - |
| Irrecoverable balances written off | 185,094 | 1,178,349 |
| | <u>10,501,148</u> | <u>11,917,651</u> |
| 25 TAX EXPENSE | | |
| Income Tax | 97,900 | 1,844,413 |
| Tax Adjustments | (80,070) | - |
| Deferred Tax | (765,000) | (282,000) |
| | <u>(747,170)</u> | <u>1,562,413</u> |

WORLDWIDE LEATHER EXPORTS LIMITED

26 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 :

- a) Depreciation on tangible assets is accounted on straight line method at or above the rates provided in schedule XIV to the Companies Act, 1956.
- b) Intangible assets are amortised over the period of useful life of the assets as estimated by the management.

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 ₹ 332.53 lacs (₹ 232.52 lacs); advance there against amount to ₹ 202.82 lacs (₹ 130.18 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 Indcoat Shoe Accessories, Sagar Buckles Pvt. Ltd, Ashian Mercantile Pvt Ltd, Capston Rubber India and Scarco Shoes Pvt. Ltd.. This information and that given in Note 6 - "Trade Payables" 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.
- c) Balances in the account of M/s Shoecraft under the head 'Sundry Creditors - Others' is subject to confirmation.
4. Advance against one Property namely 'Kensington Boulevard', Noida is in the name of the an Ex-Director on behalf of the company. Company is taking steps to transfer such allotment in the name of the company.

WORLDWIDE LEATHER EXPORTS LIMITED

- 2012-2013
₹
- 2011-2012
₹
5. Related parties and transactions with them as specified in Accounting Standard 18 on "Related Parties Disclosure" issued by ICAI has been identified and given below.
- a) Enterprises where control exists
Blackberry Property Advisory Private Limited
(Subsidiary Company)
- b) Associates and Joint Ventures
-
- c) Individual Owning an interest in the voting power of the company and their relatives
-

- d) Key Management Personnel and their Relatives
Anil Agrwal (Chairman and Managing Director)
Renu Agarwal (Director)

- e) Enterprises over which any person referred to in (c) or (d) is able to exercise significant influence
Nigri Mercantile Pvt. Ltd.

| Nature of Transaction | Subsidiary Company | | Key Management Personnel & Relatives | |
|-----------------------|--------------------|-------------|--------------------------------------|-----------|
| | 2012 - 2013 | 2011 - 2012 | 2012-2013 | 2011-2012 |
| | ₹ | ₹ | ₹ | ₹ |
| Expenses | | | | |
| Remuneration | - | - | 1,478,545 | 1,974,000 |
| Sitting Fees | - | - | 4,000 | - |

6. The Earning Per Share (EPS) has been calculated as specified in Accounting Standard - 20, issued by Institute of Chartered Accountants of India and other disclosures in this regard are:

| | | |
|---|-------------|-----------|
| | 2012-2013 | 2011-2012 |
| (a) Profit/(Loss) after taxation | (1,088,510) | 2,843,718 |
| (b) Weighted Average No. of Equity Shares outstanding | 2970300 | 2970300 |
| Earning per share (Face value) | | |
| (c) ₹ 10/- per share) (a)/(b) (Basic and diluted) | (0.37) | 0.89 |

7. 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 31.03.2013

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.

- 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, 2013 | Percentage of voting power as at 31st March, 2012 |
|--------------------------------------|--------------------------|--|---|
| Blackberry Property Advisory Pvt Ltd | India | 100% | 100% |

10. Financial Information of Subsidiary:

| Particulars | Blackberry Property Advisory P Ltd. |
|---|-------------------------------------|
| | ₹ |
| Capital | 1,100,000 |
| Reserves | 680,254 |
| Total Assets | 8,214,538 |
| Total Current Liabilities | 6,454,284 |
| Investments (except investment in subsidiaries) | 7,358,188 |
| Turnover/ Total Income | 900,711 |
| Profit/ Loss before taxation | 513,354 |
| Provision for Taxation | 97,830 |
| Profit after Taxation | 415,524 |
| Proposed Dividend | Nil |

11. 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.

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

Signature to Notes 1 to 26

In terms of our report of even date attached herewith.

For B. CHHAUCHHARIA & CO.
Chartered Accountants

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

ANIL AGARWAL
Chairman & Managing Director

LALIT KUMAR CHHAUCHHARIA
Director

WORLDWIDE LEATHER EXPORTS LIMITED

AUDITOR'S REPORT

To the Board of Directors of M/s WORLDWIDE LEATHER EXPORTS LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s WORLDWIDE LEATHER EXPORTS LIMITED and its subsidiary M/s Blackberry Property Advisory Private Limited, which comprises the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Basis for Qualified Opinion

- a) The company is not disclosing the information under The Micro, Small and Medium Enterprises Development Act, 2006 (Note 26 (3(b))); and
- b) The company is not disclosing particulars as required in pursuance of Accounting Standard – 15 "Employee Benefit".

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the Basis of Qualified Opinion paragraph, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For B.Chhawchharia & Co.
Chartered Accountants

Abhishek Gupta
Partner

Firm Registration No: 305123E
Membership No: 529082

Place: New Delhi
Date: 29th May, 2013

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 : 2,97,03,000

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, 2013. 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 4 times on 30th May, 2012, 31st July, 2012, 30th October, 2012, and 31st January, 2013 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 18th September, 2012 to 19th September, 2012 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 19th September, 2012 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.

WORLDWIDE LEATHER EXPORTS LIMITED

14. The Board of Directors of the Company is duly constituted as per Companies Act, 1956.
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, 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 not made any borrowings falling under 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: 29.05.2013

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, 2013

| S.No. | Form No./ Return | Filed U/S | Date of filing | Whether filed within prescribed time (Yes/ No) | If delay in filling whether requisite fee paid (Yes/ No) |
|-------|--|--------------|-------------------|---|---|
| 1. | Form 25C | 269 | 23.08.2012 | NO | YES |
| 2. | Form 66 | 383A | 18.10.2012 | YES | N.A. |
| 3. | Annual Return (Form 20B) | 159 | 15.11.2012 | YES | N.A. |
| 4. | Form 32 | 303(2) | 15.11.2012 | YES | N.A. |
| 5. | Balance Sheet (Form 23ACXbrl & 23ACAXbrl) | 220 | 09.01.2013 | YES | N.A. |

WORLDWIDE LEATHER EXPORTS LIMITED

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

1. Name of the Subsidiary : Blackberry Property Advisory Pvt. Ltd.
2. Financial year of the subsidiary ended on : 31st March, 2013
3. Shares of the subsidiary held by the Company on the above date :
 - a) Number and Face Value : 1,10,000 Equity Shares of Rs. 10 each
 - b) Extent of holding : 100%
4.
a) For the financial year of the Subsidiary : Rs. 4,15,524/-
b) For the all previous financial years of the subsidiary : Rs. 6,60,254/-
Since it become the Holding Company's Subsidiary
5. The net aggregate amount of Subsidiary's profits / (losses) 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 : NilSince it become the Holding Company's Subsidiary
6. 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
7. Material Changes between the end of the Financial Year of the Subsidiary and at the end of the Holding Company's Financial 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 : N.A
other than that of meeting current Liabilities

ANIL AGARWAL

Chairman & Managing Director

Place: Gurgaon
Date: 29th May, 2013

LALIT CHHAWCHHARIA
Director

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 23rd Annual General Meeting held at 'Kala Kunj', (Basement Kalamandir), 48 Shakespeare Sarani, Kolkata-700 017 at 3.30 P.M. on Friday the 05th July, 2013.

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./Missof
.....or failing
him/her/Mr./Mrs./ Miss.....of.....as
my/our proxy and to vote for me /us on my /our behalf at the 23rd Annual General Meeting of the Company
to be held on Friday, the 05th July, 2013 at 'Kala Kunj', (Basement Kalamandir), 48 Shakespeare Sarani,
Kolkata-700 017.

Signed this day of 2013

Signature

Folio No./Client ID No.

Please affix
One Rupee
Revenue
Stamp

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.)

If undelivered please return to :

WORLDWIDE LEATHER EXPORTS LIMITED

Investor Service Department

38th Milestone, NH-8,

Behrampur Road,

Gurgaon-122 001

Haryana (India)