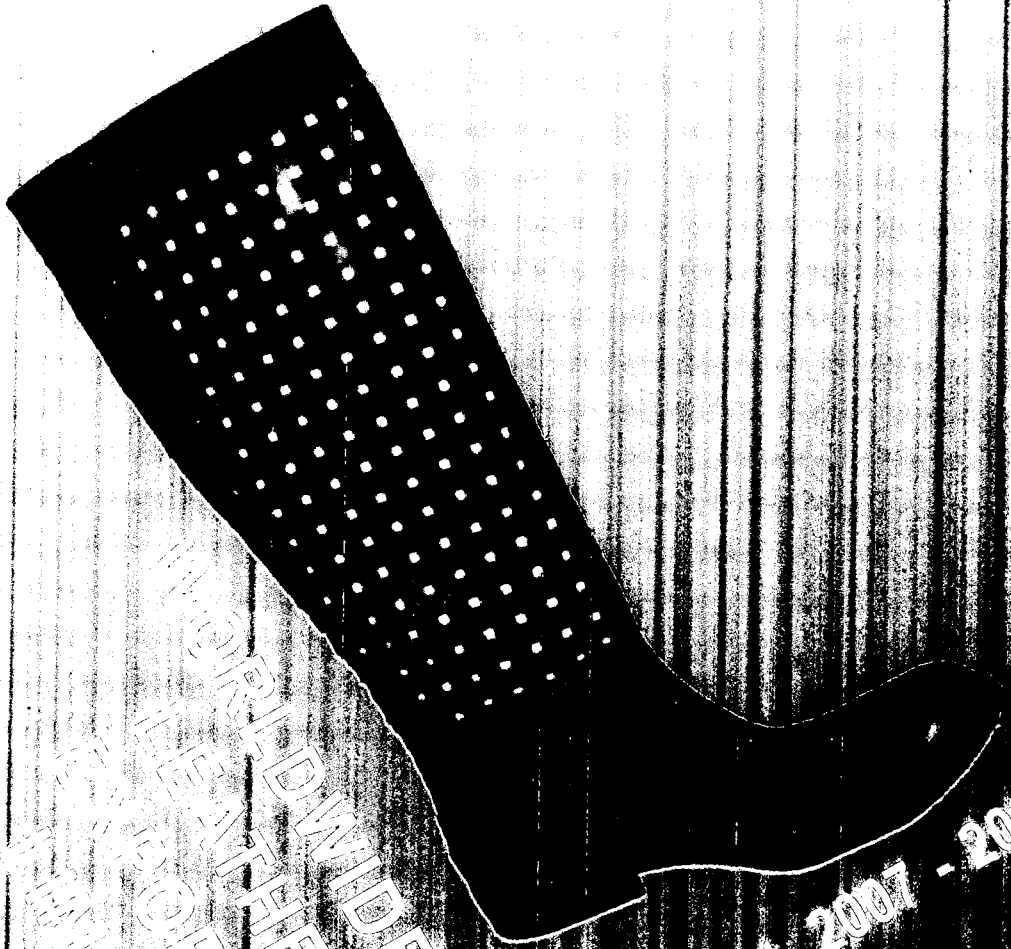


WORLDWIDE LEATHER EXPORTS LIMITED



WORLDWIDE
LEATHER EXPORTS
LIMITED

Eighteenth Annual Report 2007 - 2008

WORLDWIDE LEATHER EXPORTS LIMITED

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

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WORLDWIDE LEATHER EXPORTS LIMITED

NOTICE

Notice is hereby given that 18th Annual General Meeting of members of M/s Worldwide Leather Exports Limited will be held on Friday, the 26th day of September, 2008 at 3.30 P.M. at 'Kala Kunj' (Basement Kalamandir), 48, Shakespeare Sarani, Kolkata-700017 to transact the following businesses.

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit and Loss Account for the year ended on that date and the report of the Auditors and Directors thereon.
2. To re-appoint a Director in place of Mr. B.P.Singh who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
3. To re-appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary resolution.

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

Special Business

4. To Consider and if thought fit to pass, with or without modification, the following resolution as a Ordinary Resolution:
"RESOLVED THAT pursuant to sections 198, 269, 309 & 310, read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any amendment thereof, consent of the Company be and is hereby given to the re-appointment of Ms. Rakhee Agarwal as Whole Time Director of the company for further period of 5 years effective from 1st June 2008, on terms and conditions including remuneration as set out in the Explanatory Statement attached to the Notice convening this Meeting, a copy whereof is placed before this Meeting."

(i) **SALARY:** Rs.40,000 p.m.

(ii) **ANNUAL PERFORMANCE INCENTIVE:** As may be decided by the Board subject to a ceiling of 50% of salary.

(iii) **HOUSING:**

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

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

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

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

(iv) **MEDICAL REIMBURSEMENT:** Medical Insurance for self and family. In addition, expenses actually incurred for self and family.

(v) **LEAVE TRAVEL CONCESSION:** For self and family once in year for any destination in India or abroad.

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

(vii) **PERSONAL ACCIDENT INSURANCE:** Premium not to exceed Rs. 1000/- per month.

(viii) **PROVIDENT FUND:** Contribution to Provident Fund as per rules of the Company subject to a ceiling of 10% of salary.

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

(x) **TELEPHONE:** Telephone at residence.

(xi) **CAR:** Facility of car including running and maintenance.

(xii) **LEAVE:** One month leave for eleven months of service. Leave accumulated but not availed will not be encashed.

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

5. To Consider and if thought fit to pass, with or without modification, the following resolution as a Ordinary Resolution:
"RESOLVED THAT pursuant to sections 293 (1) (a) of the Companies Act, 1956 consent be and is hereby accorded to the Board of Directors of the Company for the disposal of Zebra Leather Inc., the wholly owned subsidiary of the Company, for such consideration, subject to a minimum of the present Net Worth of the Company, and on such terms as the Board may consider beneficial to the Company.

WORLDWIDE LEATHER EXPORTS LIMITED

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters, things, as may be required by any Regulatory Authority and execute all such deeds, documents, instruments and writing as it may in its absolute discretion deem necessary or desirable in relation thereto."

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

30th June 2008
Gurgaon
Registered Office:
5-F Everest,
46/C, Chowringhee Road,
Kolkata-700 071

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not to be a member of the Company. Proxy form duly filled up and executed must be received at the Registered Office of the Company not less than 48 hours before the time fixed for meeting.
2. The Register of members and the share transfer book shall remain closed on 25th and 26th of September 2008.
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. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 with respect to Special Business 4 & 5 is forming part of the notice and is annexed hereto.
8. All the relevant documents mentioned in the in the aforesaid business are available at for inspection at the Registered Office of the Company during normal office hours.

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

Item No. 4

At its meeting held on 30th April, 2008 the Board of Directors resolved to re-appoint Ms. Rakhee Agarwal as Whole Time Director with effect from 1st June 2008 on remuneration which is within the limits specified by Schedule XIII of the Companies Act, 1956, as detailed herein after:

Except Mr. Anil Agarwal, Chairman & Managing Director being related to Ms. Rakhee Agarwal, no other Director of the Company are concerned or interested in the business set out at item No.4.

Item No. 5

At its meeting held on 29th July, 2008 the Chairman brought to the notice of the Board that despite all efforts for the last 2 years, the WOS at USA could not be hived off neither wound up due to the legal formalities and legal and professional expenses involved in winding up procedures in the United States. However, an offer has been received to take over the company at no more than the net worth of the company. The Board recommends the sale of the WOS at the offer price to help wash out hands of the inactive Company.

By order of the Board

Anil Agarwal
(Chairman & Managing Director)

0th June 2008
iurgaon
egistered Office:
-F Everest,
3/C, Chowringhee Road,
olkata-700 071

WORLDWIDE LEATHER EXPORTS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 18th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2008.

Financial Result

	2007-08	Rs. In Lacs 2006-07
Sales and other income	1294.50	1186.96
Profit before depreciation (34.36) And extraordinary item (NIL)	87.10	88.64
Depreciation	34.36	34.03
Profit/ (Loss) after extraordinary Items & Tax	31.86	42.65
Add: Surplus from previous year	(0.06)	3.51
Transfer from General Reserve	30.00	NIL
Proposed Dividend	NIL	NIL
Surplus Carried to Balance Sheet	1.80	0.06

Performance

Sales inclusive of export incentives have increased by 10% over the previous year, though the sale in quantitative terms of footwear has marginally increased. The financial year 2007-08 shows a profit of approximately Rs.31.87 lacs after providing Rs.34.36 lacs towards depreciation.

Your Company's performance has improved over last year. The main reason for the higher sales is the continued marketing efforts being put in. The company continues to take active participation in the Riva Del Garda, Italy fair which has yielded good results.

As you are well aware, the Company's wholly owned subsidiary, Zebra Leather Inc., USA has been lying totally inactive for the last couple of years. However, could not be wound up due to the legal formalities and legal and professional expenses involved in winding up procedures in the United States. However, an offer has been received to take over the company at book value that is the present net worth of the company. The Board has recommended the sale of the WOS at the offer price to help wash out hands of the inactive company.

The Company's product portfolio of Men's Footwear continues to do well in the international market and is being regularly expanded. During the current year we have entered the Ladies Footwear market once again. Footwear from your Company is now exported to many countries in Europe besides the old market of England. On the domestic front this year, the Company has done production for Reliance Retail and Bata India and are proud suppliers for their up-market footwear needs.

Dividend

The Directors express their inability to recommend any dividend in view of the cash requirements forthcoming for re-locating the Gurgaon manufacturing facility of the Company.

Subsidiary Company

As per Provision of Section 212 of the Companies Act, 1956 your Company has applied for exemption from complying with the provision of sub section (8) of Section 212 of the Companies Act 1956. The Subsidiary Company has not carried on any business activities since last year and is totally inactive. It is in the process of winding up but formalities have not yet been completed. Therefore, due to no activities, there is NIL a Profit & Loss a/c and the Balance Sheet continues to be the same as of the previous year. However, investor seeking any information relating to the accounts of the Subsidiary Company may write to the Company at any point of time.

Fixed Deposit

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

WORLDWIDE LEATHER EXPORTS LIMITED

Directors Responsibility Statement

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

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

Directors

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

Your Company had proposed a preferential issue last year for which a motion was passed during the last Annual General Meeting. However, it is hereby informed that the said preferential issue did not materialize and was not done.

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.1002.14 lacs on account of Exports and the total foreign exchange outgo was Rs.36.55 lacs on account of commissions, traveling expenses and foreign bank charges.

Auditors

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

Auditor's Report

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

Listing of Shares

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

WORLDWIDE LEATHER EXPORTS LIMITED

ISO 9001:2000 CERTIFICATION

Your Company continues to enjoy the status of ISO 9001: 2000

Acknowledgement

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

For and behalf of the Board of Directors

Date : 30th June, 2008

Place : Gurgaon

(Anil Agarwal)

Chairman & Managing Director

Form B (See Rule-2)

Research and Development

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

Capital	NIL
Recurring	Rs. 18.74 Lacs
Total	Rs. 18.74 Lacs

Total R & D Expenditure as a % to the Turnover is 1.66%

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 worked closely with designers and technicians from Portugal and France.
- 2 Benefit derived as a result of the above efforts
As a result of the above interaction, penetration into new markets has been possible. Also the Company has entered the production of Ladies Footwear.
- 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 : 30th June, 2008

Place : Gurgaon

(Anil Agarwal)

Chairman & Managing Director

WORLDWIDE LEATHER EXPORTS LIMITED

BALANCE SHEET AS AT 31 MARCH, 2008

	SCHEDULE	31-Mar-08 Rupees	31-Mar-07 Rupees
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	1	29,703,000	29,703,000
Reserves & Surplus	2	<u>42,878,006</u>	<u>39,692,341</u>
		72,581,006	69,395,341
LOAN FUNDS :			
Secured Loans	3	26,020,142	11,454,511
DEFERRED TAX LIABILITY			
	4	<u>3,639,000</u>	<u>3,081,713</u>
		<u>102,240,148</u>	<u>83,931,565</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block		64,385,709	65,903,543
b) Less : Depreciation		<u>27,396,526</u>	<u>26,165,720</u>
c) Net Block	5	36,989,183	39,737,823
INVESTMENTS			
	6	1,176,932	2,176,932
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	15,672,998	16,310,423
Sundry Debtors	8	22,312,963	11,487,441
Cash & Bank Balances	9	23,306,217	10,672,519
Loans & Advances	10	<u>18,228,160</u>	<u>15,407,485</u>
		<u>79,520,338</u>	<u>53,877,868</u>
LESS : Current Liabilities & Provisions			
Current Liabilities	11	11,578,920	9,239,520
Provisions		<u>3,867,385</u>	<u>2,621,538</u>
		<u>15,446,305</u>	<u>11,861,058</u>
NET CURRENT ASSETS		<u>64,074,033</u>	<u>42,016,810</u>
		<u>102,240,148</u>	<u>83,931,565</u>
NOTES ON ACCOUNTS	21		
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	22		

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

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

(VINIT BAGARIA)
Partner

Place : GURGAON
Dated : 30th June, 2008

On behalf of the Board

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2008

	SCHEDULE	2007-2008 Rupees	2006-2007 Rupees
INCOME			
Sales	12	112,938,175	102,866,443
Export Incentive		11,332,312	8,961,842
Difference in Exchange		718,808	5,155,745
Other Income	13	4,461,532	1,716,417
Increase/(Decrease) in Stock	14	15,499	(1,674,250)
		<u>129,466,326</u>	<u>117,026,197</u>
EXPENDITURE			
Purchase of finished goods		3,836,300	829,756
Cost of Materials	15	70,200,438	62,604,502
Expenses on Employees	16	9,747,226	8,828,346
Fabrication, Processing & other Charges		11,957,937	11,002,857
Power & Fuel		2,476,164	1,804,867
Cost of borrowings	17	1,038,335	705,473
Depreciation		3,436,115	3,403,544
Other Expenses	18	21,500,530	23,135,406
		<u>124,193,045</u>	<u>112,314,751</u>
PROFIT BEFORE TAXATION AND EXTRA ORDINARY ITEM			
Extra Ordinary Items	19	-	873,817
PROFIT BEFORE TAXATION			
Direct Taxes	20	2,087,616	1,942,178
Profit after Tax		3,185,665	3,643,085
Profit brought forward		(5,901)	351,014
Transfer to General Reserve		3,000,000	4,000,000
Profit available for appropriation		<u>179,764</u>	<u>(5,901)</u>
Earning per Share - Face Value Rs.10 each (Basic & Diluted)		Rs.1.07	Rs.1.23
NOTES ON ACCOUNTS			
	21		
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE			
	22		

The Schedules referred to above form an integral part of the Profit and Loss Account.

In terms of our report of even date attached herewith

On behalf of the Board

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

(VINIT BAGARIA)
Partner

ANIL AGARWAL
Chairman & Managing Director

Place : GURGAON
Dated : 30th June, 2008

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

Cash Flow Statement for the year ended 31st March, 2008

	2007-2008 Rupees	2006-2007 Rupees
A Cash flow from operating activities		
Net profit before taxation	5,273,281	5,585,263
Adjusted for		
Depreciation	3,436,115	3,403,544
Provision for Diminution in value of investments	-	621,830
Interest income	(96,425)	(283,154)
Profit on sale of Investment	(27,515)	(367,587)
Dividend income	(160,471)	(134,142)
Interest expense (Net)	1,038,335	705,473
Fixed Assets written off	-	6,682
Loss on sale of Fixed Assets	504,112	368,886
Operating profit before working capital change	9,967,432	9,906,795
Adjusted for		
Trade and Other receivables	(12,599,163)	(8,466,661)
Inventories	637,425	4,298,250
Trade and other payables and advance from customers	2,368,247	365,610
Cash generated from operations	373,941	6,103,994
Direct Taxes (paid)/ refunded (net)	(1,360,363)	(630,845)
Net cash from operating activities	(986,422)	5,473,149
B Cash flows from investing activities		
Purchase of fixed assets	(1,387,587)	(2,612,498)
Proceeds from disposal of fixed assets	190,000	213,017
Purchase / Sale of Long Term Investments	1,027,515	(772,413)
Dividend income	160,471	134,142
Interest received (Net)	96,425	283,154
Net cash used in investing activities	92,824	(2,754,598)
C Cash flows from financing activities		
Shares issued pursuant to scheme of Amalgamation (Net of Goodwill)	-	7,554,904
Repayment of long term borrowings	(296,507)	(429,327)
Increase/(Decrease) in Export Credit Facilities (Net)	14,862,138	(1,739,661)
Interest paid	(1,038,335)	(705,473)
Net cash from financing activities	13,527,296	4,680,443
Net increase/(decrease) in cash or cash equivalents	12,633,698	7,398,994
Cash and cash equivalents at beginning of year	10,672,519	3,273,525
Cash and cash equivalents at end of year	23,306,217	10,672,519

NOTE

Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

On behalf of the Board

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

(VINIT BAGARIA)
Partner

ANIL AGARWAL
Chairman & Managing Director

Place : GURGAON
Dated : 30th June, 2008

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS		31-Mar-08 Rupees	31-Mar-07 Rupees							
1. SHARE CAPITAL										
Authorised:										
8000000 Equity shares of Rs 10 each.		<u>80,000,000</u>	<u>80,000,000</u>							
Issued, Subscribed & Paid up										
29,70,300 Equity shares of Rs.10 each fully paid up		<u>29,703,000</u>	<u>29,703,000</u>							
		<u>29,703,000</u>	<u>29,703,000</u>							
Out of the above 757800 Equity shares were allotted pursuant to the scheme of amalgamation, without payment being received in cash.										
2. RESERVES AND SURPLUS										
Capital Reserve -on Revaluation of Land		7,166,742	7,166,742							
-on Re-issue of Forfeited Shares		500	500							
		<u>7,167,242</u>	<u>7,167,242</u>							
General Reserve :										
As per last account		23,500,000	19,500,000							
Add : Transfer from Profit & Loss account		-	4,000,000							
		<u>23,500,000</u>	<u>23,500,000</u>							
Securities Premium Account		9,031,000	9,031,000							
Profit & Loss Account		3,179,764	(5,901)							
		<u>42,878,006</u>	<u>39,692,341</u>							
3. SECURED LOANS										
I Vijaya Bank:										
i) Packing Credit		14,100,000	6,400,000							
ii) Foreign Usage Documentary Bills		7,485,799	2,248,697							
Secured by charge on Land, Buildings and Plant & Machinery and hypothecation of Raw materials, Semi-finished goods, Finished goods at company's factory at Gurgaon and respective Bills, pledge of Fixed Deposit Receipts and personal guarantee of Managing Director of the Company.										
iii) Overdraft		4,117,166	2,192,130							
Secured by pledge of certain fixed deposit receipts										
II *ICICI Bank Ltd.		317,177	613,684							
		<u>26,020,142</u>	<u>11,454,511</u>							
*Installment falling due in next twelve months Rs. 151,018/-										
4. DEFERRED TAX LIABILITIES										
Deferred Tax Liabilities On :										
Fiscal allowances on fixed assets		3,934,000	4,256,628							
Deferred Tax Assets On :										
Employee's remuneration and retirement benefit		295,000	207,461							
Fiscal disallowances on provisions		-	967,454							
		<u>295,000</u>	<u>1,174,915</u>							
		<u>3,639,000</u>	<u>3,081,713</u>							
5. FIXED ASSETS										
	GROSS BLOCK				DEPRECIATION				NETBLOCK	
	As at 1-Apr-07 Rupees	Additions Rupees	Deductions Rupees	As at 31-Mar-08 Rupees	As at 1-Apr-07 Rupees	For the year Rupees	Adjustment Rupees	As at 31-Mar-08 Rupees	As at 31-Mar-08 Rupees	As at 31-Mar-08 Rupees
Goodwill (on amalgamation)	23,096	-	-	23,096	-	-	-	-	23,096	23,096
Land	8,700,656	-	-	8,700,656	-	-	-	-	8,700,656	8,700,656
Building	9,646,019	-	-	9,646,019	3,135,007	252,746	-	3,387,753	6,258,266	6,511,012
Plant & Machinery	28,486,240	169,409	(304,044)	28,351,605	11,368,583	1,326,175	(224,447)	12,470,311	15,881,294	17,117,657
Lasts	5,099,357	677,347	(531,336)	5,245,368	5,099,357	677,347	(531,336)	5,245,368	-	-
Moulds & Dies	2,153,968	267,025	-	2,420,993	1,857,280	262,288	-	2,119,568	301,425	296,688
Electric Installation	2,674,016	107,643	(83,600)	2,698,059	1,209,521	117,903	(34,967)	1,292,457	1,405,602	1,464,495
Air Conditioner	326,713	70,000	(112,716)	283,997	110,781	13,084	(74,733)	49,132	234,365	215,932
Furniture & Fixtures	1,354,203	-	(526,848)	827,355	910,111	130,356	(447,474)	592,993	234,362	444,092
Office Equipment	598,482	-	(182,859)	415,623	202,915	19,214	(112,378)	109,751	305,872	395,567
Vehicles	5,691,455	-	(669,560)	5,021,895	1,444,209	535,901	(311,680)	1,668,430	3,353,465	4,247,246
Computer	1,149,338	90,163	(488,458)	751,043	827,956	101,101	(468,294)	460,763	290,280	321,382
TOTAL	65,903,543	1,381,587	(2,899,421)	64,385,709	26,165,720	3,436,115	(2,205,309)	27,396,526	36,989,183	-
Previous Year	63,950,148	2,635,594	(682,199)	65,903,543	22,855,790	3,403,544	83,614	26,165,720	-	39,737,823y

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS	Paid up Value Rupees	Number Shares/ Units	31-Mar-08 Rupees	Number Shares/ Units	31-Mar-07 Rupees
6. INVESTMENTS - LONG TERM					
Fully Paid					
A Quoted - Non Trade					
Asian Tea & Exports Ltd.	10	100	1,000	100	1,000
Bharat Earth Movers Ltd.	10	100	17,300	100	17,300
Digital Multi Forms Ltd.	10	200	2,000	200	2,000
Filament India Ltd.	10	200	4,000	200	4,000
Goldiam International Ltd.	10	400	10,000	400	10,000
Hindustan Organic Chem. Ltd.	10	300	15,000	300	15,000
Mukrerian Papers Ltd.	10	150	6,000	150	6,000
N.K. Industries Ltd.	10	100	4,000	100	4,000
Orind Exports Ltd.	10	100	1,000	100	1,000
Parenteral Drugs (India) Ltd.	10	100	9,000	100	9,000
Patel Integrated Logistics Ltd.	10	230	7,000	230	7,000
Punjab Woolcombers Ltd.	10	50	4,500	50	4,500
Ram Ratna Wires Ltd.	10	100	1,000	100	1,000
Royale Manor Hotels & Industries Ltd.	10	100	1,000	100	1,000
Shilp Gravures Ltd.	10	100	1,000	100	1,000
Super Syncotex (India) Ltd.	10	200	5,000	200	5,000
Suryavanshi Spinning Mills Ltd.	10	100	7,000	100	7,000
Vijaya Bank Ltd.	10	600	14,400	600	14,400
VLS Finance Ltd.	10	300	120,000	300	120,000
Wisec Global Ltd.	10	200	8,000	200	8,000
TOTAL- A			238,200		238,200
B Unquoted					
I. Trade					
In Subsidiary Company	No par				
Zebra Leather Inc	value	265	288,732	265	288,732
TOTAL-I			288,732	265	288,732
II. Non Trade					
I. Super Ispat Udyog Pvt. Ltd.	10	-	-	50000	500,000
II. In Mutual Funds					
DSP ML Tiger Fund- Dividend Payout	10	15987.210	200,000	15987.210	200,000
Fidelity Equity Fund- Dividend Payout	10	29339.853	300,000	29339.853	300,000
Fidelity Special Situations - Dividend Payout	10	14669.927	150,000	14669.927	150,000
Reliance Equity Opportunities Fund-Growth	10	-	-	25270.138	500,000
TOTAL-II			650,000		1,650,000
TOTAL-B			938,732		1,938,732
GRAND TOTAL			1,176,932		2,176,932
Aggregate amount of quoted Investments			238,200		238,200
Aggregate amount of Unquoted Investments			938,732		1,938,732
Market Value of Quoted Investment			209,715		226,644
Repurchase Price of Mutual Funds			972,689		1,502,038
7. INVENTORIES					
Stores & Spares			344,741		89,735
Packing Materials			68,404		121,101
Raw Materials			7,512,537		8,367,770
Semi-finished Goods			3,403,516		3,561,744
Finished Goods			4,343,800		4,170,073
			15,672,998		16,310,423
8. SUNDRY DEBTORS					
(Unsecured, Considered Good)					
Due for more than six months			2,066,033		645,275
Others			20,246,930		10,842,166
			22,312,963		11,487,441

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS	31-Mar-08 Rupees	31-Mar-07 Rupees
9. CASH AND BANK BALANCES		
Cash in hand	1,059,033	333,144
With Scheduled Banks:		
In Current Account	17,574,140	5,794,447
In Fixed Deposit Account*	4,672,288	4,544,928
	<u>23,306,217</u>	<u>10,672,519</u>
* Pledged with Bank & others	<u>3,730,001</u>	<u>3,939,927</u>
10. LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Loans	-	3,852,239
Advances recoverable in cash or in kind or for value to be received	686,640	1,370,294
Advances against Properties		
- Secured	3,600,000	3,600,000
- Others	6,417,632	3,905,672
Share application money	-	1,500,000
Balance with Government Authorities	3,101	121
Export Incentives Receivable	3,951,478	1,790,408
Deposits	951,078	913,801
Taxation Advance and Refundable	2,618,231	1,571,197
	<u>18,228,160</u>	<u>18,503,732</u>
Less : Doubtful Loans (fully provided for)	-	3,096,247
	<u>18,228,160</u>	<u>15,407,485</u>
11. CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
* Small Scale Industrial Undertakings	1,091,521	836,773
* Others	9,487,717	7,700,391
Advance from customers	-	528,369
Other liabilities	997,356	168,807
Interest accrued but not due on loans	2,326	5,180
	<u>11,578,920</u>	<u>9,239,520</u>
* Refer note on Schedule 21		
B. Provisions		
For Income Tax	3,377,000	2,160,000
For Gratuity	490,385	461,538
	<u>3,867,385</u>	<u>2,621,538</u>
	<u>15,446,305</u>	<u>11,861,058</u>
SCHEDULES TO THE ACCOUNTS	2007-08 Rupees	2006-2007 Rupees
12. SALES		
Leather Footwear	112,938,175	102,866,443
	<u>112,938,175</u>	<u>102,866,443</u>
13. OTHER INCOME		
Dividend	160,471	134,142
Interest *		
On Fixed Deposits	73,196	249,929
On Others	23,229	33,225
Profit on sale of investments	27,515	367,587
Provision for doubtful Loans written back	3,096,247	-
Liabilities Written Back	307,221	144,652
Miscellaneous Receipts	773,653	786,882
	<u>4,461,532</u>	<u>1,716,417</u>
* Includes Tax at Source	<u>15,079</u>	<u>36,523</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS	2007-08 Rupees	2006-07 Rupees
14. INCREASE/(DECREASE) IN STOCK		
Closing Stock		
Finished goods	4,343,800	4,170,073
Semi-finished goods	3,403,516	3,561,744
	<u>7,747,316</u>	<u>7,731,817</u>
Less : Opening stock		
Finished goods	4,170,073	4,878,327
Semi-finished goods	3,561,744	4,527,740
	<u>7,731,817</u>	<u>9,406,067</u>
	<u>15,499</u>	<u>(1,674,250)</u>
15. COST OF MATERIALS		
Raw material consumed	66,054,669	58,452,722
Packing material consumed	3,382,287	3,854,975
Stores and spare parts consumed	763,482	296,805
	<u>70,200,438</u>	<u>62,604,502</u>
16. EXPENSES ON EMPLOYEES		
Salary, wages and allowances	8,107,193	7,151,102
Contribution to Provident fund	463,399	380,540
Contribution to Employees State Insurance	198,291	186,812
Staff & Labour welfare expenses	978,343	1,109,892
	<u>9,747,226</u>	<u>8,828,346</u>
17. COST OF BORROWINGS		
Interest :		
On Others	1,038,335	705,473
	<u>1,038,335</u>	<u>705,473</u>
18. OTHER EXPENSES		
Insurance	334,176	1,595,253
Rent	1,573,068	1,238,289
Rates & Taxes	3,000	5,000
Repairs & Maintenance :		
To Building	131,254	260,240
To Plant & Machinery	496,975	571,115
To Others	532,987	428,531
Freight and Other Charges	2,727,768	3,442,092
Commission	4,535,112	6,672,805
Traveling & Conveyance	1,698,303	2,325,371
Auditors' Remuneration :		
For Statutory Audit	101,124	90,000
For Tax Audit	33,708	30,000
For Internal Audit	4,000	4,495
For Other services	86,865	29,577
Miscellaneous Expenses	5,259,125	5,328,923
Loss on sale of fixed assets (Net)	504,112	368,886
Fixed Assets written off	-	6,682
Items relating to previous year (Net)	272,115	147,636
Irrecoverable Debts and Advances written off	3,206,811	590,511
	<u>21,500,530</u>	<u>23,135,406</u>
19. EXTRA ORDINARY ITEMS		
Net Income of Transferor company relating to previous year	-	1,495,647
Diminution in value of investments	-	(621,830)
	<u>-</u>	<u>873,817</u>
20. DIRECT TAXES		
Current Tax	1,150,000	1,300,000
Deferred Tax	557,287	431,946
Fringe Benefit Tax	267,000	210,000
Adjustments related to previous years	113,329	232
	<u>2,087,616</u>	<u>1,942,178</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

21. NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

SYSTEM OF ACCOUNTING :

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

FIXED ASSETS :

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

DEPRECIATION :

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

INVESTMENTS :

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

INVENTORIES :

- a) Finished goods are valued at net realisable value.
- b) Semi-finished goods are valued at estimated cost.
- c) Raw Materials, stores & spares and packing materials are valued at cost.

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 duty entitlements is accounted for on sale thereof.
 - b) Liability towards gratuity is funded with Life Insurance Corporation of India and administered through a separate trust set up by the Company. The Company's contribution towards the Fund is charged to Profit & Loss Account. Provision of gratuity for employees not covered by the scheme is made at the undiscounted amount.
 - c) Impairment Loss in the value of assets, as specified in Accounting Standard - 28, is recognised whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.
2. Capital commitments remaining to be executed and not provided for amount to Rs.96.94 lacs(Rs.96.94 lacs); advance there against amount to Rs.64.18 lacs (Rs.39.05 lacs).
 3. 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 Scarco Shoes Pvt. Ltd. This information and that given in Schedule 11 - "Current Liabilities and Provisions" regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
 4. Interest to Banks is net of interest Income of Rs.3.13 lacs (Rs.0.46 lacs); TDS Rs.0.61 lacs (Rs.0.11 lacs), on Fixed Deposits pledged with the Banks against the Credit Facilities related to exports.

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

5. Raw Materials Consumed	Unit	Quantity	2007-08 Value Rupees	Quantity	2006-07 Value Rupees
Leather	Dm	3,879,012	25,719,606	4,020,152	23,330,968
Soles	Pairs	160,775	19,519,424	162,065	17,763,680
Leather Lining	Dm	3,171,871	9,888,833	3,279,058	8,417,726
Insoles			1,746,318		1,433,318
Others			9,180,488		7,507,030
			66,054,669		58,452,722

6. Earning in Foreign Exchange:			
FOB Value of exports		99,762,515	93,099,303
CIF Value of imports:			
Capital goods		-	-
Expenditure in Foreign Currency			
Travelling		383,218	913,380
Commission on exports		2,621,770	4,553,394
Bank Charges		204,347	329,540

7. (a) Capacities	Licensed Capacity (Per annum)		Installed Capacity* (Per annum)	
	2007-08	2006-07	2007-08	2006-07
Leather Footwear	600,000	600,000	300,000	300,000

* As certified by the management

(b) Production, Purchase, Stock and Sales

Class of goods	Unit	Opening Stock		Production Quantity	Purchase		Sales Quantity	Sales		Closing Stock	
		Quantity	Value		Quantity	Value		Quantity	Value	Quantity	Value
Leather Footwear	Pairs	16,008	4,099,528	170,943	8,223	3,836,300	170,907	112,938,175	24,267	4,343,800	
		(16,764)	(5,201,441)	(162,355)	(1,036)	(829,756)	(164,147)	102,866,443	(16,008)	(4,099,528)	
Others		-	70,545	-	-	-	-	-	-	(70,545)	
		(-)	(141,089)	(-)	(-)	(-)	(-)	(-)	(-)	-	
Total			4,170,073			3,836,300		112,938,175		4,343,800	
			(5,342,530)			(829,756)		102,866,443		(4,170,073)	

Notes:

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

8. Raw Materials and Stores & Spare Parts consumed.	Percentage	Value Rupees 2007-08	Percentage	Value Rupees 2006-07
Raw Materials :				
Imported	-	-	-	-
Indigenous	100.00%	66,054,669	100.00%	58,452,722
	100.00%	66,054,669	100.00%	58,452,722
Stores & Spareparts:				
Imported	-	-	-	-
Indigenous	100.00%	763,482	100.00%	296,805
	100.00%	763,482	100.00%	296,805

9. Payment to Directors:			
(a) Managing and Wholetime Directors' Remuneration			
		31-Mar-08	31-Mar-07
		Rupees	Rupees
Salary and Allowance		988,432	762,500
Perquisites		-	15,000
		988,432	777,500
(b) Directors' meeting fee		3,000	3,000

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

10. Related Party Disclosures

- 1 Enterprises where control exists
Subsidiary
Zebra Leather Inc.
- 2 Other related parties with whom the Company had transactions
 - (a) Key management personnel
Sh. Anil Agarwal Chairman & Managing Director
Smt. Rakhee Agarwal Whole Time Director
 - (b) Relative of the Key management Personnel
Sh. Rahul Chopra
- 3 Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence
Nilgiri Mercantile Private Ltd.
- 4 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2008.

	Enterprises where control exists		Key Management Personnel & Relatives	
	2007-08 Rupees	2006-07 Rupees	2007-08 Rupees	2006-07 Rupees
1 Rent	120,000	120,000	-	-
2 Vehicle hire charges paid	-	-	-	40,000
3 Remuneration	-	-	988,432	777,500
4 Salary and Allowances	-	-	240,000	252,500
5 Balance as on 31st.March				
Creditors	-	-	-	-
Investments	288,732	288,732	-	-

11. Earning per share (Basic & Diluted)

Earning per share has been computed as under:

	2007-08	2006-07
(a) Profit/(Loss) after taxation	Rs. 3,185,665	Rs. 3,643,085
(b) Weighted Average No. of Equity Shares outstanding	2,970,300	2,970,300
(c) Earning per share (Face value Rs. 10/- per share)		
(a)/(b) (Basic and diluted)	Rs. 1.07	Rs. 1.23

12. On the basis of physical verification of assets, as specified in Accounting Standard - 28, and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2008.
13. Particulars required to be disclosed in pursuance of Accounting Standard-15 (revised 2005) on "Employee Benefits" as issued by the Institute of Chartered Accountants of India is not determined and hence, not disclosed.
14. Previous year figures have been rearranged/regrouped wherever considered necessary.

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

(VINIT BAGARIA)
Partner

Place : GURGAON
Dated : 30th June, 2008

On behalf of the Board

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

22. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details					
Registration No.		49313		State Code	21
Balance Sheet Date	31	3	2008		
	Date	Month	Year		

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

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

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

Total Liabilities	Total Assets
102,240	102,240
Source of Funds	Reserves & Surplus
Paid up Capital	42,878
29,703	Unsecured Loans
Secured Loans	NIL
26,020	
Deferred Tax Liability	
3,639	
Application of Funds	Investments
Net Fixed Assets	1,177
36,989	Accumulated Losses
Net Current Assets	NIL
64,077	

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

Turnover	Total Expenditure
129,451	124,178
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
+ 5,273	+ 3,186
Earning Per Share in Rs.	Dividend rate %
1.07	NIL

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

(as per monetary terms)	
Item Code No. (ITC Code)	64.03
Product Description	LEATHER FOOTWEAR
Item Code No. (ITC Code)	42.03
Product Description	LEATHER GARMENTS
Item Code No. (ITC Code)	70.20
Product Description	GLASSWARE

Signatures to Schedule 1 to 22

In terms of our report of even date attached herewith

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

(VINIT BAGARIA)
Partner

Place : GURGAON
Dated : 30th June, 2008

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

AUDITORS' REPORT

The Members of Worldwide Leather Exports Limited

We have audited the attached balance sheet of Worldwide Leather Exports Limited as at 31st March 2008, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) Subject to our comments hereinafter, the Balance Sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant Accounting Policies and Notes to the Accounts, give the information required by the Companies Act, 1956, in the manner so required and subject particularly to notes on schedule 21 regarding (i) Provision of gratuity for employees not covered under the scheme of Life Insurance Corporation of India (Accounting Policy), (ii) non disclosure of particulars as required in pursuance of Accounting Standard - 15 (note 13) and (iii) Dues to SSI Units (note 3), give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2008;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

(VINIT BAGARIA)

Partner

Membership Number : 500872

Place : Gurgaon
Date : 30th June, 2008

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date for the year ended 31st March, 2008.

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

WORLDWIDE LEATHER EXPORTS LIMITED

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

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

(VINIT BAGARIA)
Partner

Membership Number : 500872

Place : Gurgaon
Date : 30th June, 2008

WORLDWIDE LEATHER EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2008

	SCHEDULE	31-Mar-08 Rupees	31-Mar-07 Rupees
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	1	29,703,000	29,703,000
Reserves & Surplus	2	<u>42,854,827</u>	<u>39,692,341</u>
		72,557,827	69,395,341
LOAN FUNDS :			
Secured Loans	3	26,020,142	11,454,511
DEFERRED TAX LIABILITY	4	<u>3,639,000</u>	<u>3,081,713</u>
		<u>102,216,969</u>	<u>83,931,565</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block		64,385,709	65,903,543
b) Less :Depreciation		<u>27,396,526</u>	<u>26,165,720</u>
c) Net Block	5	36,989,183	39,737,823
INVESTMENTS	6	888,200	1,888,200
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	15,672,998	16,310,423
Sundry Debtors	8	22,312,963	11,487,441
Cash & Bank Balances	9	23,571,770	10,961,251
Loans & Advances	10	<u>18,228,160</u>	<u>15,407,485</u>
		79,785,891	54,166,600
LESS : Current Liabilities & Provisions	11		
Current Liabilities		11,578,920	9,239,520
Provisions		<u>3,867,385</u>	<u>2,621,538</u>
		<u>15,446,305</u>	<u>11,861,058</u>
NET CURRENT ASSETS		64,339,586	42,305,542
		<u>102,216,969</u>	<u>83,931,565</u>
NOTES ON ACCOUNTS	21		
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	22		

The Schedules referred to above form an integral part of the accounts.

In terms of our report of even date attached herewith

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

(VINIT BAGARIA)
Partner

Place : GURGAON
Dated : 30th June, 2008

On behalf of the Board

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2008

	SCHEDULE	2007-08 Rupees	2006-07 Rupees
INCOME			
Sales	12	112,938,175	102,866,443
Export Incentive		11,332,312	8,961,842
Difference in Exchange		718,808	5,155,745
Other Income	13	4,461,532	1,716,417
Increase/(Decrease) in Stock	14	15,499	(1,674,250)
		<u>129,466,326</u>	<u>117,026,197</u>
EXPENDITURE			
Purchase of finished goods		3,836,300	829,756
Cost of Materials	15	70,200,438	62,604,502
Expenses on Employees	16	9,747,226	8,828,346
Fabrication, Processing & other Charges		11,957,937	11,002,857
Power & Fuel		2,476,164	1,804,867
Cost of borrowings	17	1,038,335	705,473
Depreciation		3,436,115	3,403,544
Other Expenses	18	21,500,530	23,613,032
		<u>124,193,045</u>	<u>112,792,377</u>
PROFIT BEFORE TAXATION AND EXTRA ORDINARY ITEM			4,233,820
Extra Ordinary Items	19	-	873,817
PROFIT BEFORE TAXATION			5,107,637
Direct Taxes	20	2,087,616	1,942,178
Profit after Tax		3,185,665	3,165,459
Profit brought forward		(12,277,358)	(11,442,817)
Transfer to General Reserve		-	4,000,000
Profit available for appropriation		<u>(9,091,693)</u>	<u>(12,277,358)</u>
Earning per Share - Face Value Rs. 10 each (Basic & Diluted)		Rs. 1.07	Rs. 1.07
NOTES ON ACCOUNTS			
	21		
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE			
	22		

The Schedules referred to above form an integral part of the profit and loss accounts.

In terms of our report of even date attached herewith

On behalf of the Board

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

(VINIT BAGARIA)
Partner

ANIL AGARWAL
Chairman & Managing Director

Place : GURGAON
Dated : 30th June, 2008

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2008

	2007-08 Rupees	2006-07 Rupees
A Cash flow from operating activities		
Net profit before taxation	5,273,281	5,107,637
Adjusted for		
Depreciation	3,436,115	- 3,403,544
Provision for Diminution in value of investments	-	621,830
Interest income	(96,425)	(283,154)
Profit on sale of Investment	(27,515)	(367,587)
Dividend income	(160,471)	(134,142)
Interest expense (Net)	1,038,335	705,473
Fixed Assets written off	-	6,682
Loss on sale of Fixed Assets	504,112	645,539
Operating profit before working capital change	9,967,432	9,705,822
Adjusted for		
Trade and Other receivables	(12,599,163)	(8,262,422)
Inventories	637,425	4,298,250
Trade payables and advance from customers	2,368,247	247,350
Cash generated from operations	373,941	5,989,000
Direct Taxes (paid)/ refunded (net)	(1,360,363)	(654,935)
Net cash from operating activities	(986,422)	5,334,065
B Cash flows from investing activities		
Purchase of fixed assets	(1,381,587)	(2,612,498)
Proceeds from disposal of fixed assets	190,000	266,617
Purchase / Sale of Long Term Investments	1,027,515	(772,413)
Unrealised loss/ (gain) on exchange - net	(23,179)	(39,656)
Dividend income	160,471	134,142
Interest received (Net)	96,425	283,154
Net cash used in investing activities	69,645	(2,740,654)
C Cash flows from financing activities		
Shares issued pursuant to scheme of Amalgamation (Net of Goodwill)	-	7,554,904
Repayment of long term borrowings	(296,507)	(429,327)
Increase/(Decrease) in Export Credit Facilities (Net)	14,862,138	(1,739,661)
Interest paid	(1,038,335)	(705,473)
Net cash from financing activities	13,527,296	4,680,443
Net increase/(decrease) in cash or cash equivalents	12,610,519	7,273,854
Cash and cash equivalents at beginning of year	10,961,251	3,687,397
Cash and cash equivalents at end of year	23,571,770	10,961,251

NOTE

Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

On behalf of the Board

for **B.CHHAWCHHARIA & CO.**

Chartered Accountants

(VINIT BAGARIA)

Partner

ANIL AGARWAL
Chairman & Managing Director

Place : GURGAON

Dated : 30th June, 2008

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS	31-Mar-08 Rupees	31-Mar-07 Rupees								
1. SHARE CAPITAL										
Authorised:										
8000000 Equity shares of Rs. 10 each.	<u>80,000,000</u>	<u>80,000,000</u>								
Issued, Subscribed & Paid up										
29,70,300 Equity shares of Rs. 10 each fully paid up	<u>29,703,000</u>	<u>29,703,000</u>								
	<u>29,703,000</u>	<u>29,703,000</u>								
Out of the above 757800 Equity shares were allotted pursuant to the scheme of amalgamation, without payment being received in cash.										
2. RESERVES AND SURPLUS										
Capital Reserve -on Consolidation	12,248,278	12,271,457								
-on Revaluation of Land	7,166,742	7,166,742								
-on Re-issue of Forfeited Shares	500	500								
	<u>19,415,520</u>	<u>19,438,699</u>								
General Reserve :										
As per last account	23,500,000	19,500,000								
Add : Transfer from Profit & Loss account	-	4,000,000								
	<u>23,500,000</u>	<u>23,500,000</u>								
Securities Premium Account	9,031,000	9,031,000								
Profit & Loss Account	<u>(9,091,693)</u>	<u>(12,277,358)</u>								
	<u>42,854,827</u>	<u>39,692,341</u>								
3. SECURED LOANS										
I Vijaya Bank:										
i) Packing Credit	14,100,000	6,400,000								
ii) Foreign Usage Documentary Bills	7,485,799	2,248,697								
Secured by charge on Land, Buildings and Plant & Machinery and hypothecation of Raw materials, Semi-finished goods, Finished goods at company's factory at Gurgaon and respective Bills, pledge of Fixed Deposit Receipts and personal guarantee of Managing Director of the Company.										
iii) Overdraft	4,117,166	2,192,130								
Secured by pledge of certain fixed deposit receipts										
II *ICICI Bank Ltd.	317,177	613,684								
Secured by hypothecation of vehicles										
	<u>26,020,142</u>	<u>11,454,511</u>								
*Installment falling due in next twelve months Rs. 151,018/-										
4. DEFERRED TAX LIABILITIES										
Deferred Tax Liabilities On :										
Fiscal allowances on fixed assets	3,934,000	4,256,628								
Deferred Tax Assets On :										
Employee's remuneration and retirement benefit	295,000	207,461								
Fiscal disallowances on provisions	-	967,454								
	<u>295,000</u>	<u>1,174,915</u>								
	<u>3,639,000</u>	<u>3,081,713</u>								
5. FIXED ASSETS										
	GROSS BLOCK				DEPRECIATION			NETBLOCK		
	As at 1-Apr-07 Rupees	Additions Rupees	Deductions Rupees	As at 31-Mar-08 Rupees	As at 1-Apr-07 Rupees	For the year Rupees	Adjustment Rupees	As at 31-Mar-08 Rupees	As at 31-Mar-08 Rupees	As at 31-Mar-07 Rupees
Goodwill (on amalgamation)	23,096	-	-	23,096	-	-	-	-	23,096	23,096
Land	8,700,656	-	-	8,700,656	-	-	-	-	8,700,656	8,700,656
Building	9,646,019	-	-	9,646,019	3,135,007	252,746	-	3,387,753	6,258,266	6,511,012
Plant & Machinery	28,486,240	169,409	(304,044)	28,351,605	11,368,583	1,326,175	(224,447)	12,470,311	15,881,294	17,117,657
Lasts	5,099,357	677,347	(531,336)	5,245,368	5,099,357	677,347	(531,336)	5,245,368	-	-
Moulds & Dies	2,153,968	267,025	-	2,420,993	1,857,280	262,288	-	2,119,568	301,425	296,688
Electric Installation	2,674,016	107,643	(83,600)	2,698,059	1,209,521	117,903	(34,967)	1,292,457	1,405,602	1,464,495
Air Conditioner	326,713	70,000	(112,716)	283,997	110,781	13,084	(74,733)	49,132	234,865	215,932
Furniture & Fixtures	1,354,203	-	(526,848)	827,355	910,111	130,356	(447,474)	592,993	234,362	444,092
Office Equipment	598,482	-	(182,859)	415,623	202,915	19,214	(112,378)	109,751	305,872	395,567
Vehicles	5,691,455	-	(669,560)	5,021,895	1,444,209	535,901	(311,680)	1,668,430	3,353,465	4,247,246
Computer	1,149,338	90,163	(488,458)	751,043	827,956	101,101	(468,294)	460,763	290,280	321,362
TOTAL	<u>65,903,543</u>	<u>1,381,587</u>	<u>(2,899,421)</u>	<u>64,385,709</u>	<u>26,165,720</u>	<u>3,436,115</u>	<u>(2,205,309)</u>	<u>27,396,526</u>	<u>36,989,183</u>	<u>-</u>
Previous Year	63,950,148	2,635,594	(682,199)	65,903,543	22,855,790	3,403,544	(93,614)	26,165,720	-	39,737,823

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	Paid up Value Rupees	Number of Equity shares	31-Mar-08 Rupees	Number of Equity shares	31-Mar-07 Rupees
6. INVESTMENTS - LONG TERM					
Fully Paid					
A Quoted - Non Trade					
Asian Tea & Exports Ltd.	10	100	1,000	100	1,000
Bharat Earth Movers Ltd.	10	100	17,300	100	17,300
Digital Multi Forms Ltd.	10	200	2,000	200	2,000
Filament India Ltd.	10	200	4,000	200	4,000
Goldiam International Ltd.	10	400	10,000	400	10,000
Hindustan Organic Chem. Ltd.	10	300	15,000	300	15,000
Mukrerian Papers Ltd.	10	150	6,000	150	6,000
N.K. Industries Ltd.	10	100	4,000	100	4,000
Orind Exports Ltd.	10	100	1,000	100	1,000
Parenteral Drugs (India) Ltd.	10	100	9,000	100	9,000
Patel Integrated Logistics Ltd.	10	230	7,000	230	7,000
Punjab Woolcombers Ltd.	10	50	4,500	50	4,500
Rarn Ratna Wires Ltd.	10	100	1,000	100	1,000
Royale Manor Hotels & Industries Ltd.	10	100	1,000	100	1,000
Shilp Gravures Ltd.	10	100	1,000	100	1,000
Super Syncotex (India) Ltd.	10	200	5,000	200	5,000
Suryavanshi Spinning Mills Ltd.	10	100	7,000	100	7,000
Vijaya Bank Ltd.	10	600	14,400	600	14,400
VLS Finance Ltd.	10	300	120,000	300	120,000
Wisec Global Ltd	10	200	8,000	200	8,000
TOTAL- A			<u>238,200</u>		<u>238,200</u>
B Unquoted					
Non Trade					
I. Super Ispat Udyog Pvt. Ltd.	10	-	-	50,000	500,000
II. In Mutual Funds					
DSP ML Tiger Fund- Dividend Payout	10	15987.210	200,000	15987.210	200,000
Fidelity Equity Fund- Dividend Payout	10	29339.853	300,000	29339.853	300,000
Fidelity Special Situations - Dividend Payout	10	14669.927	150,000	14669.927	150,000
Reliance Equity Opportunities Fund-Growth	10	-	-	25270.138	500,000
TOTAL-B			<u>650,000</u>		<u>1,650,000</u>
GRAND TOTAL			<u>888,200</u>		<u>1,888,200</u>
Aggregate amount of quoted Investments			<u>238,200</u>		<u>238,200</u>
Aggregate amount of Unquoted Investments			<u>650,000</u>		<u>1,650,000</u>
Market Value of Quoted Investment			209,715		226,644
Repurchase Price of Mutual Funds			972,689		1,502,038
7. INVENTORIES					
Stores & Spares			344,741		89,735
Packing Materials			68,404		121,101
Raw Materials			7,512,537		8,367,770
Semi-finished Goods			3,403,516		3,561,744
Finished Goods			4,343,800		4,170,073
			<u>15,672,998</u>		<u>16,310,423</u>
8. SUNDRY DEBTORS					
(Unsecured, Considered Good)					
Due for more than six months			2,066,033		645,275
Others			20,246,930		10,842,166
			<u>22,312,963</u>		<u>11,487,441</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS	31-Mar-08 Rupees	31-Mar-07 Rupees
9. CASH AND BANK BALANCES		
Cash in hand	1,154,673	436,310
With Scheduled Banks:		
In Current Account	17,744,809	5,980,013
In Fixed Deposit Account*	4,672,288	4,544,928
	<u>23,571,770</u>	<u>10,961,251</u>
* Pledged with Bank & others	<u>3,730,001</u>	<u>3,939,927</u>
10. LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Loans	-	3,852,239
Advances recoverable in cash or in kind or for value to be received.	686,640	1,370,294
Advances against Properties		
- Secured	3,600,000	3,600,000
- Others	6,417,632	3,905,672
Share application money	-	1,500,000
Balance with Government Authorities	3,101	121
Export Incentives Receivable	3,951,478	1,790,408
Deposits	951,078	913,801
Taxation Advance and Refundable	2,618,231	1,571,197
	<u>18,228,160</u>	<u>18,503,732</u>
Less : Doubtful Loans (fully provided for)	-	3,096,247
	<u>18,228,160</u>	<u>15,407,485</u>
11. CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
* Small Scale Industrial Undertakings	1,091,521	836,773
* Others	9,487,717	7,700,391
Advance from customers	-	528,369
Other liabilities	997,356	168,807
Interest accrued but not due on loans	2,326	5,180
	<u>11,578,920</u>	<u>9,239,520</u>
* Refer note on Schedule 21		
B. Provisions		
For Income Tax	3,377,000	2,160,000
For Gratuity	490,385	461,538
	<u>3,867,385</u>	<u>2,621,538</u>
	<u>15,446,305</u>	<u>11,861,058</u>
SCHEDULES TO THE CONSOLIDATED ACCOUNTS	2007-08 Rupees	2006-07 Rupees
12. SALES		
Leather Footwear	112,938,175	102,866,443
	<u>112,938,175</u>	<u>102,866,443</u>
13. OTHER INCOME		
Dividend	160,471	134,142
Interest *		
On Fixed Deposits	73,196	249,929
On Others	23,229	33,225
Profit on sale of investments	27,515	367,587
Provision for doubtful Loans written back	3,096,247	-
Liabilities Written Back	307,221	144,652
Miscellaneous Receipts	773,653	786,882
	<u>4,461,532</u>	<u>1,716,417</u>
* Includes Tax at Source	<u>15,079</u>	<u>36,523</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS	2007-08 Rupees	2006-07 Rupees
14. INCREASE/(DECREASE) IN STOCK		
Closing Stock		
Finished goods	4,343,800	4,170,073
Semi-finished goods	3,403,516	3,561,744
	<u>7,747,316</u>	<u>7,731,817</u>
Less : Opening stock		
Finished goods	4,170,073	4,878,327
Semi-finished goods	3,561,744	4,527,740
	<u>7,731,817</u>	<u>9,406,067</u>
	<u>15,499</u>	<u>(1,674,250)</u>
15. COST OF MATERIALS		
Raw material consumed	66,054,669	58,452,722
Packing material consumed	3,382,287	3,854,975
Stores and spare parts consumed	763,482	296,805
	<u>70,200,438</u>	<u>62,604,502</u>
16. EXPENSES ON EMPLOYEES		
Salary, wages and allowances	8,107,193	7,151,102
Contribution to Provident fund	463,399	380,540
Contribution to Employees State Insurance	198,291	186,812
Staff & Labour welfare expenses	978,343	1,109,892
	<u>9,747,226</u>	<u>8,828,346</u>
17. COST OF BORROWINGS		
Interest :		
On Others	1,038,335	705,473
	<u>1,038,335</u>	<u>705,473</u>
18. OTHER EXPENSES		
Insurance	334,176	1,595,253
Rent	1,573,068	1,238,289
Rates & Taxes	3,000	5,000
Repairs & Maintenance :		
To Building	131,254	260,240
To Plant & Machinery	496,975	571,115
To Others	532,987	428,531
Freight and Other Charges	2,727,768	3,442,092
Commission	4,535,112	6,672,805
Traveling & Conveyance	1,698,303	2,325,371
Auditors' Remuneration :		
For Statutory Audit	101,124	90,000
For Tax Audit	33,708	30,000
For Internal Audit	4,000	4,495
For Other services	86,865	29,577
Miscellaneous Expenses	5,259,152	5,328,923
Loss on sale of fixed assets (Net)	504,112	645,539
Fixed Assets written off	-	6,682
Items relating to previous year (Net)	272,115	147,636
Irrecoverable Debts, Loans and Advances written off	3,206,811	791,484
	<u>21,500,530</u>	<u>23,613,032</u>
19. EXTRA ORDINARY ITEMS		
Net Income of Transferor company relating to previous year	-	1,495,647
Diminution in value of investments	-	(621,830)
	-	<u>873,817</u>
20. DIRECT TAXES		
Current Tax	1,150,000	1,300,000
Deferred Tax	557,287	431,946
Fringe Benefit Tax	267,000	210,000
Adjustments related to previous years	113,329	232
	<u>2,087,616</u>	<u>1,942,178</u>

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

21. NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

SYSTEM OF ACCOUNTING :

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

FIXED ASSETS :

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

DEPRECIATION :

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

INVESTMENTS :

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

INVENTORIES :

- a) Finished goods are valued at net realisable value.
- b) Semi-finished goods are valued at estimated cost.
- c) Raw Materials, stores & spares and packing materials are valued at cost.

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 duty entitlements is accounted for on sale thereof.
 - b) Liability towards gratuity is funded with Life Insurance Corporation of India and administered through a separate trust set up by the Company. The Company's contribution towards the Fund is charged to Profit & Loss Account. Provision of gratuity for employees not covered by the scheme is made at the undiscounted amount.
 - c) Impairment Loss in the value of assets, as specified in Accounting Standard - 28, is recognised whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.
2. Capital commitments remaining to be executed and not provided for amount to Rs.96.94 lacs(Rs.96.94 lacs); advance there against amount to Rs.64.18 lacs (Rs.39.05 lacs).
 3. 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 Scarco Shoes Pvt. Ltd. This information and that given in Schedule 11 - "Current Liabilities and Provisions" regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
 4. Interest to Banks is net of interest Income of Rs.3.13 lacs (Rs.0.46 lacs); TDS Rs.0.61 lacs (Rs.0.11 lacs), on Fixed Deposits pledged with the Banks against the Credit Facilities related to exports.
 5. 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.

WORLDWIDE LEATHER EXPORTS LIMITED

6. Payment to Directors:			
(a) Managing and Wholetime Directors' Remuneration			
	31-Mar-08		31-Mar-07
	Rupees		Rupees
Salary and Allowance	988,432		762,500
Perquisites	-		15,000
	988,432		777,500
(b) Directors' meeting fee			
	3,000		3,000
7. Related Party Disclosures			
1. Enterprises where control exists	None		
2. Other related parties with whom the Company had transactions			
(a) Key management personnel			
Sh. Anil Agarwal	Chairman & Managing Director		
Smt. Rakhee Agarwal	Whole Time Director		
(b) Relative of the Key management Personnel			
Sh. Rahul Chopra			
3. Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence Nilgiri Mercantile Private Ltd.			
4. Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2008			
	Enterprises where		Key Management
	control exists		Personnel & Relatives
	2007-2008	2006-2007	2007-2008
	2006-2007		2006-2007
1. Rent	120,000	120,000	-
2. Vehicle hire charges paid	-	-	40,000
3. Remuneration	-	-	988,432
4. Salary and Allowances	-	-	777,500
5. Balance as on 31st March			240,000
			252,500
8. Earning per share (Basic & Diluted)			
Earning per share has been computed as under :			
	2007-2008		2006-2007
(a) Profit/(Loss) after taxation	Rs.3,185,665		Rs.3,165,459
(b) Weighted Average No. of Equity Shares outstanding	2,970,300		2,970,300
(c) Earning per share (Face value Rs.10/- per share)			
(a)/(b) (Basic and diluted)	Rs.1.07		Rs.1.07
9. a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. Since the Subsidiary's accounts are not subject to audit, the unaudited financial statements have been consolidated.			
b) The subsidiary (which along with Worldwide Leather Exports Ltd., the parent, constitute the Group) considered in the preparation of these consolidated financial statements is:			
Name	Country of Incorporation	Percentage of voting power as at 31st March, 2007 & 2008	
Zebra Leather Inc.	USA	100%	
10. 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 31.03.2008.			
11. Previous year figures have been rearranged/regrouped wherever considered necessary.			

On behalf of the Board

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

(VINIT BAGARIA)
Partner

ANIL AGARWAL
Chairman & Managing Director

Place : GURGAON
Dated : 30th June, 2008

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

22. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details					
Registration No.		49313		State Code	21
Balance Sheet Date	31	3	2008		
	Date	Month	Year		
II. Capital raised during the year (Amount in Rs. Thousands)					
	Public Issue			Rights Issue	
	NIL			NIL	
	Bonus Issue			Private Placement	
	NIL			NIL	
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)					
	Total Liabilities			Total Assets	
	102,217			102,217	
	Source of Funds				
	Paid up Capital			Reserves & Surplus	
	29,703			42,855	
	Secured Loans			Unsecured Loans	
	26,020			NIL	
	Deferred Tax Liability				
	3,639				
	Application of Funds				
	Net Fixed Assets			Investments	
	36,989			888	
	Net Current Assets			Accumulated Losses	
	64,340			NIL	
IV. Performance of the Company (Amount in Rs. Thousands)					
	Turnover			Total Expenditure	
	129,451			124,178	
	+ - Profit/Loss Before Tax			+ - Profit/Loss After Tax	
	+ 5,273			+ 3,186	
	Earning Per Share in Rs.			Dividend rate %	
	1.07			NIL	
V. Generic Names of Three Principal Product/Services of Company (as per monetary terms)					
Item Code No. (ITC Code)				64.03	
Product Description				LEATHER FOOTWEAR	
Item Code No. (ITC Code)				42.03	
Product Description				LEATHER GARMENTS	
Item Code No. (ITC Code)				70.20	
Product Description				GLASSWARE	

Signatures to Schedule 1 to 22

In terms of our report of even date attached herewith

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

(VINIT BAGARIA)
Partner

Place : GURGAON
Dated : 30th June, 2008

ANIL AGARWAL
Chairman & Managing Director

RAKHEE AGARWAL
Whole Time Director

WORLDWIDE LEATHER EXPORTS LIMITED

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF WORLDWIDE LEATHER EXPORTS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S WORLDWIDE LEATHER EXPORTS LIMITED AND ITS SUBSIDIARY ZEBRA LEATHER INC.

We have audited the attached consolidated Balance Sheet of M/s Worldwide Leather Exports Limited and its subsidiary M/s Zebra Leather Inc. as at 31st March, 2008, the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

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

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

On the basis of information and explanations given to us and on the consideration of separate audit report on audited financial statements of Worldwide Leather Exports Limited and unaudited financial statement of its aforesaid subsidiary, the said financial statements, subject particularly to notes in Schedule '21' regarding (i) *considering unaudited financial statement of subsidiary in the accompanying financial statement* (note 9) (ii) provision of gratuity for employees not covered under the scheme of Life Insurance Corporation of India (Accounting Policy), (iii) non-disclosure of particulars as required in pursuance of Accounting Standard-15 (Note 5) and dues to SSI Units (Note 3), give a true and fair view :

- i. in so far as it relates to the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2008, and,
- ii. in so far as it relates to the Consolidated Profit & Loss Account, of the Profit for the year ended on that date.
- iii. In the case of Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

For B. CHHAWCHHARIA & Co.
Chartered Accountants

(VINIT BAGARIA)

Partner

Membership Number: 500872

Place : Gurgaon
Date : 30th June, 2008

Additional Information relating to Zebra Leather Inc. for the Financial Year 2007-08 forming part of Consolidated Accounts

	USD	Rupees
a) Capital	265,000	10,610,600
b) Reserves	(258,301)	(10,342,372)
c) Total Assets	6,699	268,228
d) Total Liabilities	NIL	NIL
e) Investments	NIL	NIL
f) Turnover	NIL	NIL
g) Other Income	NIL	NIL
h) (Loss) before taxation	(11,082)	(443,723)
i) Provision for taxation	NIL	NIL
j) (Loss) after taxation	(11,082)	(443,723)
k) Proposed dividend	NIL	NIL

Exchange rate 31.03.2008

1 USD = Rs. 40.04

WORLDWIDE LEATHER EXPORTS LIMITED
Registered Office : 5F, Everest, 46/C Chowringhee Road, Kolkata-700071

ATTENDANCE SLIP

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

Folio No./Client ID No.

No. of Shares

I hereby record my presence at the 18th Annual General Meeting held at 'Kala Kunj', (Basement Kalamandir), 48 Shakespeare Sarani, Kolkata-700017 at 3.30 P.M. on Friday the 26th September, 2008.

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

*Strike out which ever is not applicable.

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

WORLDWIDE LEATHER EXPORT LIMITED

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

PROXY FORM

I/We.....of
.....being a member(s)
of the above company hereby appoint Mr./Mrs./Miss.....
of.....as my/our proxy and to vote for me/us on my/our behalf at the 18th
Annual General Meeting of the Company to be held on Friday the 26th September, 2008 at 'Kala Kunj',
(Basement Kalamandir), 48 Shakespeare Sarani, Kolkata-700017.

Signed this.....day of.....2008

Signature

Folio No./Client ID No.

DP ID No.

No. of Equity Shares

Signature of the first holder/sole holder

Please affix
One Rupee
Revenue
Stamp

Note:

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

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

BOOK POST

Please surrender the old non-tradeable Certificates of Worldwide Leather Exports Limited to exchange with post demerger certificates of Worldwide Leather Exports Limited, if not earlier exchanged.

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