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**17th ANNUAL REPORT  
2009**

**EURO LEDER FASHION LIMITED**

**FOR THE ATTENTION OF THE MEMBERS**

1. Register of Members and Share transfer books of the Company will remain closed from 22<sup>nd</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive)
2. Members are requested to notify immediately any change in their address to the Company specifying the full address in block capitals with pin code of the Post office etc;
3. Members are requested to quote their Folio Number in the Correspondence.
4. Members are requested to quote their queries relating to the accounts at least 10 Days before the date of the Meeting. So that the information can be made available at the meeting.
5. Members are requested to bring a copy of the Annual Report along with them to the Annual General Meeting, since extra copies will not be supplied.
6. Members are requested to hand over the attendance slip duly signed at entrance of the meeting Hall.
7. Registration starts at 10.30 a.m. at Maharaja Restaurant 122, G.S.T.Road, Chromepet, Chennai- 600 044 on 30<sup>th</sup> September, 2009.

**EURO LEDER FASHION LIMITED**

- Board of Directors
1. Shri.AR.Ramanathan - Managing Director
  2. Shri.RM.Lakshmanan - Whole Time Director
  3. Shri.AR.Arunachalam - Director
  4. Shri.P.S.Nathan - Director
  5. Shri.S.Narayan - Director
  6. Shri.S.Jambunath - Director
  7. Shri.N.Meenakshi Sundaram - Director

- Auditors
- M/s.Venkatesan Associates  
Chartered Accountants,  
20(Old No 8) Dr.Natesan Salai,  
Ashok Nagar, Chennai.  
Tel.044-2489 6897

- Registered Office &  
Factory
- No.99 G.S.T.Road  
Pallavaram, Chennai.600 043  
Tel.044-2264 2923  
044-2264 3437  
Fax.044-2264 3043

- Bankers
- Canara Bank Overseas Branch

## NOTICE OF 17<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, 30<sup>th</sup> September, 2009 at 11.00.A.M. at Maharaja Restaurant, 122, G.S.T. Road, Chromepet, Chennai - 600 044 to transact the following business.

### Ordinary Business:

1. To, receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March 2009 and the Profit and Loss Account for the year ended on that date, together with the notes thereon and the schedules there to and the reports of the Auditors and the Directors.
2. To appoint a Director in the place of Shri.S.Narayan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Shri .P S.Nathan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration M/s.N.Venkatesan Associates, Chartered Accountants. Chennai, the retiring auditors, are eligible for reappointment.

### Special Business:

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution "RESOLVED THST pursuant to Sec198,269, and 309 of the Companies Act1956, read with schedule XIII to the Act, Consent be and is hereby accorded to the revision of the terms of remuneration payable to Sri.AR.Ramanathan, Managing Director, from 1<sup>st</sup> July 2009 to the end of his present term, i.e.31<sup>st</sup> March.2012 as set out in the explanatory statement.
6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution.

"RESOLVED THST pursuant to Sec198,269, and 309 of the Companies Act1956, read with schedule XIII to the Act, Consent be and is hereby accorded to the revision of the terms of remuneration payable to Sri.RM.Lakshmanan, Whole Time Director, from 1<sup>st</sup> July 2009 to the end of his present term, i.e.31<sup>st</sup> March.2012 as set out in the explanatory statement.

Chennai  
25.07.2009

AR.Ramanathan  
Managing Director

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the Company.
2. Proxy Forms duly completed shall be deposited with the Company at its Registered Office not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books will remain closed from 22<sup>nd</sup> September 2009 to 30<sup>th</sup> September.2009 (both days inclusive).
4. EXPLANATORY STATEMENT PURSUANT TO SEC 217 (2A) Of the Companies Act 1956, is Annexed.

**ITEM NO:5**

Shri.AR.Ramanathan was reappointed at the 15<sup>th</sup> Annual General Meeting Held on 26<sup>th</sup> September, 2007 as Managing Director of the Company for 5 years from 1<sup>st</sup> April, 2007 to 31.03.2012 on the terms of remuneration then approved.

The Board of Directors at its meeting held on 25.07.2009 decided to revise the remuneration of Shri.A.R.Ramanathan as Managing Director of the Company from 01.07.2009 to 31.03.2012 on the following terms of remuneration.

a. Salary; Rs.40,000/- per month.

b. Perquisites:

**1.Housing**

- i) unfurnished residential accommodation will be provided by the Company.
  - ii) a) the expenditure incurred by the Company on gas, Electricity and water will be evaluated as per Income tax rules, 1962.
  - b) perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income tax rules, 1962.
  - iii) Accommodation is provided by the Company, he shall be entitled to House Rent Allowance equal to 60% of the salary.
2. Reimbursement of medical expenses actually incurred for self and family in accordance with the rules of the Company.
  3. Medical insurance for self and family as per the scheme of the Company.
  4. Leave Travel concession for self and family in accordance with the rules of the Company.

**5. Earned/Privilege Leave.**

On full pay and allowances as per the rules of the Company but not exceeding one months leave for every eleven months of service, with right to accumulate/ encash leave as per the rules of the Company.

6. Fees of Clubs, subject to a maximum of two clubs excluding admission and life membership fee.
7. Personal accident insurance of an amount, the annual premium which does not exceed Rs.5000/-
8. Provident Fund: Company's contribution to Provident Fund shall be as per the scheme of the Company.
9. Pension/Superannuation Fund: Company's contribution to Pension/ Superannuation fund shall be in accordance with the scheme of the Company.
10. Gratuity: As per the rules of the Company, not exceeding half a month's salary for each Completed year of service.
11. Free use of telephone at his residence.
12. Free use of car with driver on Company's Business.
13. Reembursement of Entertainment Expenses:

The Managing Director shall be entitled to reimbursement of reasonable entertainment expenditure actually and properly incurred in the course of the legitimate business of the Company.

"Resolved further that in the event of there being inadequacy or absence of profits in any financial year, during the currency of tenure of the Managing Director he will be paid remuneration not exceeding the limits specified in paragraph 1 (B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration".

Shri.A.R.Ramanathan shall not be entitled to sitting fees for attending meeting of the Board or any committee(s) thereof during his tenure as Managing Director

Shri.AR.Ramanathan shall not be liable to retire by rotation during his tenure as Managing Director.

**ITEM NO : 6.**

Shri.RM.Lakshmanan was reappointed at the 15<sup>th</sup> Annual General Meeting held 26<sup>th</sup> September 2007 as Whole Time Director of the Company for 5 years from 1<sup>st</sup> April 2007 to 31.03.2012 on the terms of remuneration then approved.

The Board of Directors at its meeting held on 25.07.2009 decided to revise the remuneration of Shri.RM.Lakshmanan as Whole Time Director of the Company for the period from 01.07.2009 to 31.03.2012 on the following terms of remuneration.

- a. Salary; Rs.25,000/- per month
- b. perquisites:

**1.Housing**

- i) unfurnished residential accommodation will be provided by the Company.
- III) a) the expenditure incurred by the company on gas, Electricity and water will be evaluated as per income tax Rules, 1962.
- IV) Perquisites in the form furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income tax rules 1962.
- V) In case no accommodation, is provided by the Company, he shall be entitled to House Rent Allowance equal to 60% of the salary.
2. Reimbursement of medical expenses actually incurred for self and family in accordance with the rules of the Company.
3. Medical Insurance for self and family as per the scheme of the Company.
4. Leave travel concession for self and family in accordance with the rule of the Company.
5. Earned/Privilege Leave.  
On full pay and allowances as per the rules of the Company but not exceeding one Months leave for every eleven months of service, with right to accumulate/ encash leave As per rules of the Company
6. Fees of Clubs, subject to a maximum of two clubs excluding admission and life membership fee.
7. Personal accident insurance of an amount, the annual premium of which does not exceed Rs.5000/-

8. Provident Fund: Company's contribution to Provident Fund shall be as per the scheme of the Company.
9. Pension/Superannuation Fund:  
Company's contribution to Pension/Superannuation fund shall be in accordance with The scheme of the Company.
10. **Gratuity:** As per the rules of the Company, not exceeding half a month's salary for each Completed years of service.
11. Free use of telephone at his residence.
12. Free use of car with driver on Company's Business.
13. Reimbursement of Entertainment Expenses:

The whole Time Director shall be entitled to reimbursement of reasonable Entertainment expenditure actually and properly incurred in the course of the legitimate business of the Company.

"Resolved further that in the event of there being inadequacy or absence of profits in any financial year, during the currency of tenure of the Whole Time Director, he will be paid remuneration not exceeding the limits specified in Paragraph 1 (B) of Section II Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration".

Shri.RM.Lakshmanan shall not be entitled to sitting fees for attending meeting of the Board or any committee(S) there of during his tenure as Whole Time Director.

Shri.RM.Lakshmanan Shall not be liable to retire by rotations during his tenure as Whole Time Director Shri.A.R.Ramanathan Shri.RM. Lakshmanan and Director Shri.S.Naraynan are deemed to be interested in the resolutions in item no 5 and 6 of this Statement may be regarded as an abstract of the terms and memorandum of interest under sec.302 of the Companies Act.



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in submitting their Sixteenth Annual Report and that of the Auditors' together with the audited Balance Sheet as at 31st March 2009 and the Profit Loss Account for the year ended on that date.

### FINANCIAL PERFORMANCE

(Rs.in lakhs)

Particulars	2009	2008
Income from Operations	4475.35	2600.35
Profit before Depreciation and Taxation	71.33	47.48
<b>LESS:</b>		
Depreciation	6.11	5.07
Profit before Tax	65.22	42.41
Provision for Tax	23.27	17.30
Profit after Tax	41.95	25.11
Profit Brought Forward	142.94	117.83
Profit available for appropriation	184.89	142.94
Profit/Loss carried to the Balance Sheet	184.89	142.94

### DIVIDEND

Your Directors of the Company wish to plough back the profit for the year and hence do not recommend any dividend for the year.

### PERFORMANCE

The Company has achieved a record turnover of Rs.4002.33 lacs in 2008-2009 and earned a profit of Rs.65.22 lacs before tax. The profit after tax has been Rs.41.95.lacs.

### PROSPECTS

The Value of US\$ and Euro against the Rupee has gone up in the past few months has resulted in an improved realization from exports. This is likely to benefit the bottom line of the Company in the current year. The order position is healthy and the Company should register a modest improvement in its performance in the current year.

## DIRECTORS' RESPONSIBILITY STATEMENT

As Stipulated in Section 217 (2AA) of the Companies Act 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

1. The Directors have followed, in the preparation of the annual accounts, the applicable accounting standards along with proper explanation relating to material departures if any:
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year.
3. The Directors have taken proper and sufficient care for the maintenance of adequate, accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing or deducting fraud or other irregularities.
4. The Directors have prepared the annual accounts on going concern basis:

## CORPORATE GOVERNANCE

The Report on Corporate Governance and Management Discussion and Analysis as well as Auditors certificate on Compliance with the code of Corporate Governance are provided in separate Annexures to this report.

## DIRECTORS

Shri.S Narayan and Sri.P S Nathan retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

## AUDITORS

M/s.N.Venkatesan Associates, Chartered Accountants, Chennai, the retiring auditors are eligible for reappointment and have given their consent for re-appointment.

## PERSONNEL

None of the employees of the Company was in receipt of remuneration which comes under the provisions of the Sec. 217 (2A) of the Companies Act, 1956 read with the Companies(Particulars of Employees) Rules 1975, as amended.