

FOR THE ATTENTION OF THE MEMBERS

1. Register of Members and Share transfer books of the Company will remain closed from 13th September, 2011 to 28th September, 2011 (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 necessary 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 Mahalaya Residency, No.114, GST Road, (Opp Areva) Pallavaram, Chennai-600 043 on Wednesday the 28th September 2011.

EURO LEDER FASHION LIMITED

| | | |
|---------------------|-----------------------------|-----------------------|
| Board of Directors. | 1.Shri.AR.Ramanathan | - Managing Director. |
| | 2.Shri.RM.Lakshman | -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.N.Venkatesan Associates
Chartered Accountants,
20(Old No.8) Dr.Natesan Salai,
Ashok Nagar.
Chennai.-600 083
Tel.044-2489 3635

Registered Office &
Factory No.99 G.S.T.Road
Pallavaram, Chennai.600 043
Tel.044-42943204
044-2264 3437
Fax.044-2264 3043

Bankers Canara Bank, Overseas Branch, Chennai.

NOTICE OF 19th ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the Company will be held on Wednesday, the 28th September 2011 at 11.00.A.M. at Mahalaya Residency, No.114, GST Road, (Opp Areva) Pallavaram, Chennai - 600 043 to transact the following business.

Ordinary Business:

1. To, receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2011 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 S.Jambunath 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.

Chennai
Date: 28.05.2011

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 13th September 2011 to 28th September.2011 (both days inclusive).

DIRECTORS REPORT TO THE MEMBERS

Your Directors have pleasure in submitting their Nineteenth Annual Report and that of the Auditors' together with the audited Balance Sheet as at 31st March 2011 and the Profit Loss Account for the year ended on that date.

FINANCIAL PERFORMANCE

(Rs. in lakhs)

| PARTICULARS | 2011 | 2010 |
|---|-------------|-------------|
| Income from Operations | 4917.64 | 5254.16 |
| Profit before Depreciation and Taxation | 60.64 | 94.95 |
| Less: | | |
| Depreciation | 12.83 | 9.19 |
| Profit before Tax | 47.81 | 85.75 |
| Provision for Tax | 16.06 | 27.29 |
| Profit after Tax | 31.76 | 58.46 |
| Profit brought forward | 243.35 | 184.89 |
| Profit available for appropriation | 275.12 | 243.35 |
| Profit/Loss carried to Balance Sheet | 275.12 | 243.35 |

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 turnover of Rs.4917.64 lacs in 2010-2011 and earned a profit of Rs.47.81 lacs before tax. The profit after tax has been Rs.31.76 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 2011-2012.

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 Annexure to this report.

DIRECTORS

Shri.S.Jambunath and Shri.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.

COMPLIANCE CERTIFICATE

A Secretarial compliance certificate from a company secretary in practise is attached.

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

Information as per clause (e) of Section 217 (1) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 for the year ended 31st March 2011 is given below.

CONSERVATION OF ENERGY

| | 2011 | 2010 |
|--|---------------|--------------|
| Electricity Consumed -Unit | 261190 | 279420 |
| Total Cost | Rs. 15,27,582 | Rs.14,66,063 |
| Generator Fuel | Rs. 15,65,233 | Rs.9,20,660 |
| Average Cost per unit | Rs.5.85 | Rs.5.25 |
| Average Consumption per Unit of production | N.A | N.A |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The manufacturing activity is confined to simple cutting and stitching of leather garments and hence absorption, adaptation and innovation of technology do not arise.

RESEARCH AND DEVELOPMENT

Though the Company does not have separate R&D establishment, activities are carried out by the design and quality control departments.

Expenditure on R& D: NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO

EARNINGS:

F O B Value of Exports. : RS.4286.66lacs

OutGo:

Selling Expenses in Foreign Currencies: NIL

Foreign Travel Rs.1.60 Lakhs

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their thanks to the Government of India, Banks and customers and suppliers for their valuable assistance and support.

Your Directors wish to place on record their appreciation of the sincere efforts put in by the employees of the Company at all levels.

Chennai On behalf of the Board.
AR.Ramanathan

RM.Lakshmanan

Date:28.05.2011

Managing Director

Whole Time Director.

ANNEXURE TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

The Board has adopted the principles of good corporate governance with emphasis on transparency, integrity and accountability. The Board believes that good governance is voluntary and reflects self-discipline with the strongest impetus coming from the Directors and the Management. The Organization of the Company Endeavour's to be progressive, competent and trustworthy, creating value for customers and shareholders while reflecting the best of Indian values in its conduct.

All the Directors have complied with the Company's code of conduct for prevention of insider trading in its shares.

BOARD OF DIRECTORS

COMPOSITION

The Board presently consists of 7 Directors, 2 of whom are Executive. The management of the affairs of the company is vested with Sri.AR.Ramanathan, Managing Director and Sri.Rm.Lakshmanan, Whole Time Director, subject to the general supervision, control and direction of the Board. Shri.AR.Ramanathan, heads the Management team, holds operational responsibility for the day –to-day activities of the Company and has been entrusted with ensuring that all management functions are carried out professionally and is accountable to the Board for actions and results. Of the 7 Directors, 5 are independent and 2 represent the promoters. The independent Directors play an important role in the deliberations of the Board level and bring to the Company the wide experience in the fields of industry, banking and administration and contribute significantly to Board Committees. Their independent role vis-à-vis the Company means that they add a broader perspective, help to ensure that the interests of the Shareholders are kept in acceptable balance and can also provide an objective view in all matters under the consideration of the Board.

BOARD MEETINGS AND COMMITTEES

Board meetings are held and are usually scheduled reasonably in advance. The Board generally meets at least once a quarter, to inter-alia, review the quarterly financial results. In order to ensure greater attention of the Directors to the affairs of the Company. the Board delegates specified matters to its committees which also prepare the groundwork for decision making and report to the Board.

The Board met 4 times during the year. The attendance of the Directors at the meetings of the Board and the Annual General Meeting are as follows:

| | No. of meetings of the Board | | Membership of other Boards | Whether present at the AGM |
|--------------------------|------------------------------|----------|--|----------------------------|
| | Held | Attended | | |
| Shri.AR.Ramanathan | 4 | 4 | Sournam Planatation (P) Ltd Euro Prime Properties Pvt Ltd | Yes |
| Shri.Rm.Lakshmanan | 4 | 4 | Euro Prime Properties Pvt Ltd | No |
| Shri.AR.Arunachalam | 4 | 4 | Gudang Garam Tabak Industries Ltd Suryabarath Indus (P) Ltd | Yes |
| Sri.N.Meenakshi Sundaram | 4 | 1 | | No |
| Shri.P.S.Nathan | 4 | 0 | | No |
| Shri.S.Jambunath | 4 | 4 | | Yes |
| Shri.S.Narayan | 4 | 4 | | Yes |

During the year there was no pecuniary relationship or business transaction by the Company with any non-executive director (other than the sitting fee for attending the Board and Committee meetings). Board meetings were held during the year on 29th May, 2010, 26th July, 2010, 30th October, 2010 and 29th January, 2011.

Remuneration paid to the Directors

Executive Directors

| Name | Designation | Sitting Fees | Salary & perquisites |
|-------------------|---------------------|--------------|----------------------|
| Sri.AR.Ramanathan | Managing Director | Nil | Rs.7,68,000/- |
| Sri.RM.Lakshmanan | Whole Time Director | Nil | Rs.4,80,000/- |

| Non-Executive Directors | ARA | NM | SJ | PSN | SN |
|------------------------------|------|------|------|-----|------|
| For attending Board meetings | 8000 | 2000 | 8000 | NIL | 8000 |
| For attending Committees | 4000 | 2000 | 8000 | NIL | 4000 |