

**FOR THE ATTENTION OF THE MEMBERS**

1. Register of Members and Share transfer books of the Company will remain closed from 12th September, 2012 to 27<sup>th</sup> September, 2012 (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 Thursday the 27<sup>th</sup> September 2012.

**EURO LEDER FASHION LIMITED**

Board of Directors.	1.Shri.AR.Ramanathan 2.Shri.RM.Lakshmanan 3.Shri.AR.Arunachalam 4.Shri.P.S.Nathan 5.Shri.S.Narayan 6.Shri.S.Jambunath 7.Shri.N.Meenakshi Sundaram	- Managing Director. -Whole Time Director. -Director -Director -Director -Director -Director
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Auditors	- M/s.N.Venkatesan Associates Chartered Accountants, 20(Old No.8) Dr.Natesan Salai, Ashok Nagar. Chennai.-600 083 Tel.044-2489 3635
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Registered Office & Factory	No.99 G.S.T.Road Pallavaram, Chennai.600 043 Tel.044-42943204 044-42943202 044-42943203 Fax.044-2264 3043
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Bankers	Canara Bank, Overseas Branch, Chennai.
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## **NOTICE OF 20<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, the 27<sup>th</sup> September 2012 at 11.15.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 31<sup>st</sup> March 2012 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. AR.Arunachalam who retires by rotation and being eligible offers himself for reappointment.
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 THAT 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> April 2012 to the end of his present term, i.e.31<sup>st</sup> March.2015 as set out in the explanatory statement.

“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”.

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution.

“RESOLVED THAT 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> April 2012 to the end of his present term, i.e.31<sup>st</sup> March 2015 as set out in the explanatory statement.

“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”.

By Order of the Board

Chennai  
31.05.2012

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 12<sup>th</sup> September 2012 to 27<sup>th</sup> September.2012 (both days inclusive).
4. An Explanatory Statement pursuant to Sec. 217 (2A) Of the Companies Act, 1956, is annexed.

**EXPLANATORY STATEMENT PURSUANT TO SEC. 217 (2A) OF THE COMPANIES ACT , 1956**

**ITEM NO:5**

Shri.AR.Ramanathan was reappointed at the 17<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2009 as Managing Director of the Company from 1st July, 2009 to 31st March 2012 on the terms of remuneration then approved.

The Board of Directors at its meeting held on 31st May, 2012 reappointed Shri.A.R.Ramanathan as Managing Director of the Company from 1st April, 2012 to 31<sup>st</sup> March, 2015, subject to the approval of the shareholders of the Company, on the following terms of remuneration:

a.Salary; Rs.60,000/- 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 month's 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: per he 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.Reimbursement 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.

#### **ITEM NO : 6.**

Shri.RM.Lakshmanan was reappointed at the 17<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2009 as Whole Time Director of the Company from July 2009 to 31.03.2012 on the terms of remuneration then approved.

The Board of Directors at its meeting held on 31.05.2012 reappointed Shri.RM.Lakshmanan as Whole Time Director of the Company from 01.04.2012 to 31.03.2015 on the following terms of remuneration.

a. Salary;Rs.30,000/- per month

b.perquisites:

1.Housing

- i) unfurnished residential accommodation will be provided by the Company.
  - 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 furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income tax rules1962.
  - c) 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 month's 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 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.

By Order of the Board

Chennai  
31.05.2012

AR.Ramanathan  
Managing Director

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in submitting their Twentieth Annual Report and that of the Auditors' together with the audited Balance Sheet as at 31st March 2012 and the Profit Loss Account for the year ended on that date.

<b>FINANCIAL PERFORMANCE</b>		<b>(Rs. in lakhs)</b>
<b>PARTICULARS</b>	<b>2012</b>	<b>2011</b>
Income from Operations	4584.07	4917.64
Profit before Depreciation and Taxation	59.88	60.64
Less:		
Depreciation	15.75	12.83
Profit before Tax	44.12	47.81
Provision for Tax	16.46	16.06
Profit after Tax	27.67	31.76
Profit brought forward	275.12	243.35
Profit available for appropriation	302.78	275.12
Profit/Loss carried to Balance Sheet	302.78	275.12

### DIVIDEND

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

### PERFORMANCE

The Company has achieved a turnover of Rs.4584.07 lacs in 2011-2012 and earned a profit of Rs.44.12 lacs before tax. The profit after tax has been Rs.27.67 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 2012-2013.

### 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.Narayan and Shri.A.R.Arunachalam retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

## **AUDITORS**

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

## **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 31<sup>st</sup> March 2012 is given below.

### **CONSERVATION OF ENERGY**

	2012	2011
Electricity Consumed -Unit	277329	261190
Total Cost	Rs. 1778336	Rs. 15,27,582

Generator Fuel	Rs. 1658428	Rs. 15,65,233
Average Cost per unit		
.	Rs. 5.98	Rs.5.85
Average Consumption per		
Unit of production	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.3852.53 lacs

### **OutGo:**

Selling Expenses in Foreign Currencies: NIL

Foreign Travel Rs.4.73 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.

On Behalf of the Board.

Chennai  
31.05.2012

AR.Ramanathan  
Managing Director

S.Jambunath  
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 5 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	5	5	Sournam Planatation (P) Ltd Euro Prime Properties Pvt Ltd	Yes
Shri.Rm.Lakshmanan	5	3	Euro Prime Properties Pvt Ltd Leder Trendz Private ltd	No No
Shri.AR.Arunachalam	5	5	Gudang Garam Tabak Industries Ltd Suryabarath Indus (P) Ltd	Yes
Sri.N.Meenakshi Sundaram	5	1		No
Shri.P.S.Nathan	5	0		No
Shri.S.Jambunath	5	4		Yes
Shri.S.Narayan	5	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 28<sup>th</sup> May, 2011, 30<sup>th</sup> July, 2011, 25<sup>th</sup> August 2011, 29<sup>th</sup> October, 2011 and 28<sup>th</sup> January, 2012.