

FOR THE ATTENTION OF THE MEMBERS

1. Register of Members and Share transfer books of the Company will remain closed from 7th August, 2013 to 21st August, 2013 (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 the entrance of the meeting Hall.
7. Registration starts at 10.30 a.m. at- Mahalaya Residency, No.114, GST Road,(Opposite to Areva) Pallavaram Chennai- 600 043 on Wednesday the 21st August, 2013.

EURO LEDER FASHION LIMITED

Board of Directors. 1.Shri.AR.Ramanathan - Managing Director.
2.Shri.RM.Lakshmanan -Whole Time Director.
3.Shri.P.S.Nathan -Director
4.Shri.S.Jambunath -Director
5.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
044-42943202
044-42943203
Fax.044-2264 3043

Bankers Canara Bank, Overseas Branch, Chennai.

NOTICE OF 21st ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Wednesday, the 21st August 2013 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 2013 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. N.Meenakshi Sundaram who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Shri. S.Jambunath 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.

By Order of the Board

Chennai
30.05.2013

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 7th August, 2013 to 21st August, 2013 (both days inclusive).

By Order of the Board

Chennai
30.05.2013

AR.Ramanathan
Managing Director

DIRECTORS REPORT TO THE MEMBERS

Your Directors have pleasure in submitting their Twenty first Annual Report and that of the Auditors' together with the audited Balance Sheet as at 31st March 2013 and the Profit/ Loss Account for the year ended on that date.

FINANCIAL PERFORMANCE		(Rs. in lakhs)
PARTICULARS	2013	2012
Income from Operations	3861.26	4584.07
Profit before Depreciation and Taxation	-4.35	59.88
Less:		
Depreciation	17.42	15.75
Profit before Tax	-21.78	44.12
Provision for Tax	0.90	16.46
Profit after Tax	-22.69	27.67
Profit brought forward	302.78	275.12
Profit available for appropriation	280.09	302.78
Profit/Loss carried to Balance Sheet	280.09	302.78

DIVIDEND

Your Directors wish to inform that the Company has incurred loss during the year hence no dividend has been recommended.

PERFORMANCE

The Company has achieved a turnover of Rs.3861.26 lacs in 2012-2013 and Loss of Rs.(21.78) lacs before tax. The fire occurred at the factory at Nagelkeni on 15.09.2012 and caused a loss of business. Machinery and stock including finished goods and consumables were lost due to the fire. The Company has preferred a claim with the Insurance Company and the claim is under process. The loss after tax has been Rs.-22.69 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 2013-2014.

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 resigned from the Board on 30th October 2012 and Shri A.R.Arunachalam 22nd May 2013. The Board places on record its sincere appreciation of the guidance and help received from both of them during their tenure as Directors of the Company.

Shri.N.Meenakshi Sundaram and Shri S.Jambunath 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 31st March 2013 is given below.

CONSERVATION OF ENERGY

	2013	2012
Electricity Consumed-Unit	262778	277329
Total Cost	Rs.1449401	Rs.1778336

Generator Fuel	Rs.2070871	Rs.1658428
Average Cost per unit	Rs.5.51	Rs.5.98
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.3129.64 lacs

Out Go:

Selling Expenses in Foreign Currencies: NIL

Foreign Travel Rs.4.47 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
30.05.2013

AR.Ramanathan
Managing Director

RM.Lakshmanan
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 5 Directors, 2 of whom are Executive. The management of the affairs of the company is vested with Shri.AR.Ramanathan, Managing Director and Shri.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 5 Directors, 3 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	3	Sournam Plantations P Ltd Euro Prime Properties P Ltd	No
Shri.RM.Lakshmanan	4	3	Euro Prime Properties P Ltd Leder Trendz P Ltd	Yes
Shri.AR.Arunachalam*	4	3	Gudang Garam Tabak Industries Ltd Suryabarath Indus P Ltd	Yes
Shri.S.Narayan**	4	2		Yes
Shri.P.S.Nathan	4	1		No
Shri.S.Jambunath	4	4		Yes
Shri.N.Meenakshi Sundaram	4	1		No

Note:

* Resigned on 22.05.2013

** Resigned on 30.10.2012

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 31st May, 2012, 30th July, 2012, 31st October, 2012 and 31st January, 2013.

Remuneration paid to the Directors

Executive Directors

Name	Designation	Sitting Fees	Salary&Perquisites
Shri.AR.Ramanathan	Managing Director	Nil	Rs.11,60,500/-
Shri.RM.Lakshmanan	Whole Time Director	Nil	Rs.5,76,000/-

Non-Executive Directors	ARA	NM	SJ	PSN	SN
For attending Board meetings	6000	2000	8000	2000	4000
For attending Committees	Nil	2000	8000	2000	4000

AUDIT COMMITTEE

The terms of reference of the Audit Committee, specified by the Board in writing, include a review of the audit procedures and techniques, financial reporting systems, internal control systems and procedures besides ensuring compliance with regulatory guidelines. The Committee recommends the appointment of statutory auditors and their fees/payments and takes on overview of the financial reporting process to ensure the financial statements are correct, sufficient and credible. The reports of the statutory and internal auditors are reviewed along with the managements' comments and action taken reports. The committee has full authority to investigate any matter within its terms of reference and has full access to the information, resources and external professional advice, which it needs to do so. The Committee has been mandated to meet at least 4 times in a year, once to assess the audited accounts before they are put up to the Board, besides reviewing the un-audited financial statements for each quarter. It has also been reviewing the compliance by the Company of various laws.

The Committee met 4 times during the year on 31st May, 2012, 30th July, 2012, 31st October, 2012 and 31st January, 2013

	No.Meetings attended
Shri.P.S.Nathan- Chairman	1
Shri.N.Meenakshi Sundaram-Member	1
Shri.S.Jambunath-Member	4
Shri.S.Narayan-Member (resigned on 30.10.2012)	2

Remuneration Committee:

It did not meet during the year

Shareholders Grievance Committee:

Shri.S.Jambunath and Shri.AR.Ramanathan constitute this committee which meets as often as necessary to minimize any delay in the share transfer process. Any shareholder's grievance is referred to this committee for speedy resolution. Shri S.Jambunath is the Chairman of this Committee.

Shri.M.Nagendra is the Compliance Officer.

The committee met 8 times during the year. No grievance/complaint was received during the year.

CODE OF CONDUCT

The Board of Directors has adopted a Code of Ethics and Business Conduct for the Directors and Senior Personnel. The Code is a comprehensive one applicable to all Directors, Executive and Non-Executive, and members of senior management. The Code has been circulated to all the members of the Board and senior personnel and they have affirmed compliance of the same. A declaration signed by the Managing Director and CEO in this regard is reproduced below:

“I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Personnel in respect of the financial year 2012-2013”.

All the Directors of the Company have affirmed their compliances with the Company’s Code of Conduct for prevention of insider trading in its shares.

AR.RAMANATHAN
Managing Director & CEO.

The details of the last 3 Annual General Meetings are:

Date	Time	Venue
20.09.2010	11.00A M	Maharaja Restaurant Chromepet,Chennai
28.09.2011	11.00A M	Mahalaya Residency Pallavaram,Chennai
27.09.2012	11.15A M	Mahalaya Residency Pallavaram,Chennai

Disclosures:

1. There have been no significant related party transactions during the year.
2. No penalties have been imposed or strictures have been issued by any stock exchange or SEBI or any other statutory authority on any matter related to Capital markets during the last three years.
3. No personnel have been denied access to the audit committee.
4. The Company has complied with all the mandatory requirements.
5. Means of Communications:

The main source of information for shareholders is the Annual report, which includes, inter-alia the reports of the Directors and the auditors, the audited accounts and the Management’s Discussion and Analysis Report on operations and outlook. The quarterly financial results are published in NEWS TODAY in English & MAALAI SUDAR in Tamil.

6. General Shareholder’s Information:

- i) Annual General Meeting: 21st August 2013
- ii) Financial year of the Company runs from 1st April to 31st March
- iii) Date of Book Closure: 7th August, 2013 to 21st August, 2013 (both days Inclusive)
- iv) The Company’s equity shares are listed at the stock exchanges at Chennai and Mumbai. The Listing fee for the financial year 2013-2014 has been paid to both the exchanges. The equity shares have directed to be

compulsorily traded in the dematerialized form and the company has entered into agreement with NSDL and CSDL

- v) The ISIN No of the Company is INE 940E01011
Bombay Stock Exchange code No 526468.
- vi) The Shares have not been traded regularly on any stock exchange during the year traded only in BSE.
Market Price data: Highest Rs 10.20
Lowest Rs 3.40
- vii) M/s. Cameo Corporate Services Ltd; No.1.Club House Road,
Chennai.600 002 are the share transfer agents of the Company for both physical and dematerialized forms.

vii) Distribution of Share Holdings as on 31st March 2013

Category (Rs.)	No of Share Holders	%
Up to 5000	3877	81.6038
5001-10000	527	11.0924
10001-20000	217	4.5674
20001-30000	39	0.8208
30001-40000	30	0.6314
40001-50000	10	0.2104
50001-100000	20	0.4209
100000 and above	31	0.6524
TOTAL	4751	100

ix) Plant Location: The Company's factory is located at 99.G.S.T.Road,Pallavaram,
Chennai 600 043.

x) Address for Correspondence:

No.99.G.S.T.Road,
Pallavaram,
Chennai.600 043
Phone: 044-42943204
044-42943203
044-42943202
FAX : 044-2264 3043

7. Calender of Events:

Publication of quarterly results.

1st Quarter :End July
2nd Quarter :End October
3rd Quarter :End January
Audited Accounts :End May
Annual General Meeting :August/September

Shareholding pattern as on 31st March, 2013

S.No	Category	No.of.shares held	% of Share holding
<u>1.Promoter's Holding</u>			
A.	Indian Promoters	1100400	24.5976
B	Persons acting in concert	652865	14.5937
<u>2.Non-Promoter's Holding</u>			
C	Mutual Funds and UTI	17800	0.3978
<u>3.Others</u>			
A	Private Corporate Bodies	47898	1.0706
B	Indian Public	2605447	58.2403
C	NRIs/ OCBs	49190	1.0995
TOTAL		4473600	100.00

The promoter's holdings in the company have not been pledged by any of the holders

Other Disclosures:

The Background of Shri.N. Meenakshi Sundaram and Shri S.Jambunath the retiring directors is as follows.

Shri.N.Meenakshi Sundaram (53years) is a Commerce Graduate and has specialized in Banking Sector .He had a vast experience in this field.

Shri. N.Meenakshi Sundaram is an independent Director.

Shri.S.Jambunath aged 43 years is an Engineering Graduate and has specialized in mechanical engineering. He had a vast experience in this field.

Shri.S.Jambunath is an independent Director.

POSTAL BALLOT

Whether Special Resolutions

Where put through postal ballot last year?

No

If yes details of voting pattern

NA

Person who conducted the postal ballot exercise

NA

Procedure for postal ballot

NA

There is no item on the agenda of the forthcoming Annual General Meeting that needs approval by postal ballot.

Non-Mandatory Requirements:

The Company has adopted the following non-mandatory requirements.

a). The remuneration committee has been set up to determine the Company's policy on specific remuneration package for Executive Directors.

- b) The Chairman of the Audit Committee would be present at the Annual General Meetings to answer any questions from the shareholders.
- c) Audit Qualifications: The Company attempts to bring in a regime of unqualified financial statements.
- d) Whistle blower policy: The Company has set up a mechanism for employees to report, to the management concerns about unethical behavior, actual or suspected fraud of Company's code of conduct or ethics policy. Adequate safeguards are in place against victimization of employees who availed themselves of the mechanism and to provide the direct access to the Chairman of the audit committee.
- e) The CEO of the Company certifies the financial reporting and internal controls to the Board in terms of Clause 49.
- f) The Company will mandatory comply with all the accounting standards by ICAI from time to time.

ON BEHALF OF THE BOARD

Chennai
30.05.2013

AR.Ramanathan RM.Lakshmanan
Managing Director Whole Time Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We herewith submit Management Discussion and Analysis Report on the business of the Company for the year ended 31st March, 2013 in this we have attempted to include discussion on all the specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's own competitive position.

COMPANY AND INDUSTRY STRUCTURE

The Company manufactures leather garments exclusively for export and has its factory at Pallavaram & Nagelkeni Chennai. This unit is self sufficient to perform its duties and functions. The commitment of the Company towards quality and customer orientation reflects in its well-established clientele.

The industry continued to suffer this year due to a demand supply imbalance and rising input costs. However despite these factors, the Company has vigorously channelized its efforts at increasing its productivity and turnover and this strategy has paid off by way of a modest increase in the turnover during the year.

REVIEW OF OPERATIONS

A summary of major performance indicators is given below, while the detailed and physical performance may be viewed from the Balance Sheet and Profit & Loss account and the annexure thereto

	2012-13	2011-12
SALES	Rs.3462.23 Lacs	Rs.4286.26 Lacs
EXPORTS	Rs.3316.55 Lacs	Rs.4074.62 Lacs

The Company has adopted a time-bound policy in the short term, to balance production to level which could avoid built up inventory and has taken special measures to bring down stocks to optimum levels. However, in spite of the operating gains the margins have been under strain for the following reasons:

1. Increase in major input costs particularly the cost of leather.
2. Globally leather garments have registered a decline in realization and this affected India also.
3. Average price realization per garment fell to Rs.5,131/ during the year. Buyer's domination was pronounced and our buyers abroad bargained hard in view of the raising Indian Rupee against the Euro and U.S.Dollars.
4. Freight rates and selling expenses rose appreciably, further pushing the costs. These factors constitute the threats faced by the company.

OUTLOOK

The outlook of the industry appears to be challenging due to strong competition in price and quality and a large rise in input cost and the rising Indian rupees against the USD & Euro.

There are signs of a modest improvement in which may go up depending on the resurgence of the economy, besides cyclical improvement. The Company has orders in hand worth Rs.8.23 crores. The Company's strength lies in the quality of its products and the promising looks continued patronage of its buyers. However the realization per garment is likely to be low. The peak season is due to start shortly.

ENVIRONMENT AND SAFETY

The Company is conscious of the need for environmentally clean and safe operations are conducted in such a way to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources.

OTHER MATTERS

There are no further or typical areas of risks or concerns outside the usual course of business foreseeable at this time. Internal control systems had been found to be adequate and are continuously reviewed for further improvement. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence including compliance of all relevant laws and regulations. Our appreciation is due to all employees, gratefulness to our board, shareholders and Banks.

CAUTIONARY STATEMENT

Statements in this "Management Discussions and Analysis report" which seek to describe the Company's objectives, projections estimates expectations or predictions may be considered to be "forwarded looking statements" within meaning of applicable securities law or regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global demand and supply conditions, prices of finished goods, stock availability and prices, cyclical demand and pricing in the Company's markets, Exchange fluctuations changes in the Government regulations, tax regimes, economic development within India and countries with which the Company conducts business besides other factors, such as litigation and labour negotiations.

Place: Chennai
30.05.2013

For and on behalf of the Management

AR.Ramanathan.
Team Head.

COMPLIANCE CERTIFICATE

To The Members of EURO LEDER FASHION LIMITED

I have examined the registers, records, books and papers of Euro Leder Fashion Limited as required under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure A to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed forms and returns as stated in Annexure B to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company, the compliance with prohibition applicable to private companies does not arise.
4. The Board of Directors duly met 4 times respectively on 3rd May 2012, 30th July 2012, 31st October 2012 and 31st January 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of members from 12th September 2012 to 27th September 2012 during the year.
6. The annual general meeting for the financial year ended on 31st March 2012 was held on 27th September 2012 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the minutes book maintained for the purpose.
7. No extraordinary general meeting was held during the year.
8. The Company has not advanced any loans to its directors and/or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any contract specified in Section 297 of the Act.
10. The Company has made entries in the register maintained under Section 301 of the Act in one case.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, members or the Central Government.
12. The Board of Directors has not issued any duplicate share certificates.

13. The Company:
 - (i) has delivered all the certificates on transfer / transmission of Shares in accordance with the provisions of the Act;
 - (ii) has not deposited any amount of dividend in a separate bank as no dividend was declared during the year ,
 - (iii) was not required to post warrants for dividends to its members as no dividend was declared:
 - (iv) has duly complied with the requirement of Sec. 217 of the Act.
14. The Board of Directors of the Company is duly constituted and no appointment of any directors was made during the year.
15. The Company has not appointed its Managing/Whole- time Director during the year.
16. The Company has not appointed any sole selling agent in compliance of the provisions of the Act.
17. The Company was not required to obtain the approval of the Central Government for the remuneration payable to its whole time directors.
18. The directors have disclosed their interest in other firms/ companies to the Board pursuant to the provisions of the Act and the rules made hereunder.
19. The Company has not issued any shares during the year
20. The Company has not bought back any shares during the year.
21. The Company has no redeemable preference shares.
22. The Company has not kept in abeyance rights to dividend, rights shares and bonus shares.
23. The Company has not accepted deposits during the year.
24. The amount borrowed by the Company is within the limits of borrowing of the Company as approved by its shareholders.
25. The Company has not made any loans or advance or given any guarantee or provided securities to other bodies corporate and hence no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of its memorandum of association with respect to situation of its registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of its memorandum of association with respect to its objects during the year.
28. The Company has not altered the provisions of its memorandum of association with respect to its name of the Company during the year.
29. The Company has not altered the provisions of the memorandum of association with respect to the share capital of the Company during the year.
30. The Company has not altered its articles of association during the year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company during the year, for offences under the Act.
32. The Company has not received any money as security from its employees during the year under certification.
33. The Company has deducted contribution towards Provident Fund during the period.

Chennai
9th May, 2013

S. ANANTHANARAYAN
C.P. No. 1828

Annexure A: Registers maintained by the Company:

Register of Members	Index of Members
Register of Directors	Register of Directors' Shareholdings
Register of Allotment	Minutes of Board Meetings
Register of Transfers	Minutes of General Meetings
Register of Contracts	Register of Investments, Loans
Directors Attendance Register	Shareholders Attendance Register

Annexure B: Forms and returns as filed by the company with the Registrar of Companies, Regional Director, Central Government or other authorities during the year ending 31st March, 2013:

Sl. No.	Form No. / Return	Filed under Section	For	Date of filing	Whether filed within the prescribed time	If filed with delay whether additional fee paid
1	23	198,269,309 Read with sch. XIII	Appointment of Managing Director	03/09/2012	No	Yes
2	25C	269	Appointment of Managing Director	03/09/2012	No	Yes
3	25C	269	Appointment of Whole Time Director	03/09/2012	No	Yes
4	32	302	Resignation of Director	21/11/2012	Yes	No
5	20B	159	Annual Return	28/11/2012	No	Yes
6	66	Proviso-383A(1)	Compliance Certificate	10/01/2013	No	Yes
7	23AC/23ACA	220	Balance Sheet & Profit & Loss A/c	11/01/2013	Yes	No

Independent Auditor's Report

To the Members of
Euro Leder Fashion Limited.

We have audited the accompanying financial statements of Euro Leder Fashion Limited. Which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:

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

Place: Chennai
Date:30.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Euro Leder Fashion Limited on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, 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 to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has incurred cash loss during the financial year covered by our audit and not in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is manufacturing leather products. Proper records & timely entries have been maintained in this regard & further, investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have been informed of such case by the management.

Place: Chennai

Date:30.05.2013

Auditor's Certificate on Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement(s)

To the members of Euro Leder Fashion Limited

We have examined the compliance of the conditions of Corporate Governance by M/s Euro Leder Fashion Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In Our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievance(s) are pending for a period exceeding one month against the Company, as per the records maintained by the Shareholder/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the Management has conducted the affairs of the Company.

Place: Chennai
Date : 30.05.2013

For N.VENKATESASN ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn.No.004632S

(N.VENKATESAN)
Partner.
Membership No.22021

Notes forming part of the financial statements for the year ended 31st March 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

The accompanying financial statements have been prepared on historical cost conventions and in accordance with the generally accepted accounting principles.

1.2 FIXED ASSETS

Fixed assets are stated at cost

1.3 DEPRECIATION

Depreciation is charged under Straight Line basis at the rates prescribed under Schedule XIV to the Companies Act, 1956. Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

1.4 INVENTORIES

Stock of raw material, work in progress, finished goods and consumables are valued at cost or net realizable value whichever is lower.

1.5 REVENUE RECOGNITION

i) Duty Drawback claim are accounted on accrual basis.

- (ii) The Company is entitled for import license in respect of export made under DFIA (Duty Free Import Authorization) basis. The import license sold is accounted on net of Sales Tax.

1.6 BORROWING COST

Borrowing costs are recognized as an expense in the period in which they are incurred. No borrowing has been made for the acquisition of fixed asset. Borrowing cost, in respect of borrowing made for the purpose of acquisition of fixed asset if any will be capitalized until all the substantial activities necessary to prepare such assets for their intended use are complete.

1.7 RETIREMENT BENEFITS

- (A) Leave Salary: The Company's policy is to settle the claim of the employee's in respect of encashment of leave benefit at the time of retirement by the respective employees.
- (B) Gratuity: Provision for accrued liability of gratuity is made on the basis of going concern (not actuarially) determined and in terms of the payment of Gratuity Act, 1972.
- (C) Pension/ Superannuating fund: Employers Contribution to pension / superannuating fund shall be in accordance with the scheme of the company.

1.8 FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency are recorded at the rate of exchange at the time of relevant transaction. Exchange differences are accounted on actual realization/settlement.

1.9 SEGMENT REPORTING

The company is engaged in the manufacturing and exporting of leather garments. Hence there is no secondary segment to be reported.

1.10. TAXES ON INCOME

Provision for Income Tax is made for both current and deferred taxes. Provision for current Income Tax is made on the assessable income at the tax rates applicable to the relevant assessment years. Deferred Tax is accounted for by computing the tax effect of the timing difference, which arise during the year and reversed out in the subsequent periods. Deferred Tax is calculated at currently applicable tax rates. Deferred Tax assets are recognized only if there is virtual certainty that they will be

realized.

1.11. Income Tax demand amounting to Rs.4,04,363/- for the Assessment Year 2001-02 has been paid in full and an appeal is pending before the Commissioner of Income Tax (Appeals) III, Chennai.

1.12. Export Sales have been taken as Net Realisation Value for the year.

1.13 a) No dues to MSME undertakings to whom the Company owes any sum outstanding for more than 30 days.

b) No dues either principal or interest remaining unpaid to any supplier under the Micro Small and Medium Enterprise Development Act, 2006. Similarly no payments have been made to the suppliers beyond the appointed day without adding interest. No interest accrued and remaining unpaid during the year.

c) No amount is paid/payable by the Company under Sec.44A of the Companies Act, 1956 (cess on Turnover). Since the rules specifying the manner in which the cess shall be paid has not been notified yet by the Central Govt.

(D) OTHER NOTES

	<u>31.3.2013</u>	<u>31.3.2012</u>
1. Contingent liability not provided for in respect of:		
(a) Income tax demand disputed pending on appeal (which includes income tax demand for the A.Y-2004-05 for Rs.704531/- has been paid in full and disputed pending on appeal)	41,08,129	28,73,476
(b) Bills discounted with banks	9,83,17,055	3,05,18,813
(C) Income tax demand for the A.Y.2003-04 and 2004-05 fully paid and pending before the High Court in connection with Sec.80HHC.		
(d) A.Y 2003-04 pending with CIT appeal III		

2. Loss Due to fire accident

Total Loss claimed with Insurance Company amounting to Rs.14959120 due to fire accident on 15.09.2012. The insurance Claim is under process. The details are as follows

a) Plant & Machinery value of	Rs.25,72,259
b) Furniture & Fitting value of	Rs.3,18,805
c) Computer value of	Rs.51,800
d) Loss of stock including finished goods and consumables	Rs.1,20,16,256

The material consumed includes the loss of stock.

3. MANAGERIAL REMUNERATION:

Directors sitting Fees	38,000	50,000
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(No sitting fees is paid to Managing Director and Whole time Director)

4. REMUNERATION TO MANAGING DIRECTOR AND WHOLE TIME DIRECTOR:

Salary	17,28,000	12,48,000
Other Perquisites	8,500	8,500
	-----	-----
Total	17,36,500	12,56,500

Note: The remuneration paid to the Managing Director and Whole Time Director is within the limits specified under Schedule XIII to the Companies Act, 1956.

5. RELATED PARTIES TRANSACTIONS:

The Company has entered into the following transactions with related parties as defined in Accounting Standard 18 issued by the institute of Chartered Accountants of India.

NATURE OF TRANSACTION

Factory Rent

Rental Deposit	15,00,000
Rent Paid during the year	9,00,000
(Paid to Smt.L Meenal wife of Shri.RM.Lakshmanan-Whole Time Director)	

6. EARNING PER SHARE (EPS)

	31.3.2013	31.03.2012
Profit as per Profit & Loss account (Rs.In lacs).	-21.78	44.12
Weighted Average number of equity shares (in lacs)	33.99	33.99
Basic and Diluted Earnings Per Share (Rs. P).	-0.64	1.30
Nominal Value of Shares (Rs.).	10/-.	10/-

7. The balances in sundry debtors, sundry creditors, loans, certain bank balances and advances including advances to capital contracts are subject to confirmation, reconciliation and consequential adjustments, if any, to be made.

(a) Capacities and Production
(As certified by the Managing Director)

Licensed and Installed Capacity	UNITS	<u>31.3.2013.</u>	<u>31.3.2012</u>
Leather Garments	Nos	1,50,000	75,000
Leather Goods	Nos	2,00,000	2,00,000
Actual production			
Leather Garments	Nos	66725	96180
Leather Goods	Nil Nos	Nil	Nil

(b) Turnover

UNITS	Qty.	Rs	UNITS	Qty.	Rs.
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Leather Garments	Nos	64581	331654605	Nos	95564	399510847
Leather	Sq.ft	96171.50	14568286	Sq.ft	200040.90	29116092

(C) Opening and Closing Stock of Goods

Opening Stock	UNITS	Qty.	Rs.	UNITS	Qty.	Rs.
Leather Garments	Nos	616	15,94,800	Nos	4057	1,00,75,700
Leather Goods	Nos	Nil	Nil	Nil	Nil	Nil
		-----	-----			-----
		616	15,94,800			1,00,75,700

Closing Stock:				
Leather Garments	2760	98,58,550	616	15,94,800
Leather Goods		Nil		Nil
		98,58,550		15,94,800
(d) Material Consumed	Sq. Ft	Rs.	Sq. Ft	Rs.
Leather	3628042.50	227375810	4785857.10	259485999
Other Accessories	Nil	42039228		42523569
		269415039		302009568

(E) Value of imported / indigenous material consumed

Imports-Landed Cos	6.52%	17567167	16.69%	50391649
Indigenous	93.48%	251847872	83.31 %	251617919
-	100%	269415039	100%	302009568

(f) Value of Imports on C.I.F basis	Nil	Nil
(g) Expenditure in Foreign Currency		
Selling Expenses	Nil	Nil
(h) Foreign Travel	4.47	4.73
(i) Earning in Foreign Currency		
Exports of goods on F.O.B. value	Rs. 3129.64 lakhs	3852.53 Lakhs

8. Previous year figures have been regrouped wherever considered necessary to conform to current year's classification.

M/S EURO LEDER FASHION LIMITED
BALANCE SHEET AS AT MARCH 31, 2013

(Amount in Rs')

Particulars	Note	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	2	33,990,332.40	33,990,332.40
b) Reserves and surplus	3	28,009,431.84	30,278,028.34
		61,999,764.24	64,268,360.74
Share application money pending allotment		-	-
Non-current liabilities			
a) Deferred tax liabilities (Net)	4	1,299,629.00	1,209,417.00
b) Other long term liabilities	5	568,354.14	143,559.00
c) Long term provisions	6	272,134.00	272,134.00
		2,140,117.14	1,625,110.00
Current liabilities			
a) Short-term borrowings	7	139,488,654.19	54,218,735.19
b) Trade payables	8	19,591,005.99	24,531,059.47
c) Other current liabilities	9	27,137,638.90	766,600.20
d) Short-term provisions	10	7,533,845.80	7,533,845.80
		193,751,144.88	87,050,240.66
Total		257,891,026.26	152,943,711.40
ASSETS			
NON CURRENT ASSETS			
(a) FIXED ASSETS			
I) Tangible Assets	11	24,338,519.54	23,188,886.54
II) Intangible assets	11	-	-
III) Capital work-in-progress	11	1,729,158.00	1,729,158.00
(b) Non Current Investments	12	8,751.00	8,751.00
(c) Long Term Loans and advances	13	14,463,825.53	13,337,977.00
		40,540,254.07	38,264,772.54
CURRENT ASSETS			
(a) Current Investments	14	450,000.00	-
b) Inventories	15	56,916,496.00	42,916,069.00
c) Trade receivables	16	117,373,612.50	42,116,651.00
d) Cash and cash equivalents	17	936,351.51	2,952,875.15
e) Short-term loans and advances	18	36,064,700.18	24,107,768.71
f) Other current assets	19	5,609,612.00	2,585,575.00
		217,350,772.19	114,678,938.86
Total		257,891,026.26	152,943,711.40
		-	-

Notes forming part of the financial statements

As per our report of even date attached

For N.Venkatesan Associates

Chartered Accountants

Firm Regn No:004632S

For and on behalf of the Board of Directors

N.Venkatesan

Partner

Membership No.22021

Place:Chennai

DATED:30.05.2013

S.Rathnavel

Manager

RM.Lakshmanan

Whole Time Director

AR.Ramanathan

Managing Director

M/S EURO LEDER FASHION LIMITED

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

(Amount in Rs.)

Particulars	Note	Year ended March 31, 2013	Year ended March 31, 2012
Incomes			
Revenue from operations	20	383,536,268.00	467,800,387.65
Other income	21	2,589,700.00	184,481.00
Total Revenue		386,125,968.00	467,984,868.65
Expenses			
Cost of materials consumed	22	269,415,039.63	302,009,568.88
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	-9,661,750.00	9,577,400.00
Employee benefits expense	24	31,891,850.00	31,130,702.50
Finance costs	25	6,240,030.69	10,607,365.09
Depreciation and amortization expense	26	1,742,389.00	1,575,141.00
Other expenses	27	88,676,793.18	108,672,277.80
Total Expenses		388,304,352.50	463,572,455.27
Profit before tax		-2,178,384.50	4,412,413.38
Tax expense:			
Current tax		-	1,450,000.00
Deferred tax		90,212.00	149,190.00
Profit and loss appropriation account		-	55,604.00
Profit and loss for the year		-2,268,596.50	2,757,619.38
Earnings per equity share:			
Basic		-0.64	1.30
Diluted		-0.64	1.30

Notes forming part of the financial statements

As per our report of even date attached

For N.Venkatesan Associates

Chartered Accountants

Firm Regn No:004632S

For and on behalf of the Board of Directors

N.Venkatesan

Partner

Membership No.22021

Place:Chennai

DATED:30.05.2013

S.Rathnavel

Manager

RM.Lakshmanan

Whole Time Director

AR.Ramanathan

Managing Director

Notes forming part of the Financial Statements for the year ended 31st March 2013

Particulars		As at 31.03.2013	As at 31.03.2012
		Amount in Rs.	Amount in Rs.
	Shareholders funds		
2	Share Capital		
	Authorized Capital 50,00,000 Equity Shares of Rs. 10/- each	500,000,000.00	500,000,000.00
	Issued, Subscribed and Paid up: 4473600 Equity Shares of Rs. 10/- each fully paid up	44,736,000.00	44,736,000.00
	Less:calls in arrears	10,745,667.60	10,745,667.60
	Total Rs.	33,990,332.40	33,990,332.40
2.1	Shares in the Company held by each shareholder holding more than 5 per cent shares		-
	Name of the Shareholders Shri.RM.Lakshmanan	No of shares held 718,548.00	No of shares held 718,548.00
	% of holding	16.06	16.06
3	Reserves and Surplus		
	Surplus		
	Opening balance	30,278,028.34	27,511,508.96
	Net Loss For the current year	-2,268,596.50	2,766,519.38
		-	-
	Closing Balance	28,009,431.84	30,278,028.34
	NON CURRENT LIABILITIES		
4	Deferred tax liabilities (Net)		
	Related to Fixed assets	1,299,629.00	1,209,417.00
5	Other Long term Liabilities	568,354.14	143,559.00
6	Long term provisions		
	Provision for employee benefits	272,134.00	272,134.00
	TOTAL RS.	2,140,117.14	1,625,110.00
	CURRENT LIABILITIES		
7	a) Short Term Borrowings-Secured-Ref Note No.7.1&7.2		
	a) Packing Credits	8,771,999.19	500,000.19
	b) Bills negotiaon with bank	98,317,055.00	30,518,813.00
	c) Packing Credits in Foreign Currency (In Rs.) (Temporary credits against L / C or order)	32,399,600.00	23,199,922.00
	TOTAL RS.	139,488,654.19	54,218,735.19
7.1	Secured by deposit of title deeds of vacant land at Pallavaram belong to the company & deposit of title deeds of land at adyar belong to the one of the directors relative of the Company		
7.2	First charge on Hypothication of Raw materials, Work in progress, Finished goods, consumable stores and spares meant for Exports and all other movable goods and properties of every description, Book Debts Present and Future, Plant and Machinery . &		
7.3	Personal guarantee of Two directors of the company		
8	b) 'Trade payables		
	Related party	19,591,005.99	24,531,059.47
9	C) Other current liabilities		
	Statutory Dues	506,881.00	372,013.00
	Others	602,969.18	394,587.20
	Trade payable for the year 2013	23,527,788.72	-
	land advance received	2,500,000.00	
	TOTAL RS	27,137,638.90	766,600.20
10	D) 'Short-term provisions	7,533,845.80	7,533,845.80
	TOTAL CURRENT LIABILITIES	257,891,026.26	152,943,711.40

16	Trade Receivables		
	Unsecured		
	Debts overdue for a period exceeding six months		
	- Considered Good (exceeds one year)	59,785.00	59,785.00
	- Doubtful		
	Other debts		
	- Considered Good (Current Year receiveables)	117,313,827.50	42,056,866.00
	- Doubtful		
	Total Rs.	117,373,612.50	42,116,651.00
	Less: Provision for doubtful debts		-
Total Rs.	117,373,612.50	42,116,651.00	
17	Cash and cash equivalents		
	Balances with banks		
	In Current Accounts	674,502.51	2,266,506.65
	In Deposit	253,030.55	682,688.55
	Cash on hand	8,818.45	3,679.95
Total Rs.	936,351.51	2,952,875.15	
18	Short term Loans and advances		
	Unsecured - Considered Good		
	Loans and advances to related parties		
	Loans and advances to employees	1,807,000.00	2,145,017.00
	Rent Deposits	2,412,500.00	1,957,500.00
	Value added Tax Input	12,432,795.19	11,143,710.40
	Other advances	19,412,404.99	8,861,541.31
	Total Rs.	36,064,700.18	24,107,768.71
Less: Provision for doubtful debts		-	
Total Rs.	36,064,700.18	24,107,768.71	
19	F) Other Current assets		
	Duty Drawback Receivable	5,609,612.00	2,585,575.00
	Total Rs.	5,609,612.00	2,585,575.00
TOTAL CURRENT ASSETS		231,823,348.72	128,025,666.86

20	Revenue from operations	Year ended 31 March 2013	Year ended 31 March 2012
	SALE OF PRODUCTS		
	Export Sales	325,156,542.00	407,462,746.00
	Local Sales	9,978,657.00	14,552,002.65
	CST Sales	4,290,242.00	-
	Second Sales	299,387.00	1,280.00
	Form H Sales	6,498,063.00	6,610,911.00
	OTHER OPERATING REVENUES		
	Duty Draw Back received	20,083,325.00	29,625,304.00
	Import License Sold	17,230,052.00	9,548,144.00
	TOTAL	383,536,268.00	467,800,387.65
21	Other Income		
	INTEREST INCOME		
	Interest received		20,588.00
	Interest from ICICI Bank	16,986.00	26,493.00
	Rental Income	99,000.00	126,000.00
	Other non-operating income (Job Work)	3,000.00	11,400.00
	Exchange Difference	2,470,714.00	
	TOTAL	2,589,700.00	184,481.00
22	Cost of materials consumed		
	(Ref Note No.27.2,27.3)		
	Materials Consumed- Leathers		
	Opening Stock	36,167,246.00	30,719,757.00
	Add : Purchases	232,258,993.96	264,933,488.57
		268,426,239.96	295,653,245.57
	Less : Closing Stock	41,050,429.00	36,167,246.00
	Gross -53066685		
	Loss on fire accident (Stock-Raw material)-12016256		
	TOTAL	227,375,810.96	259,485,999.57
	Materials Consumed- Consumables		
	Opening Stock	5,154,023.00	6,656,984.00
	Add : Purchases	35,888,053.40	34,696,370.92
		41,042,076.40	41,353,354.92
	Less : Closing Stock	4,609,517.00	5,154,023.00
		36,432,559.40	36,199,331.92
	Add : Chemical Purchase	5,606,669.27	6,324,237.39
		42,039,228.67	42,523,569.31
	TOTAL	269,415,039.63	302,009,568.88
23	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
	Increase/ (Decrease) In stock :-		
	Opening Stock		
	Finished Goods	1,594,800.00	10,075,700.00
	Work In Progress	-	1,096,500.00
		1,594,800.00	11,172,200.00
	Closing Stock		
	Finished Goods	9,858,550.00	1,594,800.00
	Work In Progress	1,398,000.00	-
	Increase / (Decrease In Stock)	-9,661,750.00	9,577,400.00
24	Employee Benefits Expense		
	Salaries and incentives		
	Directors Remuneration		
	Sri. A.R.Ramanathan Managing Director	720,000.00	480,000.00
	Sri. R.M.Lakshmanan Whole Time Director	360,000.00	300,000.00
	HRA To Directors :-		
	Sri. A.R.Ramanathan Managing Director	432,000.00	288,000.00
	Sri. R.M.Lakshmanan Whole Time Director	216,000.00	180,000.00
	Salaries & Wages	27,422,179.00	26,875,506.00
	Security Charges	519,325.00	411,354.00
	TOTAL	29,669,504.00	28,534,860.00
	Contributions to		
	Contribution to Provident fund	562,199.00	532,922.00
	Contribution to ESIC	70,416.00	213,345.00
	Staff welfare expenses	1,589,731.00	1,849,575.50
	TOTAL	2,222,346.00	2,595,842.50
	GRAND TOTAL	31,891,850.00	31,130,702.50

Notes forming part of financial statements for the year ended 31st March 2013


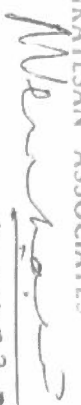
NON CURRENT ASSETS

FIXED ASSETS		Gross Block				Depreciation				Net Block	
Sl.No	Particulars	As at 01.04.2012	Additions	Deletions	As at 31.03.2013	Up to 01.04.2012	For the Year	Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Tangible Assets										
1	Land	5,244,423.00	-	-	5,244,423.00	-	-	-	-	5,244,423.00	5,244,423.00
2	Land Development	827,614.00	-	-	827,614.00	-	-	-	-	827,614.00	827,614.00
3	Plant & Machinery	12,763,031.67	3,123,970.00	2,572,259.00	13,314,742.67	3,540,218.20	575,810.00	-	4,116,028.20	9,198,714.47	9,222,813.47
4	Furniture & Fixtures	4,767,302.75	-	318,805.00	4,448,497.75	1,056,734.85	291,680.00	-	1,348,414.85	3,100,082.90	3,710,567.90
5	Motor Car	5,947,657.28	3,221,141.00	1,037,920.00	8,130,878.28	2,172,407.77	750,470.00	354,945.00	2,567,932.77	5,562,945.51	3,775,249.51
6	Computer	771,630.00	172,750.00	51,800.00	892,580.00	363,411.34	124,429.00	-	487,840.34	404,739.66	476,247.66
		30,321,658.70	6,517,861.00	3,980,784.00	32,858,735.70	7,132,772.16	1,742,389.00	354,945.00	8,520,216.16	24,338,519.54	23,256,915.54
7	Work In Progress	1,729,158.00			1,729,158.00	-	-	-	-	1,729,158.00	1,681,463.00
		1,729,158.00	-	-	1,729,158.00	-	-	-	-	1,729,158.00	1,681,463.00
	TOTAL	32,050,816.70	6,517,861.00	3,980,784.00	34,587,893.70	7,132,772.16	1,742,389.00	354,945.00	8,520,216.16	26,067,677.54	24,938,378.54
	Intangible Assets										
	TOTAL	-	-	-	-	-	-	-	-	-	-
	GRAND TOTAL	32,050,816.70	6,517,861.00	3,980,784.00	34,587,893.70	7,132,772.16	1,742,389.00	354,945.00	8,520,216.16	26,067,677.54	24,938,378.54

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013		
	Amount in Rs.	
	Year ended 31.03.2013	Year ended 31.03.2012
A. Net Profit / (Loss) before extraordinary items and tax	-2,178,385.00	4,412,413.38
<i>Adjustments for:</i>		
Depreciation and amortisation	1,742,389.00	1,575,141.00
(Profit) / loss on sale / write off of assets	-	-
Finance costs	3,089,134.47	6,580,281.00
	4,831,523.47	8,155,422.00
Operating profit / (loss) before working capital changes	2,653,138.47	12,567,835.38
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	-14,000,427.00	5,632,872.00
Trade receivables	-75,256,961.50	-36,560,231.00
Loans and advances	-17,856,816.00	11,663,428.00
Other current assets	-	-
	-107,114,204.50	-19,263,931.00
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other current liabilities & Provisions	21,855,779.00	-15,202,780.23
	21,855,779.00	-15,202,780.23
Cash flow from extraordinary items		
Cash generated from operations	-82,605,287.03	-21,898,875.85
Net income tax (paid) / refunds	1,300,000.00	-559,290.00
Net cash flow from / (used in) operating activities (A)	-81,305,287.03	-22,458,165.85
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-6,517,861.00	-3,443,504.00
Proceeds from sale of fixed assets	3,625,839.00	384,046.00
Net cash flow from / (used in) investing activities (B)	-2,892,022.00	-3,059,458.00
C. Cash flow from financing activities		
Net increase / (decrease) in working capital borrowings	85,269,919.00	30,740,873.00
Finance cost	-3,089,134.47	-6,580,281.00
Net cash flow from / (used in) financing activities (C)	82,180,784.53	24,160,592.00
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-2,016,524.50	-1,357,031.85
Opening Cash and cash equivalents as at 01.04.2012	2,952,875.15	4,309,907.00
Closing Cash and cash equivalents as at 31.03.2013	936,351.51	2,952,875.15
* Comprises:		
(a) Cash on hand	8,818.45	3,679.95
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	329,192.51	1,823,797.20
(ii) In EEFC accounts	345,310.00	
(iii) In deposit accounts with original maturity of less than 3 months	253,030.55	1,125,398.00
(iv) In earmarked accounts (give details) (Refer Note (ii) below)		
(d) Others (specify nature)		
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)	936,351.51	2,952,875.15
This is the cash flow statement referred to in our report of even date		
Notes: 1. Cash and cash equivalent represents cash and Bank balances		
2. Previous Year figures have been regrouped wherever necessary to confirm to Current years classification.		
For N.Venkatesan Associates	For and on behalf of the Board	
Chartered Accountants		
Firm Regn No:0046325		
Partner	S.Rathnavel	RM.Lakshmanan
Membership No.22021	Manager	Whole Time Director
Place:Chennai		AR.Ramanathan
		Managing Director
DATED:30.05.2013		

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILLED WITH THE STOCK EXCHANGE

1. Name of the Company	M/S. EURO LEDER FASHION LIMITED
2. Annual Financial Statements for the year ended	31.03.2013
3. Type of Audit observation	Unqualified
4. Frequency of observation	N.A
5. To be signed by- <input type="checkbox"/> CEO/MANAGING DIRECTOR <input type="checkbox"/> CFO <input type="checkbox"/> Auditor of the Company <input checked="" type="checkbox"/> Audit Committee Chairman	<p align="center"> For EURO LEDER FASHION LIMITED  Managing Director For N. VENKATESAN ASSOCIATES  N. VENKATESAN PARTNER M. no 22021 CHARTERED ACCOUNTANTS </p>

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