


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	31.03.2014
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	For EURO LEDER FASHION LTD. Managing Director
<input type="checkbox"/> Auditor of the Company	 For N. VENKATESAN ASSOCIATES
<input type="checkbox"/> Audit Committee	For EURO LEDER FASHION LIMITED Director

N. VENKATESAN M, M0
PARTNER
0522021
CHARTERED ACCOUNTANTS

For EURO LEDER FASHION LIMITED

DIRECTOR

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:

No.99 G.S.T.Road, Pallavaram, Chennai.600 043

Factories:

No.10,PP Amman Koil Street,nagalkeni Chennai600 044

R.N.Kandigai, Kacheepuram District-603 403

No24,S. Parganas Amtala,Kolkata-743398

Tel.044-42943204

044-42943202

044-42943203

Fax.044-42943222

Bankers

Canara Bank, Midcorporate Branch, Chennai.

NOTICE OF 22nd ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the Company will be held on Thursday, the 18th September 2014 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 2014 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 Auditors and fix their remuneration. In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions if any, of the Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the retiring Statutory Auditors, M/s. N. Venkatesan Associates, Chartered Accountants (ICAI Regn. No.004632S) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Third Annual General Meeting to be held after this meeting, subject to ratification in every subsequent Annual General Meeting, on remuneration to be fixed by the Board of Directors.”

SPECIAL BUSINESS:

3. To consider and if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 152(6), 196 read with Schedule V and other applicable provisions of the Companies Act 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force),the consent of the Company be and is hereby accorded to vary the existing terms and conditions of appointment of Shri. RM. Lakshmanan (DIN: 00039603), who was re-appointed as Whole Time Director of the Company not liable to retirement by rotation in the 20th Annual General Meeting held on 27th September,2012, to ‘director liable to retire by rotation’ and that the other terms and conditions of re-appointment of Shri. RM. Lakshmanan as Whole Time Director,shall remain same for the balance period of his tenure.”

4. To consider and if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri.P.S.Nathan (DIN: 02693617), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of two (2) consecutive years with effect from 18th September, 2014.”

“RESOLVED FURTHER THAT Shri. RM. Lakshmanan (DIN: 00039603), Whole Time Director of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

5. To consider and if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. S. Jambunath (DIN: 00077420), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of two (2) consecutive years with effect from 18th September, 2014.”

“RESOLVED FURTHER THAT Shri. RM. Lakshmanan (DIN: 00039603), Whole Time Director of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

6. To consider and if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. N. Meenakshi Sundaram (DIN: 00037917), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of two (2) consecutive years with effect from 18th September, 2014.”

“RESOLVED FURTHER THAT Shri. RM. Lakshmanan (DIN: 00039603), Whole Time Director of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

7. To consider and if though fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification and or re-enactment thereof) and in terms of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow for the purpose of business of the Company from time to time at their discretion, any sum or sums of money from any Bank/s or Financial Institutions/s, Firm/s, Body Corporate/s, other person/s up to a sum of Rs.45,00,00,000/- (Rupees Forty Five Crores Only) including all types of fund based and non-fund based facilities, notwithstanding that the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid up capital of the Company and its free reserves and that the board of directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to Interest, repayment, security or otherwise as they may, in their absolute discretion, think fit”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may in its sole and absolute discretion, deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise in

respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents as may be necessary, proper, desirable or expedient to give effect to this Resolution.”.

8. To consider and if though fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act 2013, (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage / charge all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained for securing the borrowings of the company subject to the limits approved under section 180(1)(c) of the Companies Act 2013.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution and to file relevant forms.”

By Order of the Board

Chennai
30.05.2014

AR.Ramanathan
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.

The Instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

2. Revenue stamp should be affixed on the Proxy form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's Signature may also be furnished in the Proxy Form, for identification purpose.
3. The Register of Members and Share Transfer Books will remain closed from 3rd September, 2014 to 18th September, 2014 (both days inclusive).
4. 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.
5. Members are requested to quote their Folio Number in the Correspondence.

6. 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.
7. 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.
8. Members are requested to hand over the attendance slip duly signed at the entrance of the meeting Hall.
9. Registration starts at 10.30 a.m. at Mahalaya Residency, No.114, GST Road,(Opposite to Areva) Pallavaram Chennai- 600 043 on Thursday the 18th September, 2014
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment.

11. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

The voting period begins on 11th day of September 2014 (09.00 a.m. IST) and ends on 13th day of September, 2014 (06.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14th day of August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant “EURO LEDER FASHION LIMITED” on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xix) **Other instructions:**

- (a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 14th day of August, 2014.
- (b) Mr. S. Ananthanarayan, Practicing Company Secretary (Membership No. FCS 2713), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (c) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (d) The results shall be declared on the date of AGM of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the website of CDSL.

(e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.3

The Board of the Company presently consists of three Independent Directors and two Non – Independent Directors. The Non – Independent directors namely Shri. AR. Ramanathan, Managing Director and Shri. RM. Lakshmanan, Whole Time Director are not liable to retirement by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act 2013 ("the Act"), unless the Articles of Association of the Company provides for retirement of all Directors by rotation, at least two-third of the total number of Directors shall be the persons whose period of office is liable to determination by retirement of Directors by rotation. Also, in terms of explanation to Section 152(6), Independent Directors appointed in terms of Section 149 of the Act are to be excluded for the purpose of calculating total number of Directors who are liable to retirement by rotation. Therefore, in order to comply with the aforesaid provision of the Act, the Company is now required to reconstitute the composition of its Board in a manner that it comprises of two-third of the total number of Directors whose period of office is liable to determination by retirement by rotation.

Accordingly, the Company is required to vary the terms of appointment of Shri. RM. Lakshmanan (DIN: 00039603), who was reappointed as Whole Time Director of the Company, at the Annual General Meeting of the Company held on 27.09.2012, to make him liable to retire by rotation in terms of Section 152 of the Act. Shri. RM. Lakshmanan has given his consent for above variation. Henceforth, the office of Shri. RM. Lakshmanan, Whole Time Director shall liable for determination by retirement by rotation. All other terms and conditions of his re-appointment shall remain same.

The above resolution is placed before the shareholders for their approval and the Board recommends passing of the resolution as an Ordinary resolution.

Shri. AR. Ramanathan being relative of Shri. RM. Lakshmanan and Shri. RM. Lakshmanan himself, are concerned or interested in the resolution set out at Item No.03.

Item No.4

Shri. P. S.Nathan (DIN: 02693617), aged 52 years, is a Non-Executive Independent Director of the Company. He Joined the Board of Directors of the Company in July, 1998. He is the Chairman of the Audit Committee of the Board of the Company.

Shri. P S Nathan is a post graduate in Management from the University of Madras. He has wide range of experience in the field of trading and other allied sectors.

Shri. P S Nathan has been Independent Director pursuant to Clause 49 of the Listing Agreement on the Board of the Company, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. Hence it is proposed to appoint Shri. P S Nathan as an Independent Director under Section 149 and Clause 49 of the Listing Agreement to hold office for two (2) consecutive years with effect from 18th September, 2014.

The Company has received notices in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. P S Nathan for the office of Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

In the opinion of the Board Shri. P S Nathan fulfills the conditions specified in the Act and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. P S Nathan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. P S Nathan as an Independent Director, for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Companies Act, 2013, Shri. P S Nathan shall not be liable to retire by rotation.

Shri. P S Nathan is not a Director in any other Company. He holds 9600 Shares in the Company.

Except Shri. P S Nathan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 04. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.5

Shri. S. Jambunath (DIN: 00077420), aged 44 years, is a Non-Executive Independent Director of the Company. He Joined the Board of Directors of the Company in June, 2002. He is the Member of the Audit Committee and Chairman of Shareholders Grievance Committee of the Board of the Company.

Shri. S. Jambunath is a Engineering graduate and specialised in Mechanical Engineering. He has wide range of experience in the field of Engineering.

Shri. S. Jambunath has been Independent Director pursuant to Clause 49 of the Listing Agreement on the Board of the Company, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. Hence it is proposed to appoint Shri. S. Jambunath as an Independent Director under Section 149 and Clause 49 of the Listing Agreement to hold office for two (2) consecutive years with effect from 18th September, 2014.

The Company has received notices in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. S. Jambunath for the office of Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

In the opinion of the Board Shri. S. Jambunath fulfills the conditions specified in the Act and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. S. Jambunath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. S. Jambunath as an Independent Director, for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Companies Act, 2013, Shri. S. Jambunath shall not be liable to retire by rotation.

Shri. S. Jambunath is not a Director in any other Company. He does not hold any Shares in the Company.

Except Shri. S. Jambunath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 05. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.6

Shri. N. Meenakshi Sundaram (DIN: 00037917), aged 54 years, is a Non-Executive Independent Director of the Company. He Joined the Board of Directors of the Company in June, 2004. He is the Member of the Audit Committee of the Board of the Company.

Shri. N. Meenakshi Sundaram is a Commerce graduate. He has wide range of experience in the Banking Sector.

Shri. N. Meenakshi Sundaram has been Independent Director pursuant to Clause 49 of the Listing Agreement on the Board of the Company, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. Hence it is proposed to appoint Shri. N. Meenakshi Sundaram as an Independent Director under Section 149 and Clause 49 of the Listing Agreement to hold office for two (2) consecutive years with effect from 18th September, 2014.

The Company has received notices in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. N. Meenakshi Sundaram for the office of Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

In the opinion of the Board Shri. N. Meenakshi Sundaram fulfills the conditions specified in the Act and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. N. Meenakshi Sundaram as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. N. Meenakshi Sundaram as an Independent Director, for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Companies Act, 2013, Shri. N. Meenakshi Sundaram shall not be liable to retire by rotation.

Shri. N. Meenakshi Sundaram is not a Director in any other Company. He does not hold any Shares in the Company.

Except Shri. N. Meenakshi Sundaram, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 06. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.7:

As per the provisions of Section 180(1)(c) of the Companies Act, 2013 the approval of members of the Company is required by way of Special Resolution to borrow amount (excluding the temporary loans availed in normal course of business) in excess of Paid up capital and Free Reserves. In order to meet the growing needs for working capital and capital expenditure the Company may be required to borrow money(ies) from any Bank/s or Financial Institutions/s, Firm/s, Body Corporate/s, other person/s, it is therefore necessary that the members pass a special resolution under Section 180(1)(c) of the Companies Act, 2013, as set out at Item No. 07 of the Notice, to enable the Board of Directors to borrow money in

excess of the aggregate of the Paid up capital and Free reserves of the Company.

Hence the approval of members is being sought by way of Special Resolution, to borrow not exceeding Rs. 45,00,00,000/- (Rupees Forty Five Crores Only) in excess of the aggregate paid up capital and free reserves of the Company.

None of the Directors and their relatives are concerned or interested in the resolution. The Board recommends the Special resolution for your approval.

Item No.8:

Section 180 (1) (a) of the Companies Act, 2013, provides inter-alia that the Board of Directors of the Company, shall not without consent of the members in General Meeting, sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company. For meeting growing needs for working capital and capital expenditure, the Company may be required to borrow money from any Bank/s or Financial Institutions/s, Firm/s, Body Corporate/s, other person/s. As a security, the Company may also be required to create Mortgage/Charge on Fixed Assets in favour of the lender(s). Hence it is proposed to pass Special Resolution under section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors or its committees to mortgage / charge the properties and/or the whole or substantially the whole of the undertaking of the Company as aforesaid to the lenders subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013.

None of the Directors and their relatives are concerned or interested in the resolution. The Board recommends the Special resolution for your approval.

DIRECTORS REPORT TO THE MEMBERS

Your Directors have pleasure in submitting their Twenty second Annual Report and that of the Auditors' together with the audited Balance Sheet as at 31st March 2014 and the Profit/Loss Account for the year ended on that date.

FINANCIAL PERFORMANCE		(Rs. in lakhs)
PARTICULARS	2014	2013
Total Income	6928.07	3861.26
Profit before Depreciation and Taxation	389.58	-4.35
Less:		
Depreciation	17.65	17.42
Profit before Tax	371.92	-21.78
Provision for Tax	18.11	0.90
Profit after Tax	353.81	-22.69
Profit brought forward	280.09	302.78
Profit available for appropriation	633.91	280.09
Profit/Loss carried to Balance Sheet	633.91	280.09

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 earned a total income of Rs.6928.07 lacs in 2013-2014 and earned a profit of Rs.61.44 lacs before tax. The company during the year sold land at Pallavaram and gain of Rs. 310.47 lacs. The total profit after tax has been Rs.353.81 lacs.

The heavy rains accompanied by unusually strong winds on 26.05.2013 damaged a portion of the factory building of the unit situated at Uttiramerur and caused damage to part of the machineries, electrical fittings, furniture, finished garments and bundles. The damage was assessed approximately at Rs.27,57,000/-. The Company has preferred an insurance claim which is under process.

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 2014-2015.

DIRECTORS

Pursuant to the notification of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, the existing Non-Executive Independent Directors of the Company, Shri. P. S. Nathan, Shri. S. Jambunath and Shri. N. Meenakshi Sundaram, are being appointed as Independent Directors for a period of two (2) consecutive years with effect from 18th September, 2014.

In order to fulfill the requirements of Section 152(6) of the Companies Act, 2013 ("the Act") the existing terms of appointment of Shri. R.M. Lakshmanan, Whole time Director is being varied by making him liable to retire by rotation in terms of Section 152 (6) of the Act, and all other terms and conditions of his reappointment shall remain the same.

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.

AUDITORS

M/s N Venkatesan Associates, Chartered Accountants, Chennai (FRN: 004632S), Statutory Auditors of the company, hold office until the conclusion of the ensuing Annual General meeting of the Company and are eligible for reappointment for a term of three years from the conclusion of the ensuing annual general meeting as per the provisions of companies act 2013 subject to ratification by shareholders in the annual general meeting every year. The company has received confirmation that their appointment will be within the limits prescribed under Section 139 read with section 141 of the Companies Act, 2013.

PUBLIC DEPOSITS

The company has not accepted any public deposits during the year.

COMPLIANCE CERTIFICATE

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

PARTICULARS OF EMPLOYEES

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.

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 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.

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 2014 is given below.

CONSERVATION OF ENERGY

	2014	2013
Electricity Consumed-Unit	289056	262778
Total Cost	Rs.3017329	Rs.1449401
Generator Fuel	Rs.2011556	Rs.2070871
Average Cost per unit	Rs.10.44	Rs.5.51
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.5454.01 lacs

Out Go:

Selling Expenses in Foreign Currencies: NIL

Foreign Travel Rs.3.66 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
30.05.2014

AR.Ramanathan
Managing Director

RM.Lakshmanan
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, 2014 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, Uttiramerur, Nagelkeni (Chennai) & Kolkata. 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 channeled 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

	2013-14	2012-13
SALES	Rs.5738.77	Rs.3462.23 Lacs
EXPORTS	Rs.5717.02	Rs.3316.55 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.4827/ 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.11 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
30.05.2014

For and on behalf of the Management

AR.Ramanathan.
Managing 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 comprises of Three (3) Independent Directors and Two (2) Non-Independent Executive Directors. The management of the affairs of the company is vested with Shri. A. R. Ramanathan, Managing Director and Shri.R.M.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.

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-a-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 on the following dates:

30th May, 2013, 31st July, 2013, 31st October, 2013 and 8th February, 2014

The attendance of the Directors at the meetings of the Board, in the last Annual General Meeting and memberships of Directors in other Boards and Board Committees are as follows:

Name of Director	No of Board meetings attended during the year 2013-14	Whether attended last AGM held on 21 st August 2013	No. of Directorship in other Public Companies under Companies Act	No. of Committee position in other Public Companies registered under Companies Act(*)
Shri.AR.Ramanathan	4	Yes	Nil	Nil
Shri.RM.Lakshmanan	4	Yes	Nil	Nil

Shri.P.S.Nathan	1	No	Nil	Nil
Shri.S.Jambunath	4	Yes	Nil	Nil
Shri.N.Meenakshi Sundaram	4	Yes	Nil	Nil

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).

AUDIT COMMITTEE

a) Terms of Reference:

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.

b) Composition & Meetings of Audit Committee:

The Audit Committee comprises of three (3) Independent Directors as on 31.03.2014. All the members of the Audit Committee have accounting, financial and management expertise.

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.

During the year, the Committee met four times on 30th May, 2013, 31st July, 2013, 31st October, 2013 and 8th February, 2014

Name of Directors	Status	No. of Meetings	
		Held	Attended
Shri.P.S.Nathan	Chairman	4	1
Shri.N.Meenakshi Sundaram	Member	4	4
Shri.S.Jambunath	Member	4	4

Remuneration Committee:

The Remuneration Committee consists of two Independent Directors Shri. S. Jambunath and Shri. N. Meenakshi Sundaram . Since the need has not arisen, no remuneration committee meeting was held during the year.

The details of remuneration paid to the Directors during 2013-14 are:

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 Sitting Fees for Board Meeting and Committee Meetings

Name	Amount (In Rs.)
Shri N. Meenakshi Sundaram	16,000/-
Shri. S. Jambunath	16,000/-
Shri. P. S. Nathan	4,000/

Shareholders Grievance Committee:

The Share holders Grievance committee comprises of one (1) Independent Director and one (1) Executive Director as on 31.03.2014. During the year, the Committee met five times on the following dates:

10th April, 2013, 10th June, 2013, 20th September, 2013, 20th February, 2014 and 31st March, 2014

Name of Directors	Status	No. of Meetings	
		Held	Attended
Shri. S.Jambunath	Chairman	5	5
Shri AR.Ramanathan	Member	5	5

The Shareholders Grievance Committee reviews the following:

- Transfer / Transmission of shares
- Issue of duplicate share certificate
- Review of shares dematerialized and all other related matters
- Monitors expeditious redressal of investors' grievances
- Non – receipt of Annual Report

During the year the Company has not received any grievance/complaint.

Shri.M.Nagendra is the Compliance Officer.

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 2013-2014”.

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.

Details of the last 3 Annual General Meetings are:

Date	Time	Venue
28.09.2011	11.00A M	Mahalaya Residency Pallavaram,Chennai
27.09.2012	11.15A M	Mahalaya Residency Pallavaram,Chennai
21.08.2013	11.00A M	Mahalaya Residency Pallavaram,Chennai

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority. During the year, no resolutions were passed through postal ballot.

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.

General Shareholder's Information:

- i) Annual General Meeting: 18th September, 2014
- ii) Financial year of the Company runs from 1st April to 31st March
- iii) Publication of quarterly results.

1 st Quarter	:End July
2 nd Quarter	:End October
3 rd Quarter	:Mid February
Audited Accounts	:End May
Annual General Meeting	:August/September
- iv) Date of Book Closure: 3rd September, 2014 to 18th September 2014 (both days Inclusive)
- v) The Company's equity shares are listed at the stock exchanges at Chennai and Mumbai. The Listing fee for the financial year 2014-2015 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 CDSL
- vi) The ISIN No of the Company is INE 940E01011
Bombay Stock Exchange code No 526468.
- vii) The Shares have not been traded regularly on any stock exchange during the year traded only in BSE.
Market Price data: Highest Rs 12.61
Lowest Rs 5.72
- viii) M/s. Cameo Corporate Services Ltd; No.1.Club House Road, Chennai.600 002 is the share transfer agents of the Company for both physical and dematerialized forms.

viii) Distribution of Share Holdings as on 31st March 2014

Category	No of Share Holders	%
Up to 5000	3864	81.7431
5001-10000	525	11.1064
10001-20000	211	4.4637
20001-30000	35	0.7404
30001-40000	31	0.6558
40001-50000	10	0.2115
50001-100000	21	0.4442
100000 and above	30	0.6346
TOTAL	4727	100

ix) Plant Location: The Company's factory is located at 99.G.S.T.Road, Pallavaram, No.10,PP Amman Koil Street,nagalkeni Chennai600 044 R.N.Kandigai Kacheepuram District-603 403 No24, Parganas Amtala,Kolkata-743398

x) Address for Correspondence:

No.99.G.S.T.Road,
Pallavaram,
Chennai.600 043
Phone: 044-42943204
044-42943203
044-42943202
FAX : 044-42943222

xi) Shareholding pattern as on 31st March, 2014

S.No	Category	No.of.shares held	% of Share holding
<u>1.Promoter's Holding</u>			
A.	Indian Promoters	1119495	25.0244
B	Persons acting in concert	654888	14.6389
<u>2.Non-Promoter's Holding</u>			
C	Mutual Funds and UTI	17800	0.3978
<u>3.Others</u>			
A	Private Corporate Bodies	50138	1.1207
B	Indian Public	2582089	57.7187
C	NRI/ OCBs	49190	1.0995
TOTAL		4473600	100.00

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

Non-Mandatory Requirements:

The Company has adopted the following non-mandatory requirements.

- The remuneration committee has been set up to determine the Company's policy on specific remuneration package for Executive Directors.
- 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 Managing Director 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
30.05.2014

AR.Ramanathan
Managing Director

RM.Lakshmanan
Whole Time Director

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 2014, 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 : 30.05.2014

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

(N.VENKATESAN)
Partner.
Membership No.22021

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, 2014. 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 30th May 2013, 31th July 2013, 31st October 2013 and 8th February 2014 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 7th august 2013 to 21st August 2013 during the year.
6. The annual general meeting for the financial year ended on 31st March 2013 was held on 21st August 2013 after giving due notice to the members of the Company and the resolutions passed thereat 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
19th May, 2014

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, 2014:

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	66	Proviso-383A(1)	Compliance Certificate	10/10/2013	No	Yes
2	20B	159	Annual Return	13/10/2013	Yes	No
3	23AC/23ACA	220	Balance Sheet & Profit & Loss A/c	13/10/2013	No	Yes

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, 2014, 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, 2014;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : 30.05.2014

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

(N.VENKATESAN)
Partner.
Membership No.22021

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, 2014.

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, a substantial part of fixed assets has not been disposed off by the Company during the year and the sale 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.

(b) 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 exceed five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arise.
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, 2014 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 losses at the end of the Financial Year and has not incurred cash losses in the financial year covered by our audit and has incurred cash loss 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, 2014, 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 : 30.05.2014

For N.VENKATESAN 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 2014

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. During the financial Year 2013-14 the Company has sold surplus land at Pallavaram amounting to Rs.371.19.

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/dropped 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 licence in respect of export made under DFIA (Duty Free Import Authorisation) basis. The import licence 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 actuarial) 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>31.3.2014</u>	<u>31.3.2013</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 dispute pending on appeal)	41,08,129	41,08,129
(b) Bills discounted with banks 9,83,17,055	9,85,26,158	
(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 heavy rain/Strongwind

Total Loss claimed with Insurance Company amounting to Rs.27,57,000 due to heavy rain/strong wind on 26/05/2013. The Company has preferred an insurance which is under process. The details are as follows

- a) Plant & Machinery value of Rs.13,00,000
- b) Furniture & Fitting value of Rs.2,00,000
- c) Bundles Rs.127500
- d) Garments Rs.1129500

The material consumed includes the loss of stock.

3. MANAGERIAL REMUNERATION:

Directors sitting Fees	36000	38,000
------------------------	-------	--------

(No sitting fees is paid to Managing Director and Whole time Director)

4. REMUNERATION TO MANAGING DIRECTOR AND WHOLE TIME DIRECTOR:

Salary	1728000	17,28,000
Other Perquisites	8,500	8,500
	-----	-----
Total	17,36,500	17,36,500
	-----	-----

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
(Paid to Smt.L Meenal wife of a Director)	
Rent Paid during the year	9,00,000

(B) RELATED PARTY DISCLOSURE

Nature of Relationship
(Wife of Whole time Director)

6. EARNING PER SHARE (EPS)

	31.3.2014	31.03.2013
Profit as per Profit & Loss account (Rs.In lacs).	371.92	-21.78
Weighted Average number of equity shares (in lacs)	33.99	33.99
Basic and Diluted Earnings Per Share (Rs. P).	10.94	-0.64
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	31.3.2014	31.3.2013
Leather Garments	Nos	1,50,000	1,50,000

Leather Goods		Nos	2,00,000	2,00,000
Actual production				
Leather Garments		Nos	117632	66725
Leather Goods	Nil	Nos	Nil	Nil

(b) Turnover	UNITS	Qty.	Rs	UNITS	Qty.	Rs.
Leather Garments	Nos	117910	569234497	Nos	64581	331654605
Leather	Sq.ft	52987.81	4642185	Sq.ft	96171.50	14568286

(C) Opening and Closing Stock of Goods

Opening Stock	UNITS	Qty.	Rs.	UNITS	Qty.	Rs.
Leather Garments	Nos	2760	98,58,550	Nos	616	15,94,800
Leather Goods	Nos	Nil	Nil	Nil	Nil	Nil
		-----	-----			-----
		2760	98,58,550			15,94,800
		-----	-----			-----

Closing Stock:						
Leather Garments		2482	82,55,700		2760	98,58,550
Leather Goods			Nil			Nil
		-----	-----			-----
			82,55,700			98,58,550
		-----	-----			-----

(d) Material Consumed	Sq. Ft	Rs.	Sq. Ft	Rs.
Leather	4876042.00	406039187	3628042.50	227375810
Other Accessories		57841987	Nil	42039228
		-----		-----
				463881175
		-----		-----
				269415039
		-----		-----

(E) Value of imported / indigenous material consumed

Imports-Landed Cos	7.34%	34048256	6.52%	17567167
Indigenous	92.66%	429832919	93.48 %	251847872
	-----		-----	
-				
	100%	463881175	100%	269415039
	-----		-----	

(f) Value of Imports on C.I.F basis	Nil	Nil
(g) Expenditure in Foreign Currency		
Selling Expenses	Nil	Nil
(h) Foreign Travel	3.66	4.47
(i) Earning in Foreign Currency		
Exports of goods on F.O.B. value	Rs. 5454.01 lakhs	3129.64 Lakhs

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

Place: Chennai
Date : 30.05.2014

EURO LEDER FASHION LIMITED
CIN: L18209TN1992PLC022134
No.99, G.S.T Road, Pallavaram, Chennai – 600043
Tel: 044-42943204 Fax: 044 –42943222 e-mail: euro_leder@yahoo.com

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:

E-mail Id:

Folio No./Client Id & DP. Id:

I/We, being the Member(s) ofshares of the above named Company, hereby appoint

1. Name : _____ Address : _____
Email Id : _____ Signature : _____, or failing him
2. Name : _____ Address : _____
Email Id : _____ Signature : _____, or failing him
3. Name : _____ Address : _____
Email Id : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on the 18th day of September, 2014 At 11.00 A.M. at Mahalaya Residency, No.114, GST Road (Opposite to Areva) Pallavaram, Chennai - 600043 and at any adjournment thereof in respect of such resolutions as are indicated below:

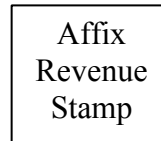
Resolution No.	Resolutions
1	Adopt Financial Statements for the year ended 31 st March 2014
2	Appointment of M/s. N Venkatesan Associates, Chartered Accountants as Statutory Auditors
3	Variation in terms of appointment of Mr. RM Lakshmanan, Whole time Director of the Company
4	Appointment of Mr. P.S Nathan as an Independent Director
5	Appointment of Mr. S Jambunath as an Independent Director
6	Appointment of Mr. N Meenakshi Sundaram as an Independent Director

7	Authority to borrow money not exceeding Rs. 45 Crores over and above the Paid Up Capital and Free Reserves
8	Authority to Charge/Mortgage assets of the Company up to limits approved under Section 180(1)(c) of Companies Act, 2013.

Signed this..... day of September 2014

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

EURO LEDER FASHION LIMITED

CIN: L18209TN1992PLC022134

No.99, G.S.T Road, Pallavaram, Chennai – 600043

Tel: 044-42943204 Fax: 044 –42943222 e-mail: euro_leder@yahoo.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

*DP ID :	Folio No :
*Client Id:	No. of Shares :

Name and Address of the Shareholder :

I hereby record my presence at the 22nd Annual general meeting of the Company held on Thursday the 18th day of September, 2014 At 11.00 A.M. at Mahalaya Residency, No.114, GST Road (Opposite to Areva) Pallavaram, Chennai – 600043

*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

M/S EURO LEDER FASHION LIMITED

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	2	33,990,332.40	33,990,332.40
b) Reserves and surplus	3	63,390,739.26	28,009,431.84
		97,381,071.66	61,999,764.24
Share application money pending allotment			-
Non-current liabilities			
a) Deferred tax liabilities (Net)	4	1,430,962.00	1,299,629.00
b) Other long term liabilities	5	2,519,338.24	568,354.14
c) Long term provisions	6	-	272,134.00
		3,950,300.24	2,140,117.14
Current liabilities			
a) Short-term borrowings	7	144,408,995.19	139,488,654.19
b) Trade payables	8	32,550,927.30	19,591,005.99
c) Other current liabilities	9	42,296,935.01	27,137,638.90
d) Short-term provisions	10	9,473,103.00	7,533,845.80
		228,729,960.50	193,751,144.88
Total		330,061,332.40	257,891,026.26
ASSETS			
NON CURRENT ASSETS			
<u>(a) FIXED ASSETS</u>			
I) Tangible Assets	11	18,417,346.04	24,338,519.54
II) Intangible assets			-
III) Capital work-in-progress	11	1,939,377.28	1,729,158.00
(b) Non Current Investments	12	8,751.00	8,751.00
(c) Long Term Loans and advances	13	15,811,556.52	14,463,825.53
		36,177,030.84	40,540,254.07
CURRENT ASSETS			
(a)Current Investments	14	950,000.00	450,000.00
b) Inventories	15	57,880,560.00	56,916,496.00
c) Trade receivables	16	131,292,797.00	117,373,612.50
d) Cash and cash equivalents	17	50,480,286.05	936,351.51
e) Short-term loans and advances	18	45,248,215.51	36,064,700.18
f) Other current assets	19	8,032,443.00	5,609,612.00

	293,884,301.56	217,350,772.19
Total	330,061,332.40	257,891,026.26

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:30.05.2014

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, 2014

Particulars	Note	Year ended March 31, 2014	Year ended March 31, 2013
Incomes			
Revenue from operations	20	634,165,766.50	383,536,268.00
Other income	21	58,641,918.20	2,589,700.00
Total Revenue		692,807,684.70	386,125,968.00
Expenses			
Cost of materials consumed	22	463,881,175.29	269,415,039.63
Purchases of Stock-in-Trade			-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	3,000,850.00	-9,661,750.00
Employee benefits expense	24	38,195,834.00	31,891,850.00
Finance costs	25	9,502,793.95	6,240,030.69
Depreciation and amortization expense	26	1,765,310.00	1,742,389.00
Other expenses	27	139,269,258.84	88,676,793.18
Total Expenses		655,615,222.08	388,304,352.50
Profit before tax		37,192,462.62	-2,178,384.50
Tax expense:			
Current tax		2,150,000.00	-
Deferred tax		131,333.00	90,212.00
Profit and loss appropriation account		-470,177.80	-
Profit and loss for the year		35,381,307.42	-2,268,596.50
Earnings per equity share:			
Basic		10.94	-0.64
Diluted		10.94	-0.64

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:30.05.2014

RM.Lakshmanan
Whole Time Director

AR.Ramanathan
Managing Director

Notes forming part of the Financial Statements for the year ended 31st March 2014

	Particulars	As at 31.03.2014	As at 31.03.2013
	Shareholders funds		Amount in Rs.
2	Share Capital		
	Authorized Capital 50,00,000 Equity Shares of Rs. 10/- each	50,000,000.00	50,000,000.00
	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	No of shares held	No of shares held
	Shri.RM.Lakshmanan	1,080,095.00	718,548.00
	% of holding	24.14	16.06
3	Reserves and Surplus		
	Opening balance	28,009,431.84	30,278,028.34
	Net Profit For the current year	35,381,307.42	-2,268,596.50
	Closing Balance	63,390,739.26	28,009,431.84
	NON CURRENT LIABILITIES		
4	Deferred tax liabilities (Net)		
	Related to Fixed assets	1,430,962.00	1,299,629.00
5	Other Long term Liabilities	2,519,338.24	568,354.14
6	Long term provisions		
	Provision for employee benefits	-	272,134.00
	TOTAL RS.	3,950,300.24	2,140,117.14
	CURRENT LIABILITIES		
7	a) Short Term Borrowings-Secured-Ref Note No.7.1&7.2		
	a) Packing Credits	13,570,000.19	8,771,999.19
	b) Bills negotiation with bank	98,526,158.00	98,317,055.00
	c) Packing Credits in Foreign Currency (In Rs.) (Temporary credits against L / C or order)	32,312,837.00	32,399,600.00
	TOTAL RS.	144,408,995.19	139,488,654.19
7.1	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	32,550,927.30	19,591,005.99
9	C) Other current liabilities		
	Statutory Dues	948,671.00	506,881.00
	Others	243,667.88	602,969.18
	#REF!	41,104,596.13	23,527,788.72
	land advance received	-	2,500,000.00
	TOTAL RS	42,296,935.01	27,137,638.90
10	D) 'Short-term provisions	9,473,103.00	7,533,845.80
	TOTAL CURRENT LIABILITIES	330,061,332.40	257,891,026.26

Notes forming part of the Financial Statements as on 31.03.2014

		31.03.2014	31.03.2013
	ASSETS		
	NON CURRENT ASSETS		
11	FIXED ASSETS		
	I) Tangible Assets	18,417,346.04	24,338,519.54
	II) Intangible assets	-	-
	III) Capital work-in-progress	1,939,377.28	1,729,158.00
	IV) Intangible assets under development	-	-
	V) Fixed assets held for sale		
	Total Rs.	20,356,723.32	26,067,677.54
	(b) Non Current Investments		
12	Trade Investments		
	Equity Shares -Fully Paid up		
	154 Shares in Lakshmi Vilas Bank Ltd	8,751.00	8,751.00
	(Aggregate Value of quoted invesment)		
	Total Rs.	8,751.00	8,751.00
13	(c) Long Term Loans and advances		
	Unsecured Considered Good		
	Capital Advances	-	-
	Security Deposits	3,880,329.52	5,241,888.53
	Total Rs.	3,880,329.52	5,241,888.53
	Other Loans and advances		
	Advance Income Tax	11,931,227.00	9,221,937.00
	Total Rs.	11,931,227.00	9,221,937.00
	Grand Total Rs.	15,811,556.52	14,463,825.53
	CURRENT ASSETS		
14	Current Investment		
	Canara Rebeco Gold Saving Fund	950,000.00	450,000.00
		950,000.00	450,000.00

15	Inventories (As Certified by the Managing Director)		
	Raw Materials including Scraps	44,333,789.00	41,050,429.00
	Consumables	5,291,071.00	4,609,517.00
	Work in Progress	1,970,000.00	1,398,000.00
	Finished Goods	6,285,700.00	9,858,550.00
	Total Rs.	57,880,560.00	56,916,496.00
16	Trade Receivables		
	Unsecured		
	Debts overdue for a period exceeding six months		
	- Considered Good (exceeds one year)	455,888.00	59,785.00
	- Doubtful		
	Other debts		
	- Considered Good (Current Year receivables)	130,836,909.00	117,313,827.50
	- Doubtful		
	Total Rs.	131,292,797.00	117,373,612.50
	Less: Provision for doubtful debts		
	Total Rs.	131,292,797.00	117,373,612.50
17	Cash and cash equivalents		
	Balances with banks		
	In Current Accounts	615,909.80	674,502.51
	In Deposit	49,859,968.55	253,030.55
	Cash on hand	4,407.70	8,818.45
	Total Rs.	50,480,286.05	936,351.51
18	Short term Loans and advances		
	Unsecured - Considered Good		
	Loans and advances to related parties		
	Loans and advances to employees	2,255,500.00	1,807,000.00
	Rent Deposits	4,901,500.00	2,412,500.00
	Value added Tax Input	27,855,655.98	12,432,795.19
	Other advances	10,235,559.53	19,412,404.99
	Total Rs.	45,248,215.51	36,064,700.18
	Less: Provision for doubtful debts		

	Total Rs.	45,248,215.51	36,064,700.18
19	F) Other Current assets		
	Duty Drawback Receivable	8,032,443.00	5,609,612.00
	Total Rs.	8,032,443.00	5,609,612.00
	TOTAL CURRENT ASSETS	309,704,609.08	231,823,348.72

20	Revenue from operations	Year ended 31 March 2014	Year ended 31 March 2013
	<i>SALE OF PRODUCTS</i>		
	Export Sales	571,079,962.00	325,156,542.00
	Local Sales	2,170,220.50	9,978,657.00
	CST Sales	4,000.00	4,290,242.00
	Second Sales	-	299,387.00
	Form H Sales	622,500.00	6,498,063.00
		573,876,682.50	346,222,891.00
	<i>OTHER OPERATING REVENUES</i>		
	Duty Draw Back received	44,552,685.00	20,083,325.00
	Import License Sold	15,736,399.00	17,230,052.00
	TOTAL	60,289,084.00	37,313,377.00
	TOTAL	634,165,766.50	383,536,268.00
21	Other Income		
	INTEREST INCOME		
	Interest received (F.D)	77,092.00	
	Interest from ICICI Bank	41.00	16,986.00
	Rental Income	81,000.00	99,000.00
	Other non-operating income (Job Work)		3,000.00
	Profit on Sale of Land	31,047,804.00	
	Exchange Difference	27,435,981.20	2,470,714.00
	TOTAL	58,641,918.20	2,589,700.00
22	Cost of materials consumed		
	(Ref Note No.27.2,27.3)		
	Materials Consumed- Leathers		
	Opening Stock	41,050,429.00	36,167,246.00
	Add : Purchases	409,322,547.47	232,258,993.96
		450,372,976.47	268,426,239.96
	Less : Closing Stock	44,333,789.00	41,050,429.00
	TOTAL	406,039,187.47	227,375,810.96
	Loss due to heavy rain-1257000		
	Materials Consumed- Consumables		
	Opening Stock	4,609,517.00	5,154,023.00
	Add : Purchases	55,339,074.82	35,888,053.40
		59,948,591.82	41,042,076.40
	Less : Closing Stock	5,291,071.00	4,609,517.00
		54,657,520.82	36,432,559.40
	Add : Chemical Purchase	3,184,467.00	5,606,669.27
		57,841,987.82	42,039,228.67
	TOTAL	463,881,175.29	269,415,039.63
23	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
	Increase/ (Decrease) In stock :-		
	Opening Stock		
	Finished Goods	9,858,550.00	1,594,800.00
	Work In Progress	1,398,000.00	-
		11,256,550.00	1,594,800.00
	Closing Stock		

	Finished Goods	6,285,700.00	9,858,550.00
	Work In Progress	1,970,000.00	1,398,000.00
	Increase / (Decrease In Stock)	3,000,850.00	-9,661,750.00
24	Employee Benefits Expense		
	Salaries and incentives		
	Directors Remuneration		
	Sri. A.R.Ramanathan Managing Director	720,000.00	720,000.00
	Sri. R.M.Lakshmanan Whole Time Director	360,000.00	360,000.00
	HRA To Directors :-		
	Sri. A.R.Ramanathan Managing Director	432,000.00	432,000.00
	Sri. R.M.Lakshmanan Whole Time Director	216,000.00	216,000.00
	Salaries & Wages	33,589,888.00	27,422,179.00
	Security Charges	517,690.00	519,325.00
	TOTAL	35,835,578.00	29,669,504.00
	Contributions to		
	Contribution to Provident fund	802,366.00	562,199.00
	Contribution to ESIC	209,116.00	70,416.00
	Staff welfare expenses	1,348,774.00	1,589,731.00
	TOTAL	2,360,256.00	2,222,346.00
	GRAND TOTAL	38,195,834.00	31,891,850.00
25	Finance costs		
	Interest Paid to Banks	5,335,180.49	3,089,134.47
	Bank Charges	4,167,613.46	3,150,896.22
	TOTAL	9,502,793.95	6,240,030.69
26	Depreciation and amortization expense		
	Depreciation	1,765,310.00	1,742,389.00
		1,765,310.00	1,742,389.00
27	Other expenses		
	Lease Rent	-	-
	Rent Paid	7,528,856.00	5,498,250.00
	Fees & Taxes	317,754.00	258,006.00
	Insurance	585,247.00	328,561.00
	Packing Material Consumed	222,140.60	558,583.43
	Air Freight & Transport Charges	26,108,670.69	18,359,316.47
	Export Agency Commission	14,089,890.00	12,721,680.00
	Selling expenses	6,541,014.00	-
	Postage,Telegram & Telephone	1,198,265.61	1,013,370.10
	Printing & Stationery	836,865.00	792,530.00
	Unclaimed Dividend-2004	-	581,067.20
	Travelling & Conveyance	631,821.00	1,099,836.00
	Travelling & Conveyance (including overseas)	366,779.00	
	Repairs & Maintenance :-		
	a. Building	647,109.00	147,070.00
	b. Computers	98,801.00	174,639.00
	c. Others	973,076.95	854,433.50
	d. Plant & Machinery	1,340,173.30	1,495,397.00
	Sitting Fees	36,000.00	38,000.00
	Advertisement Charges	23,062.50	39,731.50
	Professional Charges	414,476.00	395,430.00

Boarding and lodging expenses	43,957.00	2,837.00
Bad Debts Written Off	77,000.00	85,765.16
Donations	47,501.00	30,500.00
General Expenses	8,100.00	39,764.00
Service Tax paid	313,416.00	237,111.00
ECGC Premium	385,047.00	313,401.00
Vehicle Maintenance	1,447,797.00	1,263,522.00
Forward contract Loss	1,553,366.00	-
Export Promotion Expenses	134,723.79	379,265.98
Pooja Expenses	111,328.00	39,850.00
Interest paid	-	96,832.00
FST Charges	19,426.00	2,973.00
Office Maintanance	167,511.00	79,571.50
Books & Periodicals	2,060.00	2,680.00
Entertainment expenses	-	2,387.00
Loss on sale of assets	244,595.00	313,341.00
Loss on fire accidents	1,500,000.00	2,942,864.00
Inspection charges	1,096.00	10,055.00
Rounded off	-324.20	-144.19
Membership & Subscription	13,500.00	16,000.00
Power & Fuel	2,011,556.16	2,070,871.54
Electricity Charges	3,017,329.00	1,449,401.00
Labour Charges	42,643,171.70	27,121,791.22
Leather Processing Charges	8,447,150.44	1,044,974.50
Commission Paid	15,014,950.30	6,670,278.27
Audit Fees (Ref Note No.27.1)	105,000.00	105,000.00
TOTAL	139,269,258.84	88,676,793.18
27.1 Amount Paid / Payable to Auditors		
Audit Fees	75,000.00	75,000.00
Taxation	25,000.00	25,000.00
Certification fees	5,000.00	5,000.00
TOTAL	105,000.00	105,000.00
27.2 Raw material Consumed		
Leather- 4876042 SQ.FT & 3628042.50 Sq.Ft	406,039,187.47	227,375,810.96
Other Accessories	57,841,987.82	42,039,228.67
	463,881,175.29	269,415,039.63
27.3 Value of imported/indigeneous material consumed		
Import-Landed Cos-7.34% & 6.52%	34,048,256.00	17,567,167.00
Indigeneous-92.66% & 93.48%	429,832,919.29	251,847,872.63
Total -100%	463,881,175.29	269,415,039.63

Notes forming part of financial statements for the year ended 31st March 2014

NON CURRENT ASSETS

FIXED ASSETS		Gross Block				Depreciation				Net Block	
Sl.No	Particulars	As at	Additions	Deletions	As at	Up to	For the	Adjustment	As at	As at	As at
	Tangible Assets	01.04.2013			31.03.2014	01.04.2013	Year		31.03.2014	31.03.2014	31.03.2013
1	Land	5,244,423.00	-	5,244,423.00	-	-	-	-	-	-	5,244,423.00
2	Land Development	827,614.00	-	827,614.00	-	-	-	-	-	-	827,614.00
3	Plant & Machinery	13,314,742.67	2,876,655.00	1,300,000.00	14,891,397.67	4,116,028.20	644,142.00	-	4,760,170.20	10,131,227.47	9,198,714.47
4	Furniture & Fixtures	4,448,497.75	24,527.50	200,000.00	4,273,025.25	1,348,414.85	272,475.00	-	1,620,889.85	2,652,135.40	3,100,082.90
5	Motor Car	8,130,878.28	782,166.00	632,239.00	8,280,805.28	2,567,932.77	772,433.00	300,314.00	3,040,051.77	5,240,753.51	5,562,945.51
6	Computer	892,580.00	64,750.00	-	957,330.00	487,840.34	76,260.00	-	564,100.34	393,229.66	476,247.66
		32,858,735.70	3,748,098.50	8,204,276.00	28,402,558.20	8,520,216.16	1,765,310.00	300,314.00	9,985,212.16	18,417,346.04	24,410,027.54
7	Work In Progress	1,729,158.00	210,219.28		1,939,377.28	-	-	-	-	1,939,377.28	1,681,463.00
		1,729,158.00	210,219.28	-	1,939,377.28	-	-	-	-	1,939,377.28	1,681,463.00
	TOTAL	34,587,893.70	3,958,317.78	8,204,276.00	30,341,935.48	8,520,216.16	1,765,310.00	300,314.00	9,985,212.16	20,356,723.32	26,091,490.54
	Intangible Assets										
	TOTAL	-	-	-	-	-	-	-	-	-	-
	GRAND TOTAL	34,587,893.70	3,958,317.78	8,204,276.00	30,341,935.48	8,520,216.16	1,765,310.00	300,314.00	9,985,212.16	20,356,723.32	26,091,490.54

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014		
	Year ended 31.03.2014	Year ended 31.03.2013
A. Net Profit / (Loss) before extraordinary items and tax	37,192,462.00	-2,178,385.00
<i>Adjustments for:</i>		
Depreciation and amortisation	1,765,310.00	1,742,389.00
(Profit) / loss on sale / write off of assets		-
Finance costs	5,335,180.00	3,089,134.47
	7,100,490.00	4,831,523.47
Operating profit / (loss) before working capital changes	44,292,952.00	2,653,138.47
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	-964,064.00	-14,000,427.00
Trade receivables	-13,919,184.00	-75,256,961.50
Loans and advances	-15,604,077.00	-17,856,816.00
Other current assets		-
	-30,487,325.00	-107,114,204.50
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other current liabilities & Provisions	30,057,503.00	21,855,779.00
	30,057,503.00	21,855,779.00
Cash flow from extraordinary items		
Cash generated from operations	43,863,130.00	-82,605,287.03
Net income tax (paid) / refunds	2,150,000.00	1,300,000.00
Net cash flow from / (used in) operating activities (A)	46,013,130.00	-81,305,287.03
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-3,958,317.00	-6,517,861.00
Proceeds from sale of fixed assets	7,903,961.00	3,625,839.00
Net cash flow from / (used in) investing activities (B)	3,945,644.00	-2,892,022.00
C. Cash flow from financing activities		
Net increase / (decrease) in working capital borrowings	4,920,341.00	85,269,919.00
Finance cost	-5,335,180.00	-3,089,134.47
Net cash flow from / (used in) financing activities (C)	-414,839.00	82,180,784.53
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	49,543,935.05	-2,016,524.50
Opening Cash and cash equivalents as at 01.04.2013	936,351.51	2952875.15
Closing Cash and cash equivalents as at 31.03.2014	50,480,286.05	936,351.51
* Comprises:		
(a) Cash on hand	4,407.70	8,818.45
(b) Cheques, drafts on hand		
(c) Balances with banks		

(i) In current accounts	247,918.16	329,192.51
(ii) In EEFC accounts	367,991.64	345,310.00
(iii) In deposit accounts with original maturity of less than 3 months	49,859,968.55	253,030.55
(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)	50,480,286.05	936,351.51
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:004632S		
N.Venkatesan	RM.Lakshmanan	AR.Ramanathan
Partner	Whole Time Director	Managing Director
Membership No.22021		
Place:Chennai		
DATED:30.05.2014		